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2000-3 Arapaho Road

R.O.W. Litigious Documents (4125 Centurion) - 2004

Handwritten initials

Oxford

ESSELITE

NO. 753 1/3

10%



COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



#10

ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

April 27, 2004

**VIA FACSIMILE (214) 855-8898
AND REGULAR U.S. MAIL**

Ms. Janine Barber
Republic Title Company
2626 Howell Street, 10th Floor
Dallas, Texas 75204

**Re: Your File No. 02R14036/SJ6
Midway Centurion, Ltd. as Seller to Town of Addison, Texas as Buyer**

Dear Janine:

In connection with the above-referenced transaction, on which you worked with John Hill with our office, the Town of Addison has determined that it needs additional property and the parties are in the process of negotiating an Amendment to the Easement Agreement. A field note description and a survey depiction for the additional property are attached. I would appreciate it if your office could provide me a Title Commitment for this additional property at your earliest opportunity.

Please give me a call if you have any questions and thanks for your help.

Sincerely,

Angela K. Washington

AKW/yjr
Attachment

c(w/Enc.): Mr. Mike Murphy
(w/o Enc.) Mr. Kenneth Dippel

EXHIBIT A

Easement
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0097 acre (422 square foot) tract of land situated in the W.H. Witt Survey, Abstract Number 1609, Town of Addison, Dallas County, Texas, and being a portion of a called 3.4654 acre tract of land conveyed to Midway Centurion, Ltd. as evidenced by the deed recorded in Volume 2002041, Page 07792 of the Deed Records of Dallas County, said called 3.4654 acre tract being all of "Lot 4, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat recorded in Volume 79029, Page 0984 of said Deed Records, said 0.0097 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at a 5/8 inch iron rod with cap found at the Northeast corners of said called 3.4654 acre tract, said Lot 4, and a called 0.9387 acre perpetual easement and right of way for Arapaho Road granted to the Town of Addison, Texas as evidenced by the deed recorded in Volume 2003042, Page 09806 of said Deed Records, said rod being located in the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation as evidenced by the deed recorded in Volume 91008, Page 1390 of said Deed Records, as it intersects the West right of way line of Midway Road (100 feet wide);

THENCE, SOUTH 00°58'35" EAST, departing said lines and along the common East lines of said called 3.4654 acre tract and said called 0.9387 acre tract and West right of way line of said Midway Road, a distance of 13.57 feet (called 13.73 feet) to a capped 5/8 inch iron rod found for the beginning of a tangent curve to the right;

THENCE, SOUTHERLY, continuing along said lines and the arc of said curve to the right having a radius of 904.93 feet, a central angle of 04°08'31", a chord bearing South 01°05'04" West for 65.40 feet, for an arc distance of 65.42 feet to a capped 5/8 inch iron rod found for the Southeast corner of said called 0.9387 acre tract;

THENCE, NORTH 89°58'49" WEST, departing said lines and along the South line of said called 0.9387 acre tract, a distance of 17.52 feet to the Northeast corner and **POINT OF BEGINNING** of the herein described tract;

EXHIBIT A

THENCE, SOUTH 00°01'11" WEST, departing said line, a distance of 9.60 feet to the Southeast corner of the herein described tract;

THENCE, NORTH 89°58'49" WEST, a distance of 44.00 feet to the Southwest corner of the herein described tract;

THENCE, NORTH 00°01'11" EAST, a distance of 9.60 feet to the Northwest corner of the herein described tract in the South line of said called 0.9387 acre tract;

THENCE, SOUTH 89°58'49" EAST, along said South line a distance of 44.00 feet to **POINT OF BEGINNING**;

CONTAINING an area of 0.0097 acres or 422 square feet of land within the metes recited.

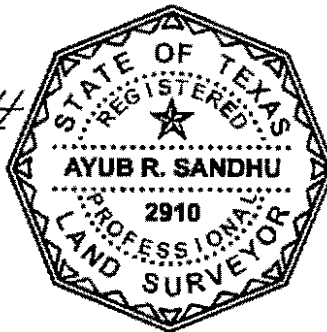
All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 2-27-64

Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	04°08'31"	904.93'	65.42'	S 01°05'04" W - 65.40'

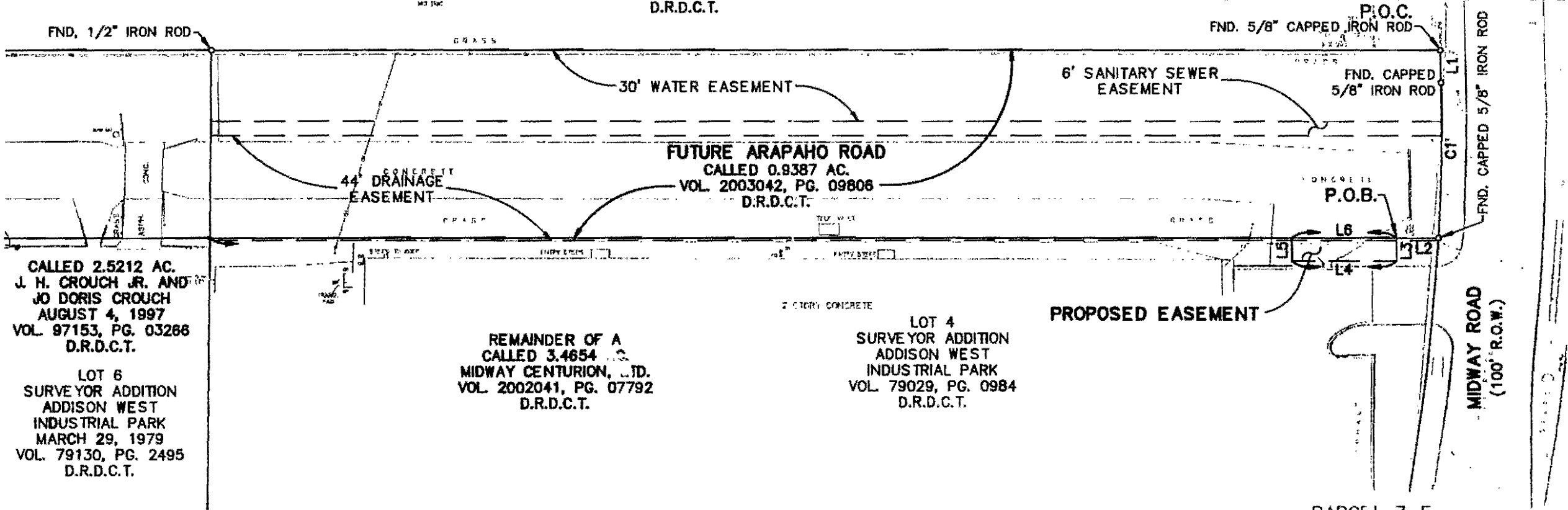
EXHIBIT A



LINE TABLE				
LINE	BEARING	CALLED	DIST	CALLED
L1	S 00°58'35" E	-	13.57'	13.73'
L2	N89°58'49"W	-	17.52'	-
L3	S00°01'11"W	-	9.60'	-
L4	N89°58'49"W	-	44.00'	-
L5	N00°01'11"E	-	9.60'	-
L6	S89°58'49"E	-	44.00'	-

**W.H. WITT SURVEY
A-1609**

DALLAS AREA RAPID TRANSIT
PROPERTY ACQUISITION CORPORATION
(100' R.O.W.)
DECEMBER 27, 1990
VOL. 91008, PG. 1390
D.R.D.C.T.



CALLED 2.5212 AC.
J. H. CROUCH JR. AND
JO DORIS CROUCH
AUGUST 4, 1997
VOL. 97153, PG. 03266
D.R.D.C.T.

LOT 6
SURVEYOR ADDITION
ADDISON WEST
INDUSTRIAL PARK
MARCH 29, 1979
VOL. 79130, PG. 2495
D.R.D.C.T.

REMAINDER OF A
CALLED 3.4654 AC.
MIDWAY CENTURION, LTD.
VOL. 2002041, PG. 07792
D.R.D.C.T.

LOT 4
SURVEYOR ADDITION
ADDISON WEST
INDUSTRIAL PARK
VOL. 79029, PG. 0984
D.R.D.C.T.

NOTES:

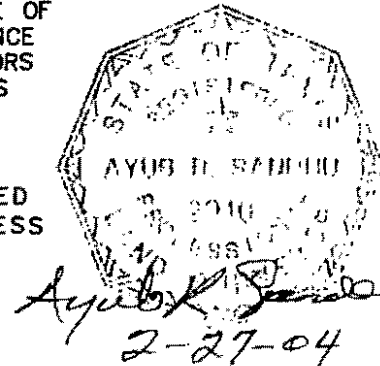
ALL EASEMENTS SHOWN ARE TAKEN FROM THE PLATS INDICATED HEREON. THE SURVEYOR DID NOT ABSTRACT THE SUBJECT PROPERTY SO ALL EASEMENTS MAY NOT BE SHOWN.

ALL BEARINGS ARE REFERENCED TO THE NORTH RIGHT OF WAY LINE OF CENTURION WAY, CALLED S 89°51'55" E, ACCORDING TO THE FINAL PLAT OF LOT 3, SURVEYOR ADDITION, RECORDED IN VOL. 77173, PAGE 135, D.R.D.C.T.

A LEGAL DESCRIPTION OF EVEN SURVEY DATE HERewith ACCOMPANIES THIS PLAT.

I HEREBY CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND, THAT THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF SURVEY AND THAT THIS PROFESSIONAL SERVICE CONFORMS TO THE CURRENT TEXAS SURVEYORS ASSOCIATION STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION II SURVEY.

- DENOTES A FOUND POINT AS INDICATED
- DENOTES A 5/8" IRON ROD SET UNLESS OTHERWISE NOTED



PARCEL 7-E
A PLAT OF A
0.0097 ACRE (422 SQ. FT.)
TRACT OF LAND
IN THE W.H. WITT SURVEY
ABSTRACT NO. 1609
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.

25th
Anniversary
1978-2003

COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

October 31, 2003

VIA FACSIMILE (214) 855-8848
AND REGULAR MAIL

PLEASE
FILE


Ms. Patricia A. Sherman Bruce, Esq.
Vice President
Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas, TX 75204-4064

**RE: Parcel 10 (4125 Centurion Way, L.P.), Arapaho Extension of Road Project
Your File No. GF 02R14044/SJ6**

Dear Patricia:

Enclosed is the Agreed Judgment entered by the Court regarding the above-referenced property. This Judgment should be sufficient to transfer the property and release any portion of the drainage easement that is not obtained by the Town of Addison in fee simple. Please set a closing date, prepare closing statements, and any other necessary documents at your earliest convenience. Thank you for your assistance.

Sincerely,


Angela K. Washington

AKW/yjr
Enclosure

c(w/Enc.): Mr. Bill Blackburn
Mr. Mike Murphy
Mr. Steve Chutchian
(w/o Enc.) Mr. Ken C. Dippel

CAUSE NO. 03-2155-C

TOWN OF ADDISON,
Plaintiff

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§
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§
§
§

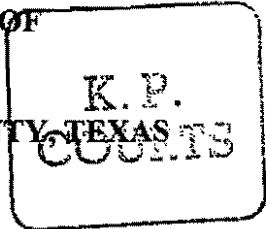
IN THE COUNTY COURT

V.

AT LAW NO. 3 OF

4125 CENTURION WAY, L.P., et al.
Defendants

DALLAS COUNTY, TEXAS



AGREED JUDGMENT

ON THIS DAY in the above entitled and numbered cause came the TOWN OF ADDISON, referred to in this Judgment as Plaintiff, by and through its attorneys of record, and came Defendant Landowner; referred to as Defendants, by and through their respective attorneys of record, and the parties having presented evidence as well as an agreement for compromise and settlement to the Court, and the Court having considered the same, together with the pleadings on file in this cause, made the following determinations and findings:

That Plaintiff filed with this Court on February 24, 2003, a Petition in Condemnation wherein it prayed for the acquisition, through proceedings in eminent domain for a fee simple parcel of land, consisting of 15,960 square feet or 0.3664 acres for the construction, relocation, and extension of Arapaho Road, a public street in Addison, Texas, and for a Temporary Construction Easement;

That this Court appointed three disinterested freeholders who reside in Dallas County, Texas, as Special Commissioners, who subsequently met, took their oaths of office, set a date for the hearing before the Commissioners and caused notice of that hearing to be served as prescribed by law;

That Plaintiff filed with this Court on August 27, 2003, its First Amended Original Petition in Condemnation wherein Plaintiff again prayed for a fee simple parcel of land,

162 1629

consisting of 15,960 square feet or 0.3664 acres for the construction, relocation, and extension of Arapaho Road, a public street in Addison, Texas; enlarged the Temporary Construction Easement area prayed for to allow for reconfiguration and re-striping of the parking lot on the remainder; and added Defendants Miller Park Associates Limited Partnership and Texas Capital Bank, National Association;

That after an agreed resetting of the Commissioners' hearing from June 5, 2003, to August 27, 2003, the Commissioners rendered their decision in writing, awarding the sum of FORTY SEVEN THOUSAND TWO HUNDRED THIRTY-FOUR DOLLARS AND NO/100 (\$47,234.00) to Defendants;

That all prerequisites have been completed and all preliminary steps have been taken to confer jurisdiction on this Court, whether or not listed specifically in this Judgment, and that this cause is regularly in this Court for trial and disposition;

That Plaintiff has the right to condemn and acquire the property sought in this proceeding and described in Plaintiff's First Amended Original Petition in Condemnation on file in this cause, said petition being attached to this Judgment as Exhibit A and incorporated by reference;

That Plaintiff, for purposes of avoiding damages during construction, adopted Ordinance No. 003-024 on August 12, 2003, attached hereto as Exhibit B, authorizing parking along street right-of-way in the 4100 Block of Centurion Way (which block constitutes the entire length of Centurion Way) from November 1, 2003 through November 30, 2005, and providing that the City Council may by resolution extend the allowance of such parking for a time period up to May 31, 2006, if the construction, relocation and extension of the roadway for which the property is acquired is not complete by November 30, 2005, and the City Council determines that such construction continues to affect parking for businesses located on Centurion Way;

That the only matters at issue between Plaintiff and Defendants in this cause is the market value of the property condemned and acquired, and damages, if any, to the Defendants' remaining property;

That the parties have agreed that this cause should be compromised and settled for the total amount of FORTY SEVEN THOUSAND TWO HUNDRED THIRTY-FOUR DOLLARS AND NO/100 (\$47,234.00), an amount representing full and complete payment for the value of the land and improvements acquired in fee, for the Temporary Construction Easement and for any and all damages that may be due to Defendants as a result of Plaintiff's acquisition of the property;

That as additional consideration for the approval and acceptance of this Agreed Judgment, the parties agree to the following terms:

The Condemnor TOWN OF ADDISON shall reconfigure and re-stripe the parking area on the remainder as shown on Exhibit C, which reconfiguring and re-striping will comply with the Code of Ordinances of the Town of Addison. Additionally, because the Town's fee simple acquisition pursuant to these proceedings and the design of the culvert to be used for drainage purposes will reduce the amount of area needed for drainage purposes, the Town will release any portion of its current drainage easement area not acquired in fee simple herein to the underlying fee owner.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by this Court:

I.

That the 15,960 square feet or 0.3664 acres described in Plaintiff's First Amended Original Petition in Condemnation on file in this cause, said description attached hereto as Exhibit D to this Judgment, be and are hereby vested out of all LANDOWNERS and the other

named Defendants and are hereby vested in the TOWN OF ADDISON, a municipal corporation, in fee simple.

II.

That any portion of the 50' drainage easement currently owned by the Town of Addison and described in this paragraph that is not located over, under, or through the property herein awarded to the Town in fee simple is released to the fee owner of the property over, under, or through which the easement exists. Said easement being described by reference in a General Warranty Deed, Bill of Sale and Assignment of Leases and Contracts, filed of record on the 12th day of October, 1983, in Volume 83200, Page 558 as follows:

Fifty foot (50') drainage easement running east and west thirty feet (30') south of north line of tract and a three foot (3') proposed sanitary sewer along entire east property line as shown on Powell & Powell Engineers Survey dated January, 1979.

III.

That a Temporary Construction Easement as described in Exhibit E, attached hereto to be used during construction for work areas including the removal of improvements located within the right-of-way being acquired, for other related construction uses and for reconfiguring and re-striping the parking lot on the remainder is hereby vested in the TOWN OF ADDISON, a municipal corporation, for such purposes for a period of thirty (30) months in duration, said months to run from the date of possession by the Plaintiff of the easement, and to expire automatically on the completion of the thirtieth (30th) month after possession by Plaintiff.

IV.

That the Defendant LANDOWNERS, 4125 Centurion Way, L.P., Williams Winslow, L.L.C., John A. Winslow, individually and as officer of Williams Winslow, L.L.C., Comerica Bank-Texas, John M. Killian, Trustee, C.E. Seal II, Trustee, Harbour Group, Inc., Miller Park

Associates Limited Partnership, Texas Capital Bank, National Association, Tax Assessor-Collector of Dallas County, and Dallas Independent School District are jointly entitled and hereby awarded a judgment against Plaintiff in the total amount of FORTY SEVEN THOUSAND TWO HUNDRED THIRTY-FOUR DOLLARS AND NO/100 (\$47,234.00) less any and all amounts necessary to convey clear title by way of the payment and/or satisfaction of all taxes, liens, and any other encumbrances on the Subject acquired property.

V.

IT IS HEREBY ORDERED AND ADJUDGED by this Honorable Court that the Defendant Landowners and taxing entities shall be entitled to withdraw from the Registry of the Court FORTY SEVEN THOUSAND, TWO HUNDRED THIRTY-FOUR DOLLARS AND NO/100 (\$47,234.00) to the extent of their respective interests in the event said amount is deposited into the Registry of the Court due to the inability of the title company (such company to be chosen by the Plaintiff) to obtain all necessary releases or disclaimers to clear and insure title to the property, and that no further order shall be required of the Clerk before the issuance of the check payable to the Defendants, save and except the statutory fees for withdrawal of monies from the Court's Registry. If the chosen title company is able to obtain all releases or disclaimers necessary to clear and insure title to the property, deposit of the funds into the Registry of the Court will not be necessary.

VI.

That all costs of Court incurred in this cause be taxed against the party incurring same. That the Plaintiff, TOWN OF ADDISON, has fully paid the cost of filing suit, costs of process, the costs provided for in the Commissioners' Cost Bill; payment of such expenses is herein acknowledged. It is expressly understood that the Plaintiff, TOWN OF ADDISON, shall bear all

costs associated with the closing on this Subject Property with the title company of its choice should it deem such costs reasonable or necessary, in its sole discretion.


VII.

It is further agreed by the terms of the Judgment that all attorneys' fees incurred in the prosecution and/or defense of this action shall be borne by the party incurring same.

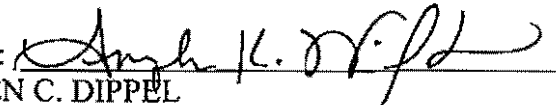
SIGNED this 27 day of October, 2003.


JUDGE, County Court at Law No. 3,
Dallas County, Texas

APPROVED AS TO FORM AND AGREED AS TO SUBSTANCE:

By: 
WILLIAM M. BLACKBURN
State Bar No. 02390000
9400 n. Central Expressway, Suite 1616
Dallas, Texas 75231
(214) 368-7911 (Telephone)
(214) 265-7008 (Telecopier)

COUNSEL OF RECORD FOR
DEFENDANTS 4125 CENTURION WAY,
L.P. and MILLER PARK ASSOCIATES
LIMITED PARTNERSHIP

By: 
KEN C. DIPPEL
State Bar No. 05893000
City Attorney for Town of Addison
ANGELA K. WASHINGTON
State Bar No. 20897155
Assistant City Attorney for Town of Addison
COWLES & THOMPSON, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202
(214) 672-2000 (Telephone)
(214) 672-2020 (Telecopier)

ATTORNEYS FOR PLAINTIFF
TOWN OF ADDISON

EXHIBIT A

P. 1 OF 15

CAUSE NO. 03-2155-C

RECEIVED
2007
BY

TOWN OF ADDISON

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IN THE COUNTY COURT

V.

AT LAW NUMBER 3

4125 CENTURION WAY, L.P., ET AL.

DALLAS COUNTY, TEXAS

PLAINTIFF'S FIRST AMENDED ORIGINAL PETITION IN CONDEMNATION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW the Town of Addison, hereinafter referred to as Plaintiff, having by law the right of eminent domain and power of condemnation, acting herein by and through its duly elected City Council (the "Council"), for and on behalf of the Town of Addison, and files this its First Amended Original Petition In Condemnation complaining of 4125 Centurion Way, L.P.; Williams Winslow, L.L.C.; John A. Winslow, individually and as officer of Williams Winslow, L.L.C.; Comerica Bank-Texas; John M. Killian, Trustee; C. E. Seal, II, Trustee; and Harbour Group, Inc., hereinafter referred to as Defendants; and for cause of action Plaintiff respectfully represents to the Court as follows:

I.

The Plaintiff, Town of Addison, a municipal corporation, has determined that the public necessity requires that certain land should be acquired from the Defendants herein.

II.

The Defendants are owners or claimants of some current or possible interest in the property being acquired who have been identified by diligent search by Plaintiff. Their respective addresses for service of process are:

4125 Centurion Way, L.P.
4125 Centurion Way
Addison, Texas 75001
Williams Winslow, L.L.C.

EXHIBIT A

P. 2 OF 15

4125 Centurion Way, Suite 200
Addison, Texas 75001-4347

John A. Winslow
4125 Centurion Way
Addison, Texas 75001-4347

Comerica Bank-Texas
c/o Marge Owen
1508 W. Mockingbird Lane
M/C 6535
Dallas, Texas 75235

John M. Killian, Trustee
Comerica Bank
3551 Hamlin Road
M/C 7410
Auburn Hills, Michigan 48326

Melinda Chausse
Comerica Bank-Texas
1601 Elm Street, 4th Floor
M/C 6507
Dallas, Texas 75201

C. E. Seal, II, Trustee
5005 LBJ Freeway, Suite 170
Dallas, Texas 75244

C.E. Seal, II, Trustee
5814 Joyce Way
Dallas, Texas 75225

Harbour Group, Inc.
4125 Centurion Way, Suite 200
Addison, Texas 75001-4347

Miller Park Associates Limited Partnership,
a Texas limited partnership by MJO Properties,
Inc., a Texas Corporation, its General Partner
through its president and representative Michael J.
Ochstein

Texas Capital Bank, National Association
2100 McKinney, Suite 900
Dallas, Texas 75201

Dallas County, Texas
Earl Bullock, County Clerk
Records Building, 2nd Floor
Dallas, TX 75202

Dallas Independent School District
3700 Ross Avenue
Dallas, TX 75204

III.

The public purpose of the acquisition is for the construction, relocation and extension of Arapaho Road, a public street in Addison, Texas, as well as for a temporary construction easement to be utilized in the building of said street and for such other purposes as described herein for a period of thirty (30) months.

IV.

The Addison City Council has by resolution determined that a fee simple estate is necessary for the construction, relocation and extension of the above-specified new street project. The land to be acquired in fee will be used for such purposes as specified in Paragraph III. The temporary construction easement will be used for thirty (30) months from the date of possession by Plaintiff as specified in Paragraph VII and returned to the owner thereof.

V.

Plaintiff is entitled to condemn the fee title in such land for said purposes and asks that it be condemned for such purposes.

VI.

The fee simple estate being acquired for the street is described in Exhibit "A," attached hereto and made a part of this petition for all purposes.

EXHIBIT A

P. 4 OF 15

VII.

Exhibit "B," attached hereto and made a part of this petition for all purposes, describes a temporary construction easement to be used during construction for work areas including the removal of improvements located within the right-of-way being acquired, for other related construction uses and for reconfiguring and re-striping the parking lot on the remainder as shown on Exhibit "C." attached hereto and made a part hereof, which reconfiguring and re-striping will comply with the Code of Ordinances of the Town of Addison and avoid possible damages to the remainder. All improvements will be removed from the temporary construction easement and it will be returned to its pre-existing grade and condition except that no improvements will be reconstructed thereon other than those parking area improvements on the remainder shown on Exhibit "C." This temporary construction easement will be thirty (30) months in duration, said months to run from date of possession by the Plaintiff of the easement, and to expire automatically on the completion of the thirtieth (30th) month after possession by Plaintiff.

VIII.

Further to avoid and/or minimize any potential claims of permanent damages to the remainder by the present or future owners of the subject property, the Town of Addison has provided to the Landowners the parking scheme hereinabove described and provided as Exhibit "C" to this action. The Town of Addison with Landowner's consent shall agree to repave and re-stripe the parking areas depicted in such Exhibit "C." Further, as an inducement to such Agreement, the Town of Addison herein represents and maintains that this parking scheme is in accordance with all existing and current ordinances that provide the parking regulations for uses to which the subject property is currently zoned and being utilized and occupied by the Landowners.

EXHIBIT A

P. 5 OF 15

IX.

Plaintiff would show that additionally, in an effort to avoid damages during construction, the City Council of the Town of Addison adopted Ordinance No. 003-024 on August 12, 2003, attached hereto as Exhibit "D," authorizing parking along street right-of-way in the 4100 Block of Centurion Way (which block constitutes the entire length of Centurion Way) from November 1, 2003 through November 30, 2005, and providing that the City Council may by resolution extend the allowance of such parking for a time period up to May 31, 2006, if the construction, relocation and extension of Arapaho Road is not complete by November 30, 2005, and the City Council determines that such construction continues to affect parking for businesses located on Centurion Way.

X.

Plaintiff would show, that prior to the filing of this action through its duly authorized agents, it made bona fide attempts to purchase the required property from the defendant owners, that Plaintiff offered the fee owner fair market value as compensation for the property to be acquired, including damages to the remainder, if any, and that the parties have been unable to agree upon the sums to be paid for the purchase of this land or damages occasioned by the acquisition of the land and improvements, if any. Plaintiff would further show that as a part of its good faith negotiations, Plaintiff offered to reconfigure and re-stripe the parking area on the remainder as discussed in Paragraph VII and Paragraph VIII to this pleading. In addition, Plaintiff adopted Ordinance No. 003-024, providing for parking along street right-of-way, as discussed in Paragraph IX. If the parties are unable to reach agreement, Plaintiff would ask that special commissioners in this cause be asked thereafter to assess all amounts due to Defendants for the part taken and damages, if any.

EXHIBIT A

P. 6 OF 15

XI.

Plaintiff has named all known record owners of the land to be condemned and any potential parties of interest. Plaintiff reserves the right to add additional parties if such interests should later appear.

XII.

On August 27, 2002, the City Council of the Town of Addison passed a resolution declaring that public convenience and necessity require that the property described in Exhibit "A" be acquired for the public purpose of construction, relocation, and extension of a public street, to wit Arapaho Road. The resolution further authorized the filing of the condemnation suit on behalf of the Plaintiff as provided by law.

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Special Commissioners heretofore appointed determine the compensation to be awarded to the Defendants, that a hearing be held as the parties that were properly noticed agreed, such to occur on August 27, 2003 and the Commissioners render an award to be filed with the Court, that writ of possession issue to Plaintiff and that upon final trial, if such be necessary, Plaintiff be awarded a judgment vesting fee simple title to the land described in Exhibit "A" in the Town of Addison, granting a construction easement in the land described in Exhibit "B" for thirty (30) months from the date of possession, and that fair market compensation including damages, if any, be awarded to Defendants.

Plaintiff further prays for costs of court and for such other and further relief, both general and special, as Plaintiff may be entitled to receive.

EXHIBIT A

P. 7 OF 15

Respectfully submitted,

COWLES & THOMPSON, P.C.

901 Main Street, Suite 4000

Dallas, Texas 75202

(214) 672-2000

Fax: (214) 672-2020

Ken C. Dippel

City Attorney for Town of Addison

State Bar No. 05893000

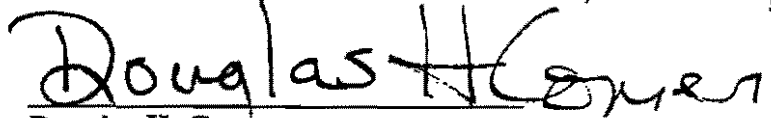
Angela K. Washington

Assistant City Attorney for Town of Addison

State Bar No. 20897155

LAW OFFICES OF BOYLE & LOWRY, P.C.

By:



Douglas H. Conner

State Bar No. 04694000

4301 Wingren, Suite 108

Irving, Texas 75062

(972) 650-7100

Fax: (972) 650-7105

TRIAL ATTORNEY FOR PLAINTIFF

TOWN OF ADDISON, TEXAS

H:\DK\onner\4125 Centurion Way\1st Amended PIC.DOC

EXHIBIT A

EXHIBIT A

P. 9 OF 15

Parcel 10
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.3664 acre (15,960 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.3664 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at an "X" in concrete set in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, NORTH 89°58'49" WEST, departing said common line and along the proposed South right of way line of Arapaho Road, a distance of 202.14 feet to a 5/8 inch iron rod set in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

EXHIBIT A

P. 10 OF 15

PARCEL 10 - ARAPAHO ROAD PROJECT

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed North right of way line of Arapaho Road and the South right of way line of said DART railroad, said point being the common Northwest corner of said called 1.3713 acre tract and Northeast corner of said called 1.103 acre tract, from said point a 1/2 inch iron rod found bears South 45°10'16" East a distance of 0.38 feet

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the common North line of said called 1.3713 acre tract, proposed North right of way line of Arapaho Road, and South right of way of said DART railroad, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING;**

CONTAINING an area of 0.3664 acres or 15,960 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99

Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

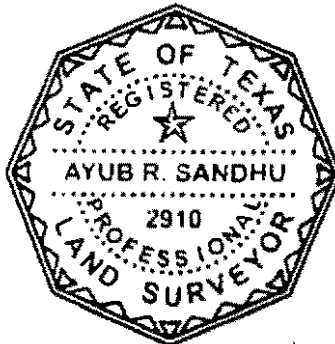


EXHIBIT A

P. 11 OF 15

Parcel 10-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.2552 acre (11,118 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.2552 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records said corner being in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a point in the proposed South right of way line of Arapaho Road for the Northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, SOUTH 00°08'05" WEST, continuing along said common line, a distance of 55.00 feet to the Southeast corner of the herein described tract;

Exhibit B

162 1645

EXHIBIT A

P. 12 OF 15

PARCEL 10-TE - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said common line, a distance of 202.14 feet to the Southwest corner of the herein described tract and being in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 55.00 feet to the Northwest corner of the herein described tract and being in the said proposed South right of way line of Arapaho Road;

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the said proposed South right of way line of Arapaho Road, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING**;

CONTAINING an area of 0.2552 acres or 11,118 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 6-14-02
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

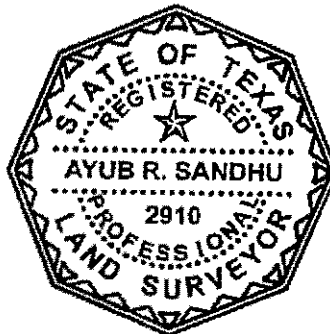
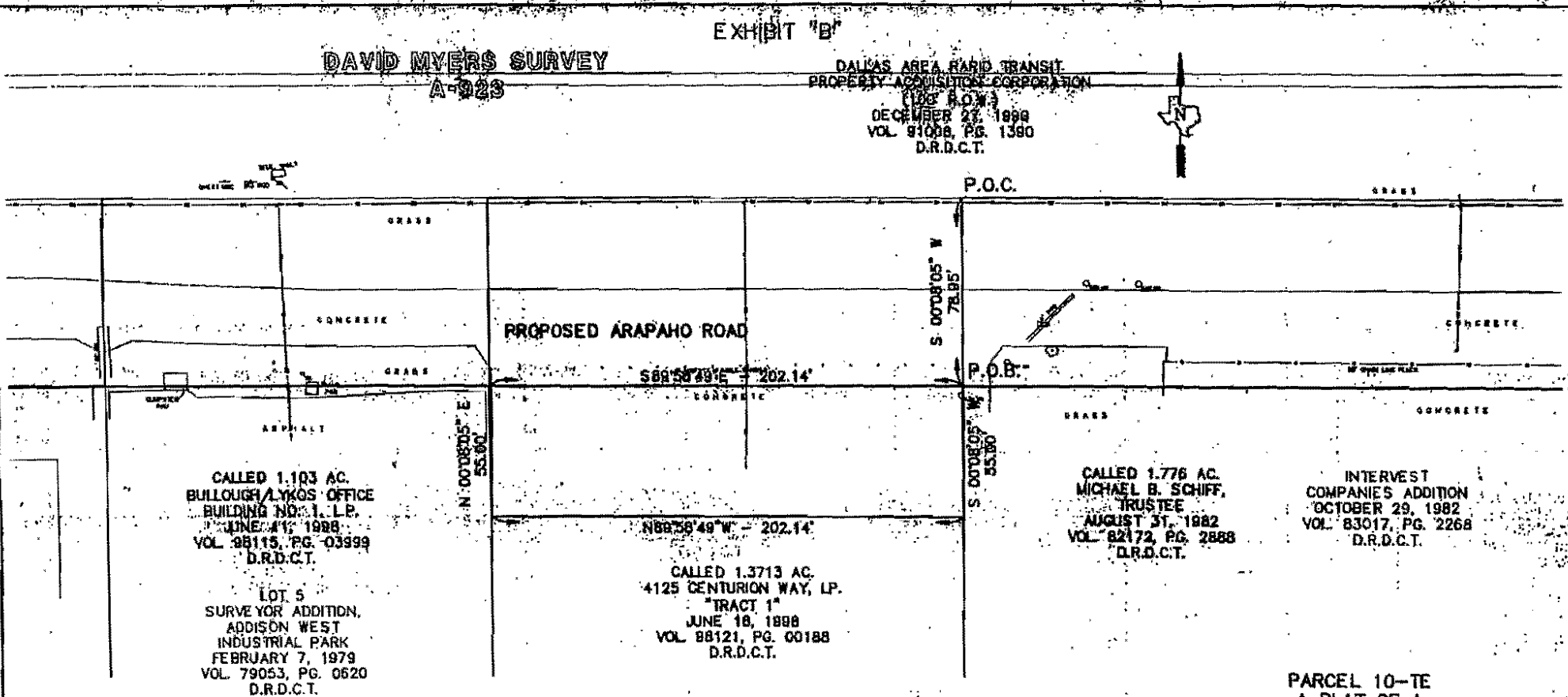


EXHIBIT "B"

DAVID MYERS SURVEY
A-923

DALLAS AREA RAPID TRANSIT
PROPERTY ACQUISITION CORPORATION
120' R.O.W.
DECEMBER 27, 1988
VOL. 91008, PG. 1390
D.R.D.C.T.



CALLED 1.103 AC.
BULLOUGH/LYKOS OFFICE
BUILDING NO. 1, L.P.
JUNE 11, 1988
VOL. 98115, PG. 03999
D.R.D.C.T.

LOT 5
SURVEYOR ADDITION,
ADDISON WEST
INDUSTRIAL PARK
FEBRUARY 7, 1979
VOL. 79053, PG. 0620
D.R.D.C.T.

CALLLED 1.3713 AC.
4125 CENTURION WAY, LP.
"TRACT 1"
JUNE 18, 1988
VOL. 88121, PG. 00188
D.R.D.C.T.

CALLLED 1.776 AC.
MICHAEL B. SCHIFF,
TRUSTEE
AUGUST 31, 1982
VOL. 82172, PG. 2888
D.R.D.C.T.

INTERVEST
COMPANIES ADDITION
OCTOBER 29, 1982
VOL. 83017, PG. 2268
D.R.D.C.T.

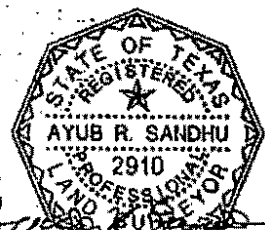
NOTES:

ALL EASEMENTS SHOWN ARE TAKEN FROM THE PLATS INDICATED
HEREON. THE SURVEYOR DID NOT ABSTRACT THE SUBJECT
PROPERTY SO ALL EASEMENTS MAY NOT BE SHOWN.

ALL BEARINGS ARE REFERENCED TO THE NORTH RIGHT OF WAY
LINE OF CENTURION WAY, CALLED S 89°51'55" E, ACCORDING TO
THE FINAL PLAT OF LOT 3, SURVEYOR ADDITION, RECORDED IN
VOL. 77173, PAGE 135, D.R.D.C.T.

A LEGAL DESCRIPTION OF EVEN SURVEY DATE HERewith
ACCOMPANIES THIS PLAT.

- DENOTES A FOUND POINT AS INDICATED
- DENOTES A 5/8" IRON ROD SET UNLESS OTHERWISE NOTED
- PROPOSED RIGHT OF WAY LINE



PARCEL 10-TE
A PLAT OF A
0.2552 ACRE (11,118 SQ. FT.)
TRACT OF LAND
IN THE DAVID MYERS SURVEY
ABSTRACT NO. 923
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.

EXHIBIT A

P. 14 OF 15

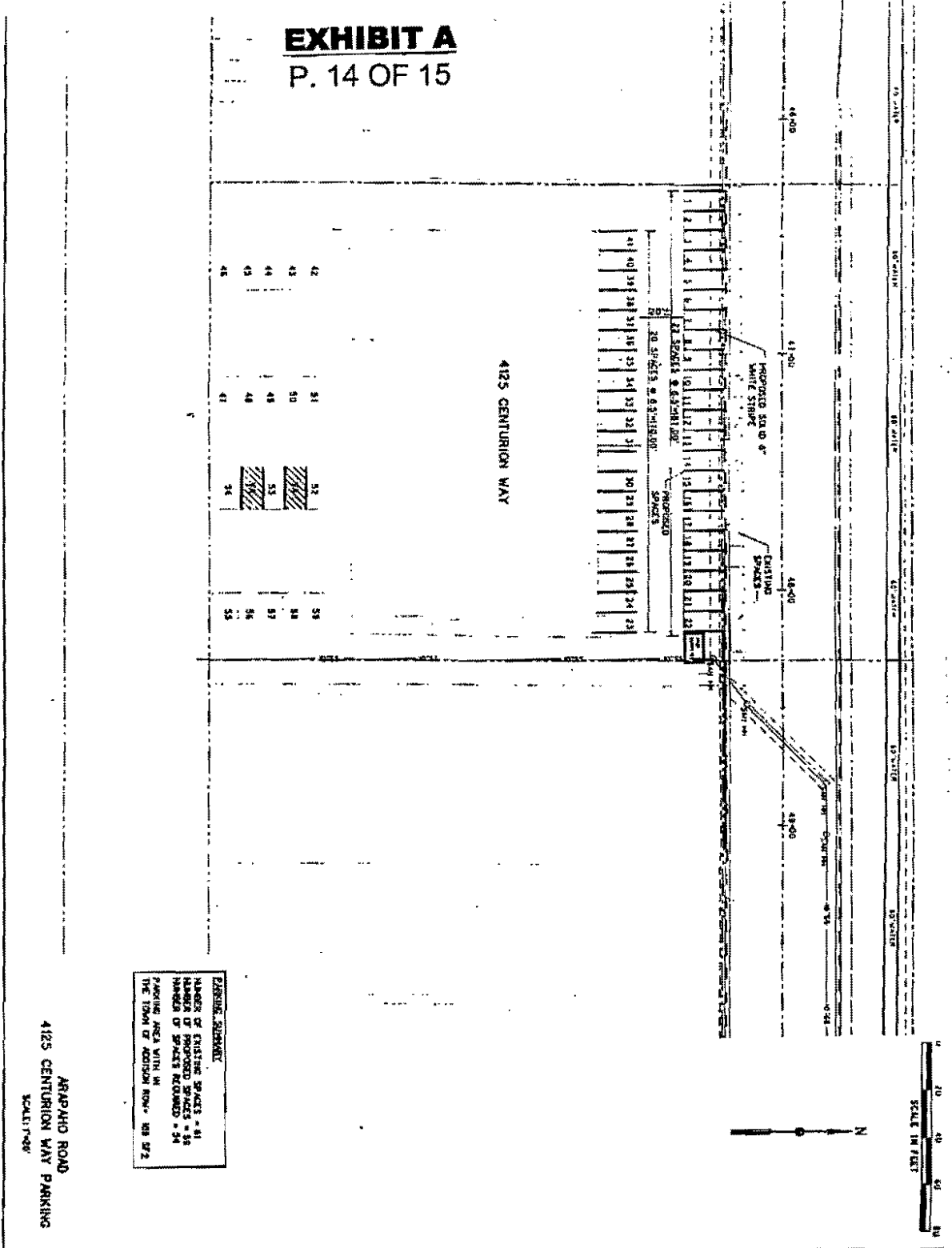


Exhibit C

162 1648

ORDINANCE NO. 003-024

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING PARKING ALONG STREET RIGHT-OF-WAY IN THE 4100 BLOCK OF CENTURION WAY FOR A DEFINED TIME PERIOD; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas is currently in the process of acquiring property for the construction, relocation and extension of Arapaho Road, a public street in Addison, Texas; and

WHEREAS, such construction, relocation and extension could affect available off-street parking for certain businesses located on Centurion Way within Addison, Texas; and

WHEREAS, the City Council of the Town of Addison, Texas is of the opinion that the best interest and welfare of the public is served by allowing parking along street right-of-way in the 4100 block of Centurion Way during such construction to lessen any affect the construction might have on available off-street parking for businesses located on Centurion Way; Now, Therefore,

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

Section 1. That except during the hours between 2:00 a.m. and 6:00 a.m., parking is allowed along street right-of-way in the 4100 block of Centurion Way beginning November 1, 2003 through November 30, 2005.

Section 2. That if the construction, relocation and extension of Arapaho Road is not complete by November 30, 2005, and the City Council determines that such construction continues to affect parking for businesses located on Centurion Way, the Council may by resolution extend the allowance of parking along street right-of way in the 4100 block of Centurion Way as provided herein for an additional time period, said time period not to extend beyond May 31, 2006.

Section 3. That this ordinance shall take effect immediately upon passage and it is so ordained.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this 12th day of August, 2003.



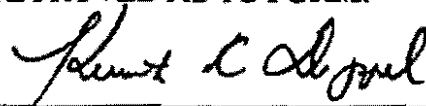
R. Scott Wheeler, Mayor

ATTEST:



Carmen Moran, City Secretary

APPROVED AS TO FORM:



Ken Dipple, City Attorney

EXHIBIT B

P. 1 OF 1

ORDINANCE NO. 003-024

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING PARKING ALONG STREET RIGHT-OF-WAY IN THE 4100 BLOCK OF CENTURION WAY FOR A DEFINED TIME PERIOD; AND PROVIDING AN EFFECTIVE DATE.

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WHEREAS, the City Council of the Town of Addison, Texas is of the opinion that the best interest and welfare of the public is served by allowing parking along street right-of-way in the 4100 block of Centurion Way during such construction to lessen any affect the construction might have on available off-street parking for businesses located on Centurion Way; Now, Therefore,

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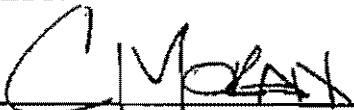
Section 3. That this ordinance shall take effect immediately upon passage and it is so ordained.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this 12th day of August, 2003.



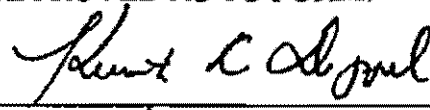
R. Scott Wheeler, Mayor

ATTEST:



Carmen Moran, City Secretary

APPROVED AS TO FORM:



Ken Dipple, City Attorney

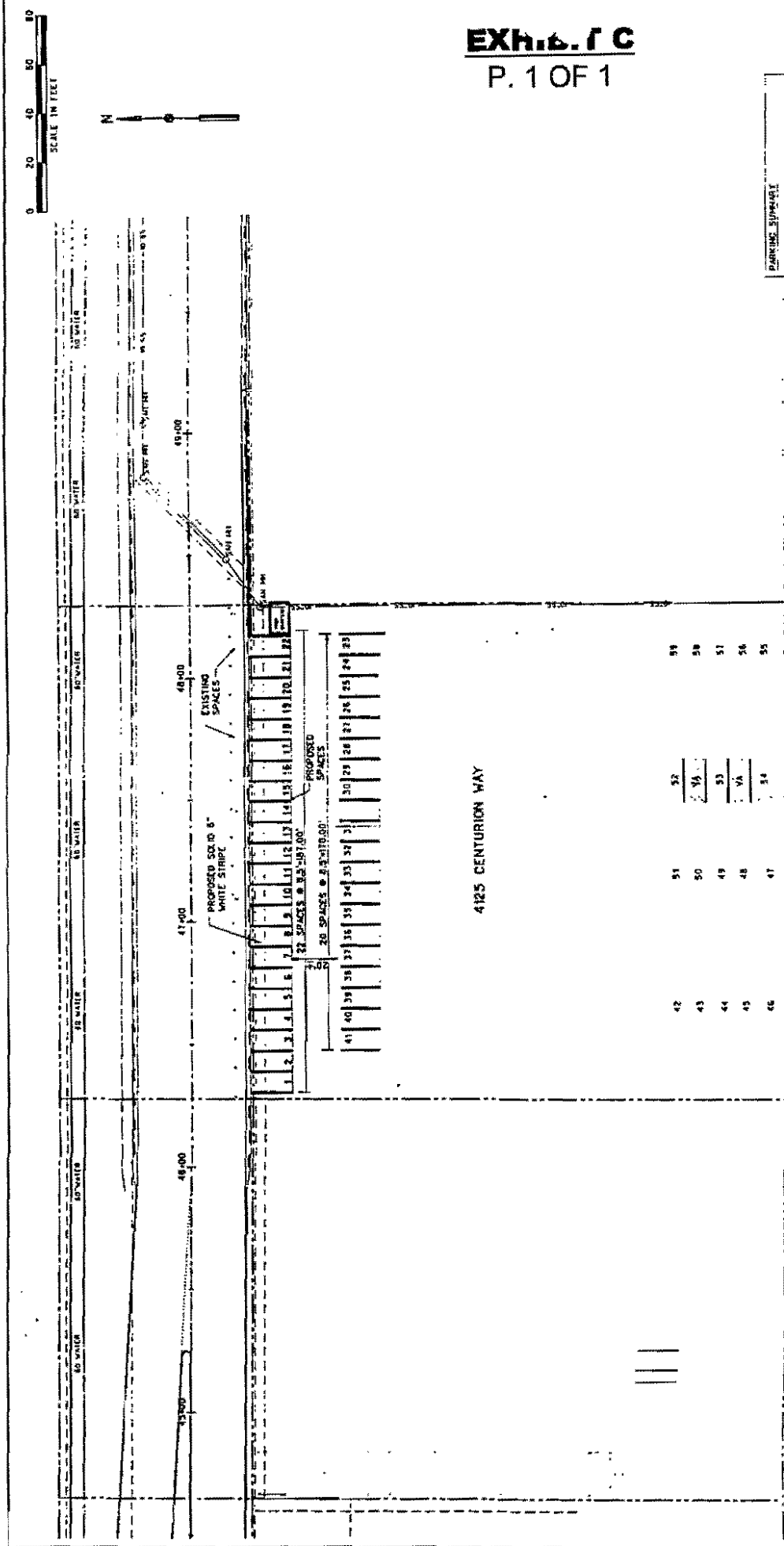
EXHIBIT C

P. 1 OF 1

ARAPAHO ROAD
4125 CENTURION WAY PARKING

SCALE 1" = 20'

PARKING SIGNAGE
 NUMBER OF EXISTING SPACES = 61
 NUMBER OF PROPOSED SPACES = 59
 NUMBER OF SPACES REQUIRED = 54
 PARKING AREA WITH IN
 THE TOWN OF ADDISON, ROW 100 ST 2



41	40	39	38	37	36	35	34	33	32	31	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1																		
59	58	57	56	55	54	53	52	51	50	49	48	47	46	45	44	43	42	41	40	39	38	37	36	35	34	33	32	31	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1

162 1651

EXHIBIT D

P. 1 OF 2

Parcel 10
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.3664 acre (15,960 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.3664 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at an "X" in concrete set in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, NORTH 89°58'49" WEST, departing said common line and along the proposed South right of way line of Arapaho Road, a distance of 202.14 feet to a 5/8 inch iron rod set in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

EXHIBIT D

P. 2 OF 2

PARCEL 10 - ARAPAHO ROAD PROJECT

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed North right of way line of Arapaho Road and the South right of way line of said DART railroad, said point being the common Northwest corner of said called 1.3713 acre tract and Northeast corner of said called 1.103 acre tract, from said point a 1/2 inch iron rod found bears South 45°10'16" East a distance of 0.38 feet

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the common North line of said called 1.3713 acre tract, proposed North right of way line of Arapaho Road, and South right of way of said DART railroad, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING**;

CONTAINING an area of 0.3664 acres or 15,960 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

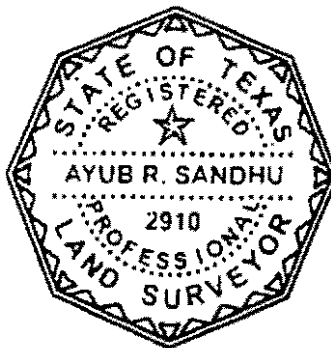


EXHIBIT E

P. 1 OF 2

Parcel 10-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.2552 acre (11,118 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.2552 acre tract of land being more particularly described by metes and bounds as follows;

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THENCE, SOUTH 00°08'05" WEST, continuing along said common line, a distance of 55.00 feet to the Southeast corner of the herein described tract;

Exhibit B

EXHIBIT E

P. 2 OF 2

PARCEL 10-TE - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said common line, a distance of 202.14 feet to the Southwest corner of the herein described tract and being in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

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THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the said proposed South right of way line of Arapaho Road, a distance of 202.14 feet (called 202.11 feet) to the POINT OF BEGINNING;

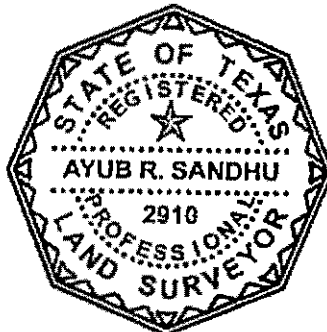
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A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 6-14-02
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



162 1655



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

August 1, 2003

VIA FACSIMILE (972) 650-7105

Mr. Douglas H. Conner
Boyle & Lowry
4201 Wingren, Suite 108
Irving, TX 75062

RE: Parcel 10 (4125 Centurion Way, LP) - Arapaho Extension of Road Project

Dear Doug:

Enclosed is a draft ordinance authorizing parking along Centurion Way during the construction of Arapaho Road. Please review the draft ordinance and let me know if you have any questions or changes. I have also provided the draft to Addison's Prosecuting Attorney for his comments. I will advise as to any changes that he suggests.

Sincerely,

Angela K. Washington

AKW/yjr
Attachment

c(w/Enc.): Mr. Mike Murphy
 Mr. Steve Chutchia
 Mr. Kenneth Dippe

GET
PLEASE
FILE
MK



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

August 1, 2003

VIA FACSIMILE (972) 233-3093

Mr. Larry McCallum
City Prosecutor
4560 Beltline Road, Suite 320
Addison, TX 75001

RE: Ordinance Authorizing On-Street Praking

Dear Larry:

As we discussed, enclosed is a draft Ordinance authorizing parking along street right-of-way in the 4100 Block of Centurion Way for a certain time period. Please review and provide me with your comments.

Sincerely,

Angela K. Washington

AKW/yjr
Attachment

c(w/Enc.): Mr. Mike Murphy
 Mr. Steve Chutchian
 Mr. Kenneth Dippel w/firm

DRAFT

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING PARKING ALONG STREET RIGHT-OF-WAY IN THE 4100 BLOCK OF CENTURION WAY FOR A DEFINED TIME PERIOD; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas is currently in the process of acquiring property for the construction, relocation and extension of Arapaho Road, a public street in Addison, Texas; and

WHEREAS, such construction, relocation and extension could affect available off-street parking for certain businesses located on Centurion Way within Addison, Texas; and

WHEREAS, the City Council of the Town of Addison, Texas is of the opinion that the best interest and welfare of the public is served by allowing parking along street right-of-way in the 4100 block of Centurion Way during such construction to lessen any affect such construction might have on available off-street parking for businesses located on Centurion Way;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. That except during the hours between 2:00 a.m. and 6:00 a.m., parking is allowed along street right-of-way in the 4100 block of Centurion Way beginning November 1, 2003 through November 30, 2005.

Section 2. That if the construction, relocation and extension of Arapaho Road is not complete by November 30, 2005, and the City Council determines that such construction continues to affect parking for businesses located on Centurion Way, the Council may by resolution extend the allowance of parking along street right-of way in the 4100 block of Centurion Way as provided herein for an additional time period, said time period not to extend beyond May 31, 2006.

Section 4. That this ordinance shall take effect immediately upon passage and it is so ordained.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this _____ day of _____, 2003.

MAYOR

ATTEST:

APPROVED AS TO FORM:

CITY SECRETARY

CITY ATTORNEY

AUG-01-2003 12:04

COWLES & THOMPSON

2146722020 P.01/03

25th Anniversary
1978-2003

COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



FACSIMILE COVER PAGE

Date: August 1, 2003 Time: _____

Total Number of Pages (including this sheet): 3

Normal/Rush: Normal Client/Matter #: 3195/62390

TO:	(1) Doug Conner	FAX: 972.650.7105	PHONE:
	(2) Mike Murphy	FAX: 972.450.2837	
	(2) Steve Chutchian	FAX: 972.450.2837	

FROM: Angela K. Washington Direct Dial #: (214) 672-2144

MESSAGE: RE: Parcel 10 (4125 Centurion Way, LP) - Arapaho Extension of Road Project

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION,

*SEE
PLEASE
FME
Mh*

629

IMPORTANT CON- entity to which it is Thompson which n If the reader of this delivering the mer distribution, or co communication in will be happy to a at no cost to you.

ne use of the individual or m the law firm of Cowles & losure under applicable law. ree, or agent responsible for fied that any dissemination, If you have received this number (214) 672-2000. We nited States Postal Service,

DALLAS TYLER

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AUG-01-2003 12:04

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25th Anniversary
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A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

August 1, 2003

VIA FACSIMILE (972) 650-7105

Mr. Douglas H. Conner
Boyle & Lowry
4201 Wingren, Suite 108
Irving, TX 75062

RE: Parcel 10 (4125 Centurion Way, LP) - Arapaho Extension of Road Project

Dear Doug:

Enclosed is a draft ordinance authorizing parking along Centurion Way during the construction of Arapaho Road. Please review the draft ordinance and let me know if you have any questions or changes. I have also provided the draft to Addison's Prosecuting Attorney for his comments. I will advise as to any changes that he suggests.

Sincerely,

Angela K. Washington

AKW/yjr
Attachment

c(w/Enc.): Mr. Mike Murphy
Mr. Steve Chutchian
Mr. Kenneth Dippel w/firm

DRAFT

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING PARKING ALONG STREET RIGHT-OF-WAY IN THE 4100 BLOCK OF CENTURION WAY FOR A DEFINED TIME PERIOD; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas is currently in the process of acquiring property for the construction, relocation and extension of Arapaho Road, a public street in Addison, Texas; and

WHEREAS, such construction, relocation and extension could affect available off-street parking for certain businesses located on Centurion Way within Addison, Texas; and

WHEREAS, the City Council of the Town of Addison, Texas is of the opinion that the best interest and welfare of the public is served by allowing parking along street right-of-way in the 4100 block of Centurion Way during such construction to lessen any affect such construction might have on available off-street parking for businesses located on Centurion Way;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. That except during the hours between 2:00 a.m. and 6:00 a.m., parking is allowed along street right-of-way in the 4100 block of Centurion Way beginning November 1, 2003 through November 30, 2005.

Section 2. That if the construction, relocation and extension of Arapaho Road is not complete by November 30, 2005, and the City Council determines that such construction continues to affect parking for businesses located on Centurion Way, the Council may by resolution extend the allowance of parking along street right-of way in the 4100 block of Centurion Way as provided herein for an additional time period, said time period not to extend beyond May 31, 2006.

Section 4. That this ordinance shall take effect immediately upon passage and it is so ordained.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this _____ day of _____, 2003.

MAYOR

APPROVED AS TO FORM:

ATTEST:

CITY ATTORNEY

CITY SECRETARY



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

July 25, 2003

VIA HAND DELIVERY

Mr. Douglas H. Conner
Boyle & Lowry
4201 Wingren, Suite 108
Irving, TX 75062

RE: Parcel 10 (4125 Centurion

SEE
PLEASE
FIVE min
ject

Dear Doug:

Enclosed are the following documents:

1. A revised Parking Plan removing the one-way indicators;
2. A description of the fee simple right-of-way to be acquired by the Town;
3. A description of the Temporary Easement needed if an agreement is reached whereby the Town is to redesign the parking area;
4. A description of the Temporary Construction Easement needed if no agreement is reached between the parties.

If an agreement is reached and the Town redesigns the parking area pursuant to the enclosed plan, it is my understanding that a portion of the parking area will be located on a portion of the Town's existing easement. The area of overlap will be approximately six inches in size. There has been some discussion regarding conveying this area to the property owner. I believe a meeting is in order to discuss the best way to handle this matter and to finalize details of the proposal to be submitted to the property owner for purposes of settlement. Please let me know if you are available to meet with us at the Addison Service Center on Monday or Tuesday, July 28th or 29th, of next week.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosures

c(w/o Enclosures): Mr. Mike Murphy w/Town
Mr. Steve Chutchian w/Town
Mr. Kenneth Dippel w/firm

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ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

July 14, 2003

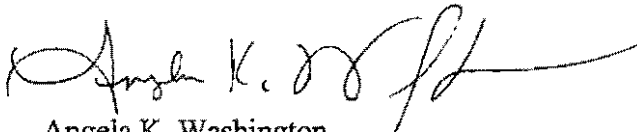
Mr. Mark Hipes
Hipes & Associates
7557 Rambler Road, Suite 260
Lock Box 25
Dallas, TX 75231

RE: Parcel 10 (4125 Centurion Way, L.P.), Arapaho Road Project

Dear Mark:

As promised, enclosed is a hard copy of the revised parking plan for the above referenced property. Contrary to my understanding of the plan stated in a letter sent to you earlier today, the revised plan provides for a total of 57 spaces on the property. There are three handicap spaces included within that number. If you have any questions or need anything further, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosure

c(w/o Enc.): Mr. Mike Murphy
Mr. Steve Chutchian
Mr. Doug Conner
Mr. Ken Dippel



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

July 14, 2003

Mr. Mark Hipes
Hipes & Associates
7557 Rambler Road, Suite 260
Lock Box 25
Dallas, TX 75231

RE: Parcel 10 (4125 Centurion Way, L.P.), Arapaho Road Project

Dear Mark:

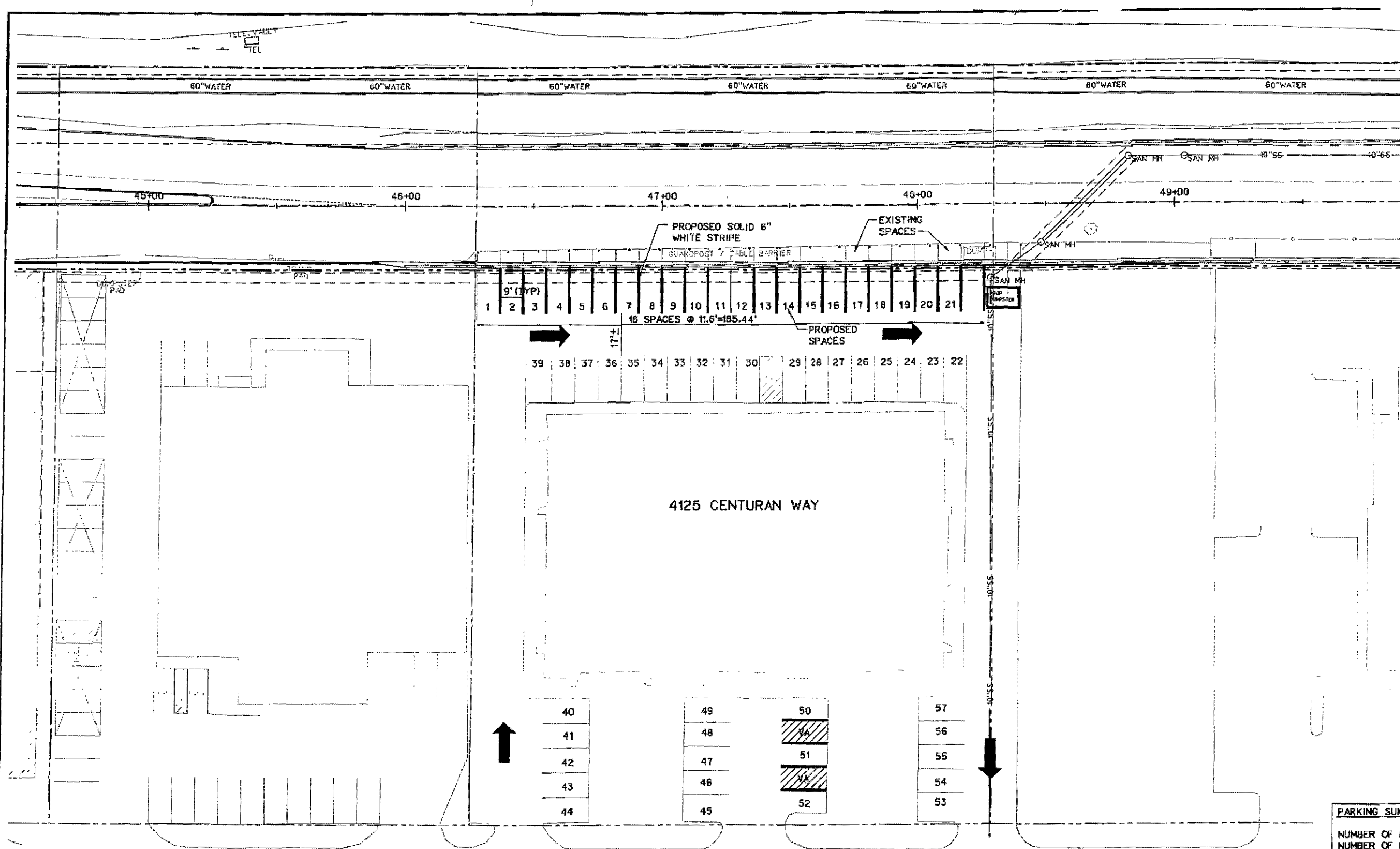
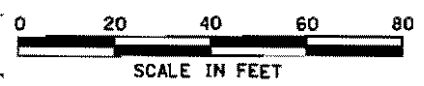
As we discussed, enclosed is the revised parking plan for the above-referenced property. It appears that the engineers have devised a plan that will provide for 57 regular spaces and three handicapped spaces. The plan that I am providing is somewhat difficult to read, as it is a faxed copy. I will provide a hard copy to you as soon as I obtain one. Please update your appraisal for the property based on the revised plan. If you have any questions, please give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c(w/ Enc.): Mr. Doug Conner
c(w/o Enc.): Mr. Mike Murphy
Mr. Steve Chutchian
Mr. Ken Dippel



PARKING SUMMARY	
NUMBER OF EXISTING SPACES	= 61
NUMBER OF PROPOSED SPACES	= 61

ARAPAHO ROAD
 4125 CENTURAN WAY PARKING
 SCALE: 1"=20'

14-JUL-2003 10:27
 G:\25769-ph3\VI\Exhibits\or3\Centuran\onPark\ing2.dgn

25th
Anniversary
1978-2003

COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

June 25, 2003

Mr. Mike Murphy
Director of Public Works
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: *Town of Addison v. 4125 Centurion Way, L.P., et al.*
Cause No. 03-2155-C

Dear Mike:

Enclosed for your file is a copy of the transcript from the June 5, 2003 Commissioners' Hearing for the above-referenced case. As you are aware, the hearing was continued to August 27, 2003. If this matter does not settle, we will need you to fully review your testimony contained in the transcript prior to the hearing date. We will keep you apprised of matters and advise you as to whether or not this will be necessary. If you have any questions, please give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c (w/o Enc.): Mr. Doug Conner
Mr. Kenneth Dippel



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

June 11, 2003

Mr. Dennis Houfek
Special Commissioner
660 Preston Forest Center
PMB 231
Dallas, TX 75230-2718

Mr. Bob Schies
Special Commissioner
3523 Brookhaven Club Drive
Farmers Branch, TX 75234

Mr. Ken Quevreaux
Special Commissioner
14436 Tanglewood Drive
Farmers Branch, TX 75234

**RE: *Town of Addison v. 4125 Centurion Way, L.P., et al.*
Cause No. 03-2155-C in the County Court at Law No. 3, Dallas County, Texas**

Dear Commissioners:

Enclosed is the Landowners' Agreed Request for Continuance with Right of Entry Provided to Condemnor, which was filed with the Court on June 9, 2003. As we discussed on June 5, 2003, the Special Commissioners' Hearing has been rescheduled for Wednesday, August 27, 2003 at 10:00 a.m. The hearing will be held at the Addison Conference Centre Board Room located at 15650 Addison Road, Addison, Texas 75001. If you have any questions or need additional information, please do not hesitate to give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c (w/Enc.)

Mr. William M. Blackburn
Mr. David Kent
Dallas Independent School District
Ms. Cynthia Calhoun, Dallas County Clerk
Mr. Mike Murphy
Mr. Steve Chutchian
Mr. Doug Conner
Mr. Ken C. Dippel

FILED

2003 JUN -9 AM 11:26

CYRIL... COURT... DALLAS COUNTY

TOWN OF ADDISON)

Plaintiff,)

vs.)

4125 CENTURION WAY, L. P., et al.)

Defendants.)

IN THE COUNTY COURT

AT LAW NO. 3

DALLAS COUNTY, TEXAS

LANDOWNER'S AGREED REQUEST FOR CONTINUANCE WITH RIGHT OF ENTRY PROVIDED TO CONDEMNOR

TO: THE HONORABLE SPECIAL APPOINTED COMMISSIONERS.

This is to advise this Court's Special Commissioners that since the filing of this action there is a pending change of ownership of the real property (the "Property") the subject of these proceedings. The interests of 4125 Centurion Way, L.P. (the "Defendant"), to the real Property and its improvements are under Contract for purchase by MILLER PARK ASSOCIATES LIMITED PARTNERSHIP, a Texas limited partnership ("Miller Park").

Because these proceedings are scheduled for a hearing before this Court's appointed Special Commissioners on June 5, 2003, and because of Miller Park's pending purchase of this subject Property, Defendant herein respectfully requests that the Special Commissioners hearing in this cause be rescheduled for a date no sooner than July 21, 2003 and no later than August 22, 2003. The condemning authority, TOWN OF ADDISON does not object to or in any matter oppose the rescheduling of this Special

Commissioner's hearing for the dates between the dates July 21, 2003 and August 22, 2003 subject to the following terms and conditions:

1. The TOWN OF ADDISON shall have the right of entry upon, and exclusive possession of, the Property described in the pleadings in this cause from and after the execution hereof and the filing of this document in this proceeding with presentment to your Special Commissioner's on June 5, 2003. Such right of entry granted herein is for the purposes of allowing the TOWN OF ADDISON to construct, operate, maintain, and repair Arapaho Road and provide, in the area described in its pleadings, any modifications or extensions reasonably involve and/or described in Condemnor's pleadings.

2. The grant of right of entry and possession shall terminate on September 12, 2003, unless the TOWN OF ADDISON, prior to said date, acquires title to said property through purchase or has obtained through this Honorable Court a WRIT OF POSSESSION through condemnation proceedings filed in this cause, and, in the event of such purchase or condemnation proceedings, the value of said Property shall not be affected by the use to which the TOWN OF ADDISON may have put said Property pursuant to this grant and/or agreement.

3. Defendant agrees and herein permits and allows the condemning authority to have its appraisers, Mark Hipes and Grant Wall, inspect and photograph the improvements to the subject Property by no later than June 30, 2003, if such appraisers give reasonable prior notice of no less than three (3) days to the Defendant's representative and/or attorney herein identified.

4. The written summary of the appraisal of Mark Hipes has been provided to the Defendant by Condemnor, TOWN OF ADDISON, prior to the June 5, 2003 scheduled date of this Commissioner's hearing.

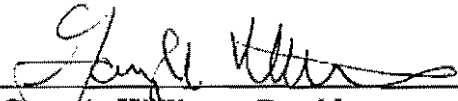
5. Should Defendant, or Miller Park, should it acquire title to the Property, decide to challenge the opinions and conclusions of Mark Hipes as to his opinion of fair and just compensation for the taking and damaging of this Property, said party must provide and present and fully disclose to Ken Dippel, City Attorney, and/or Douglas H. Conner, trial attorney of record for the TOWN OF ADDISON in this cause, a copy of any and all current appraiser reports used in determining the Owner's opinion of value, such disclosure to occur in accordance with § 21.0111(b) of the Texas Property Code by no later than ten (10) days prior to the date of the rescheduling of the Special Commissioner's hearing in this cause.

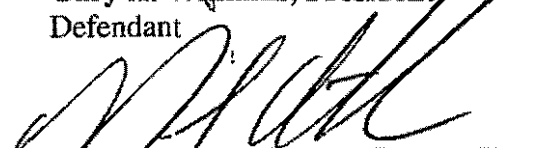
6. There is a pending sale and/or negotiation for the purchase/sale of the subject property. If there is a transfer of title and/or closing on the subject property, this information will be promptly disclosed to the TOWN OF ADDISON'S attorneys above identified, along with the executed contract for such purchase. No negotiations between Defendant and Miller Park will be utilized as evidence in the Commissioner's hearing in this cause unless such disclosure by the parties to such negotiations is indicated in writing to the TOWN OF ADDISON attorneys in accordance with § 21.0111(b) of the Texas Property Code but in no instance by no later than ten (10) days prior to the date of the rescheduling of the Commissioner's hearing in this cause.


7. To the extent of any interest it may now have, or may in the future acquire, in and to the Property, Miller Park hereby joins in and consents to the terms and provisions hereof.

This agreement between Defendant and Condemnor, TOWN OF ADDISON, is one not for purposes of delay, but one to see to see that justice is served, that the parties have a reasonable opportunity to re-inspect the subject Property, evaluate the opinions of their various experts, and to determine if they can negotiate and settle what differences, if any, that they may have as to issues involving fair and just compensation to the Property owners in this cause.

AGREED TO:
4125 CENTURION WAY, L.P.,
a Texas limited partnership
By: Williams Winslow, L.L.C,
A Texas limited liability company

By: 
Gary A. Williams, President
Defendant

Michael 
Michael J. Ochstein
President of MJO Properties, Inc.,
a Texas Corporation, the General Partner of
Miller Park Associates
Limited Partnership, a Texas Limited
Partnership, "Miller Park"

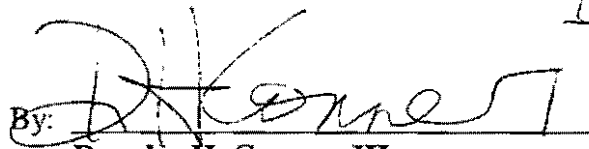

William M. Blackburn
Attorney for Defendant and
Miller Park (in these proceedings)
State Bar No. 02390000
9400 N. Central Expressway, Suite 1616
Dallas, Texas 75231
(214) 368-7911 (Telephone)
(214) 265-7008 (Facsimile)

APPROVED AND AGREED TO
BY CONDEMNING AUTHORITY:

COWLES & THOMPSON, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202
(214) 672-2000 (Telephone)
(214) 672-2020 (Facsimile)

Ken C. Dippel
City Attorney for Town of Addison
State Bar No. 05893000
Angela K. Washington
Assistant City Attorney for Town of Addison
State Bar No. 20897155

BOYLE & LOWRY, L.L.P.


By: **Douglas H. Conner, III**
State Bar No. 04694000
4201 Wingren Plaza, Suite #108
Irving, Texas 75062
(972) 650.7100 (Telephone)
(972) 650.7105 (Facsimile)

**TRIAL ATTORNEY FOR
TOWN OF ADDISON**

Addison!

MICHAEL E. MURPHY, P.E.
Director of Public Works
(972) 450-2878
(972) 450-2837 FAX
mmurphy@ci.addison.tx.us E-mail

Town of Addison 16801 Westgrove Dr. P.O. Box 9010, Addison, Texas 75001-9010

Model-6-file

4/25 Centurian

NO. 03-2155-C

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TOWN OF ADDISON	*	IN THE COUNTY COURT
Plaintiff,	*	
	*	
VS.	*	AT LAW NO. 3
	*	
4125 CENTURION WAY, L.P.	*	
et al.	*	
Defendants.	*	DALLAS COUNTY, TEXAS

HEARING BEFORE COUNTY COMMISSIONERS

MOTEL 6

OPD
NOV 03 - NOV. 05

Parking
Agreement
B.O. Statement
F.M. Statement

{ OFFER would include }
{ compensation }

HEARING BEFORE THE COUNTY COMMISSIONERS was taken
in the above-styled and numbered cause on the 5th day of
June, 2003, from 10:19 a.m. to 11:02 a.m., before Linda A.
Kaiser, CSR in and for the State of Texas, reported by
machine shorthand, at the Dallas County Courthouse, Dallas,
Texas.

CERTIFIED COPY

A P P E A R A N C E S

COUNTY COMMISSIONERS:

Mr. Dennis F. Houfek

Mr. Bob Schies

Mr. Ken Quevreaux

FOR THE PLAINTIFF:

Mr. Douglas H. Conner, III

BOYLE & LOWRY, L.L.P.

4201 Wingreen Plaza, Suite 108

Irving, Texas 75062

Phone: 972-650-7100

FOR THE DEFENDANT:

Mr. William M. Blackburn

ATTORNEY AT LAW

9400 North Central Expressway, Suite 1616

Dallas, Texas 75231

Phone: 214-368-7911

ALSO PRESENT:

Mr. Ken C. Dippel, City Attorney Town of Addison

Ms. Angela K. Washington, Assistant City Attorney

Mr. Mike Murphy

Mr. Mark Hipes

Mr. Gary Williams, The Harbour Group

Mr. John A. Winslow, The Harbour Group

Mr. Michael J. Ochstein, Miller Park Associates

Mr. Randy Tuttle

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P R O C E E D I N G S

MR. CONNER: Doug Conner here for and on behalf of the Town of Addison. I'm joined -- I'm with the firm of Boyle & Lowry, and I guess if you call this a trial proceeding, we're trial counsel.

The City Attorney, Ken Dippel, and his assistant here today is Angela Washington.

We're here for making entry appearance for the Town of Addison. We have Mike Murphy, Director of Public Works, he's our agent for this proceeding -- and Mike. And then we have Mark Hipes, H-I-P-E-S, he is our appraiser, he's here.

We're not offering or tendering any testimony, as I told you. We've got some deals and some irons in the fire and we don't really know by the time we reschedule this who might be on this property; we're getting everybody who has an interest, we think, before the court and before the commissioners and -- to see if it can be resolved, we'll do it. If we don't, we'll need your services.

So if we do get this resolved, we'll certainly let you know and I'll send you each a cost bill, and part of the cost bill will be your time here. You got dressed and drove here and that's the hardest part, for me, getting to work, usually. And you take your time

10:22 1 accordingly to get here and particularly on a rainy day.
2 If we reconvene, then we'll get a cost bill at the time of
3 your -- in an award.

4 We are going to ask -- we've sent out
10:22 5 notices and I've got notices on file with the court, but
6 we've got, I think, the primary responsible or interested
7 parties here before us.

8 I will ask anybody that's here that's not
9 associated with the Town of Addison to make their
10:23 10 appearance and I'm going to let Bill Blackburn introduce
11 himself and his parties

12 MR. BLACKBURN: I'm Bill Blackburn, I'm the
13 attorney for the current owner of this property, the
14 defendant in the -- this matter; but also representing the
10:23 15 potential purchaser, Miller Park Associates.

16 And I have -- as you heard, there's a
17 pending contract for the purchase -- sale and purchase of
18 this property, which may or may not take place by the time
19 we meet again, so out of an abundance for caution,
10:23 20 Mr. Conner and I agreed to, first of all, give the Town a
21 right of entry so they can commence whatever they need to
22 be doing on the property while we're still discussing
23 issues involved in this condemnation proceeding.

24 So as a consequence, the right of entry
10:24 25 which we've provided Mr. Conner contains a signature not

10:24 1 only of the current owner but of the prospective purchaser,
2 should the matter close.

3 And I have with me today Mr. Michael
4 Ochstein, who is the principal of the potential purchaser
10:24 5 of Miller Park & Associates; and then two principals of the
6 current owner, Mr. Gary Williams and Mr. John Winslow are
7 here.

8 We have not yet -- I'm new to this, counsel
9 has changed, and so one of the reasons we're getting an
10:24 10 extension is we've not had an opportunity to -- or at least
11 we've not hired an appraiser yet, and the theory your
12 judgment is only good as your information, we need
13 information we can get from an appraiser. So that's one of
14 the reasons.

10:25 15 And there's a continuing dialogue between
16 the City and ourselves trying to reach some resolution. So
17 we appreciate the opportunity to be heard and look forward
18 to doing this thing down the road.

19 MR. CONNER: Is there anybody here that has
10:25 20 any interest in this proceeding that has not been
21 introduced, that's not associated with the Town of Addison?

22 With your understanding, our agreement that
23 we will reset this and reconvene, unless you hear
24 otherwise, on August 27th at 10:00 a.m. at a building or
10:25 25 location in Addison that we will, in writing, tell

10:25 1 everybody here. We'll adjourn anything we have here before
2 the commissioners, unless they have any questions.

3 Do y'all have any questions of anyone at
4 this point in time?

10:26 5 MR. HOUFEK: No question.

6 MR. CONNER: We appreciate y'all's coming
7 and I think this is a whole lot safer and more secure than
8 trying to do this on the phone and get everybody's calendar
9 here. You try to do this on the phone, you'd be amazed how
10 long it takes sometimes.

11 But I appreciate you-all particularly in
12 responding to my call. I've never had to wait more than an
13 hour for anybody to return calls, so I appreciate it. We
14 will see you and we'll get this disposed of by the end of
15 August, one way or the other.

16 Thank you so much.

17 MR. BLACKBURN: Thank you.

18 (Pause in proceedings.)

19 (The Commissioners left the room.)

10:33 20 MR. CONNER: Let me, for purposes of the
21 record, introduce Mike, and then I will let you do -- we
22 won't call it cross-examination, but any examination you
23 want on the issues and I'll have the reporter here and your
24 appraiser is not here, so he will have the benefit to what
10:33 25 I've said.

10:33 1 I've got our appraiser, our appraisal is out
2 of date.

3 MR. BLACKBURN: So he's going to update it?

4 MR. CONNER: He's going to update and he
10:33 5 might well change or modify his position on compensation
6 and -- as to what he says. He says he will have that to
7 you by July 1.

8 MR. BLACKBURN: All right.

9 MR. CONNER: That gives you -- you've got
10:33 10 his background information and all that, so he'll give you
11 his number at July 1 and we'll ask you to give us your
12 numbers and whatever, but you got -- you know the property
13 is taken --

14 MR. BLACKBURN: Yeah.

10:34 15 MR. CONNER: -- is why we're here.

16 MR. BLACKBURN: That's fine, Counsel. I
17 appreciate it.

18 If I may, I'll start off and I'll ask your
19 city official some questions. And again, I'm just recently
10:34 20 retained on this and have not had access to all the
21 drawings, and so the question I just asked Mr. Murphy,
22 which he confirmed, which obviously, and my clients'
23 confirmed this, that there's more property being taken than
24 just the real problem is that a strip of several feet
10:34 25 across the northern entities of 21 parking spaces, which

10:34 1 gives us a lot of problem.

2 And I had asked the question because it had
3 seemed to me it would avoid a lot of brain damage on
4 everybody's part if somehow the take could be changed or
10:34 5 the right-of-way shifted just however many feet that is, 3,
6 4, 5 feet to the north, and the city engineer said the
7 problem is the City of Dallas has raised difficulties with
8 that and normally you can pave over water, sanitary sewer
9 easement as long as you don't put load bearing structures
10:35 10 on them. So why does Dallas have the clout to say no, you
11 can't move it north and your explanation is because it's
12 elevated and you've got some retaining walls.

13 Would you go into that, for the record?

14 MR. MURPHY: Right. In this particular
10:35 15 area, the roadway is going to be elevated between --
16 somewhere between 4 and 6 feet. It is the down slope, or
17 the up slope, depending on which direction you're heading,
18 and as we approach Midway Road, we get to the actual bridge
19 structure; so any movement in the roadway that would
10:35 20 necessitate an adjustment to the bridge -- and we have to
21 accommodate the Dallas water utility requirements. They
22 gave us a clearance on the slope that we had to stay
23 outside of, and that envelope was based on maintenance, the
24 ability to maintain the water line or to repair in case it
10:36 25 was damaged.

10:36 1 So what we've had to do is we've had to
2 shift the road over to accommodate their needs. And that's
3 where we are, I guess. That's why we're in this area
4 further than what we had initially anticipated.

10:36 5 Of the --

6 MR. BLACKBURN: Let me ask you, then, if I
7 may. Pardon me to interrupt.

8 MR. MURPHY: Okay.

9 MR. BLACKBURN: I want to understand the
10 drawing, which I have part of the black and white drawing,
11 which may be part of that.

12 The temporary construction easement cuts
13 across the northern portion of this 21 spaces but that, by
14 definition, is temporary and once the road is in and the
10:36 15 retaining wall is in, that -- City no longer has an
16 interest in that.

17 Am I reading that wrong or are we still,
18 after we no longer need a temporary construction easement,
19 the road's in, you've got a wall, are we back then with our
10:37 20 full regulation code parking or are we still losing some of
21 the existing parking?

22 Because this -- this drawing indicates that
23 the right-of-way, not the TE, the right-of-way cuts off
24 part of our parking. What does that show?

10:37 25 MR. MURPHY: Okay. The -- let's just go

10:37 1 with what I've got here today.

2 MR. BLACKBURN: All right. That's fine.

3 MR. MURPHY: The green area is the -- is the
4 permanent right-of-way taken.

10:37 5 MR. BLACKBURN: Right.

6 MR. MURPHY: This is where the roadway is
7 going to sit, and the other side of the roadway. The beige
8 or tan area is the temporary easement. You're exactly
9 right, once we're finished with the roadway, the temporary
10:37 10 easement goes back to the property owner and we're off it
11 and no longer need it.

12 MR. BLACKBURN: Okay.

13 MR. MURPHY: Code, even taking these parking
14 spaces, according to our city building official, there's
10:37 15 still enough parking spaces to make the office complex
16 compliant as far as parking. And so -- but, what we're
17 going to try to do, and you're --

18 MR. BLACKBURN: What is the broken line
19 there? I'm sorry, the alternate.

10:38 20 MR. MURPHY: Here's --

21 MR. BLACKBURN: That's the retaining wall.

22 All right. So south of the retaining wall,
23 that beige area is only temporary easement and it goes away
24 after everything's in place?

10:38 25 MR. MURPHY: Correct.

10:38 1 MR. BLACKBURN: Okay.

2 MR. MURPHY: Now, obviously we are -- once
3 we put the roadway up, the retaining wall, it is going to
4 get onto the existing parking out there, about 6 feet,
10:38 5 looking at this drawing, about 6 feet.

6 You add a temporary -- the temporary
7 easement, that's another 6 feet, so you take 12 feet off of
8 a 20-foot long parking space and that just leaves you with
9 8 feet.

10:38 10 MR. BLACKBURN: But six of that is
11 permanent, the six that --

12 MR. MURPHY: Exactly. So once we go back --
13 once the temporary easement is vacated and it goes back to
14 the property owner, you have a 12-foot space which is
10:39 15 still -- it's still shy of a --

16 MR. BLACKBURN: Okay.

17 MR. MURPHY: -- of a, what you call a --

18 MR. CONNER: Lead.

19 MR. BLACKBURN: -- code requirement?

10:39 20 MR. MURPHY: Yeah, there you go. Compliant
21 parking space.

22 So what we're proposing to do is to attempt
23 to recover as many of this 21, 22 parking spaces as we can.
24 Now, there's a couple of ways we can do this.

10:39 25 MR. BLACKBURN: Okay.

10:39 1 MR. MURPHY: We can go with parallel parking
2 and parallel parking is typically you -- you give one
3 parallel parking space for every three head-in parking
4 spaces, okay? Or you can go into angled parking, which is
10:39 5 more of a two-to-one; so for every -- or maybe even two and
6 a half to -- or two-and-a-half-to-one.

7 That's not right. A little bit more than
8 two to one, I'll just put it that way.

9 So what we're going to try to do is reduce
10:39 10 the width of the fire lane easement, we've already got
11 approval from our fire marshal and fire chief that we can
12 reduce the width of this fire lane by 5 feet.

13 MR. BLACKBURN: All right.

14 MR. MURPHY: By that, then you recover
10:40 15 another 5-foot on your parking space.

16 MR. BLACKBURN: So you're only a foot off?

17 MR. MURPHY: Yeah, so what we're proposing
18 to do and we haven't had our engineering firm look at this
19 particular proposal, what we're proposing to do is to take
10:40 20 these parking spaces, reduce the fire lane width and angle
21 these back spaces.

22 MR. BLACKBURN: All right.

23 MR. MURPHY: So you have, instead of head in
24 parking like they are today, it's an angled parking.

10:40 25 MR. BLACKBURN: And you'd have a net loss

10:40 1 then from 21 to how many?

2 MR. MURPHY: We don't know. We don't know,
3 but we're thinking maybe 15, 16, 17 spaces can be recovered
4 that way. We'll know, and when we get back to the office
10:40 5 today, we'll get with our engineering firm.

6 MR. BLACKBURN: That's good.

7 MR. MURPHY: And we're going to have them
8 sort of relay this and restripe it and see how many --
9 exactly how many spaces we can recover. I don't think
10:40 10 we're going to be able to recover all 20 spaces or 21 that
11 are going to be lost, because of this, but we do think that
12 we -- we do think that we will be able to recover more.

13 MR. BLACKBURN: I've got to say, just
14 initial reaction, that's certainly progress and it helps me
10:41 15 to understand.

16 MR. WINSLOW: I have to agree.

17 MR. BLACKBURN: Let me ask one question if I
18 can, before I forget about it. From a legal standpoint, I
19 mean, your code requirement is one to 300 instead of three
10:41 20 per thousand, so it's a little more rigid than most cities.
21 I know we have a little more than code. I'm just curious,
22 you won't know until you get back to the engineering
23 department, but when you come in and show a plan angled, it
24 will be interesting to see if even that we'll be below
10:41 25 code. I know we'll be nonconforming.

10:41 1 I'm thinking future purchasers and lenders
2 when you say we're nonconforming and you've got to explain
3 to them. It would be good, whatever you come up with, even
4 though we lose a few spaces, if we still have the number of
10:41 5 spaces required to meet code so we don't have to deal with
6 that nonconforming issue. And I throw that out for what
7 it's worth and I assume you can't answer that.

8 MR. MURPHY: I can't answer that.

9 MR. BLACKBURN: I think we're a few over on
10:42 10 code, actually, and if you were able to get 12 to 15, we
11 may be right at code.

12 Excuse me, John, you were --

13 MR. WINSLOW: Under the head-in parking
14 proposal, in the past we've been parking lateral, by your
10:42 15 permission.

16 MR. MURPHY: That's right.

17 MR. WINSLOW: Under the usual parking, we
18 would not; is that right? We would not be --

19 MR. MURPHY: Let me answer by showing what's
10:42 20 on this -- this drawing here. These two areas, yellow
21 hatched represents the Dallas water utility easement. The
22 green represents the drainage easement, which is the Town
23 of Addison easement; so by doing this, if you compare the
24 two side-by-side, you can see where the retaining wall is
10:42 25 so you would still be partially on that easement.

10:42 1 MR. WINSLOW: Even with the angle parking.

2 MR. MURPHY: What we're trying to do is
3 recover as much as we possibly can, so you're still --
4 there's still going to be a few feet that are in that
10:43 5 easement area.

6 MR. WINSLOW: And follow-up to that. So
7 then the angled parking --

8 MR. MURPHY: Let me. Time out. Time out.

9 MR. WINSLOW: Sure.

10:43 10 MR. BLACKBURN: Because I'm looking at this
11 again and it -- you may be right, you may now be outside as
12 well.

13 MR. WINSLOW: I'm working at the angle
14 unless you get out.

10:43 15 MR. MURPHY: Let's see, if you are still
16 encroaching into that easement area, it's only going to be
17 by a very small area, maybe a foot. But let me go back and
18 get with our engineers because obviously this is just
19 not -- I can't really tell exactly from this, but it looks
10:43 20 like there might be maybe a foot between the retaining wall
21 and the right-of-way line. You can't -- it's hard to see.

22 MR. BLACKBURN: I guess the issue is, Mike,
23 from our standpoint --

24 MR. MURPHY: There's just a --

10:43 25 MR. OCHSTEIN: Is this Dallas?

10:43 1 MR. MURPHY: No, this is the Town of Addison
2 easement, which is Dallas. You can see the retaining wall
3 is the heavy line. The right-of-way line is just right
4 underneath it. It looks like there might be just 1 foot or
10:44 5 so that would still be in that easement area.

6 MR. BLACKBURN: The concern -- and I don't
7 think that's too strong a word -- is that on one hand, I
8 guess the way -- the number of ways we thought about
9 addressing it, A, you've already addressed it for us, if
10:44 10 you move the take line so you don't have this issue, and
11 that apparently is not available.

12 Secondly, could you buy back, you abandon
13 back this foot to us, which, you know, I don't know why you
14 couldn't; or third, the City typically comes back and says,
10:44 15 okay, we'll give you a license agreement. But even if it's
16 for a nominal amount, the problem is any license agreement
17 I've seen the City retains the right to revoke it at will.
18 While there would be no foreseeable reason that you'd
19 probably want that back, still gives a potential purchaser
10:45 20 or -- a problem if you ever sell this or refinance to say
21 we've got parking, but really we're at the whim of the
22 City. So if we could stay away from right-of-way, that's
23 the best of all world's.

24 If we have to do something right-of-way, we
10:45 25 need a proposal that says, close to perpetuity and ironclad

10:45 1 as we can get, but certainly we're -- we're encouraged by
2 the fact that you might be able to whip this around a
3 little bit and stay out of the right-of-way.

4 MR. WILLIAMS: Can I ask a question also,
10:45 5 and I know this is all predicated you have to go back with
6 your engineers and put it to drawing and everything. If it
7 comes back and -- with the angle, it infringes upon that
8 foot, okay, and can we also ask you to take a look at -- to
9 your point of parallel that says, okay, what would it do to
10:45 10 our parking spaces and code, parallel versus -- that way we
11 look at it both ways and then we can --

12 MR. MURPHY: We'll do that. What typically
13 we try to do is come up with a couple of two or three ideas
14 to present to the property owner and see if there's a
10:46 15 better way to do, a more efficient way to do parking and
16 still -- and still keep the fire lane access open and all
17 that. So we'll definitely go back and look at all those --

18 MR. BLACKBURN: That's good.

19 MR. MURPHY: -- ideas.

10:46 20 MR. BLACKBURN: The concern is the damage to
21 the remainder.

22 MR. MURPHY: I understand.

23 MR. BLACKBURN: We know the road should go
24 through and needs to go through, we need to make sure when
10:46 25 it's all over that we have a functional site now and for

10:46 1 the future.

2 MR. OCHSTEIN: Is this subject plan to
3 change now or is it final?

4 MR. MURPHY: This is it, we are in the final
10:46 5 stage.

6 MR. CONNER: As far as the area of taking.

7 MR. MURPHY: Exactly, I mean, we have --
8 since we -- I don't guess I'd be out of line, since we
9 spoke with you I guess back in January -- December, January
10:47 10 whenever that was, we have been heavily into negotiations
11 and design, after redesign, after redesign with the City of
12 Dallas and this is the one that we could finally all come
13 to an agreement with.

14 MR. OCHSTEIN: What happened, I explained to
10:47 15 my bankers on the purchasers and I got egg on my face, we
16 were only losing the two spots, we're going to have -- we
17 were only going to lose the two and the parking was fine
18 and then when we come back to this hearing, the whole deal
19 was changed. And I don't want to go back to my bankers
10:47 20 and -- you know, I just want to make sure this is final.

21 MR. BLACKBURN: That's why it wasn't clear
22 to me just coming in because I thought the Town had always
23 been taking the same amount of taking and at the request
24 working out on this parking, but what you're really
10:47 25 confirming, from the time you first talked to these guys

10:47 1 and the City of Dallas, the amount has shifted to the south
2 a bit?

3 MR. MURPHY: The amount of the take has not
4 changed.

10:47 5 MR. BLACKBURN: What I mean is the position.

6 MR. MURPHY: What we were trying to do --

7 MR. BLACKBURN: Yeah.

8 MR. MURPHY: -- the taking hasn't changed.

9 What we were trying to do is we thought we had the
10 flexibility to shift the roadway to accommodate their
11 parking -- well, not their parking, but his parking is what
12 we were trying to negotiate a deal with these guys, that
13 well, if we move the roadway over and save your parking,
14 would that put us in a better negotiating position.

10:48 15 MR. BLACKBURN: You were right, I see.

16 MR. MURPHY: The taking has never changed
17 from day one to now, but your flexibility to move the
18 roadway has definitely changed.

19 MR. BLACKBURN: I see.

10:48 20 MR. WINSLOW: Can I ask this other question?

21 MR. MURPHY: Sure.

22 MR. WINSLOW: If I had our plat in front of
23 me, I could know, but where does our property line go?

24 MR. MURPHY: Let's see, existing roadway.

10:48 25 It's hard to see off of this.

10:48 1 MR. OCHSTEIN: I've got a survey.

2 MR. MURPHY: It's about where the -- where
3 this dashed red line is right here.

4 MR. WINSLOW: So we don't own anything north
10:48 5 of that currently.

6 MR. MURPHY: It's encumbered by an easement.

7 MR. WINSLOW: I understand it's encumbered
8 by easements.

9 MR. MURPHY: I don't show your property
10:49 10 line.

11 MR. OCHSTEIN: Here's the survey.

12 MR. WINSLOW: We actually own that yellow
13 portion too, even though it's covered by an easement.

14 MR. MURPHY: That's right, that's right.

10:49 15 MR. WINSLOW: Now, the difference here is
16 when you all take what you're doing, you're actually taking
17 it, right, as opposed to an easement?

18 MR. CONNER: Yeah, a fee.

19 MR. WINSLOW: I'm sorry to not understand.

10:49 20 So we will still own the yellow portion, even though it's
21 subject to their easement.

22 MR. BLACKBURN: Yes, okay. I'm sorry,
23 that's correct. Okay. So -- let me make sure I understood
24 that because on behalf of this, you're saying that
10:49 25 basically the take, it's going to the Town is the green

10:49 1 area; so their property is -- they're going to have a fee
2 interest left to the north of it, is what you're saying,
3 that yellow hatched area?

4 MR. MURPHY: You know, it's just from me
10:49 5 looking at this.

6 MR. BLACKBURN: You don't know.

7 MR. OCHSTEIN: Here's the survey.

8 MR. BLACKBURN: That's an interesting issue,
9 guys.

10:50 10 MR. CONNER: Talking about land lock --

11 MR. BLACKBURN: Because basically you've got
12 a worthless piece of property stranded across -- which
13 addresses --

14 MR. MURPHY: No, the take -- no, that's
10:50 15 not -- no. Counsel, the take is for the whole area.

16 MR. CONNER: It's the whole area.

17 MR. MURPHY: We're not proposing to leave
18 this behind.

19 MR. BLACKBURN: That's how I understood his
10:50 20 question. So lift that first one -- that second board back
21 up then. So you are taking the entire --

22 MR. MURPHY: Let's lay these side by side.
23 We're taking the entire area.

24 MR. CONNER: Yeah.

10:50 25 MR. BLACKBURN: Okay. Good. Well, this is

10:50 1 very helpful. We're going to obviously have to talk to our
2 appraiser and get you a copy of it, but as I've explained
3 it to my class, and I think Doug and I are in agreement, if
4 we're unable to reach an agreement because of the spread in
10:50 5 the values, then we come before the commissioners, and
6 basically it's a valuation hearing.

7 But if we can somehow come together on
8 damages and get an agreement on these parking issues and if
9 you'll look at this little checklist, I'd like you to
10:51 10 address those.

11 I don't think you've got a problem, right of
12 entry; number one, we've given you today. The damages
13 issue, obviously the appraiser is going to have to both --
14 we're going to have to get an update from you guys and get
10:51 15 our appraisal. And you've given us a copy of your current
16 appraisal and you've given us an updated one.

17 I assume you don't have any problem once
18 your drainage plans are complete just letting my clients
19 look at it when you do it. You've agreed to that in other
10:51 20 transactions. They just want to make sure they're not
21 going to be flooded, and I've told them if you've flooded
22 them, they've got another take in this case.

23 MR. MURPHY: Obviously drainage is going to
24 be -- I hate to put it this way, but drainage is not really
10:51 25 that big of a concern because we have this massive drainage

10:52 1 channel available to us here. What we will do as part of
2 the design, engineering design, drainage is a major
3 component of it, because we're all worried about drainage.
4 We will provide drainage inlets that go directly into the
10:52 5 drainage channel. We're going to have two box culverts
6 with inlets, so the parking drainage is really, it's an
7 issue that is very easily engineered and we --

8 MR. BLACKBURN: Sure.

9 MR. MURPHY: We are definitely doing that as
10:52 10 part of this project.

11 MR. BLACKBURN: Is that existing open
12 drainage cover, that's going to be underground?

13 MR. MURPHY: It's going to be -- the open
14 channel is going to go away and we're replacing the two box
10:52 15 culverts and then we will cover that.

16 MR. BLACKBURN: Okay. And I was -- I mean,
17 it's customary, I assume once you're through with the
18 temporary easement area, you'll repair the asphalt or
19 whatever the surface is and restripe in a consistent manner
10:52 20 with the balance?

21 MR. MURPHY: Right.

22 MR. BLACKBURN: And so -- and then the sixth
23 item we talked about; the fire marshal, you think, was in
24 agreement on the revising the fire lane, and you guys are
10:53 25 going to move it around and come up with both the parallel

10:53 1 parking and angled parking scenarios with an idea of how
2 many spaces we lose as a consequence of that. Try to avoid
3 any encroachment, if you will, into the right-of-way, so we
4 don't get into a licensing deal.

10:53 5 MR. WINSLOW: I think they put the crux of
6 it and probably what we might have looked like, you know,
7 reluctant on this thing, really at the point that we
8 learned that unless our parking is outside the
9 right-of-way, it couldn't be counted as part of the parking
10:53 10 value, if you will, of the building and that was confirmed
11 by -- so that's a real issue to us to not be --

12 MR. MURPHY: It's something I feel confident
13 we can work out. Obviously we're only talking now with --
14 with this, you know, just looking at this, we're only
10:54 15 talking a very small footage and we'll -- what I would like
16 to do is when we would restripe it or when we sort of lay
17 out a new parking plan for the back here, we'll survey that
18 and we'll figure out exactly what it is we're talking
19 about. Because you can't -- you can't really tell --

10:54 20 MR. OCHSTEIN: It's hard to tell.

21 MR. MURPHY: -- from this.

22 MR. BLACKBURN: That's perfect.

23 MR. CONNER: Mike, how long would it take
24 you to do a survey that you'll feel comfortable with and we
10:54 25 can get back to these folks?

10:54 1 MR. MURPHY: I'll tell you what I'll do,
2 once we get back to the office today -- they've been very
3 responsive to us. Obviously we've got a lot invested in
4 this so I'm thinking maybe a week to ten days we'll have
10:54 5 this thing wrapped up.

6 MR. CONNER: Okay.

7 MR. BLACKBURN: That's all we have.

8 MR. MURPHY: Let me check back to my
9 assistant city engineer.

10:54 10 MR. HIPES: Yeah, pretty much.

11 MR. BLACKBURN: That's great.

12 MR. CONNER: Before the end of the month
13 we'll give you drawings that show you exactly what they've
14 got.

10:55 15 MR. BLACKBURN: That's fine.

16 MR. MURPHY: And --

17 MR. CONNER: Based on the survey.

18 MR. MURPHY: Let's see, you've got an item
19 here, let me go back to it. Time to restripe the parking
10:55 20 lot. One of the original things we were doing for the
21 Harbour Group is we told them that if we were able to
22 negotiate this, we would go back in and clean this whole
23 parking area up and not just restripe the part that we're
24 talking of, but do their whole back lot here and really
10:55 25 make it look nice.

10:55 1 MR. BLACKBURN: We appreciate that.

2 MR. MURPHY: So that's still on the table,
3 too. We can -- we can come to some type of agreement
4 without doing condemnation, I think that's --

10:55 5 MR. BLACKBURN: I think it's in everyone's
6 interest. I think we're closer today than we thought
7 perhaps we would be, depending on what you come up with.
8 That's great.

9 MR. MURPHY: The only thing I just want to
10:55 10 make sure everybody understands that the -- let's go back
11 to this drawing. You will not be able to get that back to
12 you until the temporary easement goes away.

13 MR. BLACKBURN: Sure.

14 MR. MURPHY: Because we -- obviously we need
10:56 15 that to do roadway construction and all.

16 MR. BLACKBURN: Sure.

17 MR. CONNER: What are the constraints or
18 time limit of this, quote, temporary construction easement?

19 MR. MURPHY: What we've been asking for is
10:56 20 somewhere between 24 and 30 months, and we'll probably come
21 back to you on that. We're hoping to bid this project out
22 at the end of the year, sometime around November, December,
23 January. We're really -- our negotiations with Dallas
24 water utilities put us -- we're still on schedule but we
10:56 25 were working under a compacted schedule, so we're a little

10:56 1 bit behind what I was hoping where we'd be this year, so
2 we're looking to bid the project out, like I say, November,
3 December, January, just depending on where our eng -- when
4 our engineers can finish up the bridge design and get that
10:56 5 out, but the bridge design has impacted our critical path
6 right now.

7 MR. WINSLOW: During that period of time, is
8 there any possibility that the City could help us in any
9 way where we would park people regardless of market value
10:57 10 of the situation? That's a separate issue.

11 MR. MURPHY: What we would do is --

12 MR. WINSLOW: We park on the interstate,
13 it's just grass there, he's going to come get us.

14 MR. MURPHY: What we would anticipate doing
10:57 15 is going to the city council and asking for a parking
16 variance and/or provide some off-site parking, close to.
17 But probably the easiest way to do it would to get a
18 variance to allow on-street parking until we finish the
19 project and there's not really enough traffic on Trinity^{CENTURION}
10:57 20 Way that would prohibit us from doing that. And I think
21 that would be really -- that would be the easiest solution
22 right now.

23 MR. WINSLOW: That would be very
24 comfortable.

10:57 25 MR. BLACKBURN: Again, on that duration of

10:57 1 that temporary easement, 24 months; went beyond that, maybe
2 some per diem rented?

3 MR. MURPHY: Exactly, exactly, you're right,
4 go 24 months and if it goes beyond 24 months, then we would
10:57 5 do it a per diem value on that. Do you guys understand
6 what we're saying?

7 MR. WINSLOW: Yeah.

8 MR. OCHSTEIN: So in three weeks you have
9 our finalized parking diagram, then, and that would be
10:58 10 finalized? As far as how many spots we're going to lose
11 and how we're going to park.

12 MR. MURPHY: What we'd like to do is come up
13 with a couple of ideas, bring them back to you guys and see
14 what you like best, and we'll get creative with it.

10:58 15 MR. CONNER: Why don't we shoot for that.
16 Three weeks, we'll give you what they think they can do and
17 get y'all's blessing to it. And then Mike, do you think we
18 need to go back -- I'm asking a legal question, but don't
19 you feel comfortable in your position to maybe have to go
10:58 20 to council on this as far as the temporary use of existing
21 roadway on Centurion Way. Or how do y'all typically do
22 that, do you go to council?

23 MR. MURPHY: We would have to go to council
24 and ask for a variance.

10:59 25 MR. CONNER: I would think so.

NEED COUNCIL
DECISION

10:59 1 MR. MURPHY: But, you know, obviously I
2 can't speak for the city council, but I feel -- I feel we
3 have a strong position and they would do that.

4 MR. BLACKBURN: Well, then I hope that given
10:59 5 the right of entry, would show some degree of good faith?

6 MR. CONNER: I'm just talking about time
7 constraints and be sure everybody is comfortable that with
8 what we're doing.

9 MR. MURPHY: There's also, if that doesn't
10:59 10 work out, there's a huge vacant facility across the street
11 that there's tons of parking over there. I feel
12 comfortable we could negotiate a deal with them, too, so...
13 There's a couple of options available to us that --

14 MR. OCHSTEIN: When would y'all start, like
10:59 15 January of next year, February of next year?

16 MR. MURPHY: Hopefully before then.

17 MR. OCHSTEIN: You've got three months to
18 get the bid, so sometime --

19 MR. MURPHY: If we can bid this thing out
10:59 20 in, you know, November, we would hopefully start
21 construction -- well, you know, it's hard to start
22 construction during the holidays, probably January would be
23 a start date. I would think that's realistic.

24 MR. OCHSTEIN: And it's a two-year project,
11:00 25 you said?

11:00 1 MR. MURPHY: We don't know. Typically -- it
2 could be two years. We're -- when I say we don't know, two
3 years would be the worst case scenario. We're hoping that
4 bids -- that we can find some contractors out there that
11:00 5 are willing to put the resources to this that will
6 accelerate it, because what we're going to do in the bid is
7 we're also going to bid a time allotment, which means
8 you're -- you not only get awarded the contract based on
9 how much money it's going to cost you, but how many days it
11:00 10 takes you to do the project.

11 And we've been very successful with that on
12 two of our projects; Arapaho Road phase two, we bid it that
13 way and the guy came in and completed it 30 days ahead of
14 schedule, so...

11:00 15 Outside, maybe two years, but hopefully
16 we'll get it done quicker than that.

17 MR. WINSLOW: And we're in communication on
18 this, say when the engineer looks at the parking, the
19 assumption is that -- we want it to be not on right-of-way,
11:00 20 right?

21 MR. BLACKBURN: He's going to try.

22 MR. WILLIAMS: That's what we're's going to
23 try.

24 MR. MURPHY: What we'll do, we're going to
11:01 25 recover as much as we can for parking, what we're going to

11:01 1 try to do is get as many spaces back as possible and then
 2 I'll work with our attorney here and we'll figure out some
 3 way to -- you know, obviously I'm speaking as the city
 4 engineer and not the city council, but what we would
 11:01 5 probably do is take the proposal back to them as part of
 6 the negotiation, dedicate that 1 foot or 6 inches or
 7 18 inches or whatever it comes out to be, back over to you
 8 so that you can count that towards your --

9 MR. BLACKBURN: That's what --

11:01 10 MR. MURPHY: -- parking.

11 MR. BLACKBURN: I'd hate to get in a license
 12 deal for 6 inches or a foot or something.

13 MR. MURPHY: I just don't -- you know, I --

14 MR. BLACKBURN: It just --

11:01 15 MR. MURPHY: I'm speaking as a city
 16 engineer, not as the council, I don't see that as being a
 17 problem, I just don't.

18 MR. BLACKBURN: I think that's a good result
 19 at this point, anyway.

11:01 20 MR. MURPHY: So we would present it to them
 21 that way.

22 MR. BLACKBURN: Perfect. Well, I think
 23 that's all we have, Doug.

24 MR. CONNER: Okay.

11:01 25 MR. BLACKBURN: And we'd certainly

Need
to get
a council
decision

11:01 1 appreciate a copy of the transcript when you get it done.

2 MR. CONNER: We want everybody to have that.

3 MR. BLACKBURN: We'll be in further

4 communication on the appraisals.

11:02 5 MR. CONNER: Thank you.

6 (Proceedings concluded at 11:02 a.m.)

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11:02 1 STATE OF TEXAS)

2 COUNTY OF DALLAS)

3 I, Linda A. Kaiser, Certified Shorthand Reporter

4 in and for the state of Texas, certify that the foregoing

11:02 5 proceedings were reported stenographically by me at the

6 time and place indicated.

7 Given under my hand on this the 16th day of

8 June, 2003.

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11:02 10

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Linda A. Kaiser, Certified
Shorthand Reporter No. 2245 in and
for the State of Texas
Collins, Miller, Guedry & High, P.C.
600 N. Pearl Street, Suite 640
Dallas, Texas 75201
214-220-2449
My commission expires 12-31-03



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

May 19, 2003

Mr. Ron Whitehead
City Manager
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

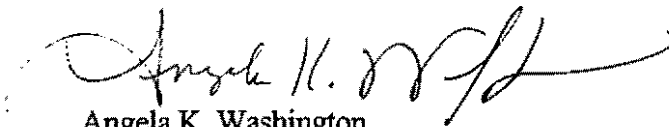
RE: *Town of Addison v. 4125 Centurion Way, L.P.*
Cause No. 03-2155-C in the County Court at Law No. 3, Dallas County, Texas
Confirmation of Commissioners Hearing

Dear Ron:

Enclosed is your copy of the Notice of Commissioners Hearing that was sent by certified mail to 4125 Centurion Way, L.P., for the Commissioners Hearing on Parcel 10, Arapaho Road Project. All other owners or claimants of some interest in the property listed in the petition will be notified by personal service, certified mail or both. A copy of the petition is attached to the notice.

As you will note, the hearing is scheduled for 10:00 a.m. on June 5, 2003 at the Dallas County Records Building in Judge Sally Montgomery's courtroom, 500 Main Street, 6th Floor, Dallas, Texas 75202. By copy of this letter, I am providing copies of this notice to Mike Murphy and Steve Chutchian. If you have any questions, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosures

c: Mr. Mike Murphy (w/Enclosures)
Mr. Steve Chutchian (w/Enclosures)
Mr. Ken Dippel
Mr. Doug Conner

CAUSE NO. 03-2155-C

TOWN OF ADDISON)	IN THE COUNTY COURT AT
)	
Plaintiff,)	
)	
vs.)	LAW NO. 3
)	
4125 CENTURION WAY, L. P., et al.)	DALLAS COUNTY, TEXAS
)	
Defendants.)	
)	

VIA CERTIFIED MAIL, RRRR # 7001 1940 0002 0589 7232

To: 4125 Centurion Way, L.P.
4125 Centurion Way
Addison, TX 75001

NOTICE OF COMMISSIONER'S HEARING

You are hereby notified that the Town of Addison, acting by and through its City Attorney, on February 24, 2003, filed its Original Petition in Condemnation with the Clerk in the above-referenced Court of Dallas County, Texas wherein it sought the condemnation of certain land, a true copy of which Petition is hereby attached and made a part hereof, and to which reference is made for description of the land sought to be condemned, for a statement of the purposes of condemnation, and for all other legal purposes.

This Honorable Court has appointed three Special Commissioners who have conferred and determined that they would like to set this MATTER FOR HEARING AT THE TIME AND PLACE HEREIN PROVIDED, such hearing to commence at 10:00 a.m. o'clock on the 5th day of June, 2003 at the Dallas County Records Building in the Courtroom of the Honorable Judge Sally Montgomery, 6th Floor, 500 Main Street, Dallas, Texas 75202.

All parties of record having interest in the subject property are hereby notified to appear at the time and place after set for the purpose of offering any evidence they desire on the issue as to the damages to be assessed against the Town of Addison and to be paid to the owners of said property to be condemned. By copy of this notice, confirmation of this setting is being forwarded to the City Manager of the Town of Addison, the Special Commissioners appointed by the Honorable Court, and to the Court deputy of this Honorable Court.

APPROVED AND ORDERED BY SPECIAL COMMISSIONERS:

Respectfully submitted,

BOYLE & LOWRY L.L.P.



DOUGLAS H. CONNER, III
State Bar No. 04694000
4201 Wingren Plaza, Suite #108
Irving, Texas 75062
972.650.7100 [Telephone]
972.650.7105 [Telecopier]

ANGELA K. WASHINGTON
State Bar No. 20897155
Assistant City Attorney for Town of Addison
901 Main Street, Suite #4000
Dallas, TX 75202
972.672.2144 [Telephone]
972.672.2344 [Telecopier]

cc: Ken Quevreaux
14436 Tanglewood Drive
Farmers Branch, TX 75234

Bob Schies
3523 Brookhaven Club Drive
Farmers Branch, TX 75234

Dennis Houfer
6060 Preston Forest Center
Dallas, TX 75230-2718

Paula McNulty, Court Deputy
County Court at Law No. 3
509 Main St., Suite 601
Dallas, Texas 75202-5791

Mr. Ken Dippel
City Attorney for Town of Addison
901 Main Street, #4000
Dallas, TX 75202

CAUSE NO. 03-2155-C

FILED

FEB 24 PM 1:34

TOWN OF ADDISON	§	IN THE COUNTY COURT
V.	§	AT LAW NUMBER <u>3</u> COUNTY
4125 CENTURION WAY, L.P., ET AL.	§	DALLAS COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION IN CONDEMNATION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW the Town of Addison, hereinafter referred to as Plaintiff, having by law the right of eminent domain and power of condemnation, acting herein by and through its duly elected City Council (the "Council"), for and on behalf of the Town of Addison, complaining herein of 4125 Centurion Way, L.P.; Williams Winslow, L.L.C.; John A. Winslow, individually and as officer of Williams Winslow, L.L.C.; Comerica Bank-Texas; John M. Killian, Trustee; C. E. Seal, II, Trustee; and Harbour Group, Inc., hereinafter referred to as Defendants; and for cause of action Plaintiff respectfully represents to the Court as follows:

I.

The Plaintiff, Town of Addison, a municipal corporation, has determined that the public necessity requires that certain land should be acquired from the Defendants herein.

II.

The Defendants are owners or claimants of some interest in the property being acquired who have been identified by diligent search by Plaintiff. Their respective addresses for service of process are:

4125 Centurion Way, L.P.
4125 Centurion Way
Addison, Texas 75001

Williams Winslow, L.L.C.
4125 Centurion Way, Suite 200
Addison, Texas 75001-4347

John A. Winslow
4125 Centurion Way
Addison, Texas 75001-4347

Comerica Bank-Texas
c/o Marge Owen
1508 W. Mockingbird Lane
M/C 6535
Dallas, Texas 75235

John M. Killian, Trustee
Comerica Bank
3551 Hamlin Road
M/C 7410
Auburn Hills, Michigan 48326

Melinda Chausse
Comerica Bank-Texas
1601 Elm Street, 4th Floor
M/C 6507
Dallas, Texas 75201

C. E. Seal, II, Trustee
5005 LBJ Freeway, Suite 170
Dallas, Texas 75244

C.E. Seal, II, Trustee
5814 Joyce Way
Dallas, Texas 75225

Harbour Group, Inc.
4125 Centurion Way, Suite 200
Addison, Texas 75001-4347

Dallas County, Texas
Earl Bullock, County Clerk
Records Building, 2nd Floor
Dallas, TX 75202

Dallas Independent School District
3700 Ross Avenue
Dallas, TX 75204

III.

The public purpose of the acquisition is for the construction, relocation and extension of Arapaho Road, a public street in Addison, Texas, as well as for a temporary construction easement to be utilized in the building of said street for a period of thirty (30) months.

IV.

The Addison City Council has by resolution determined that a fee simple estate is necessary for the construction, relocation and extension of the above-specified new street project. The land to be acquired in fee will be used for such purposes as specified in Paragraph III. The temporary construction easement will be used for thirty (30) months from the date of possession by Plaintiff as specified in Paragraph VII and returned to the owner thereof.

V.

Plaintiff is entitled to condemn the fee title in such land for said purposes and asks that it be condemned for such purposes.

VI.

The fee simple estate being acquired for the street is described in Exhibit A, attached hereto and made a part of this petition for all purposes.

VII.

Exhibit B, attached hereto and made a part of this petition for all purposes, describes a temporary construction easement that runs parallel to the street right-of-way which easement is to be used during construction for work areas including the removal of improvements located within the right-of-way being acquired and for other related construction uses. All improvements will be removed from the temporary construction easement and it will be returned to its pre-existing grade and condition except that no improvements will be reconstructed thereon. This temporary construction easement will be thirty (30) months in duration, said months to run from

date of possession by the Plaintiff of the easement, and to expire automatically on the completion of the thirtieth (30th) month after possession by Plaintiff.

VIII.

Plaintiff would show, that through its duly authorized agents, it made bona fide attempts to purchase the required property from the defendant owners, that Plaintiff offered the fee owner fair market value as compensation for the property to be acquired, including damages to the remainder, if any, and that the parties have been unable to agree upon the sums to be paid for the purchase of this land or damages occasioned by the acquisition of the land and improvements, if any. Plaintiff would further show that as a part of its good faith negotiations, Plaintiff offered to reduce the size of the fire lane on the property and re-stripe the parking area affected so that the available parking would be reduced only by one space as a result of this acquisition. As the parties have been unable to reach agreement, Plaintiff asks that special commissioners be appointed as provided by law to assess all amounts due to Defendants for the part taken and damages, if any.

IX.

Plaintiff has named all known record owners of the land to be condemned. Plaintiff reserves the right to add additional parties if such interests should later appear.

X.

On August 27, 2002, the City Council of the Town of Addison passed a resolution declaring that public convenience and necessity require that the property described in Exhibit A be acquired for the public purpose of construction, relocation, and extension of a public street, to wit Arapaho Road. The resolution further authorized the filing of the condemnation suit on behalf of the Plaintiff as provided by law.

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Special Commissioners be appointed to determine the compensation to be awarded to the Defendants, that a hearing be held after the parties are properly noticed and the Commissioners render an award to be filed with the Court, that writ of possession issue to Plaintiff and that upon final trial Plaintiff be awarded a judgment vesting fee simple title to the land described in Exhibit A in the Town of Addison, granting a temporary construction easement in the land described in Exhibit B for thirty (30) months from the date of possession, and that fair market compensation including damages, if any, be awarded to Defendants.

Plaintiff further prays for costs of court and for such other and further relief, both general and special, as Plaintiff may be entitled to receive.

Respectfully submitted,

COWLES & THOMPSON, P.C.

901 Main Street, Suite 4000
Dallas, Texas 75202
(214) 672-2000
Fax: (214) 672-2020

Ken C. Dippel

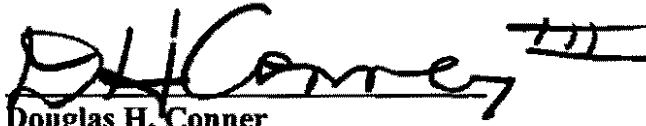
City Attorney for Town of Addison
State Bar No. 05893000

Angela K. Washington

Assistant City Attorney for Town of Addison
State Bar No. 20897155

LAW OFFICES OF BOYLE & LOWRY, P.C.

By:



Douglas H. Conner
State Bar No. 04694000
4301 Wingren, Suite 108
Irving, Texas 75062
(972) 650-7100
Fax: (972) 650-7105

**TRIAL ATTORNEY FOR PLAINTIFF
TOWN OF ADDISON, TEXAS**

EXHIBIT A

Parcel 10
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.3664 acre (15,960 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.3664 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at an "X" in concrete set in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records;

THENCE, SOUTH $00^{\circ}08'05''$ WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, NORTH $89^{\circ}58'49''$ WEST, departing said common line and along the proposed South right of way line of Arapaho Road, a distance of 202.14 feet to a 5/8 inch iron rod set in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

PARCEL 10 - ARAPAHO ROAD PROJECT

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed North right of way line of Arapaho Road and the South right of way line of said DART railroad, said point being the common Northwest corner of said called 1.3713 acre tract and Northeast corner of said called 1.103 acre tract, from said point a 1/2 inch iron rod found bears South 45°10'16" East a distance of 0.38 feet

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the common North line of said called 1.3713 acre tract, proposed North right of way line of Arapaho Road, and South right of way of said DART railroad, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING**;

CONTAINING an area of 0.3664 acres or 15,960 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

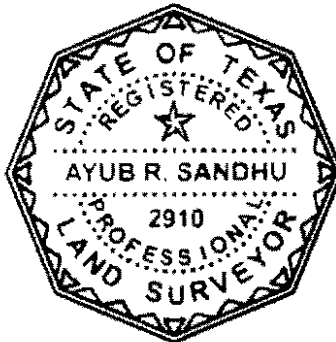


EXHIBIT B

Parcel 10-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0232 acre (1,011 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.0232 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records said corner being in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a point in the proposed South right of way line of Arapaho Road for the Northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, SOUTH 00°08'05" WEST, continuing along said common line, a distance of 5.00 feet to a point for corner;

PARCEL 10-TE - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said common line, a distance of 202.14 feet to a point in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 5.00 feet to a point in said proposed South right of way line of Arapaho Road;

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the said proposed South right of way line of Arapaho Road, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING**;

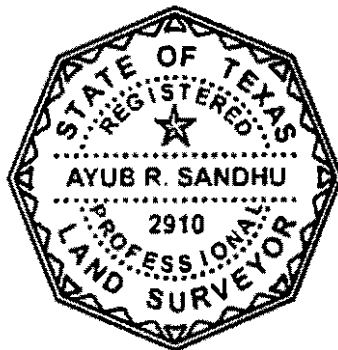
CONTAINING an area of 0.0232 acres or 1,011 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 7-26-01
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



ADR Partners

April 10, 2002

Mr. Ron Whitehead
City Manager
Town of Addison
5300 Belt Line Road
Dallas, TX 75240

Via Facsimile 972-450-7043 &
Certified Mail Return Receipt Requested
Item Number 7001 2510 0004 1401 1573

Re: Letter Dated March 12, 2002
4139 Centurion Way – Addison, Texas

Dear Mr. Whitehead,

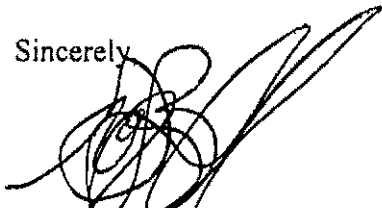
I sent you the attached referenced letter almost thirty days ago and The Town of Addison has failed to respond as of this date in a definite manner to the assumptions in the appraisal by Evaluation Associates that there would be no loss of parking due to the condemnation. Additionally, I subsequently asked for written confirmation of the policy, as represented in the appraisal by Evaluation Associates, that if the property improvements were destroyed by more than 50%, the building could not be rebuilt in the same footprint.

The Town continues to be vague and noncommittal on both of these issues and I am losing the opportunity to lease and potentially sell the property based on the lack of credible information. The Town chose to affect the economic viability of the property with the extension of Arapaho Road. Since the process is represented to be fair and equitable it would be helpful if the Town would be concise and consistent and decide if the representations made in the appraisal are correct.

It was my understanding from speaking last week with Mike Murphy that the Town planned to have a meeting to discuss these issues on Monday or Tuesday of this week and would contact me to set a meeting to define these issues; however, as of this date I have not been contacted..

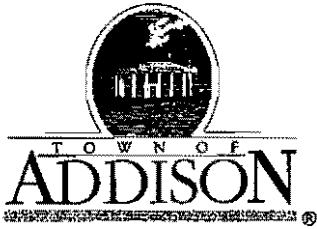
I request the opportunity to address the City Council at the next meeting on April 23, 2002.

Sincerely,



Gary B. Crouch, CCIM, CPM

c.c. Mr. Mike Murphy



April 2, 2003

PUBLIC WORKS DEPARTMENT
Post Office Box 9010 Addison, Texas 75001-9010

FAXED
4/2/03

To: A.W.
(972) 450-2871 FAX (972) 450-2837
16801 Westgrove

Mr. John A. Winslow
4125 Centurion Way L.P.
4125 Centurion Way
Addison, TX 75001

Re: Parcel Nos. 10 & 10TE
Arapaho Road Improvements

Dear Mr. Winslow:

Thank you for your response on March 25, 2003, to our letter dated February 3, 2003.

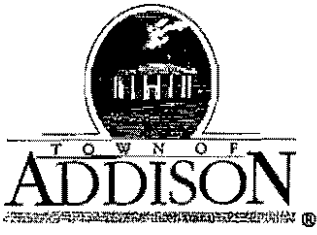
The Town of Addison has reviewed your latest proposal; and, because of the large difference in our offer based on "Fair Market Value" and your counter offer, it is the Town's opinion that we will not be able to reach an agreement that is satisfactory to both parties.

Therefore, so as not to delay the progress of this project any longer, the Town has directed its Attorney to move forward with eminent domain proceedings toward the acquisition of this necessary Right-of-Way for the extension of Arapaho Road.

Sincerely,

Michael E. Murphy, P.E.
Director of Public Works

cc: Ron Whitehead, City Manager
Angela Washington, Cowles & Thompson



PUBLIC WORKS DEPARTMENT
Post Office Box 9010 Addison, Texas 75001-9010

(972) 450-2871 FAX (972) 450-2837
16801 Westgrove

April 2, 2003

Mr. John A. Winslow
4125 Centurion Way L.P.
4125 Centurion Way
Addison, TX 75001

Re: Parcel Nos. 10 & 10TE
Arapaho Road Improvements

Dear Mr. Winslow:

Thank you for your response on March 25, 2003, to our letter dated February 3, 2003.

The Town of Addison has reviewed your latest proposal; and, because of the large difference in our offer based on "Fair Market Value" and your counter offer, it is the Town's opinion that we will not be able to reach an agreement that is satisfactory to both parties.

Therefore, so as not to delay the progress of this project any longer, the Town has directed its Attorney to move forward with eminent domain proceedings toward the acquisition of this necessary Right-of-Way for the extension of Arapaho Road.

Sincerely,

Michael E. Murphy, P.E.
Director of Public Works

cc: Ron Whitehead, City Manager
Angela Washington, Cowles & Thompson

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



10

ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

March 4, 2003

Mr. Mike Murphy
Director of Public Works
Town of Addison
Addison Service Center
16801 Westgrove Drive
Addison, TX 75001-5190

RE: *Town of Addison v. 4125 Centurion Way, L.P., et al.*
Cause No. 03-2155-C

Dear Mike:

Enclosed for your files is a file-marked Petition in Condemnation for the above-referenced case concerning Parcel 10, Arapaho Road Project. As you will note, the petition was filed on February 24, 2003. The Commissioners have not yet been appointed. If you have any questions, please give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c(w/o Enclosure): Mr. Steve Chutchian
Mr. Kenneth Dippel, City Attorney

CAUSE NO. 03-2155-C

FILED

2003 FEB 24 PM 1:34

TOWN OF ADDISON

§
§
§
§
§

IN THE COUNTY COURT

V.

AT LAW NUMBER 3 CLERK
DALLAS COUNTY

4125 CENTURION WAY, L.P., ET AL.

DALLAS COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION IN CONDEMNATION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW the Town of Addison, hereinafter referred to as Plaintiff, having by law the right of eminent domain and power of condemnation, acting herein by and through its duly elected City Council (the "Council"), for and on behalf of the Town of Addison, complaining herein of 4125 Centurion Way, L.P.; Williams Winslow, L.L.C.; John A. Winslow, individually and as officer of Williams Winslow, L.L.C.; Comerica Bank-Texas; John M. Killian, Trustee; C. E. Seal, II, Trustee; and Harbour Group, Inc., hereinafter referred to as Defendants; and for cause of action Plaintiff respectfully represents to the Court as follows:

I.

The Plaintiff, Town of Addison, a municipal corporation, has determined that the public necessity requires that certain land should be acquired from the Defendants herein.

II.

The Defendants are owners or claimants of some interest in the property being acquired who have been identified by diligent search by Plaintiff. Their respective addresses for service of process are:

4125 Centurion Way, L.P.
4125 Centurion Way
Addison, Texas 75001

Williams Winslow, L.L.C.
4125 Centurion Way, Suite 200
Addison, Texas 75001-4347

John A. Winslow
4125 Centurion Way
Addison, Texas 75001-4347

Comerica Bank-Texas
c/o Marge Owen
1508 W. Mockingbird Lane
M/C 6535
Dallas, Texas 75235

John M. Killian, Trustee
Comerica Bank
3551 Hamlin Road
M/C 7410
Auburn Hills, Michigan 48326

Melinda Chausse
Comerica Bank-Texas
1601 Elm Street, 4th Floor
M/C 6507
Dallas, Texas 75201

C. E. Seal, II, Trustee
5005 LBJ Freeway, Suite 170
Dallas, Texas 75244

C.E. Seal, II, Trustee
5814 Joyce Way
Dallas, Texas 75225

Harbour Group, Inc.
4125 Centurion Way, Suite 200
Addison, Texas 75001-4347

Dallas County, Texas
Earl Bullock, County Clerk
Records Building, 2nd Floor
Dallas, TX 75202

Dallas Independent School District
3700 Ross Avenue
Dallas, TX 75204

III.

The public purpose of the acquisition is for the construction, relocation and extension of Arapaho Road, a public street in Addison, Texas, as well as for a temporary construction easement to be utilized in the building of said street for a period of thirty (30) months.

IV.

The Addison City Council has by resolution determined that a fee simple estate is necessary for the construction, relocation and extension of the above-specified new street project. The land to be acquired in fee will be used for such purposes as specified in Paragraph III. The temporary construction easement will be used for thirty (30) months from the date of possession by Plaintiff as specified in Paragraph VII and returned to the owner thereof.

V.

Plaintiff is entitled to condemn the fee title in such land for said purposes and asks that it be condemned for such purposes.

VI.

The fee simple estate being acquired for the street is described in Exhibit A, attached hereto and made a part of this petition for all purposes.

VII.

Exhibit B, attached hereto and made a part of this petition for all purposes, describes a temporary construction easement that runs parallel to the street right-of-way which easement is to be used during construction for work areas including the removal of improvements located within the right-of-way being acquired and for other related construction uses. All improvements will be removed from the temporary construction easement and it will be returned to its pre-existing grade and condition except that no improvements will be reconstructed thereon. This temporary construction easement will be thirty (30) months in duration, said months to run from

date of possession by the Plaintiff of the easement, and to expire automatically on the completion of the thirtieth (30th) month after possession by Plaintiff.

VIII.

Plaintiff would show, that through its duly authorized agents, it made bona fide attempts to purchase the required property from the defendant owners, that Plaintiff offered the fee owner fair market value as compensation for the property to be acquired, including damages to the remainder, if any, and that the parties have been unable to agree upon the sums to be paid for the purchase of this land or damages occasioned by the acquisition of the land and improvements, if any. Plaintiff would further show that as a part of its good faith negotiations, Plaintiff offered to reduce the size of the fire lane on the property and re-stripe the parking area affected so that the available parking would be reduced only by one space as a result of this acquisition. As the parties have been unable to reach agreement, Plaintiff asks that special commissioners be appointed as provided by law to assess all amounts due to Defendants for the part taken and damages, if any.

IX.

Plaintiff has named all known record owners of the land to be condemned. Plaintiff reserves the right to add additional parties if such interests should later appear.

X.

On August 27, 2002, the City Council of the Town of Addison passed a resolution declaring that public convenience and necessity require that the property described in Exhibit A be acquired for the public purpose of construction, relocation, and extension of a public street, to wit Arapaho Road. The resolution further authorized the filing of the condemnation suit on behalf of the Plaintiff as provided by law.

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Special Commissioners be appointed to determine the compensation to be awarded to the Defendants, that a hearing be held after the parties are properly noticed and the Commissioners render an award to be filed with the Court, that writ of possession issue to Plaintiff and that upon final trial Plaintiff be awarded a judgment vesting fee simple title to the land described in Exhibit A in the Town of Addison, granting a temporary construction easement in the land described in Exhibit B for thirty (30) months from the date of possession, and that fair market compensation including damages, if any, be awarded to Defendants.

Plaintiff further prays for costs of court and for such other and further relief, both general and special, as Plaintiff may be entitled to receive.

Respectfully submitted,

COWLES & THOMPSON, P.C.

901 Main Street, Suite 4000
Dallas, Texas 75202
(214) 672-2000
Fax: (214) 672-2020

Ken C. Dippel

City Attorney for Town of Addison
State Bar No. 05893000

Angela K. Washington

Assistant City Attorney for Town of Addison
State Bar No. 20897155

LAW OFFICES OF BOYLE & LOWRY, P.C.

By:



Douglas H. Conner

State Bar No. 04694000
4301 Wingren, Suite 108
Irving, Texas 75062
(972) 650-7100
Fax: (972) 650-7105

**TRIAL ATTORNEY FOR PLAINTIFF
TOWN OF ADDISON, TEXAS**

EXHIBIT A

Parcel 10
Field Note Description
Arapaho Road Project
Town of Addison.
Dallas County, Texas

BEING a description of a 0.3664 acre (15,960 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.3664 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at an "X" in concrete set in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, NORTH 89°58'49" WEST, departing said common line and along the proposed South right of way line of Arapaho Road, a distance of 202.14 feet to a 5/8 inch iron rod set in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

PARCEL 10 - ARAPAHO ROAD PROJECT

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed North right of way line of Arapaho Road and the South right of way line of said DART railroad, said point being the common Northwest corner of said called 1.3713 acre tract and Northeast corner of said called 1.103 acre tract, from said point a 1/2 inch iron rod found bears South 45°10'16" East a distance of 0.38 feet

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the common North line of said called 1.3713 acre tract, proposed North right of way line of Arapaho Road, and South right of way of said DART railroad, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING;**

CONTAINING an area of 0.3664 acres or 15,960 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

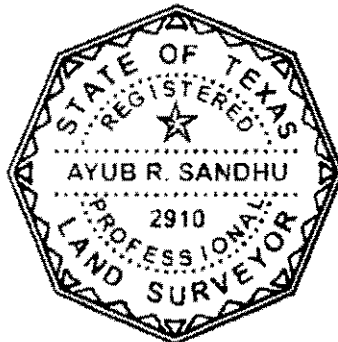


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Arapaho Road Project
Town of Addison
Dallas County, Texas

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PARCEL 10 - ARAPAHO ROAD PROJECT

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THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the common North line of said called 1.3713 acre tract, proposed North right of way line of Arapaho Road, and South right of way of said DART railroad, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING;**

CONTAINING an area of 0.3664 acres or 15,960 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

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I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

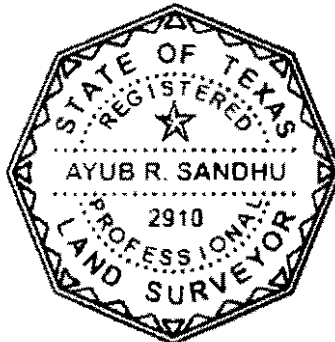


EXHIBIT B

Parcel 10-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0232 acre (1,011 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.0232 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Interinvest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records said corner being in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a point in the proposed South right of way line of Arapaho Road for the Northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, SOUTH 00°08'05" WEST, continuing along said common line, a distance of 5.00 feet to a point for corner;

PARCEL 10-TE - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said common line, a distance of 202.14 feet to a point in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 5.00 feet to a point in said proposed South right of way line of Arapaho Road;

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the said proposed South right of way line of Arapaho Road, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING**;

CONTAINING an area of 0.0232 acres or 1,011 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 7-26-01
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

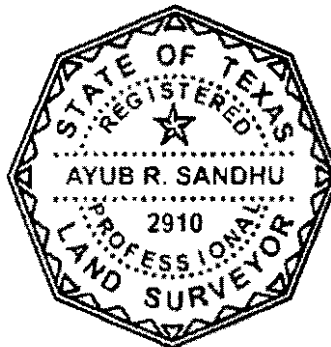


EXHIBIT B

Parcel 10-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

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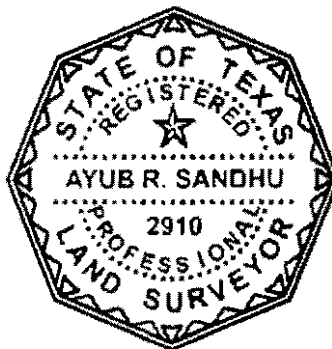
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Ayub R. Sandhu 7-26-01
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



MAR-04-2003 10:47

COWLES & THOMPSON

2146722020 P.01/02

25th
Anniversary
1978-2003

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



FACSIMILE COVER PAGE

Date: March 4, 2003

Time: _____

Total Number of Pages (including this sheet): 2Normal/Rush: NormalClient/Matter #: 3305/62006

TO: (1) Randy Moravec
(2) Mike Murphy

FAX: (972) 450-7096
FAX: (972) 450-2837

PHONE:
PHONE:

FROM: John M. HillDirect Dial #: (214) 672-2170

MESSAGE: Randy and Mike, attached is the proposed Purchaser's Statement in the Midway Centurion, Ltd. purchase. Please review and let me know if you have any comments.

**IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION,
PLEASE CALL**

Yolanda Rodriguez at (214) 672-2629

Thank you.

IMPORTANT/CONFIDENTIAL: This message is intended only for the use of the individual or entity to which it is addressed. This message contains information from the law firm of Cowles & Thompson which may be privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee, or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately at our telephone number (214) 672-2000. We will be happy to arrange for the return of this message to us, via the United States Postal Service, at no cost to you.

DALLAS TYLER

901 MAIN STREET SUITE 4000 DALLAS, TEXAS 75202-3793
TEL 214.672.2000 FAX 214.672.2020
WWW.COWLESTHOMPSON.COM

MAR-04-2003 10:47

COWLES & THOMPSON

2146722020

P.02/02



REPUBLIC TITLE OF TEXAS, INC.

DATE: 03/05/2003
GF NO: 02RL036 536

PURCHASER'S STATEMENT

SALE FROM: MIDWAY CENTURION, LTD., a Texas limited ptshp.
SALE TO: TOWN OF ADDISON
PROPERTY: 6/ SURVEYOR ADDISON WEST INDUSTRIAL PARK
Easement and License Agreements

PURCHASE PRICE: \$ 166,466.00
PLUS: CHARGES

Filing fees to county clerk:	\$	
Easement Agreement	\$	49.00
Fee to the Title Company:	\$	
Escrow Fee	\$	250.00
Owner title policy	\$	1,324.00
DISCLOSURE REQUIRED BY ARTICLE 9.51, INSURANCE CODE		
198.60 TO FIRST AMERICAN TITLE INSURANCE COMPANY	\$	
1,125.40 TO REPUBLIC TITLE OF TEXAS, INC.	\$	
DISCLOSURE INCLUDES TITLE PREMIUMS PAID BY ALL PARTIES.		
Tax Service to DATA TRACE INFORMATION SERVICES	\$	59.05

TOTAL CHARGES \$ 1,682.05
GROSS AMOUNT DUE BY PURCHASER \$ 168,128.05

LESS: CREDITS

TOTAL CREDITS \$ 00
BALANCE DUE BY PURCHASER \$ 168,128.05

Purchaser understands the Closing or Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this Statement.

Purchaser understands that tax and insurance pro rata and reserves were based on figures for the preceding year or supplied by whom or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes Closing or Escrow Agent to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

REPUBLIC TITLE OF TEXAS, INC.

TOWN OF ADDISON

By:

Name & Title:

CLOSING OR ESCROW AGENT

WACOWLES

*Notice: Interest on existing loans is figured to the date indicated. If not paid by the end of the calendar interest will have to be collected and your statement will be adjusted to have sufficient funds to secure release from the lender.

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



JOHN M. HILL
214.672.2170
JHILL@COWLESTHOMPSON.COM

March 4, 2003

**VIA FACSIMILE (214) 855-8898
AND HAND DELIVERY**

Ms. Janine Barber
Republic Title Company
2626 Howell Street, 10th Floor
Dallas, Texas 75204-4064

**RE: Seller: Midway Centurion, Ltd.
Purchaser: Town of Addison, Texas
Your File #: 02R14036/SJ6**

Dear Janine:

As you know, the parties have agreed to close this transaction on Wednesday, March 5, 2003. The Town of Addison will fund the purchase by wire transfer into the Title Company's account pursuant to the wiring instructions you provided to me yesterday by fax. The Town will also execute and deliver its settlement statement by telecopy with a hard copy to follow by regular mail.

DOCUMENTS

The following documents (the "Transaction Documents") either have been or will be delivered to you by March 5th:

1. The Easement Agreement, fully executed by both Seller and Buyer (this is enclosed);
2. Partial Release of Lien executed by First Bank & Trust (so that Paragraph 7 of Schedule C will be deleted);
3. Sufficient evidence that the sale of the Easement and License (as referenced in the Contract of Sale), and execution of the Easement Agreement has been approved in accordance with the terms of the limited partnership agreement of Midway Centurion, Ltd. and that the person executing the closing documents on behalf of Midway Centurion, Ltd. has authority to do so;



March 4, 2003

Page 2

4. Seller's Affidavit (Possession and Mechanic's Lien);
5. Certification as to Non-Foreign Status executed by Seller;
6. Seller's Settlement Statement to be executed by Seller;
7. Buyer's Settlement Statement to be executed by Buyer; and
8. Other documents the Title Company may require to close this transaction.

CLOSING INSTRUCTIONS

A. You are instructed to retain the Transaction Documents in escrow until the following matters are satisfied:

1. All of the Transaction Documents have been delivered to you and fully executed;
2. You are prepared to issue a Title Policy to the Town of Addison, Texas in accordance with the terms of Title Commitment, provided that: (i) the exception as to parties in possession is deleted, (ii) the exception as to rights of third parties with respect to any portion of the subject property line within the boundaries of the public or private road is deleted, (iii) the exception as to rights of parties and possession and rights of tenants under any unrecorded leases or rental agreements is deleted, (iv) all matters in Schedule C has been satisfied so that none are exceptions, and (v) the "area and boundary" exception (Schedule B, Paragraph 2) is amended to read "shortages in area" to reflect the payment of an additional premium;
3. You are prepared to disburse funds in accordance with the approved Buyer's Settlement Statement.

B. Once you have satisfied all of the matters set out above, you are authorized and instructed to take the following steps:

1. Disburse funds in accordance with the approved Buyer's Settlement Statement;
2. Record the Easement Agreement;
3. Record the Partial Release of Lien;
4. Deliver to this office copies of the Transaction Documents;



March 4, 2003
Page 3

5. Upon recording, return to this office the original Easement Agreement and Partial Release of Lien; and
6. Deliver to this office the owner's policy of title insurance when issued.

Thank you for your help in this matter. Please give me a call if you have any questions.

Very truly yours,



John M. Hill

JMH/yjr
Enclosure

cc: Mr. Mike Murphy
Mr. Ken Dippel

EASEMENT AGREEMENT

This Easement Agreement ("Easement Agreement" or "Agreement") is made and entered into this 5th day of MARCH, 2003 by and between Midway Centurion, Ltd. ("Grantor"), a Texas limited partnership, and the Town of Addison, Texas (referred to herein as the "Town" or "Grantee").

WITNESSETH:

WHEREAS, Grantor is the sole owner of certain real property located in the Town and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town intends to construct an extension of Arapaho Road through the Town (the "Arapaho Road Phase III Extension"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire a perpetual easement in, over, across, above, upon, under and through the Easement Property for elevated street and roadway and other public purposes as described herein in connection with the construction of the Arapaho Road Phase III Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Midway Centurion, Ltd. ("Grantor"), a Texas limited partnership, and the Town of Addison, Texas (referred to herein as the "Town" or "Grantee") agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement and right-of-way for an elevated street and roadway and for other public purposes as described herein (the "Easement") in, over, across, above, upon, under and through the property described and depicted in Exhibit A (the "Easement Property") (the said Exhibit being attached hereto and incorporated herein).

2. **Consideration.** This Easement and the other rights and privileges set forth herein are granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of One Hundred Sixty Six Thousand Four Hundred Forty Six and No/100 Dollars (\$166,446.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit B attached hereto and incorporated herein, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. (1) The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating and necessary or appropriate to the construction, placement, installation, reconstruction, relocation, alteration, operation, use, inspection, maintenance, improvement, and modification of the following facilities (together, the "Facilities"):

(a) an elevated street and roadway (bridge) for vehicular and pedestrian traffic and all paving, curbing, and striping thereon, and related public purposes in connection therewith (it being understood that the Grantor specifically is not granting this Easement to build any street or roadway at ground level except as provided for herein; however, the Town may use so much of the above-surface, surface and subsurface of the Easement Property as the Town may determine, in its sole and reasonable discretion, is necessary, appropriate, or desirable for the elevated street and roadway);

(b) footings, foundations, columns, posts, and other types of support structures in connection with such elevated street and roadway;

(c) utility systems to be located either primarily underground or on the elevated street and roadway, including, without limitation, water, gas, sanitary sewer, storm sewer, electric, fiber optic, cable television, and/or communication system or systems, or parts thereof, including without limitation lines, pipes, conduits, meters, valves, fittings, lateral, poles, wires, guys, crossarms, conductors, transformers, splices, switches, manholes, handholes, junction boxes, and cables;

(d) drainage facilities and necessary appurtenances thereto to be located primarily underground, including without limitation shoring or retaining structures, culverts, box culverts, pipes, mains, manholes, handholes, valves, fittings, laterals, inlets, paving, and curbing;

(e) structures and equipment including, without limitation, lighting, conduit, cable, guardrails and other safety features and devices;

(f) landscaping; and

(g) all other things that the Town from time to time deems necessary, appropriate, or desirable in the Town's sole and reasonable discretion, with respect to the foregoing Facilities.

(2) The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole and reasonable discretion, with respect to the Facilities.

(3) The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Facilities on such terms as the Town, in its sole discretion, deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's reasonable determination, with the Easement or with any of the Facilities. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, or convenient and safe operation of the Facilities or the exercise of the Town's rights hereunder.

(iii) Grantor shall pay all applicable and appropriate taxes, in connection with the Easement Property.

C. Grantor, its successors and assigns, may, at Grantor's sole cost and expense, fully use and enjoy so much of the surface of the Easement Property as is not being used or utilized by the Town for the purposes herein stated, except that such use and enjoyment (i) shall not hinder, conflict or interfere with the exercise of the Town's rights hereunder and with the safe operation of the Facilities, and (ii) is subject to the terms, conditions, and standards set forth in this Easement Agreement and to all applicable laws, rules, standards, and regulations of the Town or any other governmental entity having jurisdiction over the Easement Property.

In connection with such use by Grantor, Grantor shall (i) keep and maintain the Easement Property in a clean, neat and orderly condition, free from clutter, trash, garbage, rubbish, debris, construction materials, and items of a similar nature, (ii) not place, or allow the placement of, any, fence, wall, or other screening device in, upon, or within the Easement Property, except as may be permitted by Grantee in writing in Grantee's sole discretion, and (iii) not place or allow the placement of any sign(s) (including, without limitation, any sign(s) located on a motor vehicle) within the Easement Property except as may be permitted by Grantee in writing in Grantee's sole discretion. If, in Grantee's sole opinion, Grantor fails in any of the foregoing duties or responsibilities, then Grantee, after giving to Grantor written notice of such failure and a reasonable opportunity to cure such failure, perform such duties or responsibilities so as to cause the Easement Property to conform to such standards, and Grantor shall promptly reimburse the Town for the cost and expense thereof upon demand.

D. In addition to the grant and conveyance made herein and for the consideration set forth herein, Grantor hereby grants and conveys to the Town a right, privilege and license for the purpose of ingress and egress to and from the Easement Property (the "License") over and across that portion of the Remainder as shown on Exhibit D attached hereto and incorporated herein (the "License Area"). The License may be used by the Town upon the completion of the initial construction of the Facilities, and is granted solely for the purpose of allowing the Town, its employees, contractors, agents, successors, and assigns, to have motor vehicle access to and from the Easement Property and over and across the License Area for the maintenance and repair of the Facilities. The License may be temporarily suspended by Grantor if Grantor elects to

reconstruct the License Area and such reconstruction would obstruct the use of the License Area for the purpose set forth in this Paragraph 3.D. Such suspension shall be effective on the date Grantor secures a building permit from the Town of Addison, Texas for such reconstruction; provided, however, that if such reconstruction is not completed within the time period set forth in the building permit, the suspension shall end and the License shall be automatically reinstated. During the temporary suspension of the License, Grantor agrees to reasonably consider and to confer with Grantee regarding relocating the License Area across another portion of the Remainder; if an alternative location is determined and agreed upon, a diagram depicting the alternative location shall be substituted for and in place of Exhibit D, and the License shall continue and apply to the alternative location. If Grantor completes the construction, or if Grantor and Grantee are unable to agree upon an alternative location, the License shall terminate.

4. **Bridge.** The bridge to be constructed as a part of the Facilities shall be constructed no closer than ten (10) feet from the existing building located on the Remainder.

5. **Parking; Maintenance.**

A. In addition to the cash consideration described in Paragraph 2 of this Easement Agreement, the Town shall construct, during the initial construction of the elevated street and roadway, at its expense approximately seventeen (17) paved parking spaces (the "Parking Spaces") on the Easement Property for Grantor's use at the location shown in Exhibit C attached hereto and incorporated herein.

B. As of the date of execution of this Agreement, there exists on the Easement Property an open drainage ditch. The Town agrees, as a part of the initial construction of the Facilities (or portion thereof), to enclose the said open drainage ditch with a structure of sufficient strength to allow the construction of additional automobile parking spaces at a later date, which additional parking spaces shall be constructed and maintained at Grantor's sole cost and expense.

C. In connection with the construction of the elevated street and roadway, the Town intends to install such landscaping as it shall determine to be suitable and appropriate and which is anticipated to be located generally in those areas depicted in Exhibit C (the "At Grade Landscaping"). Upon the expiration or termination of the period of any maintenance obligation required by the Town from its contractor in connection with the construction of the Parking Spaces and of the At Grade Landscaping, Grantor shall maintain and keep in good condition and repair the Parking Spaces and the At-Grade Landscaping. In the event Grantor shall fail to maintain and keep in good condition and repair the Parking Spaces and the At Grade Landscaping, the Town may (but shall not be obligated to), after giving to Grantor written notice of such failure and a reasonable opportunity to cure such failure, cause such maintenance or repair to be performed, and Grantor shall promptly reimburse the Town for the cost and expense thereof upon demand.

6. **Contractor to be Bonded.** The contractor retained by the Town to construct the Facilities shall be bonded and shall be responsible for any damage to the existing building on the Remainder.

7. **Existing Curb Cuts.** No existing curb cuts on the Remainder shall be moved or removed by the Town in conjunction with work performed pursuant to this Agreement.

8. **Midway Road.** Construction shall be conducted so as to allow reasonable access to Midway Road from the Remainder. This paragraph shall not be interpreted to prevent the temporary closure of certain lanes thereon, as deemed necessary by and in the sole discretion of the Town.

9. **Special Warranty of Title.** TO HAVE AND TO HOLD the Easements, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easements and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property by, through and under Grantor, but not otherwise.

10. **Exclusiveness of Easement; Easement in Addition to Other Rights of Grantee.** The Easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant from and after the date of execution of this Agreement. The Easement, rights, and privileges granted by this conveyance are in addition to and do not modify or amend any other easements, rights, or privileges of the Grantee in connection with or relating to the Easement Property and the Remainder.

11. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

12. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

13. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

14. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this 20 day of FEBRUARY, 2003.

GRANTOR:

Midway Centurion, Ltd.

By: MBKA, L.L.C., its General Partner

By: *[Signature]*
Michael W. Crepeau, President

Executed this 3rd day of MARCH, 2003.

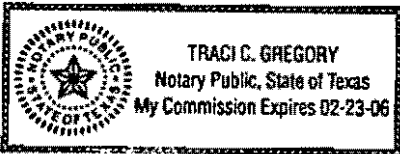
GRANTEE:

Town of Addison, Texas

By: *[Signature]*
Ron Whitehead, City Manager

STATE OF TEXAS §
 §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 20 day of FEB, 2003 by Michael W. Crepeau, President of MBKA, L.L.C., a Texas limited liability company, the sole general partner of Midway Centurion, Ltd., a Texas limited partnership, on behalf of the said limited partnership.

[Seal] 

By: *[Signature]*
Notary Public, State of Texas
My Commission Expires: 2/23/06

STATE OF TEXAS §
 §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 3rd day of MARCH, 2003 by Ron Whitehead, City Manager of the Town of Addison, Texas, a Texas municipal corporation, on behalf of the said municipal corporation.

[Seal] 

By: *[Signature]*
Notary Public, State of Texas

EXHIBIT A
TO EASEMENT AGREEMENT

Parcel 7
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.9387 acre (40,890 square foot) tract of land situated in the W.H. Witt Survey, Abstract Number 1609, Town of Addison, Dallas County, Texas, and being a portion of a called 3.4654 acre tract of land, 25% interest conveyed by Epina Properties Limited to 15101 Midway Road Partners, LTD. on December 25, 1998 and recorded in Volume 98250, Page 02787 of the Deed Records of Dallas County, Texas, 75% interest conveyed by Lehndorff & Babson Property Fund to 15101 Midway Road Partners, LTD. on December 25, 1998 and recorded in Volume 98250, Page 02796 of said Deed Records, said called 3.4654 acre tract being all of the Surveyor Addition, Addison West Industrial Park, an addition to the Town of Addison, as evidenced by the plat dated October 24, 1978 and recorded in Volume 79029, Page 0984 of said Deed Records, said 0.9387 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a 5/8 inch iron rod set in the proposed North right of way of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, as it intersects the West right of way line of Midway Road (100 feet wide), said point being the common Northeast corners of said called 3.4654 acre tract and said Surveyor Addition, Addison West Industrial Park;

THENCE, SOUTH $00^{\circ}58'35''$ EAST, departing said lines and along the common East line of said called 3.4654 acre tract and West right of way line of said Midway Road, a distance of 13.57 feet (called 13.73 feet) to a 5/8 inch iron rod set for the beginning of a tangent curve to the right;

THENCE, SOUTHERLY, continuing along said lines and the arc of said curve to the right having a radius of 904.93 feet, a central angle of $04^{\circ}08'31''$, a chord bearing South $01^{\circ}05'04''$ West for 65.40 feet, for an arc distance of 65.42 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

PARCEL 7 - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said lines and along said proposed South right of way line of Arapaho Road, a distance of 516.94 feet to a 5/8 inch iron rod set in the common West line of said 3.4654 acre tract and East line of a called 2.5212 acre tract of land conveyed to J. H. Crouch, Jr. and Jo Doris Crouch on August 4, 1997 and recorded in Volume 97153, Page 03266 of said Deed Records, said 2.5212 acre tract being all of "Lot 6, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated March 29, 1979 and recorded in Volume 79130, Page 2495 of said Deed Records;

THENCE, NORTH 00°07'27" EAST (called North 00°08'05" East), departing said line and along said common West line of said 3.4654 acre tract and East line of said called 2.5212 acre tract, a distance of 78.96 feet to a 1/2 inch iron rod found in said proposed North right of way line of Arapaho Road and South right of way line of said DART railroad, for the common Northwest corner of said called 3.4654 acre tract and Northeast corner of said called 2.5212 acre tract;

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said lines and along the common North line of said called 3.4654 acre tract, proposed North right of way of Arapaho Road, and South right of way line of said DART railroad, a distance of 517.78 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 0.9387 acres or 40,890 square feet of land within the metes recited.

PARCEL 7 - ARAPAHO ROAD PROJECT

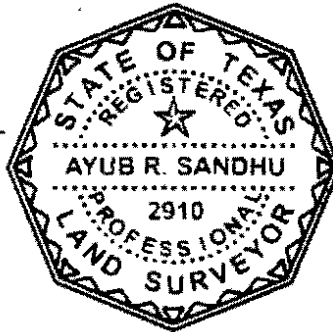
All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99

Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



**W.H. WITT SURVEY
A-1609**

DALLAS AREA RAPID TRANSIT
PROPERTY ACQUISITION CORPORATION
(100' R.O.W.)
DECEMBER 27, 1990
VOL. 91008, PG. 1390
D.R.D.C.T.



LINE TABLE				
LINE	BEARING	CALLED	DIST	CALLED
L1	S 00°58'35" E	-	13.57'	13.73'

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	04°08'31"	904.93'	65.42'	S 01°05'04" W - 65.40'

FND, 1/2" IRON ROD

(CALLED N00°05'05"E)
N 00°07'27" E
78.96'

(CALLED EAST)
S 89°58'49" E - 517.78'

P.O.B.

30' WATER EASEMENT

6' SANITARY SEWER
EASEMENT

PROPOSED ARAPAHO ROAD

44' DRAINAGE
EASEMENT

N 89°58'49" W - 516.94'

MIDWAY ROAD
(100' R.O.W.)

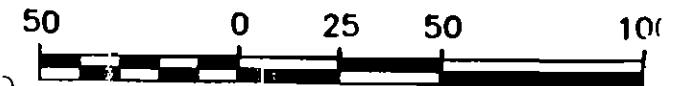
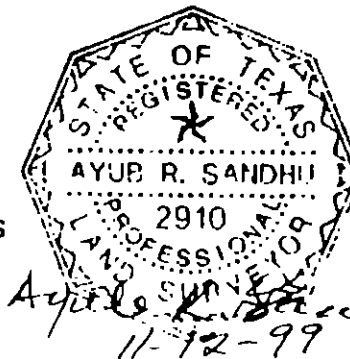
CALLLED 2.5212 AC.
J. H. CROUCH JR. AND
JO DORIS CROUCH
AUGUST 4, 1997
VOL. 97153, PG. 03266
D.R.D.C.T.

LOT 6
SURVEYOR ADDITION
ADDISON WEST
INDUSTRIAL PARK
MARCH 29, 1979
VOL. 79130, PG. 2495
D.R.D.C.T.

CALLLED 3.465 AC.
15101 MIDWAY ROAD PARTNERS, LTD.
DECEMBER 25, 1998
VOL. 98250, PG. 02787 (25% INTEREST)
VOL. 98250, PG. 02796 (75% INTEREST)
D.R.D.C.T.

LOT 4
SURVEYOR ADDITION
ADDISON WEST
INDUSTRIAL PARK
OCTOBER 24, 1978
VOL. 79029, PG. 0984
D.R.D.C.T.

PARCEL 7
A PLAT OF A
0.9387 ACRE (40,890 SQ. FT.)
TRACT OF LAND
IN THE W.H. WITT SURVEY
ABSTRACT NO. 1609
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.

NOTES:

ALL EASEMENTS SHOWN ARE TAKEN FROM THE PLATS INDICATED
HEREON. THE SURVEYOR DID NOT ABSTRACT THE SUBJECT
PROPERTY SO ALL EASEMENTS MAY NOT BE SHOWN.

ALL BEARINGS ARE REFERENCED TO THE NORTH RIGHT OF WAY
LINE OF CENTURION WAY, CALLED S 89°51'55" E, ACCORDING TO
THE FINAL PLAT OF LOT 3, SURVEYOR ADDITION, RECORDED IN
VOL. 77173, PAGE 135, D.R.D.C.T.

A LEGAL DESCRIPTION OF EVEN SURVEY DATE HERewith
ACCOMPANIES THIS PLAT.

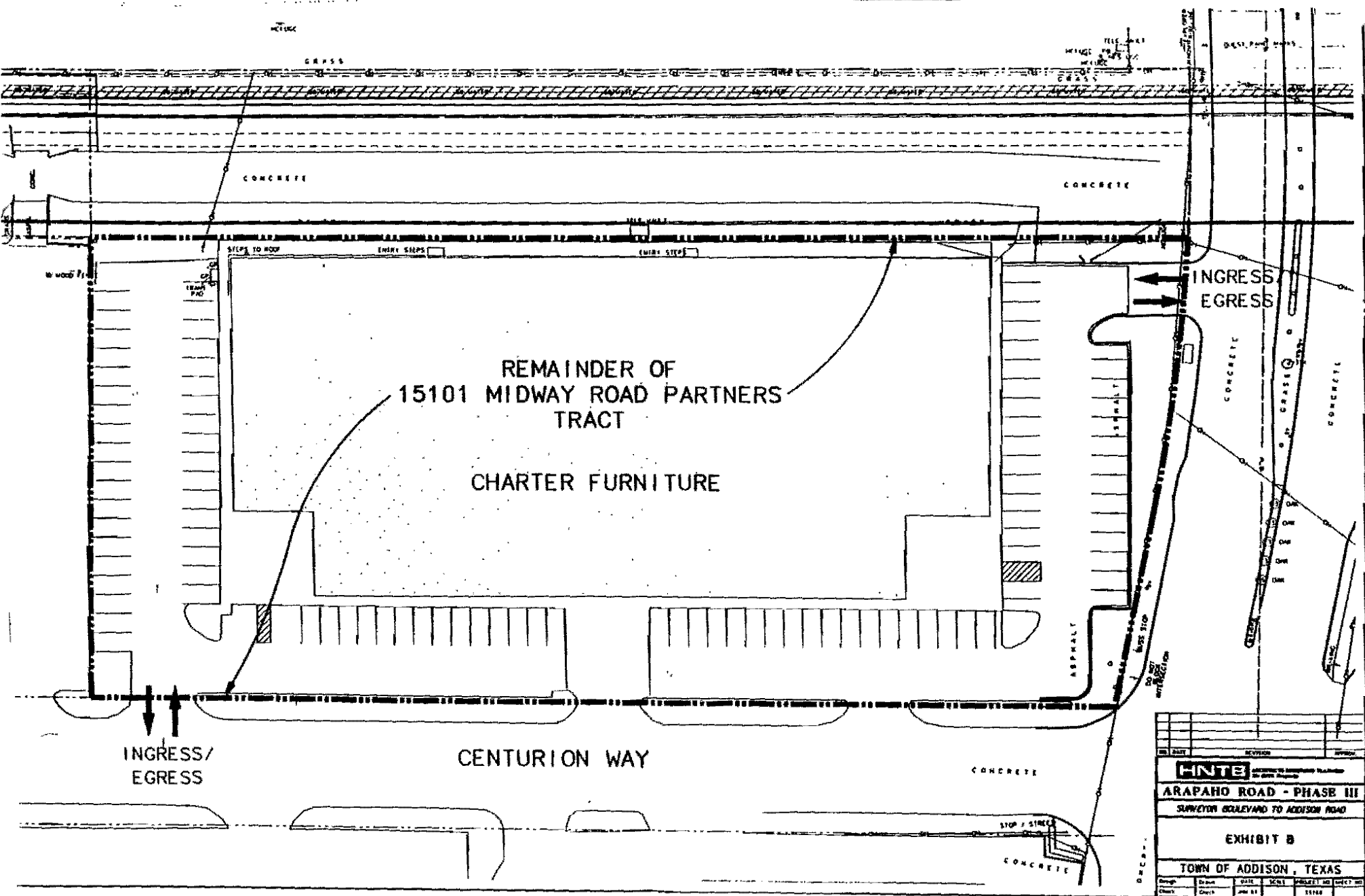
- DENOTES A FOUND POINT AS INDICATED
- DENOTES A 5/8" IRON ROD SET UNLESS OTHERWISE NOTED

— PROPOSED RIGHT OF WAY LINE

EXHIBIT B
TO EASEMENT AGREEMENT

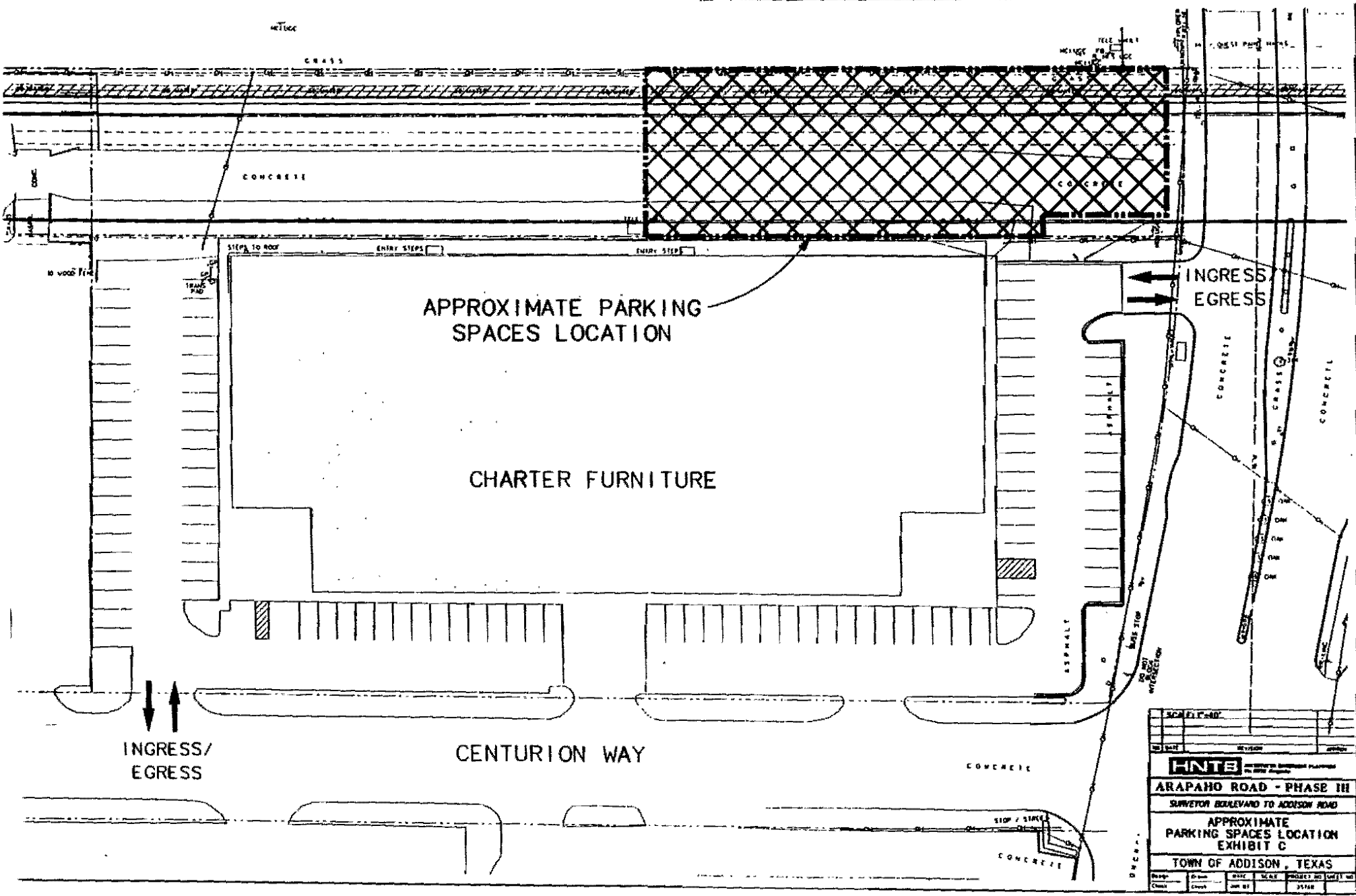
The Remainder Tract is described as follows:

A called 3.4654 acre tract of land, 25% interest conveyed by Epina Properties Limited to 15101 Midway Road Partners, LTD. on December 25, 1998 and recorded in Volume 98250, Page 02787 of the Deed Records of Dallas County, Texas, 75% interest conveyed by Lehdorff & Babson Property Fund to 15101 Midway Road Partners, LTD. on December 25, 1988 and recorded in Volume 98250, Page 02796 of said Deed Records, said called 3.4654 acre tract being all of the Surveyor Addition, Addison West Industrial Park, an addition to the Town of Addison, as evidenced by the plat dated October 24, 1978 and recorded in Volume 79029, Page 0984 of said Deed Records, SAVE AND EXCEPT the Easement Property as described in Exhibit A to this Easement Agreement.



NO.	DATE	REVISION	BY
HNTE			
ARAPAHO ROAD - PHASE III			
SUNNYVALE BOULEVARD TO ADDISON ROAD			
EXHIBIT B			
TOWN OF ADDISON, TEXAS			
Drawn	DATE	SCALE	PROJECT NO. SHEET NO.
Check	Check	JUN 82	15101 1

EXHIBIT C
TO EASEMENT AGREEMENT



SCALE: 1"=40'

NO.	DATE	REVISION	BY
HNTB CONSULTING ENGINEERS PLANNERS ARCHITECTS			
ARAPAHO ROAD - PHASE III			
SURVEYOR BOULEVARD TO ADDISON ROAD			
APPROXIMATE PARKING SPACES LOCATION EXHIBIT C			
TOWN OF ADDISON, TEXAS			
Prep:	Dr. No.:	DATE:	SCALE:
Check:	Check:	JUN 82	35748

EXHIBIT D
TO EASEMENT AGREEMENT

Ingress/Egress
License Agreement
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.1226 acre (5,340 square foot) tract of land situated in the W.H. Witt Survey, Abstract Number 1609, Town of Addison, Dallas County, Texas, and being a portion of a called 3.4654 acre tract of land conveyed to Midway Centurion, Ltd. as evidenced by the deed dated February 27, 2002 and recorded in Volume 2002041, Page 07792 of the Deed Records of Dallas County, said called 3.4654 acre tract being all of "Lot 4, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated October 24, 1978 and recorded in Volume 79029, Page 0984 of said Deed Records, said 0.1226 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at a 1/2 inch iron rod found at the common Southwest corners of said called 3.4654 acre tract and said Lot 4 and Southeast corner of a called 2.5212 acre tract of land conveyed to Absolute Systems, Ltd. as evidenced by the deed dated July 2, 2002 and recorded in Volume 2002131, Page 07460 of said Deed Records, same being "Lot 6, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated March 29, 1979 and recorded in Volume 79130, Page 2495 of said Deed Records, said found point being in the North right of way line of Centurion Way (60 feet wide), originally dedicated as Addison West Drive by the plat titled "Addison West Drive & Runyon Road" dated October 17, 1978 and recorded in Volume 78202, Page 0879 of said Deed Records;

THENCE, SOUTH 89°51'55" EAST, along the common South lines of said called 3.4654 acre tract and said Lot 4 and North right of way line of said Centurion Way, a distance of 19.07 feet to the Southwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, NORTH 00°07'27" EAST, departing said common line and along a line parallel to the West line of said called 3.4654 acre tract and said Lot 4, a distance of 218.27 feet to the Northwest corner of the herein described tract located in the proposed South right of way line of Arapaho Road;

INGRESS/EGRESS LICENSE AGREEMENT
ARAPAHO ROAD PROJECT

THENCE, SOUTH 89°58'49" EAST, along said proposed South right of way line of Arapaho Road, a distance of 24.00 feet to the Northeast corner of the herein described tract;

THENCE, SOUTH 00°07'27" WEST, departing said line and along a line parallel to the West line of said called 3.4654 acre tract and said Lot 4, a distance of 178.95 feet to an angle point;

THENCE, SOUTH 07°17'48" EAST, a distance of 39.71 feet to the Southeast corner of the herein described tract locating in the common South lines of said called 3.4654 acre tract and said Lot 4 and North right of way line of said Centurion Way;

THENCE, NORTH 89°51'55" WEST, along the common South lines of said called 3.4654 acre tract and said Lot 4 and North right of way line of said Centurion Way, a distance of 29.13 feet to the **POINT OF BEGINNING**;

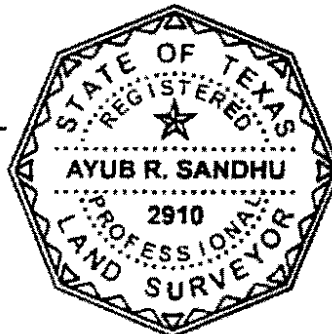
CONTAINING an area of 0.1226 acres or 5,340 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

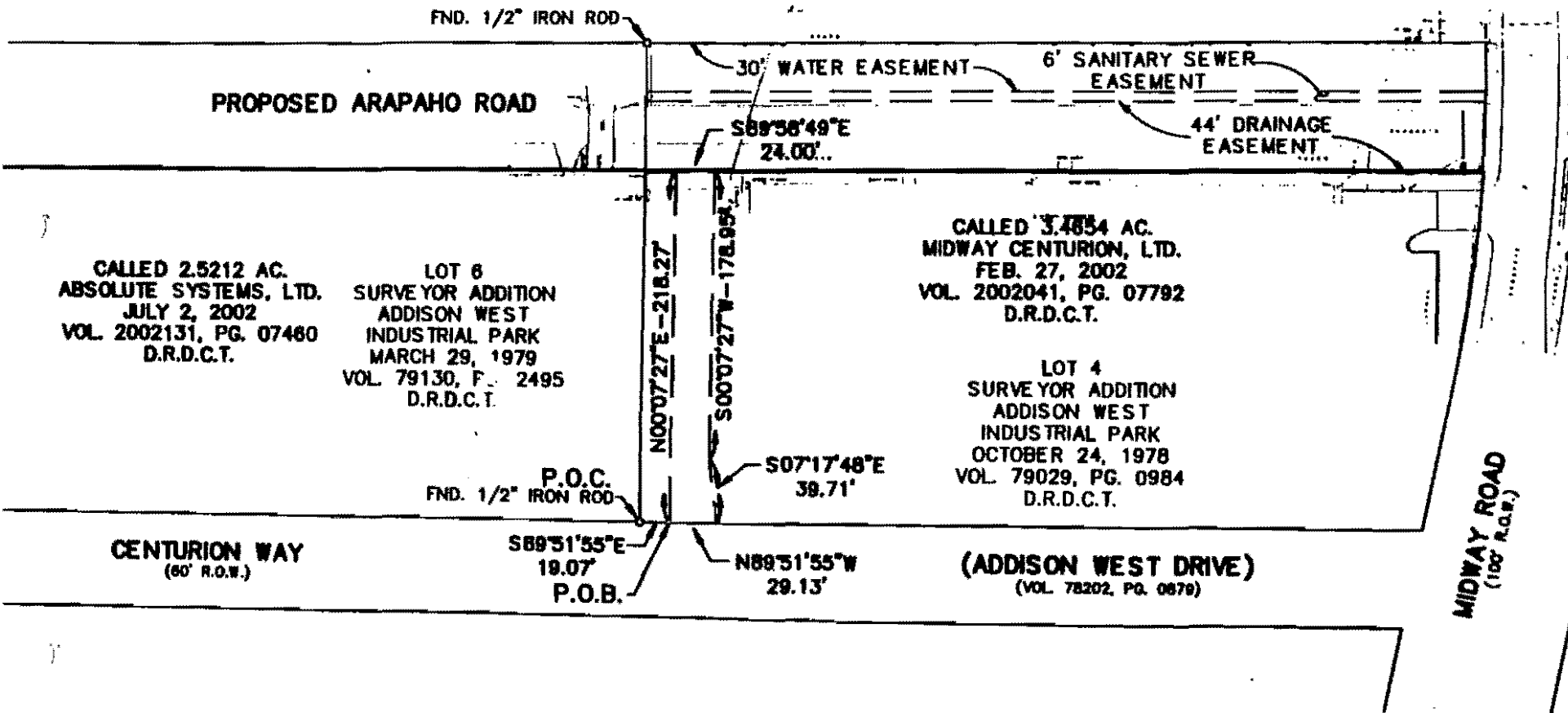
I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 1-30-03
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



W.H. WITT SURVEY
A-1609

DALLAS AREA RAPID TRANSIT
PROPERTY ACQUISITION CORPORATION
(100' R.O.W.)
DECEMBER 27, 1990
VOL. 91008, PG. 1390
D.R.D.C.T.



NOTES:
ALL EASEMENTS SHOWN ARE TAKEN FROM THE PLATS INDICATED HEREON. THE SURVEYOR DID NOT ABSTRACT THE SUBJECT PROPERTY SO ALL EASEMENTS MAY NOT BE SHOWN.

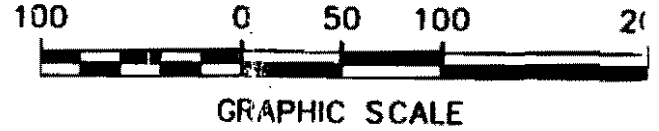
ALL BEARINGS ARE REFERENCED TO THE NORTH RIGHT OF WAY LINE OF CENTURION WAY, CALLED S 89°51'55" E, ACCORDING TO THE FINAL PLAT OF LOT 3, SURVEYOR ADDITION, RECORDED IN VOL. 77173, PAGE 135, D.R.D.C.T.

A LEGAL DESCRIPTION OF EVEN SURVEY DATE HERewith ACCOMPANIES THIS PLAT.

- DENOTES A FOUND POINT AS INDICATED
- DENOTES A 5/8" IRON ROD SET UNLESS OTHERWISE NOTED
- PROPOSED RIGHT OF WAY LINE



A PLAT OF A
INGRESS/EGRESS
LICENSE AGREEMENT
0.1226 ACRE (5,340 SQ. FT.)
TRACT OF LAND
IN THE W.H. WITT SURVEY
ABSTRACT NO. 1609
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



JOHN M. HILL
214.672.2170
JHILL@COWLESTHOMPSON.COM

February 18, 2003

VIA HAND DELIVERY

Mr. Dick Rogers
Rogers & Wright
1341 West Mockingbird Lane, Suite 950W
Dallas, TX 75247


RE: Midway Centurion, Ltd.

Dear Dick:

Attached please find one (1) execution copy of a Partial Release of Lien as we have discussed. As I mentioned to you in my e-mail this afternoon, I have added a form of acknowledgement, but I would ask that the Bank review the form to make sure that it is the proper form for the Bank and to make any changes as necessary.

If you have any questions, please give me a call.

Very truly yours,



John M. Hill

JMH/yjr
Attachments

cc: Mr. Mike Murphy (w/Enclosures)
Mr. Ken Dippel (w/Enclosures)

Release of Lien (PARTIAL)

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

WHEREAS, on the 27th day of February, A.D. 2002, **MIDWAY CENTURION, LTD.**, a Texas Limited Partnership (hereinafter called "Maker"), whose address is 15101 Midway Road, Addison, Dallas County, Texas 75001, did execute, acknowledge and deliver to **DAVID F. WEAVER, TRUSTEE**, a Deed of Trust and Security Agreement dated February 27, 2002, recorded in Volume 2002041, Page 07797, Real Property Records, Dallas County Texas (the "Deed of Trust"), covering the following described real property (together with any improvements thereon and rights and appurtenances thereto) located in Dallas County, Texas:

See Exhibit A attached hereto and incorporated herein

(the "Property"), securing a Real Estate Lien Note in the original principal sum of Two Million Eight Hundred Sixty Thousand and No/100 Dollars (\$2,860,000.00) (the "Note"), payable to **FIRST BANK & TRUST** (being the holder of the Note and the liens herein described and hereinafter called "Payee"), whose address is 2101 Gateway, Irving, Dallas County, Texas 75038, and securing other indebtedness as described therein, if any and as therein provided; such Note being further secured by: (i) a Vendor's Lien retained in favor of Payee in that Warranty Deed With Vendor's Lien dated February 27, 2002 and filed of record on February 28, 2002 and recorded in Volume 2002041, Page 07792, Real Property Records, Dallas County, Texas (the "Vendor's Lien"), (ii) that Assignment of and Lease and Rents executed as of February 27, 2002 and filed of record on February 28, 2002 and recorded in Volume 2002041, Page 07815, Real Property Records, Dallas County, Texas, (iii) that UCC Financing Statement filed February 28, 2002 and recorded in Volume 2002041, Page 07821, Real Property Records, Dallas County, Texas, and (iv) that Assignment of Leases and Rents made as of February 27, 2002 and filed of record on or about March 7, 2002 and recorded in Volume 2002048, Page 02391, Real Property Records, Dallas County, Texas.

AND, WHEREAS, THE said Note with accrued interest thereon has been partially paid to the undersigned, the legal and equitable holder and owner of such Note;

NOW, THEREFORE, the undersigned (and being the Payee as described hereinabove), in consideration of the premises and of the partial payment of said Note, the receipt of which is hereby acknowledged, has this day and does by these presents **RELEASE, DISCHARGE AND QUITCLAIM** unto the Maker, its successors or assigns, as the case may be, all the right, title, interest and estate in and to the Property above described which the undersigned has or may be entitled to by virtue of said Deed of Trust and the Vendor's Lien described above, and all of the other instruments described above, and does hereby declare the same **FULLY RELEASED AND DISCHARGED** therefrom, and from any and all other liens and security interests securing any indebtedness held by the undersigned whatsoever without regard to how they were created or evidenced. The undersigned expressly waives and releases all present and future rights to establish or enforce the lien or liens described in the said Deed of Trust, the Vendor's Lien, and all other

instruments described above as security for payment of any future or other indebtedness.

It is expressly understood that this is a **PARTIAL RELEASE** and releases the liens securing the payment of the above described indebtedness as to the Property only, and nothing herein shall be construed to waive, affect, release or impair the validity of the liens securing the payment of said indebtedness as to any other property set out and described in the above mentioned instruments.

EXECUTED this _____ day of _____, A.D. 2003.

FIRST BANK & TRUST

By: _____
Typed Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2003 by _____
_____, _____ of First Bank & Trust ("Bank"), a _____
_____, on behalf of said Bank.

[Seal]

By: _____
Notary Public, State of Texas

My Commission Expires: _____

EXHIBIT A
TO PARTIAL RELEASE OF LIEN

**Exhibit A to
Partial Release of Lien**

Parcel 7
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.9387 acre (40,890 square foot) tract of land situated in the W.H. Witt Survey, Abstract Number 1609, Town of Addison, Dallas County, Texas, and being a portion of a called 3.4654 acre tract of land, 25% interest conveyed by Epina Properties Limited to 15101 Midway Road Partners, LTD. on December 25, 1998 and recorded in Volume 98250, Page 02787 of the Deed Records of Dallas County, Texas, 75% interest conveyed by Lehndorff & Babson Property Fund to 15101 Midway Road Partners, LTD. on December 25, 1998 and recorded in Volume 98250, Page 02796 of said Deed Records, said called 3.4654 acre tract being all of the Surveyor Addition, Addison West Industrial Park, an addition to the Town of Addison, as evidenced by the plat dated October 24, 1978 and recorded in Volume 79029, Page 0984 of said Deed Records, said 0.9387 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a 5/8 inch iron rod set in the proposed North right of way of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, as it intersects the West right of way line of Midway Road (100 feet wide), said point being the common Northeast corners of said called 3.4654 acre tract and said Surveyor Addition, Addison West Industrial Park;

THENCE, SOUTH $00^{\circ}58'35''$ EAST, departing said lines and along the common East line of said called 3.4654 acre tract and West right of way line of said Midway Road, a distance of 13.57 feet (called 13.73 feet) to a 5/8 inch iron rod set for the beginning of a tangent curve to the right;

THENCE, SOUTHERLY, continuing along said lines and the arc of said curve to the right having a radius of 904.93 feet, a central angle of $04^{\circ}08'31''$, a chord bearing South $01^{\circ}05'04''$ West for 65.40 feet, for an arc distance of 65.42 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

...RCEL 7 - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said lines and along said proposed South right of way line of Arapaho Road, a distance of 516.94 feet to a 5/8 inch iron rod set in the common West line of said 3.4654 acre tract and East line of a called 2.5212 acre tract of land conveyed to J. H. Crouch, Jr. and Jo Doris Crouch on August 4, 1997 and recorded in Volume 97153, Page 03266 of said Deed Records, said 2.5212 acre tract being all of "Lot 6, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated March 29, 1979 and recorded in Volume 79130, Page 2495 of said Deed Records;

THENCE, NORTH 00°07'27" EAST (called North 00°08'05" East), departing said line and along said common West line of said 3.4654 acre tract and East line of said called 2.5212 acre tract; a distance of 78.96 feet to a 1/2 inch iron rod found in said proposed North right of way line of Arapaho Road and South right of way line of said DART railroad, for the common Northwest corner of said called 3.4654 acre tract and Northeast corner of said called 2.5212 acre tract;

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said lines and along the common North line of said called 3.4654 acre tract, proposed North right of way of Arapaho Road, and South right of way line of said DART railroad, a distance of 517.78 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 0.9387 acres or 40,890 square feet of land within the metes recited.

PARCEL 7 - ARAPAHO ROAD PROJECT

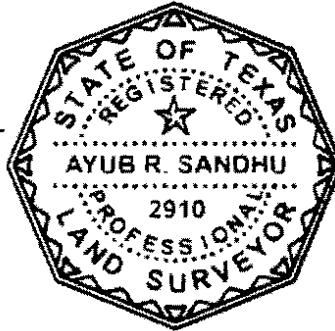
All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99

Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



**W.H. WITT SURVEY
A-1609**

DALLAS AREA RAPID TRANSIT
PROPERTY ACQUISITION CORPORATION
(100' R.O.W.)
DECEMBER 27, 1990
VOL. 91008, PG. 1390
D.R.D.C.T.



LINE TABLE				
LINE	BEARING	CALLED	DIST	CALLED
L1	S 00°58'35" E	-	13.57'	13.73'

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	04°08'31"	904.93'	65.42'	S 01°05'04" W - 65.40'

FND. 1/2" IRON ROD

(CALLED 100' R.O.W.)
N 00°07'27" E
78.96'

(CALLED EAST)
S 89°58'49" E - 517.78'

P.O.B.

30' WATER EASEMENT

6' SANITARY SEWER
EASEMENT

PROPOSED ARAPAHO ROAD

44' DRAINAGE
EASEMENT

N 89°58'49" W - 516.94'

MIDWAY ROAD
(100' R.O.W.)

CALLLED 2.5212 AC.
J. H. CROUCH JR. AND
JO DORIS CROUCH
AUGUST 4, 1997
VOL. 97153, PG. 03266
D.R.D.C.T.

LOT 6
SURVEYOR ADDITION
ADDISON WEST
INDUSTRIAL PARK
MARCH 29, 1979
VOL. 79130, PG. 2495
D.R.D.C.T.

CALLLED 3.465 AC.
15101 MIDWAY ROAD PARTNERS, LTD.
DECEMBER 25, 1998
VOL. 98250, PG. 02787 (25% INTEREST)
VOL. 98250, PG. 02798 (75% INTEREST)
D.R.D.C.T.

LOT 4
SURVEYOR ADDITION
ADDISON WEST
INDUSTRIAL PARK
OCTOBER 24, 1978
VOL. 79029, PG. 0984
D.R.D.C.T.

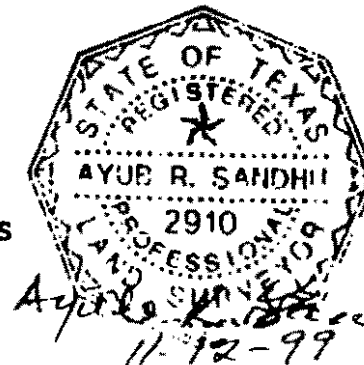
NOTES:

ALL EASEMENTS SHOWN ARE TAKEN FROM THE PLATS INDICATED
HEREON. THE SURVEYOR DID NOT ABSTRACT THE SUBJECT
PROPERTY SO ALL EASEMENTS MAY NOT BE SHOWN.

ALL BEARINGS ARE REFERENCED TO THE NORTH RIGHT OF WAY
LINE OF CENTURION WAY, CALLED S 89°51'55" E, ACCORDING TO
THE FINAL PLAT OF LOT 3, SURVEYOR ADDITION, RECORDED IN
VOL. 77173, PAGE 135, D.R.D.C.T.

A LEGAL DESCRIPTION OF EVEN SURVEY DATE HEREWITH
ACCOMPANIES THIS PLAT.

- DENOTES A FOUND POINT AS INDICATED
 - DENOTES A 5/8" IRON ROD SET UNLESS OTHERWISE NOTED
- PROPOSED RIGHT OF WAY LINE



PARCEL 7
A PLAT OF A
0.9387 ACRE (40,890 SQ. FT.)
TRACT OF LAND
IN THE W.H. WITT SURVEY
ABSTRACT NO. 1609
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.



KENNETH C DIPPEL
214.672.2158
KDIPPEL@COWLESTHOMPSON.COM

February 6, 2003

Mr. Eddie Vassallo
Law Offices of Eddie Vassallo, P.C.
Regency Plaza
3710 Rawlins, Suite 1200
Dallas, Texas 75219-4276

**Re: Parcel Nos. 10 & 10TE, Arapaho Road Project
4125 Centurion Way, as Part of David Myers Survey, Abstract No. 923**

Dear Mr. Vassallo:

As you may be aware, your client Mr. Dennis Coe and the prospective buyer for the above-referenced property, Mr. Mike Oxteen, met with Town of Addison staff on January 23, 2002. My office has been informed by staff that during the meeting, Mr. Coe requested that the Town repeat its final offer. Pursuant to that request, the enclosed letter was sent by Town of Addison City Manager Ron Whitehead to Mr. Coe repeating the offer and extending an opportunity to him to respond in writing by February 14, 2003.

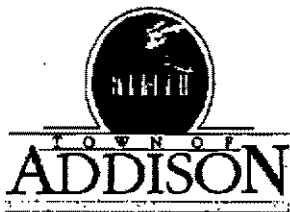
For your information and convenience, I am enclosing a complete copy of the October 23, 2002 appraisal referred to in the letter. We look forward to Mr. Coe's response. If you have any questions, please do not hesitate to call.

Sincerely,

Kenneth C. Dippel, City Attorney
Town of Addison

KCD/yjr
Enclosures

c: Ron Whitehead
Mike Murphy
Steve Chutchian
Angela K. Washington

**OFFICE OF THE CITY MANAGER**

(972) 450-7000 • FAX (972) 450-7043

Post Office Box 9010 Addison, Texas 75001-9010

5300 Belt Line Road

February 3, 2003

Mr. Dennis Coe
4125 Centurion Way, L.P.
4125 Centurion Way
Addison, Texas 75001-4347

Re: Parcel Nos. 10 & 10TE, Arapaho Road Project
4125 Centurion Way, as Part of David Myers Survey, Abstract No. 923

Dear Mr. Coe:

Pursuant to the January 23, 2003 meeting between you and Mr. Mike Oxten and my staff, this letter repeats the Town of Addison's final offer for the above-referenced property. The Town is willing to purchase the property and the temporary easement for \$35,559.00. This sum represents just compensation for the property and easement as determined by the Town's most recent appraisal dated October 23, 2002. A copy of the summary sheet was provided to you at the meeting. For your convenience, I am enclosing another copy.

Please respond in writing by February 14, 2003. If we do not receive a written response from you by February 14, 2003, we will proceed to file an action in condemnation.

Sincerely,

Ron Whitehead
City Manager

Enclosure

c: Ken C. Dippel
Angela K. Washington

Certified Mail-Return Receipt
7002 2410 0004 5351 9375

COPY

AN APPRAISAL REPORT OF

THE 4125 CENTURION WAY, L.P. PROPERTY
A COMMERCIAL BUILDING FACILITY
LOCATED AT 4125 CENTURION WAY
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

MAPSCO D-14B

PREPARED FOR

MR. MICHAEL MURPHY, P.E.
DIRECTOR OF PUBLIC WORKS
TOWN OF ADDISON
16801 WESTGROVE
ADDISON, TEXAS 75001

EFFECTIVE DATE OF REPORT

OCTOBER 23, 2002

PREPARED BY

HIPES & ASSOCIATES
7557 RAMBLER ROAD
SUITE 260
DALLAS, TEXAS 75231

PIPES & ASSOCIATES

REAL ESTATE
APPRAISERS/CONSULTANTS

OFFICE ADDRESS:
7577 RAMBLER RD #260
LOCK BOX 25
DALLAS, TEXAS 75231

MAILING ADDRESS:
P.O. BOX 600142
DALLAS TEXAS 7520642
214-739-5941

October 23, 2002

Mr. Michael Murphy, P.E.
Director of Public Works
Town of Addison
16801 Westgrove
Addison, Texas 75001

Re: An appraisal of an Estimate of Just Compensation arising from the right-of-way acquisition for the proposed extension of Arapaho Road at the subject property, in Town of Addison, Dallas County, Texas.

Dear Mr. Murphy:

I have inspected and appraised the referenced property as described herein. Conditions pertinent to or indicative of the value of the property were researched and investigated. This appraisal report sets forth my findings and conclusions together with plats, maps, photographs, and other exhibits as are considered essential to explain the processes followed in the valuation of the subject property. I have inspected the subject property, the neighborhood and the comparable data. I have used my best efforts to comply with the requirements of the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation. Your attention is directed to the Assumptions and Limiting Conditions which follow.

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$35,559.00 as of October 23, 2002 based upon my independent appraisal and the exercise of my professional judgement;

That on October 23, 2002, and various other dates, I personally inspected in the field the property herein appraised; that I did not afford the property owner, the opportunity to accompany me at the time of inspection;

The comparable sales relied upon in making said appraisal were as represented by the photographs contained in the appraisal and were inspected on October 23, 2002, and various other dates;

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 land area for a public project by the Town of Addison, Texas, and that such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal 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 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 Town of Addison, I will immediately notify the Town 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 Town, until authorized by Town 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.

Respectfully submitted,



Mark A. Hipes

Texas Certification No. TX-1321416-G

23 Oct 2002
Date

Note: This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

SUMMARY OF SALIENT FACTS

**4125 Centurion Way, L.P. Property
David Myers Survey, Abst. #923, Tract 1
4125 Centurion Way
Addison, Texas**

Date of the Appraisal:	October 23, 2002
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±59,734 SF site on the north side of Centurion Way, improved with a ±16,143 SF office/engineering facility in the Town of Addison, Texas.
Property Zoned:	I-1, industrial
Highest & Best Use:	
"As vacant":	Commercial Development
"As improved":	To be maintained as office/engineering "tech" space until demand warrants re-development of the site.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land & Improvements:	\$1,041,000
Land Only Value:	\$ 206,594
<u>Part Taken:</u>	
Right-of-Way, Land & Improvements:	\$ 31,920
Temporary Easement, Land & Improvements:	\$ 3,639
<u>Remainder Before the Take:</u>	
Land & Improvements:	\$1,006,237
<u>Remainder After the Take:</u>	
Land & Improvements:	\$1,041,000
Final Value Estimate: JUST COMPENSATION	\$ 35,559

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PURPOSE AND USE OF THE REPORT

The purpose of this appraisal is to estimate the "As Is" Market Value and "Just Compensation" of the Fee Simple Estate of the subject property as of October 23, 2002. It is the appraiser's understanding that the use of this report is in conjunction with a proposed right-of-way acquisition for the extension of Arapaho Road in the Town of Addison, Texas. This appraisal is completed according to the Uniform Standards of Professional Appraisal Practice to the best of our knowledge and ability.

DEFINITION OF MARKET VALUE

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby;

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SCOPE OF THE REPORT

The scope of this report includes the research, data acquisition and analysis as described in The Appraisal Process Section of this report. In gathering comparable sales data our sources may include direct interview with grantor and/or grantee, commercial sales reporting services, other appraisers and real estate practitioners, published data and information in our files. Comparable rental information is generally derived from direct interviews with property managers and leasing agents. On comparable rent and sale information the source is generally indicated on the respective comparable's page. Information on property operating expenses can be derived from a number of sources including actual amounts provided to us for the Subject property, file information, direct interviews with property managers and owners, and published industry averages. Replacement construction costs amounts are generally derived from the national cost reporting service prepared by Marshall and Swift and, where available, actual construction costs are utilized. On some comparable sales data an attempt is made to confirm third party information with either the grantor or grantee if there is concern about the data's reliability. After compilation of the data described,

inspection of the Subject property and comparables and review of overall market forces affecting the Subject property, estimates of current value used in the standard methodology within the Cost Approach to Value, Income Approach to Value and Sales Comparison Approach to Value are presented. Those results are reconciled into a final estimate of fee simple market value for the Subject property.

Competency

The appraiser has over 30 years experience in virtually all aspects of commercial real estate. As such, many reports of similar office and commercial properties have been prepared for lenders and investors.

PROPERTY RIGHTS APPRAISED

Utilizing data as described in the preceding Scope of the Report, an "As Is" Market Value Estimate of the Fee Simple Estate of the subject property is presented, in conjunction with an estimate of "Just Compensation" for the area to be acquired for a public purpose. The Fee Simple Estate is defined as "Absolute ownership unencumbered by any interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."*

DATE OF VALUATION

The effective date of valuation and inspection date of the subject property was October 23, 2002. The transmittal date of this report is October 23, 2002.

IDENTIFICATION OF SUBJECT PROPERTY

The subject property is identified locally as being 4125 Centurion Way, in the Town of Addison, Dallas County, Texas. The subject site contains ±59,734 SF per data provided by the client. It is located ±¼ mile west of Midway Road, along the north side of Centurion Way. The single-story brick veneer office/engineering building contains ±16,143 SF of building floor area.

There follow in the Addendum of the report as exhibits, various maps, plats, legal descriptions, and other exhibits as additional identification of the subject.

TOWN OF ADDISON DATA

The City of Addison is located in the northern portion of Dallas County, approximately 12 miles north of the Dallas Central Business District. The city is bounded by Dallas on the north, and east sides, Dallas and Farmers Branch to the south and by the City of Carrollton on the west. The city is a suburb of Dallas and is part of the Dallas Metropolitan area.

Addison has participated in the growth of the metropolitan area as shown by the following figures:

<u>Census Year</u>	<u>Population</u>	<u>Increase</u>
1970	593	-----
1980	5,553	+835%
1990	8,783	+58%
1997	11,772*	+33%

The Town of Addison is primarily commercial in nature. Light industrial and flex warehouse space has developed in the areas east, north and west of the Addison Airport. The Dallas North Tollroad corridor sparked heavy hotel and multi-story office building development during the 1980's. This extends from the west side of the freeway to the railroad tracks at Inwood Road. The corridor along Midway Road from the Farmers Branch boundary continued the light industrial, office/flex development of the Midway Industrial Park that extends southward to LBJ Freeway. The corridor along Belt Line Road through the city has seen extensive development with restaurants, hotels and some retail facilities. As a result, residential housing is a minor factor in the property base of the Town of Addison. This has helped to keep taxes low but has afforded the town a very healthy tax income due to the high valuations of the commercial properties. This is displayed in the quality and quantity of public facilities and services provided.

Primary north/south access through Addison is via the Dallas North Tollway, Addison Road and Midway Road. Belt Line Road and Trinity Mills Road are primary east/west thoroughfares. The major development within the City is the Addison Airport, a major corporate and private air facility, which occupies a large portion of the city's land area. Due to Addison's accessibility and location in the path of the City of Dallas northern growth, substantial hotel, commercial, retail, office and light industrial development has occurred. This is generally all of good quality and relatively recent construction. The character of the city is primarily commercial with small concentrations of multi-family housing and upper-middle income single-family in its southwestern portion and high-end single family housing found in the extreme eastern portion.

Addison has a Council/Manager type government. It provides police and fire protection to its citizens. Utilities are provided by Lone Star Gas Company, TU Electric Company, and Southwestern Bell Telephone Company. It gets its water from the City of Dallas and sewer services from the Trinity River Authority and the City of Dallas. Utilities appear to be adequate to service projected growth. Addison is in the Dallas and Carrollton/Farmers Branch Independent School District. There are no school buildings located within Addison's city limits. There are a number of major shopping facilities in or near Addison including the Galleria Mall and the Northpark Mall. Additional large, modern retail areas are in close proximity. The renowned retailer, Nordstrom's has a store in the Galleria shopping center just south of Addison at LBJ and the Tollroad and a new major retail center has been constructed on a tract north of that. Other significant large retail facilities are a free-standing Home Depot Expo Design Center and Mikasa Home Store.

Due to the number of office and light industrial buildings in the area, there is a large and diversified community of employers. Two of the largest are the Dallas Marriott Quorum and Intercontinental - hotels. Addison is well known as an entertainment and restaurant area with over 100 restaurants operating in the town.

An announcement has been concerning the development of a 70 acre "urban hub" located on a tract north of Belt Line Road bounded by Airport Parkway, Addison Road, the Toll Road and Arapaho Road. The main thrust is the increase of residential housing, an arts center and parks and public use areas. When completed, it is projected to increase the population by 50- 60%. The city feels that this will prevent Addison from losing businesses to northern suburbs and insure long-term, quality growth. This should enhance overall values in the area in our opinion.

After a period of speculative real estate investment activity in the early and mid 1980s, Addison and adjoining areas were among those hardest hit by the real estate recession of the last half of that decade. That situation has now turned around dramatically. Due to its highly desirable location, a resumption of market strength is currently found. M/PF reported in its 1997 year end Office Report, a total of ± 834,000 SF in four office buildings planned or under construction in four projects in Addison. In addition, the Hines Interests plan 250,000 SF of office at the Galleria in the Dallas city limits and Centre development plans 410,000 SF office structure at Dallas Parkway and Spring Valley in Farmers Branch just south of Addison. For multi-family construction, M/PF includes Addison with Carrollton and Farmers Branch. That overall market showed a gross occupancy ratio of greater than 95% at the end of the fourth quarter, 1997. In that market area, three projects totaling 799 units were completed in calendar year 1998. The overall prospects for the city's future is considered to be good, in our opinion.

NEIGHBORHOOD DESCRIPTION AND TRENDS

The subject neighborhood is situated in the southwest sector of the Town of Addison, Texas. The subject neighborhood is approximately ten miles north of the Central Business District of Dallas. Neighborhood boundaries may be defined as being Trinity Mills on the north, Dallas Parkway on the east, LBJ Freeway (IH-635) on the south and Josey Lane on the west.

The subject neighborhood is characterized by extensive retail and commercial developments. There is also substantial residential construction within the neighborhood as described. It is located in and is surrounded by affluent populations which generate demand for a large number of varied and high quality retail facilities, entertainment opportunities and office buildings. This is all enhanced by its easy accessibility.

Major thoroughfares are those described as the neighborhood's boundaries. In addition, Spring Valley Road and Belt Line Road are major east/west thoroughfares through the area. Inwood Road, Midway Road, and Marsh Lane provide major secondary north/south connector within the neighborhood. Extensive multi-family development is located along the west side of Dallas North Tollway and extending into the northeast portion of the neighborhood. Other development along the tollroad include free-standing retail and mid-rise office buildings. Other major office developments are found at the corner of IH-635 and Preston Road, the Belt Line and Preston Road intersection, the northeast quadrant of Belt Line Road and the Dallas North Tollway and various garden office projects scattered in appropriately zoned locations in the interior of the neighborhood.

In our opinion, the most predominant development type found within the neighborhood boundaries are retail or retail related. They include the Galleria Shopping Center, Valley View Mall, and the former Sakowitz center. The Prestonwood Town Center Mall is in the process of redevelopment to mixed use including office, hotel/motel and retail. Belt Line Road, Preston Road and the fringes of the existing malls support extensive retail and commercial development with the area also being noted for the number and diversity of its restaurant facilities.

There is a limited amount of multi-family and condominium development on the west side of Preston Road located within the neighborhood. There is significant single-family residential within the city limits of Addison south of the Subject property. This is all high-quality development beginning with patio homes on the west side of Montfort Drive and extending to the east and northeast with increasingly larger lots and home sizes with new development southeast of the Subject being estate size homes. New construction is continuing in this particular area.

The subject property itself is situated one block north of Belt Line Road on Centurion Way, $\pm \frac{1}{4}$ mile west of Midway Road. The immediate subject environs, predominantly to the southwest of Addison Airport, are of a light industrial and warehouse/flex-space character. This style use extends to the south into Farmers Branch and to the west into the City of Carrollton. This light industrial neighborhood has fared well in the recent past with good occupancy levels, adequate rents, and limited new construction in evidence.

In summary, the neighborhood presents a diverse mix of residential, industrial/commercial, office, retail and entertainment uses. This tends to be in the mid to upper economic scale. Existing development is well planned, landscaped and maintained with a high quality of infrastructure provided.

Access is excellent by way of the freeway system and major traffic arteries through the neighborhood. The subject neighborhood is in the mature stage of its growth cycle. As in many other commercial real estate markets in the Dallas metropolitan area, subject neighborhood occupancy and rent levels are in a state of flux presently. Well publicized declines in the technology and communications industries have created both uncertainty and an increase in available light industrial space in the northern Dallas County area. Coupled with this phenomenon has been the availability of brand-new space which was completed at just about the time the tech-market declined. Occupancies appear to be declining in older properties, demand is soft overall, and building sales have not shown any significant appreciation over the levels of the previous two to three years. However, due to locational considerations alone, it is the appraiser's opinion that the subject neighborhood is a positive influence on the subject property.

SUBJECT PROPERTY

SITE DATA

The subject tract is located on the north side of Centurion Way, $\pm\frac{1}{4}$ mile west of Midway Road, in the Town of Addison, Dallas County, Texas. The subject site is near rectangular in shape showing approximately 202' of frontage on the north side of Centurion Way, with a depth of $\pm 295'$. A legal description as provided indicates a land area of $\pm 59,734$ square feet.

Terrain/Flood Plain/Access

The subject tract is a minimally sloping with site finish and paving sloped as necessary toward the drainage easement that crosses behind the site or to the surrounding storm sewer drainage system. Surface drainage appears to be adequate. According to FEMA flood hazard maps in our files, the subject property is not located within a designated 100-year floodplain area. It is in "Zone C"; not in the flood plain nor a flood prone area.

Access to the site is considered to be good, Centurion Way being a wide commercial concrete-paved, concrete curbed/guttered construction, intersecting with Midway Road $\pm\frac{1}{4}$ mile east of the subject and turning south as Runyon Street to Beltline Road. There are two concrete approaches leading into the subject tract from the north side of Centurion Way. These drives access the surface parking area parking at the front, with drives extending north through the subject improvements to additional parking in the rear. No additional direct access to the subject property was noted from either public thoroughfares or adjacent private properties. The back of the subject site (north side) is bordered by a railroad line and water and drainage easement, precluding direct access from the north.

Soil Conditions/Environmental Aspects

Based on the existence and condition of the subject and surrounding development, it is our assumption that soil and subsoil conditions are such that, with proper preparation and construction techniques, typical buildings as permitted by subject's zoning are accommodated. We point out that no detailed soil analysis was made available in preparation of this report and verification of our assumption by competent parties is recommended.

There was not available to your appraiser a current environmental assessment of the subject site for use in preparation of this report. As set forth in Paragraph 9 of the Assumptions and Limiting Conditions, this report is based on the assumption that there are no adverse environmental conditions or violations of applicable laws and that determination of same is beyond the scope of this report.

Zoning

The subject property is zoned Industrial District (I-1) under the current ordinances of the Town of Addison, Texas. The permitted uses are considered to be fairly liberal, permitting a wide range of commercial applications on the site, including warehouse, retail, and office applications. The subject property appears to be in conformity with the existing ordinances as they apply to it. The number of parking spaces required would vary with the office versus other uses within the $\pm 16,143$ SF improvement size. It appears that the subject on site parking is in conformity with the zoning code. A front yard setback of 25' is required. No rear yard setback is required.

Utilities/Public Services

Water and sewer are provided by the Town of Addison. Private utilities include natural gas provided by Lone Star Gas Company, electricity by TU Electric and telephone service by Southwestern Bell Telephone, Inc. Other publicly provided services include fire and police protection and trash collection by the Town of Addison and public education by the Dallas Independent School District and the Carrollton/Farmers Branch Independent School District.

Easements and Restrictions

The plat of the subject site supplied to the appraiser indicates a 50' wide drainage channel easement, a 30' water easement, and a 3' electric easement to the north of the subject improvements and running generally west-to-east. The north-most $\pm 83'$ of the depth of the subject site are encumbered by easements which do not allow for permanent structure construction. No title policy was provided to the appraiser which would indicate any deed restrictions or other encumbrances. It is presumed by the appraiser that typical utility easements may as well be in place, but only to the extent that are typical of similarly developed properties within the general market area.

Site Improvements

Site improvements include concrete paved access aprons and concrete paved parking adjacent to the building. Well landscaped areas are situated at the front area of the site. There is also lawn at the subject's boundary with the drainage easement at the rear of the improvements. The concrete paved parking area is in average condition for paving originally constructed ± 19 years ago. On the north side of the rear parking area there is a cable/guard-post barrier separating the easement areas from the parking areas.

BUILDING IMPROVEMENTS

General Description/Occupancy

Original building plans were not available in preparation of this report. The description of the subject improvements is based on an off-site inspection of the subject and information from the appraisal district tax rolls. Tax records indicate that the building was completed in 1983. The current owner, 4125 Centurion Way, L.P., acquired the subject on, or about, June 22, 1998.

The improvements consist of a $\pm 16,143$ SF one-story, brick veneer office/engineering type structure currently configured as a two tenant use structure. From the configuration of the building, it appears possible to utilize the building for two separate tenants. This type of facility would not be considered as "flex-space", which would connote it's adaptability to a variety of commercial configurations depending on the prevailing market/tenant requirements.

This brick veneer structure exhibits a relief exterior on the facing walls, in conjunction with a partial glass office-front presentation. The front (south) side has metal frame glass windows and metal frame glass entrance doors. Privacy entrance pedestrian doors are situated along the north side (back) of the building. Although no detailed building plans were available, it appears that the subject building could readily be utilized as a two tenant building, each with individual exterior access.

The subject building is estimated to be 100% climate controlled. The bulk of the building appears to be utilized as office space. Total building area is estimated to be 16,143 SF.

Foundation

The foundation system is assumed to be reinforced concrete on grade

Exterior Walls/Windows

Exterior walls are brick veneer. Additionally, metal frame windows and metal frame glass doors are present at the front of the building.

Floors

The sub-floor is presumed to be reinforced concrete. It is presumed that the interior floor coverings are a mixture of vinyl tile and carpet, with accent flooring in some areas.

Interior Walls/Ceiling

Interior walls are estimated to be dry-wall on metal studs with a variety of finishes typical of this class of building; i.e., wall-paper, paneling, tile, textured/painted. The ceilings are estimated to be dropped acoustical panels with recessed fluorescence lighting.

Roof

The roof covering is estimated to be a built-up tar/gravel covering on a metal decking with metal support trusses.

HAC

Packaged climate control heating and air conditioning appear to serve the entire building area.

Plumbing, Electrical and Mechanical

Based on the available information (Town records), it is our assumption that the captioned construction elements are installed at least equal to prevailing code at the time of construction.

Miscellaneous

As mentioned previously, concrete paved parking is available at the front and rear of the building. Landscaping is limited to small caliper trees, screening hedges, and grass in the parkway area, and ornamental bushes, trees, and ground cover at the front of the building.

Deferred Maintenance

In general, the subject property displays a reasonable program of ongoing repairs and maintenance. As of the effective date of the appraisal, only minor items of deferred maintenance were noted. It is presumed that all mechanical systems are in good working order and that no major repair items are present (roof leaks, serious foundation problems, etc.).

Construction quality is typical of the period in which the improvements were developed and the improvements are functional for their intended use. General market acceptance is judged to be good-to-very good at the present time for this style of improvement in this area.

Effective Age

Public records indicate that the building was constructed in ± 1983 giving it a chronological age of ± 19 years. Fortunately this type of structure is not maintenance intensive. It is estimated that the effective age of the subject property is 19 years old. Various cost estimator services rate the effective life of the subject's style of construction to be 45 to 50 years. Given a total life expectancy

of 50 years, the remaining economic life of the subject property is estimated to be 31 years, or 62% of it's estimated total economic life.

Occupancy

As of the inspection date in October, 2002, the subject improvements were occupied. Drive-by inspections during October, 2002 indicate that there general occupancy at the present time. It is not known if the building is being owner occupied or if it is being leased.

AD VALOREM TAXES

The Subject property is under the taxing jurisdiction of the Town of Addison, Dallas Independent School District, and Dallas County. Tax rates per \$100 of assessed valuation for 2002 for these authorities are as follows:

Taxing Authority	Rate
Dallas County	\$0.201500
Town of Addison	\$0.399900
Dallas ISD	\$1.587530
College	\$0.060000
Hospital	\$0.254000
Total	\$2.50±

The current assessed values for the subject property as reported by the Dallas Central Appraisal District (DCAD) are as follow:

Land	\$238,880
Improvements	\$827,120
Total Assessed Value	\$1,066,000

A survey of nearby industrial properties indicates that the subject property is evaluated in a manner consistent within the area. The commercial properties appear to be slightly over-valued relative to the current market sales indications. The Appraisal District's parcel number for the subject is 10000906489200000. The tax rolls indicate an improvement size of 16,143 SF and a site size of 59,721 SF.

HISTORY OF THE SUBJECT PROPERTY

As previously discussed, the subject property was purchased by 4125 Centurion Way, L.P., on, or about, June 22, 1998.

HIGHEST AND BEST USE

Highest and Best Use is defined 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 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, consideration must be given to the locational and physical characteristics of the site itself as well as the most probable usages permitted by the local government and their degree of profitability within the near term. Some of the more important factors of influence include the legal parameters associated with zoning ordinances, deed restrictions, building code requirements and area market supply/demand conditions. Further, the trends within the neighborhood must also be considered and have been discussed in the "Neighborhood Description and Trends" section of this report.

Physically Possible Uses

As previously described, the subject tract is of such size, shape, topography, location and accessibility to permit the physical possibility of construction of most structures permitted by current zoning.

Legally Permissible Uses

The main constraints here are those affected by the subject tract's zoning ordinance--Industrial (I-1). The I-1 district regulations permit a wide range of commercial uses, including office/warehouse, office, retail and service uses. Because of the nature of surrounding development and its proximity to Midway Road and major connector streets, is our opinion that the office/warehouse space building development as is currently found would be the most appropriate for the site and meets the criterion of being legally permissible. To our knowledge, there is no current or contemplated change in the subject site's zoning, nor is there one which we feel would, if in place, provide development opportunities which would create a higher return to the land than its current classification.

Financially Feasible

Industrial Market Analysis

Market Absorption: The subject neighborhood is located in the Carrollton/Farmers Branch/Addison submarket. From interviews with brokers and leasing agents, it is estimated that the subject's submarket will maintain a $\pm 10\%$ vacancy rate overall, as compared to a $\pm 12\%$ vacancy rate for the Dallas area as a whole. It is predicted that the subject's submarket will have a net -0- gain in absorption gain through 2002. New completions appear to be pulling tenant out of older properties.

*Real Estate Appraisal Terminology, Byrl D. Boyce, Ph.D. (Ballinger Publishing Company: Cambridge, Massachusetts) p. 107.

In the Dallas Area, demand for industrial/engineering space has been concentrated in buildings completed since 1990; i.e., newer properties

Market Occupancy: For the subject submarket, a market occupancy of 90% is generally felt to be reflective of this submarket's strength over the Dallas market as a whole.

Overall Rents: Survey data indicates that office/warehouse/engineering full service rents range from \$7.00/SF to near \$10.00/SF for older properties such as the subject. New properties, completed since ±2000, are quoting rates from \$9.50/SF to \$14.00/SF for 5+ year full service leases. Net lease figures are quoted in the \$6.00/SF to \$8.00/SF range, depending on the expense structure of the property.

Based on the occupancy and rental figures surveyed for the subject submarket and data found in our market analysis of comparable rents, construction cost and comparable sales, it is our opinion that the current local market is strong enough to support financial feasibility for development of the subject site as it is zoned generally.

Maximally Productive

Based on its zoning, current operational results and our analysis of the market, it is our opinion that a view that the maximally productive utilization of the site as either a single or multi-tenant building is substantiated.

Highest and Best Use As If Land Vacant

Based on the analysis in this section of the report and as supported by reference to market data material presented in this section, it is our opinion that the highest and best use for the subject tract if vacant would be for development as permitted by zoning.

Highest and Best Use As Improved

Again, the results of our investigation and analysis as to the various criteria required for highest and best use indicates that the continued utilization of the property as a single or multi-tenant office/warehouse building is one which is physically possible, legally permissible, financially feasible and maximally productive to the site.

REASONABLE EXPOSURE TIME

The USPAP requires that the appraiser address the estimated reasonable exposure time of the property at the value estimate. This is defined as the time prior to and ending with the effective date of the appraisal estimated to be required to market the property at the final value estimate. Conversations with industrial brokers in preparing this report indicate that a reasonable exposure time for the subject property of six to nine months is supported by historic market conditions.

REASONABLE MARKETING PERIOD

Based on the information discussed above in estimating Reasonable Exposure Time, it is our opinion that a shorter reasonable marketing period can be forecast based on market rents existing as of the effective date of the appraisal. We estimate that a reasonable marketing period time for the subject property at the appraised value beginning as of the effective date of the appraisal would be six to nine months.

THE APPRAISAL PROCESS

Appraisal theory provides three basic methods of appraising properties. They are the Cost Approach to Value, the Income Approach to Value, and the Sales Comparison Approach to Value.

The Cost Approach to Value embraces the philosophy that the replacement or reproduction costs applied under the Principle of Substitution may define the value for a property. In this approach to value, the appraiser estimates the market value of the site, the replacement or reproduction cost of the improvements less any applicable accrued depreciation, and then combines these two items to arrive at a cost estimate of value.

The Income Approach to Value is based upon an analysis of the potential income stream of the property and comparison of that income stream with those of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Sales Comparison Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of a value estimate for it. This approach is used not only for improved properties but also in estimating the current value of the subject site. That portion of the report follows as that value estimate is necessary to complete the Cost Approach.

After applying the three traditional approaches to value, it is the appraiser's responsibility to weigh the strengths and weaknesses of the three different approaches to value and determine which of the three is most applicable in the valuation of the Subject property. This section of the report is captioned as "Reconciliation".

LAND VALUE BY SALES COMPARISON APPROACH

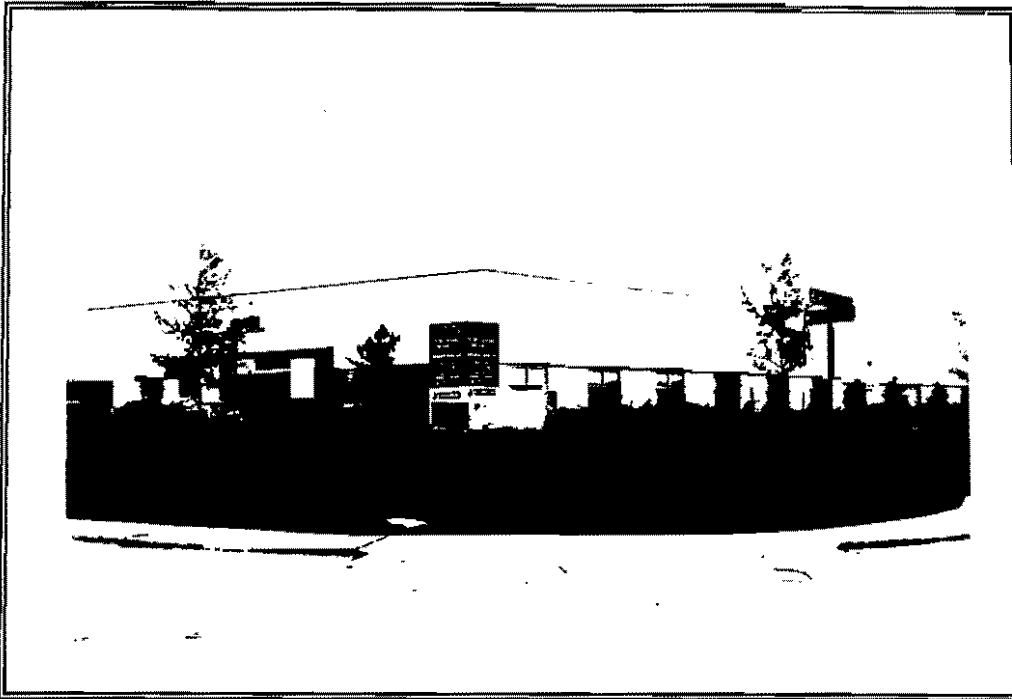
In this section of the report, data will be presented and analyzed leading to an estimate of market value for the subject site as of the effective date of the appraisal. Basically, this value is estimated by the comparison of sales of similar land tracts that are current or of recent date to the appraisal date. This comparison relates to differences, if any, in the legal, physical, locational, and economic characteristics of the comparable sales and the subject site, analyzing also any differences in real property rights transferred, dates of sale, motivations of buyers and sellers, and any unusual financing arrangements for the sales analyzed, any of which factors might account for price variations. The adjustments, if any, for property rights conveyed, financing terms, sale conditions and market conditions are made sequentially and individually. Adjustments for location and physical characteristics are accumulated and made at the end of any adjustments from the previously cited sources. From the information available, the following comparable sales all transferred ownership in fee simple. Any unusual sale conditions are discussed for each sale. Generally adjustments for market conditions relate to passage of time, e.g., in a rising market an earlier comparable sale would be adjusted upward to reflect conditions as of the effective date of the appraisal. It is our opinion that over the time period reviewed for comparable sales, there has been an upward trend leading to upward adjustments for those least recent sales.

Land Valuation Method

At the end of the presentation of the comparable sales and offerings, the sales will be summarized and a grid presented which makes the adjustments required, in our opinion, relative to differences between the comparables and the subject tract. The comparable sale prices are adjusted to the subject site and then analyzed to produce an estimate of market value for the land.

There are other methods available for estimating land value including allocation, extraction, subdivision and the land residual technique. Generally, in all cases, the estimation of land value by comparable market sales is considered appropriate and most desirable where sufficient data is available. We feel this to be the case for the Subject site and utilize solely the Sales Comparison Approach in estimating its current market value.

Land Sale Comparable #1



Location: Northwest corner of Westgrove & Excel Pkwy., Addison, Texas
Legal Description: Block A, Lots 5 & 20 and Part of Lots 4 & 21; Block B, Part of Lots 4 & 5; Carroll Estates Addition, Addison, Texas
Grantor: Excel Management Services, Inc.
Grantee: FR Development Services, Inc.
Date of Sale: May 16, 2000
Recorded: Volume 200096, Page 2365
Consideration: \$4.37/SF (\$3,567,554)
Terms of Sale: All Cash to Seller
Cash Equivalency: \$4.37/SF
Size: 816,402 SF (\pm 18.742 AC)
Zoning: C-1 (commercial)

Comments & Adjustments: This site is a corner location just outside the airport's northern boundary. It has since been developed with a large office/warehouse facility. It is in the lease-up phase of life cycle; reported lease rates are in the \$9.50/SF range with current expenses @ \$2.50/SF.

Verified By: Debbie Carter (w/grantee); Thomas Pearson, mgr.

Mapsco #: D-4P

Land Sale Comparable #2

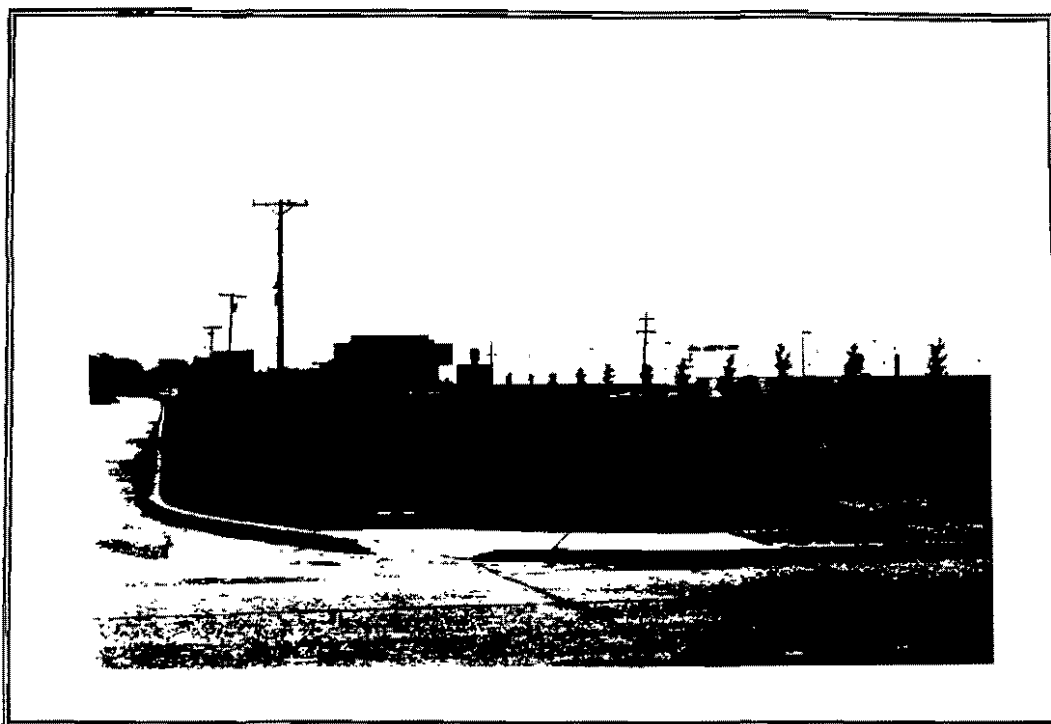


Location: ±4300 Sunbelt, Addison, Texas
Legal Description: Sunbelt Business Park Addition, Addison, Texas
Grantor: Blackland Properties (ECOM)
Grantee: Brooke Johnson (Johnson Equipment)
Date of Sale: November 18, 2000
Recorded: Volume 20002213/6508
Consideration: \$4.50/SF (\$744,876)
Terms of Sale: All cash to seller
Cash Equivalency: \$4.50/SF
Size: ±165,528 SF (±3.8 AC)
Zoning: C-1, commercial
Comments & Adjustments: This is an interior tract between Addison Road and Westgrove Road. This is predominantly an office/warehouse area. This site was purchased for the construction of an owner-occupied facility.

Verified By: Randall Johnson, purchaser

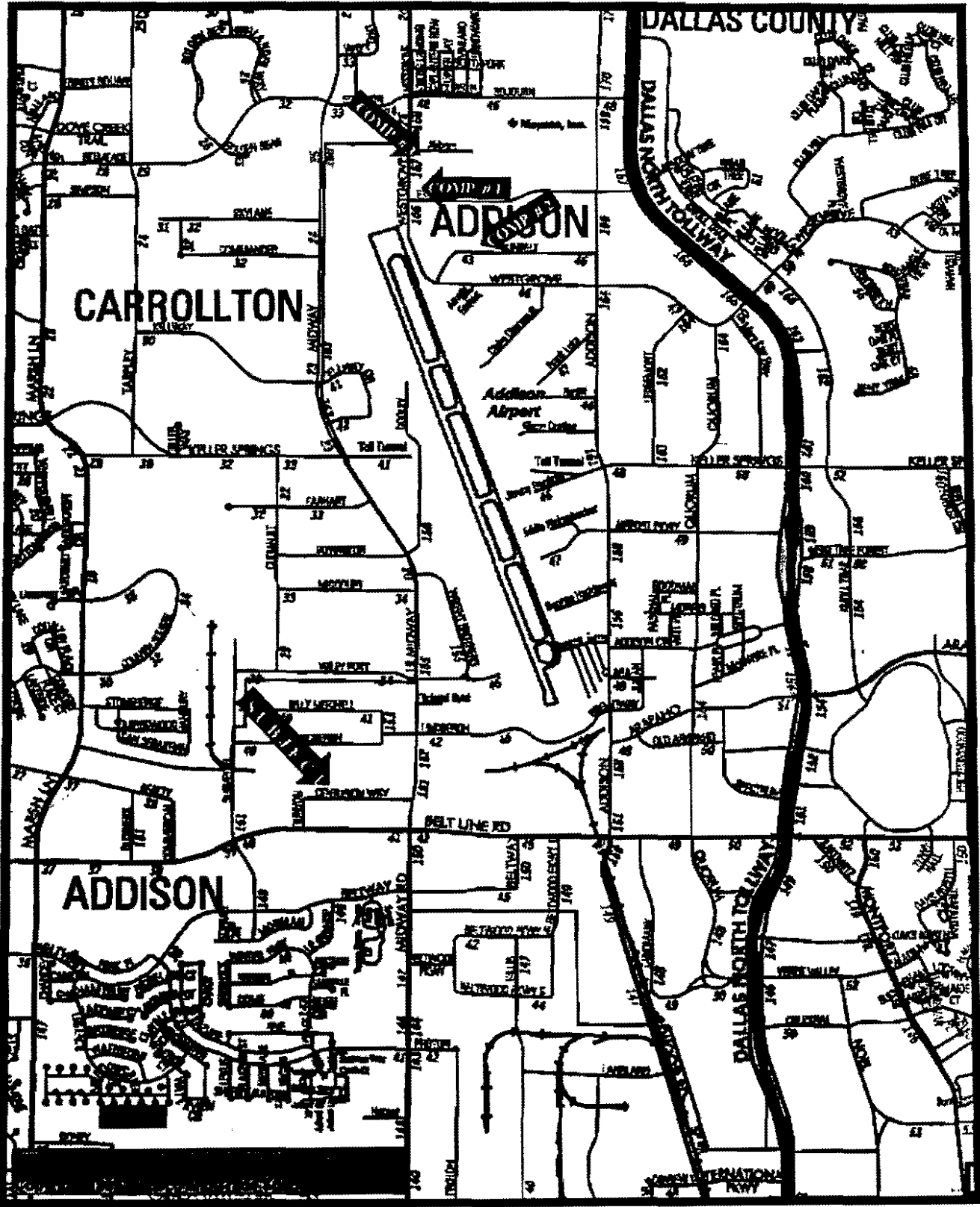
Mapsco #: D-4P

Land Sale Comparable #3



Location:	±4200 Airborn(s/s of Airborn @ Westgrove), Addison, Texas
Legal Description:	Block A, Lot 2R and Lot 4, Sojourn Plaza Addn., Addison, Texas
Grantor:	Palmetto Corners, Ltd.
Grantee:	David H. Kennington
Date of Sale:	April 2, 2002
Recorded:	Volume 2002064/1817
Consideration:	\$3.15/SF (\$635,000)
Terms of Sale:	All cash to Seller
Cash Equivalency:	\$3.15/SF
Size:	±201,726 SF (±4.631 AC)
Zoning:	PD93-057, similar to C-1
Comments:	This site is adjacent to two new office/commercial projects.
Verified By:	Harry Lucas, broker
Mapsc0:	D-4P

COMPARABLE MAP



COMPARABLE LAND SALES SUMMARY				
Sale #	Date of Sale	Price/SF	Size (SF)	Zoning
1	05/16/00	\$4.37	816,402	Commercial
2	11/18/00	\$4.50	165,528	Commercial
3	04/02/02	\$3.15	201,726	Commercial
Subject	N/A	N/A	59,734	Industrial

Adjustments to Land Sales Comparables

Standard appraisal practice calls for the analysis of the sales presented comparing each to the subject in regard to property rights transferred, sale conditions, market conditions, locational differences, relative size, physical characteristics and utility. Adjustments were made from the known, i.e., the actual sale, to the unknown, i.e., the value of the subject. In a comparison heading where the subject is deemed to be superior to a particular sale, an appropriate upward adjustment is made to the comparable site and vice versa. Your appraiser considered the application of paired sales analysis in adjusting the comparable sales to the subject. It was the appraiser's opinion that there was not sufficient comparability of the sales within those available for review that permitted a reasonable application of that type of analysis. Adjustments are based a great degree on subjective analysis and market appraisal experience, but generally on easily recognizable and accepted maxims about the various aspects of comparison. They are briefly discussed in the following paragraphs which in short form discuss the items considered for each adjustment heading. Note that there were not a large number of highly comparable sales available for this portion of analysis. This is in part due to the built-up nature of the immediate area. The sales were all within a recent time frame.

Property Rights Conveyed

This is a consideration of the real property interest conveyed. In the case of the comparable sales used in our analysis, all were transferred in fee simple, indicating no adjustment for this heading of comparison.

Financing Terms

This reflects that for similar properties, a higher price might be paid for one wherein very attractive financing terms are available to the purchaser. Any adjustments required under this consideration have been addressed within the discussion of each individual sale in converting reported transaction price to cash equivalency where conditions so indicate. As all of the comparable sales were reported to be cash transactions, no adjustments in this category are indicated.

Conditions of Sale

This element of comparison is to reflect any unusual motivations of buyer and/or seller that would take the transaction out of the broad parameters of the definition of a sale for market value. It is the appraiser's opinion that based on information available and a general knowledge of the local market, that all of the comparable sales were arm's length indicating no adjustment for Conditions of Sale.

Time/Market Conditions

Any number of factors, including fluctuations in supply and demand, inflation, depression and the like may cause changes in market conditions which are reflected in the prices of real property. The

comparable sales available for review all date within the past approximate 30 months of the effective date of this appraisal. The softening in the tech/communications sector of the market in north Texas, combined with the recent difficulties in the financial markets has led to a general softening of the real estate market. Due to the current uncertainties in the market, land prices have remained somewhat static over the previous year to eighteen months. Therefore, no adjustment is made to any of the comparables for time/market conditions.

Location

In this portion of the adjustment process the appraiser considers locational aspects of the comparable sales as opposed to the subject. Such aspects as quality and quantity of surrounding development, adjacent land uses, and other perceived physical amenities are considered. Due to the lack of paired sales characteristics in the comparables, the adjustments are qualitative. Sale #1 represents a large corner location which is judged to be superior to the interior location of the subject. A downward adjustment is applied to this sale as compared to the subject. Sales #2 is an interior location on a minor street, similar to that of the subject, requiring no adjustment. Sale #3 is considered superior to the subject. It is an interior location on a minor street, but has minor corner influence in an area of new development. A downward adjustment is applied to this sale for it's perceived superior location.

Zoning

The zoning classification of a specific property sets out the legal parameters as to the type and amount of development that can occur thereon. Some types of zoning allow for a more dense use or one that, because of supply and demand factors, will provide a higher return to the land thus creating higher land value in the marketplace. All of the comparable sales have zoning comparable to that of the subject Whole Property. No zoning adjustment is required.

Utility

This category of comparison deals with the general suitability for development of the comparable sales and the subject property which are outside of the more specific categories discussed. Items such as topography, shape, availability of public utilities, drainage, etc. are considered. Sale #1 has superior utility for large scale development, but these characteristics have been allowed for in the size and location adjustment categories. Sale #2 is believed to exhibit superior utility over the subject because of a significantly superior frontage-to-depth ratio of the sale over that of the subject site. Therefore, a downward adjustment is applied to this sale for utility. Sale #3 did not have access to the street infrastructure at it's date of sale as does the subject site. The availability of in-place infrastructure vs. as-developed infrastructure would significantly impact pricing. Therefore, an upward adjustment is applied to this sale for utility.

Size

The adjustment under this category of comparison has to do with the general rule that for most commodities the price or value per unit tends to decrease as the number of units increase. Thus, for example, an acreage site of similar zoning and locational characteristics would typically be expected to sell for a lesser amount per square foot than a smaller or pad type site of an area of 40,000 SF or less.

There follows a grid which displays the adjustments to the comparable sales called for in the opinion of your appraiser.

LAND SALES ADJUSTMENT GRID			
	1	2	3
Sales Price/SF	\$4.37	\$4.50	\$3.15
Property Rights Adjustment	-0-	-0-	-0-
Adjusted Sales Price/SF	\$4.37	\$4.50	\$3.15
Financing Terms Adjustment	-0-	-0-	-0-
Cash Equivalent Price/SF	\$4.37	\$4.50	\$3.15
Conditions of Sale Adjustment	-0-	-0-	-0-
Adjusted Price/SF	\$4.37	\$4.50	\$3.15
Time/Market Conditions	-0-	-0-	-0-
Adjusted Price/SF	\$4.37	\$4.50	\$3.15
Location Adjustment	-20%	-0-	-10%
Zoning Adjustment	-0-	-0-	-0-
Utility Adjustment	-0-	-10%	+15%
Size Adjustment	+10%	+ 5%	+ 7%
Net Physical Adjustment Factor	-10%	- 5%	+12%
Net Adjusted Price/SF	\$3.93	\$4.28	\$3.53

Market Value Estimate - Subject Site

The comparable sales prices range from \$3.53/SF to \$4.28/SF after adjustments. The average of the adjusted sales is \$3.91/SF. Based on the lack of recent physically close land sales tempered by a slowing market, it is the appraiser's opinion that a value for the subject as indicated slightly above the average of the adjusted sales is appropriate, or \$4.00/SF. Considerable weight was accorded to Sale #3, it being the most recent sale of a similar potential use as the subject site.

Approximately 16,171 SF of the subject site is encumbered with a 30' water easement and a 50' drainage channel easement. These are surface encumbrances which restrict, but do not eliminate, the development rights within this ±202.14' x 80' area adjacent to the south side of the DART rail line. The area encumbered by these easements may be improved with approved (licensed) improvements, but not permanent structures. This combined easement area is estimated to retain 50% of its fee simple value in relation to the whole site due to its restricted rights of use. Therefore, the site value would be made up as follows:

<u>Buildable Site Area</u>		<u>Value Estimate/SF</u>		<u>Total</u>
43,563 SF (Fee Simple Area)	x	\$4.00	=	\$174,252
(59,734 SF, less 16,171 SF)				
16,171 SF (Easement Areas)	x	\$2.00	=	<u>\$ 32,342</u>
(80' x 202.14')				

**ESTIMATED MARKET VALUE OF
SUBJECT TRACT, Called**

\$206,594

COST APPROACH TO VALUE

As noted, the Cost Approach to Value estimates the replacement or reproduction costs of the improvements plus land value to arrive at an indication of worth for the property appraised. This theory of valuation is based on the Principle of Substitution which holds that a knowledgeable purchaser will not pay more for a property than that amount for which he can obtain a property of equal utility and desirability by acquiring a site and constructing a building thereon within a reasonable period of time. This approach entails the following:

1. Estimation of the current replacement or reproduction cost of the improvements.
2. Estimation of all accrued depreciation, if any, of the improvements, deducting such depreciation from the current cost estimate.
3. Adding the value of the land as estimated by the Sales Comparison Approach to the estimated depreciated cost of the improvements.

Reproduction cost is defined as the cost required to exactly duplicate the existing improvements as of the effective date of the appraisal. Replacement cost is that estimated required to construct at current prices the Subject improvements with equivalent utility to the existing structure using current standard design layout and modern materials. As the Subject building is ± 19 years old and the fact that these kind of structures are of fairly standard design and construction, it is our opinion that utilization of replacement cost is appropriate within the Cost Approach.

Replacement Cost Estimate

Direct Building Costs

Our source for current cost data is from the Marshall and Swift Valuation Service as adjusted for time and locational variances. It is our opinion that this building has the characteristics of the "Good Class C" industrial/engineering buildings as described by Marshall and Swift. On Section 14, Page 16, which describes this type of building, current estimated replacement costs are stated at \$65.77/SF for Class "C" Good and \$44.96/SF for Average construction.

Industrial/engineering buildings are similar to light industrial buildings in exterior design and construction. The principal differences are in the internal design and finish-out. Light industrial space tends to be 5% to 25% office finish-out, with the balance in warehouse space and generally non-air-conditioned. Engineering space tends toward 80%+ finish-out and 100% air-conditioned space.

This amount must be adjusted by factors also prepared by Marshall and Swift for time lapse to the present from cost preparation date--1.02x--and adjustment for price differentials caused by different physical geographic locations--0.92x. Multiplying these two factors times the \$65.77/SF indicates a current estimated replacement cost for the Subject at \$61.72/SF.

Also included in direct costs are elements not covered in the per square foot amount published by Marshall and Swift. These items would include the cost of the landscaping, the asphalt and concrete lot paving, and developer's profit.

The estimated cost of the landscape is \$20,000. This estimate is based on interviews with developers as cross-referenced with Marshall and Swift. The guard post/cable barrier is estimated @ \$410.

The other major element of direct expense not covered in the per square foot cost is the amount for paved parking and drives. It is estimated that there is approximately 16,450 SF of paving associated with the subject property (site size less building & landscape area) adjacent to the building. The concrete paving is estimated to be 4" reinforced concrete at a current new cost estimate of \$3.50/SF (per Marshall and Swift estimates). This equates to \$57,575 for the concrete paving for parking and drives associated with the subject building.

Indirect Costs

Other elements of construction costs not covered in the basic per square foot amount in Marshall and Swift are an allowance for entrepreneurial profit, loan fees and expenses over and above interest during construction--which are included in the basic square foot cost--and the initial leasing and marketing costs.

Our estimate of entrepreneurial profit is based on 10% of the direct replacement cost. It is our opinion that it is logical to assume that a developer/builder would require and expect a profit for coordination required to take a project such as the subject from inception to completion. Based on historical experience, the profit as calculated is reasonable and supported by past market activities.

The Marshall and Swift published prices do cover interest during construction but not loan fees.

Depreciation - General

Depreciation is defined in most appraisal textbooks as a loss in value as of the date of the appraisal from total replacement or reproduction costs. That depreciation may fall within three different categories. Those categories and the method of estimating the depreciation in each category are explained in the following paragraphs.

Physical Deterioration

Curable physical deterioration refers to items of deferred maintenance. This applies only to items requiring immediate repair. The measure of this category is the cost to correct or cure. Repairs to items such as the roof, painting the interior, carpeting and painting the exterior are typical items of curable physical deterioration. The building in general demonstrated an average standard of ongoing repair and maintenance. In our opinion, no deduction for Curable Physical Depreciation is indicated.

Short-lived incurable physical depreciation recognizes that, while the majority of the structural components will have a life equal to the economic life of the total building, some will have a shorter life and a deduction must be made to allow for their gradual deterioration and eventual replacement. This amount is calculated by multiplying the percentage derived by dividing effective age by total physical life times the estimated replacement cost of the short-lived component. **Long-lived physical incurable depreciation** takes into account the decline in value due to normal wear and tear on the basic building structure and any concurrent loss in economic use due to its age. This amount is typically calculated by dividing the effective age of the building by its estimated economic life and multiplying the percentage result times the total replacement cost new less physical curable depreciation and the replacement cost of short-lived items for which physical incurable depreciation is taken, then, deducting that figure from replacement cost-new.

Functional Obsolescence

Functional obsolescence is loss in value attributable to such factors as poor design, changes in technology and super-adequacies and/or deficiencies in the construction. **Incurable Functional Obsolescence** occurs where deficiencies or super-adequacies are involved and the cost to cure is greater than the anticipated increase in utility or benefits to be derived. This form of depreciation is usually measured by the capitalization (by the rate developed in the Income Approach) of the net income loss attributable to the deficiency or super-adequacy. **Curable Functional Obsolescence** is that for which the cost to cure provides equivalent or superior economic returns to the property.

As noted, the Subject improvements are in conformity with development within the neighborhood. We note that the building is in good physical condition. As such, it is our opinion that there are no elements of curable or incurable functional obsolescence present in the subject property.

Accrued Depreciation Estimate by Life Method

This method of estimating total accrued depreciation is found by multiplying the percentage derived by dividing the effective age by the estimated total economic life of the building times the estimated replacement or reproduction costs of the improvements. The Marshall & Swift guidelines indicate a typical economic life for industrial flex buildings of the type and construction quality of the subject to be ±50 years. The building's actual age is approximately 19 years and we consider its effective age to be ±19 years due to its present condition and quality of upkeep. The following table shows the calculation of Depreciation of All Items as described.

Estimate of Incurable Depreciation All Items	
Estimated Direct Building Replacement Cost New (Building)	\$ 996,346
Times Ratio of Effective Age to Use Life (19/50)	<u>x0.38</u>
Estimated Incurable Physical Depreciation, Long-Lived Items	<u>\$ 378,611</u>

Economic Obsolescence

Economic obsolescence is a loss in value caused by detrimental influences outside the site. Unightly or undesirable nearby usages such as salvage yards and heavy industrial plants that have an adverse effect on the value of the appraised property are causes of this type of value loss. Economic loss is always incurable and it is measured by either capitalizing the rent loss attributable to the negative influence or by comparable sales. We find no adverse physical influences so affecting the Subject property as to produce economic loss from that cause.

There follows a Cost Approach Summary tabulating the preceding data leading to subject's value estimate by this method.

COST APPROACH SUMMARY

Direct Costs		
16,143 SF @ \$61.72/SF - Main Building	\$ 996,346	
Fencing	410	
Landscaping	20,000	
Concrete Paving	<u>57,575</u>	
Total Estimated Direct Costs		\$1,074,331
Indirect Costs		
Entrepreneurial Profit @10%	\$107,000	
Loan Fees (est.)	<u>16,000</u>	
Total Estimated Indirect Costs		<u>123,000</u>
Total Estimated Replacement Cost New		\$1,197,331
Estimated Depreciation		
Main Building (.38 x \$996,346)	\$ 378,611	
Paving (.20 x \$57,575)	11,515	
Landscaping	-0-	
Barrier Fencing	<u>-0-</u>	
		<u>- 390,126</u>
Depreciated Replacement Cost		\$ 807,205
Add: Site Value Estimate by Market Comparison		<u>206,594</u>
Total Estimated Replacement Cost After Depreciation		<u>\$1,013,799</u>
ESTIMATED MARKET VALUE BY COST APPROACH, Called		<u>\$1,014,000</u>
		(±\$59.98/SF)

INCOME APPROACH TO VALUE

As discussed previously in the Appraisal Process section, the Income Approach to Value is the result of the analysis of the projected gross income stream for the subject property less vacancy and expenses to determine what net operating income for it can reasonably be expected. The first step in the Income Approach is determining what income can be achieved by the property under prudent management. This section typically directs itself to deriving rent comparables from similar properties in the subject's area to determine the stabilized gross annual income potential for it. From that gross annual income, a vacancy and collection loss factor is deducted to arrive at an effective gross income. From the effective gross income, total estimated operating expenses for the project are deducted to arrive at a proforma net operating income. This figure is converted to a value indication through a process known as capitalization.

There follow rent comparables of other office/warehouse buildings in subject's area. From the comparables, we will evaluate current market rents and expenses in preparation of a pro forma operating statement leading to an estimated Net Operating Income (NOI) for the subject property. This NOI can then be capitalized into an indication of Market Value by the Income Approach.

Rent Comparable #1

Property/Location: 15101 Midway Road, Addison, Texas

Improvement Data:

Construction & Design: Brick Veneer
Year of Construction: 1979±
Condition: Good
Gross Building Area: 58,900 SF; estimated - 100% A/C
Rentable Bldg. Area: 58,900 SF

Rental Data:

Rent/SF/Year: \$7.00/SF - net
Lease Structure: Absolute triple net, tenant pays all expenses
Lease Term: ±5 years typical
Occupancy: ±100%

Comments: This property is in very close proximity to the subject and represents a higher use than the subject. The property owner occupies the corner portion of the building and leases the Centurion portion of the building. The tenants tend to be retail oriented. This also represents a partial lease of a new sale.

Survey Date: 09/02

Leasing Agent: Owner

Mapscoc: D-14B

Rent Comparable #2

Property/Location: 3220 Commander, Carrollton, Texas

Improvement Data:

Construction & Design: Masonry/Glass Store-Office front design

Year of Construction: 1980

Condition: Good

Gross Building Area: 23,000 SF: 100% A/C, Office/Tech

Rentable Bldg. Area: 23,000 SF

Rental Data:

Rent/SF/Year: \$8.00/SF, net

Lease Structure: Estimated expenses @\$2.00/SF; estimated \$9.00/SF finish-out.

Lease Term: 5 years

Occupancy: 100% - This is a newly signed lease

Comments: This is a very similar presentation on a minor street. It is located on an interior street like the subject and is of roughly comparable size to the subject.

Survey Date: 09/00 & 09/02

Verified by: Pat Haggerty w/Campbell Company

Mapscor: D-4N

Rent Comparable #3

Property/Location: Northeast corner of Westgrove & Excel Pkwy., Addison, Texas

Improvement Data:

Construction & Design: Concrete panel; office/warehouse (engineering) design.

Year of Construction: ±2001

Condition: Excellent

Gross Building Area: ±228,400 in 4 buildings

Rentable Bldg. Area: ±28,400 SF

Rental Data:

Rent/SF/Year: \$9.50/SF

Lease Structure: Landlord pays taxes, insurance, & CAM: est. at \$2.50/SF

Lease Term: 5 years quoted

Occupancy: ±75%

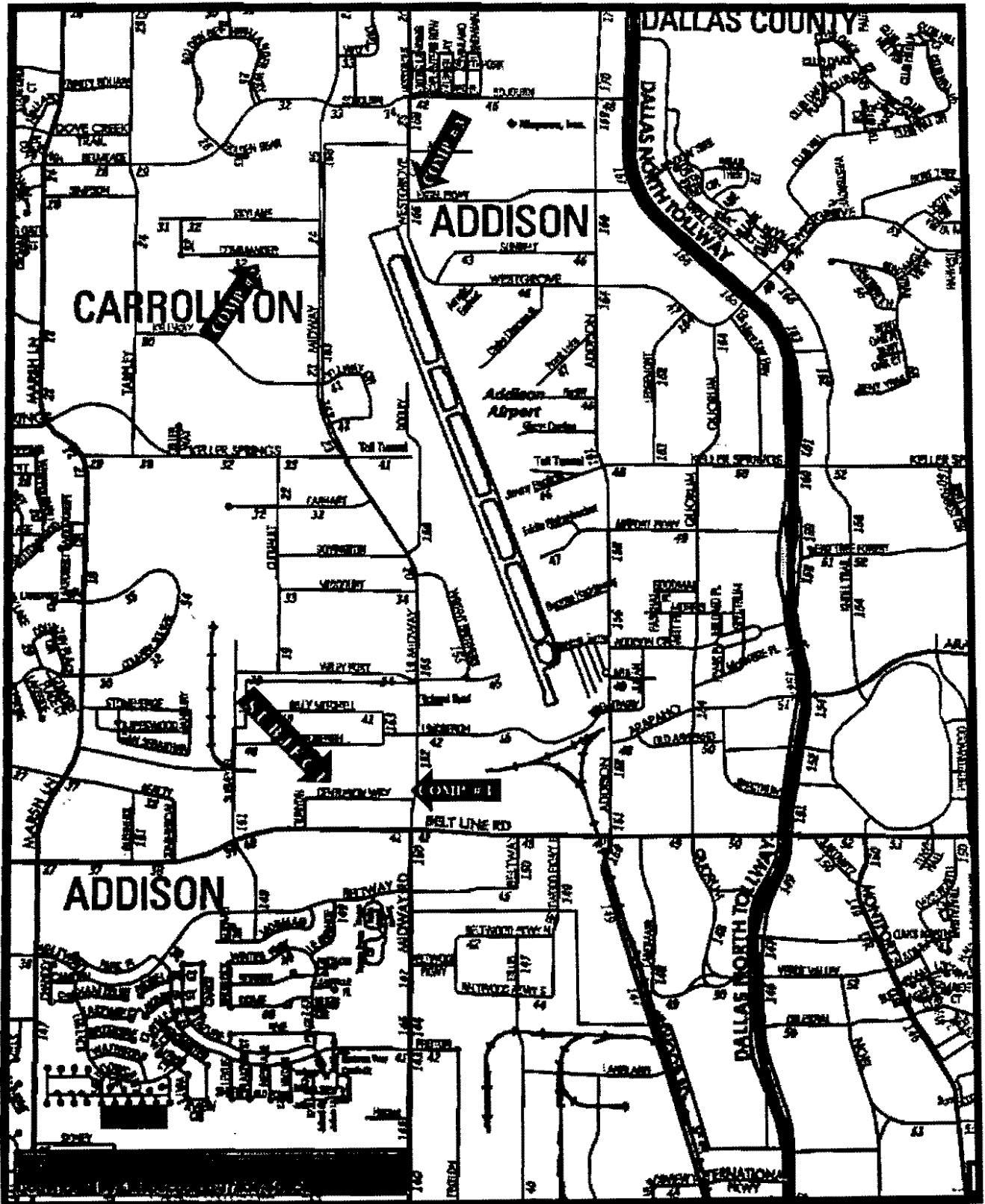
Comments: This property is new construction and currently in it's lease-up phase. A \$14.00/SF finish-out allowance is allocated for new lease space, which would equate to ±25% office finish-out. This is built as 100% A/C space. Given the expenses, this equates to \$7.00/SF triple-net rent.

Survey Date: 09/02

Verified by: Thomas Pearson, leasing agent

Mapscos: D-4P

COMPARABLE MAP



Office/Commercial Comparable Rent Survey Summary			
Comp #	Size (SF Rentable Area)	Annual Rent/SF	% Vacant
1	58,900	\$7.00 - net	-0-
2	23,000	\$8.00 - net	-0-
3	228,400	\$7.00 - net	25%
Subject	16,143	n/a	n/a

Stabilized Rent Projection

There is a great deal of variability in the industrial/engineering space market in the market area of the subject property. Rents are variously quoted as "net", "gross", or "modified gross". Location, age, size, building design, and percentage of air-conditioned space all have a bearing on accepted rental rates. Several new developments have come on the market in the previous two years and these developments tend to pull tenants from the older developments, requiring the older developments to have to compete on a price basis.

It is not known if the subject property is 100% owner occupied or partially leased. No lease/expense data was available to the appraiser. It has previously been stated that the existing configuration of this space is most suited for either one or two tenant occupancy and that it is our opinion that it's size and design is such that there exists for it a discernable market. Comparable #2 is more typical of the design of the subject and is geared to attract a similar style tenant. Comparable #1 is geographically similar to the subject, but exhibits both corner and retail influence, which should set the upper limit near the subject. Comparable #3 is a new facility and probably represents the upper end of the office/engineering type lease space in the Addison market. Comparable #2 is also marketed to smaller space users like the subject is most suitable for, while #1 and #3 would marketed toward larger scale users. Comparable #2 most nearly represents the segment of the market which would be attracted to the subject, tempered by the locational influence in Comparable #1 and the age preference in Comparable #3. Based on these comparisons, an estimated rental rate of \$7.50/SF, triple net (NNN), is made for the subject.

Vacancy and Collection Allowance

It is considered reasonable to deduct a vacancy and collection allowance deduction for gross potential income to indicate cyclical changes in commercial real estate property over typical economic life. A 10% vacancy and collection allowance is estimated for the subject property. It approximates actual submarket vacancy experienced as of the effective date of the appraisal found in the comparable rent survey and is lower than the general Dallas market area vacancy rate of $\pm 12\%$ currently.

Expenses - General

In compiling proforma the operating statement for the subject property, primary reliance is based on actual expenses provided by brokers and project managers in the field, ad valorem tax analysis, and file data. It is accepted practice to calculate operating expenses on gross building area or as a percentage of revenues (rents) collected.

Management Expense

It is the property manager's function to oversee, contract for, and accomplish routine maintenance activities along with timely payment of utility, taxes, insurance and other bills. There is an additional management responsibility of collecting any pro rata amounts from the tenants. In the Dallas area market, management fees for office/warehouse properties range from 3% to 6% of gross collected rents, generally with a minimum base-rate fee. However, as the subject represents a small scale property (in number of probable tenants), a management fee below that typically found in the market is judged to be more realistic. A management expense of 1½% is deemed more appropriate for the subject.

Maintenance/Repairs/Utilities

Included under this heading of expense are common area maintenance, landscaping expense, roof/structural maintenance, and base year utilities. As all of the rents/leases have either been reported as, or reduced to, triple-net leases, all maintenance, repairs, and utility expenses are presumed to be the responsibility of the tenant. Therefore, these expenses will not be deducted from the operating income statement for the subject property.

Janitorial Expense

For purposes of the proforma statement, janitorial expenses are considered to be a tenant expense.

Leasing Commission

This relates to the expense of marketing the property. Typical leasing commission rates vary from 4.5% to 6.75% in the subject area. Again, due to the relatively small scale (in number of tenants) of the subject property, a lower leasing commission of 3% is estimated for the subject property.

Property Insurance

Under a triple-net lease structure, the tenant of the property is liable for property insurance. Therefore, no property insurance expense deduction is estimated for the subject.

Real Estate Taxes

Under a triple-net lease structure, the tenant of the property is liable for the ad valorem taxes of the property. Therefore, no tax expenses are deducted.

There follows a Pro Forma Operating Statement depicting the preceding discussions of income and expense for the subject property leading to an estimated net operating income (NOI).

PRO-FORMA OPERATING STATEMENT

Gross Annual Income (GAI): 16,143 Rentable SF @ \$7.50/SF:	\$121,073
Less: 10% Vacancy & Collection Loss:	<u>- 12,107</u>
Effective Gross Income (EGI):	\$108,966
Expenses:	
Management @ 1½%	\$ 1,634
Maintenance/Repairs/Utilities	n/a
Janitorial	n/a
Lease Commissions @ 3.0%	3,269
Insurance	n/a
Real Estate Taxes	<u>n/a</u>
Less Total Expenses	<u>- 4,903</u>
<u>INDICATED NET OPERATING INCOME (NOI):</u>	<u>\$184,063</u>

CAPITALIZATION

Several capitalization techniques are available to process income into an indication of value. The proper capitalization technique is not determined by random selection. The appropriate technique is determined by the quality and quantity of accessible market data. A method of capitalization which is considered most appropriate and applicable to the subject property is presented below.

Overall Capitalization Method

Rates Derived from Comparable Sales

Direct capitalization with an overall rate is typically considered to be the most reliable capitalization method when the availability of data from comparable property sales is sufficient. It is based on the idea that at any given point in time the current net operating income (NOI) produced by a property is related to its current market value.

This technique is simply a direct capitalization of the subject's net income by use of an overall market rate. This rate is taken directly from the market, based on the range of indicated overall rates from

sales of similar properties. The overall rate represents a current return on the total investment. Therefore, by use of a direct overall capitalization rate from the market, it can be illustrated that buyers are earning similar or competitive current returns.

The sale this year of the property $\pm\frac{1}{4}$ mile to the east of the subject represented a capitalization rate of 10%. While the corner location of this sale has a retail orientation, it is none the less, representative of the upper end of the subject environment. An office/engineering building which is roughly ten times the size of the subject and is a new development (± 2 years old) sold within the past 10 months with a reported capitalization rate of 10% also.

A Henry S. Miller Company survey reported in Real Estate Investment Trends reported that capitalization rates exhibited a range of 9% to 11.5% for industrial properties in 2001. Brokers surveyed during this study indicated that investors typically won't consider a rate below 10% when purchasing this class of property. Generally, older properties (in excess of 10 years old) reflect capitalization rates higher than the average rate, due to the fact that a higher rate is required to recover improvement value over a shorter remaining economic life.

Based on the analysis of the data available, an R_o of 10% is selected for the subject property. By applying this rate to the NOI estimated for the subject property, a generally reliable estimate of market value can be derived. This method is known as Direct Capitalization and, based on the availability of data, is deemed to be the most appropriate means of capitalization for many types of income properties.

Even given what appears to be a slightly weakening market for properties of the age and class of the subject property, a capitalization rate reflective of the rate derived directly from the market is judged to be appropriate for the subject. This lower than typical capitalization rate translates the net operating income into a higher indicated market value for a given property. The comparable data supports an R_o for the subject property of 10.0%. Thus:

<u>Proforma NOI</u>		<u>R_o</u>		<u>Indicated Value</u>
\$104,063	+	10.0%	=	\$1,040,630

**MARKET VALUE ESTIMATE BY THE INCOME APPROACH -
 R_o CAPITALIZATION, Called**

\$1,041,000
(\pm \$64.49/SF)

SALES COMPARISON APPROACH TO VALUE

An indication of value can be obtained by comparing the subject property with other industrial/flex buildings which have recently sold in the marketplace. The reliability of this value indication will depend upon the similarities/dissimilarities between the subject and the properties which have sold. The basic units of comparison used by purchasers in the marketplace are the Gross Income Multiplier and Price per Square Foot of building area.

The Gross Income Multiplier (GIM) is an application that is available when facilities sell with a known sale price and a determinable gross annual income figure. The multiplier is derived by dividing the sale price by gross potential income. It is an accurate gauge to weigh the investment opportunity of one operating property against a similar operating property as it automatically adjusts for any physical, functional, or economic deficiencies of a property as reflected by the action of the rental marketplace.

The GIM is closely related to market action and it is fairly easy to explain. The principal advantage of the technique is that the reflection of rental income is direct. Therefore, differences between properties which could involve adjustments based upon subjective estimates by the appraiser have typically been resolved by the free action of the local rental market. If Property A has some advantage over Property B in age, condition, accessibility, location, or other physical characteristics, the difference in actual rental income presumably reflects the extent of this advantage as viewed in the marketplace. Because some adjustments for relative desirability are thus inherent in the factor, a GIM is not subject to adjustment after having been computed.

The Price Per Square Foot method considers the amount of area contained within a facility. The unit for valuation is computed by taking the sale price of the property and dividing by the square footage. This methodology directly compares the price for which a property actually sold to other properties of a similar nature, design, construction, quality, size, age, finish-out, and underlying land value, etc. The Price Per Square Foot methodology requires that adjustments be made by the appraiser to compensate for physical, functional and/or economic deficiencies of the properties used for comparison with the subject. The Price per Square Foot methodology can be subjective and requires the expertise of the appraiser for adjustments.

The following pages detail recent sales of garden office properties in subject's general area. An analysis with what are considered the appropriate units of comparison follows leading to an estimate of Market Value of the fee simple estate by the Sales Comparison Approach.

Building Sale Comparable #1



Location:	NW/c of Centurion & Midway, Addison, Texas
Grantor:	15101 Midway Road Pt. Ltd.
Grantee:	Midway Centurion Ltd.
Date of Sale:	February 28, 2002
Recorded:	2002041/7792
Consideration:	\$3,400,000 (\$57.73/SF)
Terms of Sale:	All cash to grantor
Cash Equivalency:	\$3,400,000 (\$57.73/SF)
Improvement Data:	
Construction:	Brick Veneer, masonry
Year of Construction:	±1979
Condition & Appeal:	Good
Gross Building Area:	58,900 SF (per buyer)
Land Area:	±150,935 SF
Comments:	±¼ east of the subject. Similar age, larger size, construction. Retail presentation. ½ owner occupancy, ½ leased @ \$7/SF - NNN
Verified:	Purchaser
Mapsc0:	D14B

Building Sale Comparable #2



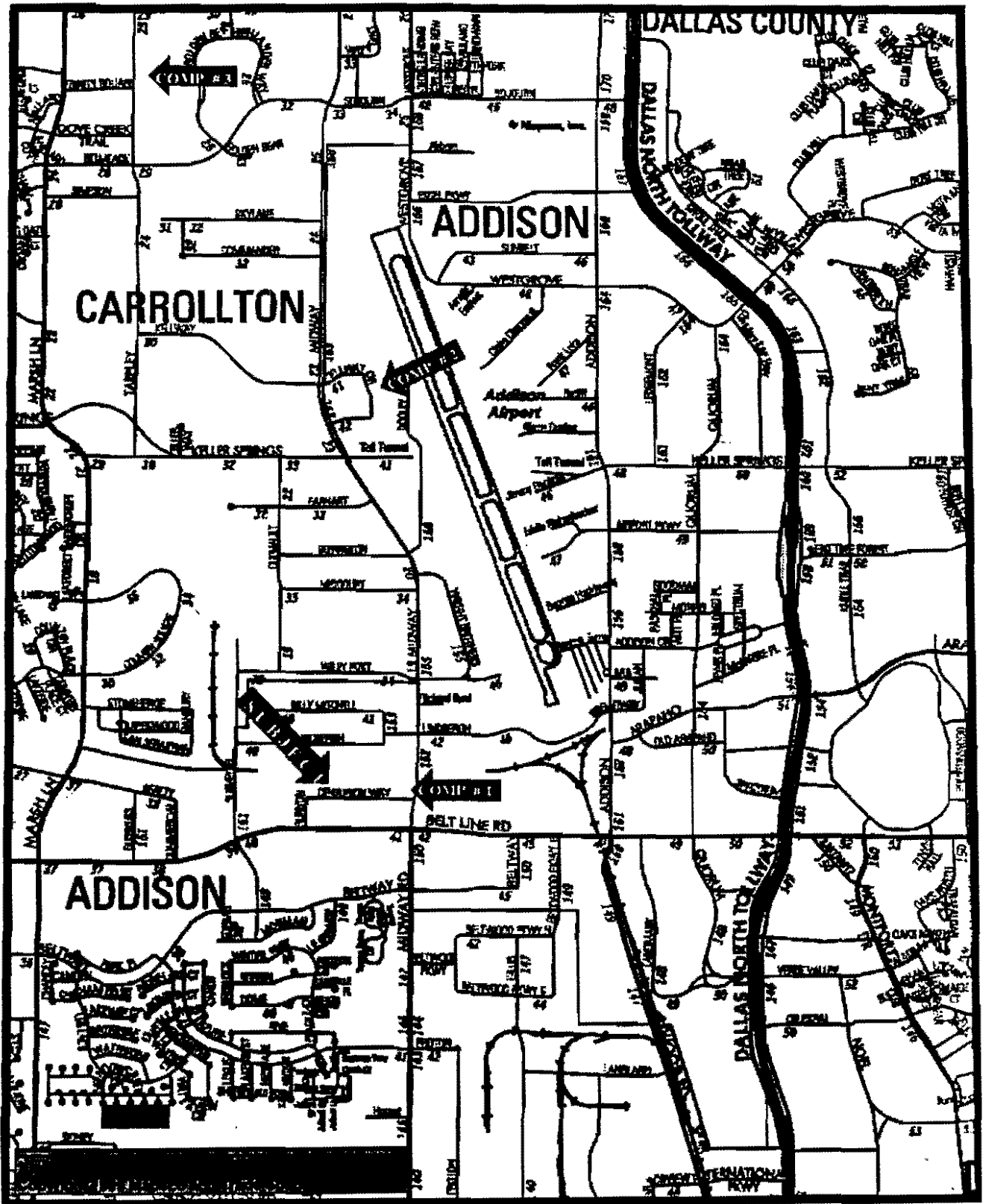
Location:	4625 Kellway Circle, Addison, Texas
Grantor:	Greenbriar Corporation
Grantee:	Land Advisors, Inc.
Date of Sale:	January 9, 2001
Recorded:	2001006/5597
Legal Description:	Blk B, Lots 5 & 6, Beltwood North, Ph 2, Addison, Texas
Consideration:	\$1,500,000 (\pm \$57.53/SF)
Terms of Sale:	\$1,360,000 note to Regions Bank
Cash Equivalency:	\$1,500,000 (\pm \$52.72/SF)
Improvement Data:	
Construction:	Single story masonry and steel
Year of Construction:	\pm 1984
Condition & Appeal:	Very Good
Gross Building Area:	27,768 SF (per DCAD)
Land Area:	\pm 63,037 SF
Comments:	Owner occupancy; building is an interior location in a well landscaped "garden" setting. Limited covered parking on site; very similar to subject.
Verified:	Roddy Services
Mapsc0:	D-4T

Building Sale Comparable #3



Property/Location:	2560 Tarpley Road, Carrollton, Texas
Grantor:	
Grantee:	Tra Bec Properties, LP
Date of Sale:	November 28, 2001
Recorded:	2001231/9604
Legal Description:	Blk A, Lot 1.1, Trinity Mills Business Park
Consideration:	\$1,690,000 (\pm \$69.04/SF)
Terms of Sale:	All cash to grantor
Cash Equivalency:	\$1,690,000 (\pm \$36.72/SF)
Improvement Data:	
Construction:	Concrete Panel
Year of Construction:	1997
Condition & Appeal:	Good
Gross Rentable Area:	24,168 SF
Land Area:	\pm 78,421 SF
Comments:	Purchased for owner occupancy. This property is \pm 1/2 block south of Trinity Mills; similar to the subject's location off of Midway Road. New construction noted in this area.
Verified:	Roddy Services
Mapsc0:	D-4N

COMPARABLE MAP



COMPARABLE BUILDING SALES SUMMARY						
Sale No.	Sale Date	Year Built	Building Area (SF)	Sale Price (\$/SF)	Pro Forma	
					OAR	GIM
1	03/02	1979	58,900	\$57.73	±10%	8.25x
2	01/01	1984	25,768	\$57.53	owner	owner
3	11/01	1997	24,168	\$69.04	owner	owner
Subject	NA	1983	16,143	NA	NA	NA

Analysis and Conclusions of Market Data

From the available comparable sales, only one unit of comparison is derived that is typically utilized in the Sales Comparison Approach to Value. This method is utilized by comparing the Sales Prices per Square Foot (SP/SF), taking into consideration and adjusting for physical, locational and market condition factors affecting each sale as compared to the subject property. The Gross Income Multiplier (GIM) is not available from two of these sales as they were purchased for owner occupancy. When sufficient reliable data is available, the GIM is generally preferred in this method of valuation of typical income producing properties. This factor is calculated by dividing the reported sales by the indicated gross annual income for the property.

Sales Price per Square Foot Analysis

General

The reader is referred back to the discussion of adjustment factors presented in the earlier Sales Comparison Approach utilized in estimating the current market value of the land tract. That discussion applies here with the exception of some changes in the physical comparisons. We continue to compare and adjust for Location and Size variations. The remaining two appropriate for improved properties are one for Construction and Design and one for building Age/Condition. The reader is reminded that within the Comments & Adjustments section of each of the improved sales presented, the reasoning, magnitude and direction of each adjustment was discussed.

As all of the sales were purchased for owner occupancy, all sales are treated as "fee simple" transfers. No unusual financing or other motivating factors were discovered which would affect the "conditions of sale" for any of the sales included herein. As all of the sales have taken place within the previous ±18 months, no adjustment for "time" is deemed necessary.

Location

The location of Sale #1 is judged to be superior to the subject, due to this sale's corner location on Centurion and Midway Road. The retail presentation of this sale is superior to that of the subject. This sale will be adjusted downward to reflect this condition. Sale #2 is an interior location on a minor street. It is judged to be equal to that of the subject. The location of Sale #3 is considered comparable to that of the subject. This sale is located ±½ south of Trinity Mills on Tarpley. This is a very similar situation to the subject. No adjustment is made to this sale for location.

Size

The reported size of Sale #1 is substantially larger than that of the subject improvements. This would indicate a downward adjustment to the subject property. Both Sales #2 and #3 are slightly larger than the subject, enough so to warrant an adjustment based solely on size.

Design/Construction

Sale #2 is very similar to the subject in age, design, and construction detail. No adjustment is made to this sale for these attributes. Sale #1 is of plainer construction detail and less well landscaped, requiring an upward adjustment to the subject. Sale #3 is considered to be superior to the subject in design, age, and construction. Given the relatively new development of this sale as compared to the subject would warrant consideration for physical deterioration factors and functional factors in the market. This sale is adjusted downward for these considerations.

There follows an adjustment grid that sets forth our opinion of the percentage adjustments applicable to the comparable sales as discussed in the sales analysis and in the Comments and Adjustments paragraph of each of the sales previously presented.

BUILDING SALES ADJUSTMENT GRID			
	1	2	3
Sales Price/SF	\$57.73	\$57.53	\$69.04
Property Rights Adjustment	-0-	-0-	-0-
Adjusted Sales Price/SF	\$57.73	\$57.53	\$69.04
Financing Terms Adjustment	-0-	-0-	-0-
Cash Equivalent Price/SF	\$57.73	\$57.53	\$69.04
Conditions of Sale Adjustment	-0-	-0-	-0-
Adjusted Price/SF	\$57.73	\$57.53	\$69.04
Time/Market Conditions	-0-	-0-	-0-
Adjusted Price/SF	\$57.73	\$57.53	\$69.04
Location Adjustment	-20%	-0-	-0-
Construction and Design	+10%	-0-	included below
Age/Condition Adjustment	-0-	-0-	-20%
Size Adjustment	+20%	+10%	+10%
Net Physical Adjustment Factor	+10%	+10%	-10%
Adjusted Price/SF	\$63.50	\$63.28	\$62.14

After adjustments, comparable building sales indicate a value range of the subject from \$62.14/SF to \$63.50/SF. The average of the adjusted sale prices is ±\$62.97. It is the appraiser's opinion that a value indication in the upper-range of the indicated values is appropriate for the subject. Obviously, the subject is most comparable to Sale #2. It is the appraiser's opinion that \$63.50/SF is most appropriate for the subject. Thus;

<u>Gross Rentable Area</u>		<u>Value Estimate/SF</u>		<u>Total</u>
16,143 SF	x	\$63.50	=	\$1,025,081

Value Indication by SP/SF Analysis, Say,

\$1,025,000
(±\$63.50/SF)

RECONCILIATION AND FINAL "AS IS" MARKET VALUE ESTIMATES

Reconciliation

The three traditional approaches to value at stabilized rents and occupancy result in the following "As Is" estimates of value:

COST APPROACH:	\$1,014,000
INCOME APPROACH:	\$1,041,000
SALES COMPARISON APPROACH:	\$1,025,000

This section of the report is dedicated to considering the strengths and weaknesses of the three traditional approaches and determining which approach has the most credibility for the subject property.

In estimating a Market Value by the Cost Approach, the value of the subject site is estimated first by the Sales Comparison Methodology. In estimating current replacement cost for the subject, the primarily amounts for comparable buildings as reported in the Marshall and Swift cost reporting service were utilized. As the building is ± 20 years old, various elements of depreciation were noted which were estimated by the Economic Age/Life method. The Cost Approach has inherent weaknesses in estimating replacement costs accurately and also in the measurement of depreciation when it is applicable. Construction bids are replete with variables including material and labor supplies at the time of the bids, weather conditions during the construction period and the cost of money. Variations of 10% to 15% are not unusual among experienced contractors and the diversity can be greater than that. There was a lack of highly comparable land sales due to the built-up nature of the immediate neighborhood and the unique characteristics of the subject site. These factors lead to placing the least reliability on this method in reaching a final estimate of Market Value.

In arriving at an estimate of Market Value by the Income Approach, your appraiser surveyed rents of comparable projects. Appropriate operating expenses as available from actual operating statements and file data were deducted to indicate a pro forma NOI for the subject at stabilized rents and occupancy. There was data available from the marketplace to establish an overall rate. Major weight is given to the Income Approach valuation in the reconciliation.

In most cases, the Sales Comparison Approach is used primarily as an indicator of a range of values. In the case of the subject, a reasonable number of verified recent sales whose financial units of comparison provided a basis for estimating Market Value. The results of the Sales Comparison Approach are supportive of the Income Approach. Primary reliance is also placed on the results of this methodology in the final estimate of value for the subject Whole Property.

The subject property fits within the description of a typical office/engineering space building real estate investment or owner occupied property. It is concluded that the most reasonable estimate of the current Market Value is indicated by the results of the Income Approach.

Thus, it is the appraiser's opinion that the current "As Is" Market Value Estimate of the Fee Simple Estate of the Subject Property, improvements and land, subject to the Assumptions and Limiting Conditions contained herein, as of October 23, 2002, is:

ONE MILLION FORTY ONE THOUSAND DOLLARS
\$1,041,000

Components of Whole Property Value

Main Building	\$ 766,906
Paving/Drives	47,500
Landscape	20,000
Site Value	<u>206,594</u>
Total	\$1,041,000

The guard post/cable fencing is not included as it is situated within existing easement area and, like a portion of the concrete paving, is not of contributory value to the property as a whole; i.e., those improvements are there solely at the sufferance of the Town.

PART TAKEN - VALUATION

This Taking is considered as a Partial Property acquisition. The Part Taken is considered as severed land with no self-sustaining economic value. It is estimated to have no self-sustaining economic value due to its existing easement encumbrances. A plat of the subject showing the Part Taken is included in the Addendum of this report.

Land

The Part Taken consists of a strip of land $\pm 79'$ wide across the northern portion of the site, roughly parallel to Centurion; a length of roughly 202'. The land area within the proposed acquisition contains 15,960 SF of site area. This proposed acquisition area is currently encumbered with a 50' wide drainage channel easement and a 30' wide water easement; i.e., 100% of the acquisition area is currently encumbered with existing surface use easements.

Improvements

Within the acquisition area are items of grass ground cover, concrete paving, and guard post/cable fence. The ground cover will be replaced by the Town of Addison subsequent to the acquisition. No compensation is estimated for the paving or "fence" improvements in the Take area. As the Take area was previously 100% encumbered with water and drainage easements, all surface improvements within the proposed acquisition area are there at the sufferance of the Town of Addison and non-compensable.

From the Land Valuation section of this report, the estimated "fee simple" value of the subject site is \$4.00 per square foot of land area. However, the area within the proposed acquisition is presently encumbered with the aforementioned easements. The drainage/water easement area is estimated to represent 50% of the fee simple interest in the Land Valuation section of this report; i.e., \$2.00/SF. A roadway easement is being "taken" over the existing surface easements. No contributory value remains for the property owner because of the right-of-way area's lack of suitability to benefit the balance of the property. Considered as severed land with no contributory economic value, the land area in the Part Taken is properly valued as a pro-rata portion of the water/drainage area's value: \$2.00/SF. Therefore, the estimated Market Value of the easement interest of the Part Taken is calculated as follows:

Part Taken - Fee Simple

Land Area:	15,960 SF @ \$2.00/SF	\$ 31,920
Improvements:	Not Applicable	<u>-0-</u>
Total		\$ 31,920

Temporary Easement

A temporary easement approximately 5' x 202' containing 1,011 SF lying adjacent to the south side of the proposed acquisition area is required for a term of two years. The valuation components of a temporary easement are 1) the rental value of the areas encumbered by the temporary easement for a term of two years, and 2) the value of the improvements within the temporary easement area.

Typically, temporary easements are valued at a fair return rental rate for the term of the temporary easement. Generally, commercial land leases provide for a 10% per year return on the fair market value of the land leased. In the case of the subject property this would equate to \$0.40/SF for the land area of the subject which lies outside of the existing water/drainage easements. This figure will not be discounted back to present value (two years "rent" paid in advance) because the reduction in

rent is so minor. It is presumed that all of the temporary easement area is outside the existing easement areas. Concrete parking lot paving is situated within the temporary easement area, and will be compensated for on the basis of the depreciated value of the concrete via the Cost Approach estimate.

Part Taken - Temporary Easement

Land:		
1,011 SF Lease - Year 1	1,011 SF x \$0.40/SF	\$ 404
1,011 SF Lease - Year 2	1,011 SF x \$0.40/SF	\$ 404
Improvements (Combined):		
Paving -	1,011 SF x \$3.50/SF x 80%	<u>\$ 2,831</u>
Temporary Easement Value		\$ 3,639
Add:		
Fee Simple Acquisition		<u>\$ 31,920</u>
Estimated Value - Part Taken (Permanent & Temporary)		\$ 35,559

REMAINDER BEFORE THE TAKE - VALUATION

The value of the Remainder Before the Take is valued on the same basis as the Whole Property valuation, reflecting the loss of the land area and improvements in the Part Taken. In circumstances of partial property acquisitions, wherein the Part Taken is considered as severed land with no independent economic utility apart from the Whole Property, the sum of the values of the Part Taken and the Remainder Before the Take should equal the value of the Whole Property.

In the case of the subject property, this equates to the difference in the contributory value of the easement area with and without the additional right-of-way encumbrance. It is estimated that the additional right-of-way easement effectively results in a taking of the balance of the Fee Simple value in the acquisition area.

The value of the Remainder Before the Take is valued as follows:

<u>Remainder Components</u>	<u>Unit Value</u>	<u>Component</u>
Land Area		
Fee Simple Remainder	\$4.00/SF x 43,563 SF	\$ 174,240
Non R.O.W. Easement	\$2.00/SF x 211 SF	<u>\$ 422</u>
Site Value Estimate		\$ 174,662
Improvements - Contributory Value		
Main Building	\$ 766,906	
Paving	44,669	
Landscaping	<u>20,000</u>	<u>\$ 831,575</u>
Total		\$1,006,237

This figure represents the estimated value of the subject Remainders without the proposed improved right-of-way in place. It also treats the temporary easement at its fee simple value, as the lease of the easement is of such a short duration as to have no affect on the underlying fee value.

REMAINDER AFTER THE TAKE - VALUATION

The Remainder After the Take is valued "as if" all of the public improvements are completed and in place. The Remainder After the Take is valued under the same guide lines and definitions as the Whole Property.

As there are improvements present on the Remainder After the Take, the Cost Approach to Value, the Sales Comparison Approach, and the Income Approach to Value utilized in estimating the Whole Property value are considered applicable to valuing the Remainder After the Take. The Sales Comparison Approach is considered to be the most reliable approach for valuing vacant land, and as such will be utilized to estimate the value of the site of the Remainder After the Take.

The Remainder After the Take continues to represent an interior tract of land with single street frontage/access. Although Arapaho Road now traverses the north side of the subject site, Arapaho Road is elevated and provides no access to the remainder site. The Highest and Best Use of the property remains the same, both as currently improved and "as if" vacant and available for development. Improvements to the subject should still orient toward Centurion, as Centurion will provide the sole access to the subject and the principal exposure of the subject.

The size and shape of the Remainder is sufficient for independent economic development, if it were vacant and available for development. The elevated road behind the subject would neither enhance nor detract from the future use/development of the subject as an industrial use site.

Remainder - Land Valuation

The land sales utilized to estimate the value of the Whole Property are considered the most reliable comparables for valuing the Remainder After the Take. Given that the usable size and shape of the Remainder are unchanged from that of the Whole Property, and that the legal development criteria remain the same, the adjustments to the comparable sales are similar to those for the Whole Property. The reader is referred to the Land Valuation section for a discussion of the site value estimate. From a practical view, the difference between the Remainder site and the Whole Property site is the elevated roadway behind the rear parking area on the subject. This is similar to some situations in the "West End" in downtown Dallas for properties adjacent to Woodall Rodgers freeway. The remainder site is at least as valuable as the whole property site.

Remainder "As Improved" Valuation

Remainder - Cost Approach

The Cost Approach for the Remainder After the Take is the same as for the Whole Property. The age, design, size, etc. of the improvements is basically the same as for the Whole Property. The primary affected area (drainage/water easement area) was not utilized by the remainder before, and the remainder will not benefit by the easement areas being converted to right-of-way, as no access to the new right-of-way is available to the subject remainder. As the principal elements of depreciation remain the same for an office/engineering facility, the Cost Approach for the Remainder After the Take would indicate a value at least equal to that of the Whole Property value, less the value of the site taken.

Remainder - Income Approach

The Income Approach for the Remainder After the Take is the same as for the Whole Property. The Remainder's ability to attract and hold owners/tenants at prevailing market rates appears to

remain unchanged from that of competing office/engineering facilities. As the size of the leasable improvements is the same as for the Whole Property, the Income Approach for the Remainder After the Take would indicate the same value as that of the Whole Property.

Remainder - Sales Comparison Approach

The Sales Comparison Approach for the Remainder After the Take is the same as for the Whole Property. As improved commercial properties tend to sell on a "per square foot" of improvement basis, the Remainder After value would be reflective of the Whole Property value.

Conclusion - Remainder After the Take Valuation

The estimated market value of the Remainder After the Take is \$1,041,000. The ±16,143 SF office/engineering facility is competitive with comparable age/design facilities in its marketing area. It is estimated that it would lease and/or sale competitively with similar age/design office/engineering facilities. Therefore, as with the Whole Property, the value of the Remainder After the Take is estimated at \$1,041,000 based on an indication of value derived through the Income Approach to value.

Estimate of Just Compensation

The Value of the Remainder After the Take (\$1,041,000) is greater than the estimate of value for the Remainder Before the Take (\$1,006,237). Typically, when the Remainder After value exceeds the Remainder Before value, it is an indication that enhancement to the Remainder has occurred. In the case of the subject Remainder this difference is viewed as a "paper" enhancement. The value of the acquisition and its affect on the Remainder is so small, relative to the probable market value of the subject, that the market is generally not sensitive enough to detect a ±3% value difference.

The previously derived estimate of value for the Part Taken also expresses the Estimate of Just Compensation. Therefore:

ESTIMATE OF JUST COMPENSATION

\$35,559

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, impartial, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- no one other than the signer(s) provided significant professional assistance in the preparation of this report.



Mark Hipes
Texas State Certificate General
Real Estate Appraiser #TX-1321416-G

ADDENDUM

Assumptions & Limiting Conditions

Photographs of the Subject

Plats

Exhibits

Legal Descriptions

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 and 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 this 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 this 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 and all nor any part of the contents of this Appraisal 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. 522 (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

probably 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 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. 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 we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

SUBJECT PHOTOGRAPHS



Front view of the subject looking from the \pm southwest to \pm northeast.



View of the front of the subject looking \pm southeast to northwest.

Parcel 10
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.3664 acre (15,960 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.3664 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at an "X" in concrete set in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, NORTH 89°58'49" WEST, departing said common line and along the proposed South right of way line of Arapaho Road, a distance of 202.14 feet to a 5/8 inch iron rod set in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

PARCEL 10 - ARAPAHO ROAD PROJECT

THENCE, NORTH $00^{\circ}08'05''$ EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 78.95 feet to a 5/8 inch iron rod set in the proposed North right of way line of Arapaho Road and the South right of way line of said DART railroad, said point being the common Northwest corner of said called 1.3713 acre tract and Northeast corner of said called 1.103 acre tract, from said point a 1/2 inch iron rod found bears South $45^{\circ}10'16''$ East a distance of 0.38 feet

THENCE, SOUTH $89^{\circ}58'49''$ EAST (called EAST), departing said common line and along the common North line of said called 1.3713 acre tract, proposed North right of way line of Arapaho Road, and South right of way of said DART railroad, a distance of 202.14 feet (called 202.11 feet) to the **POINT OF BEGINNING**;

CONTAINING an area of 0.3664 acres or 15,960 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S $89^{\circ}51'55''$ E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 11-12-99
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910

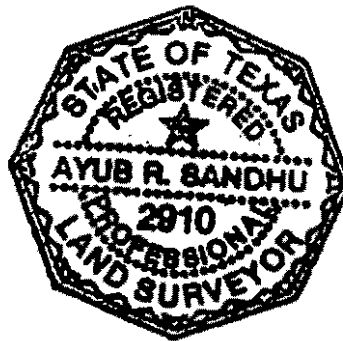
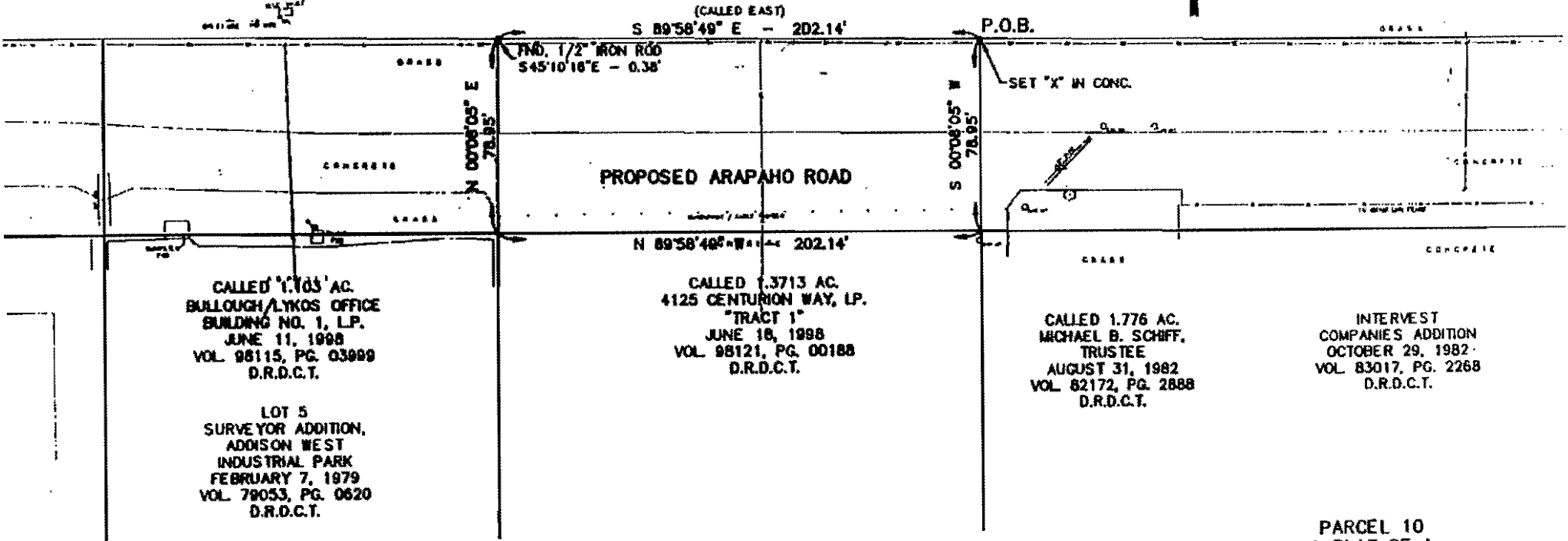


EXHIBIT "B"

DAVID MYERS SURVEY

A-923

DALLAS AREA RAPID TRANSIT
PROPERTY ACQUISITION CORPORATION
(100' R.O.W.)
DECEMBER 27, 1990
VOL. 91008, PG. 1390
D.R.D.C.T.



1.103 AC.
BULLOUGH/LYKOS OFFICE
BUILDING NO. 1, L.P.
JUNE 11, 1998
VOL. 98115, PG. 03999
D.R.D.C.T.

LOT 5
SURVEYOR ADDITION,
ADDISON WEST
INDUSTRIAL PARK
FEBRUARY 7, 1979
VOL. 79053, PG. 0620
D.R.D.C.T.

1.3713 AC.
4125 CENTURION WAY, LP.
"TRACT 1"
JUNE 18, 1998
VOL. 98121, PG. 00188
D.R.D.C.T.

1.776 AC.
MICHAEL B. SCHIFF,
TRUSTEE
AUGUST 31, 1982
VOL. 82172, PG. 2888
D.R.D.C.T.

INTERVEST
COMPANIES ADDITION
OCTOBER 29, 1982
VOL. 83017, PG. 2268
D.R.D.C.T.

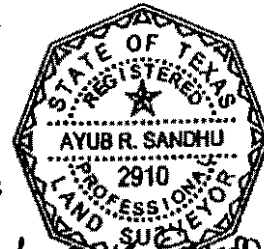
NOTES:

ALL EASEMENTS SHOWN ARE TAKEN FROM THE PLATS INDICATED HEREON. THE SURVEYOR DID NOT ABSTRACT THE SUBJECT PROPERTY SO ALL EASEMENTS MAY NOT BE SHOWN.

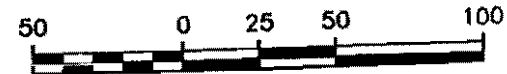
ALL BEARINGS ARE REFERENCED TO THE NORTH RIGHT OF WAY LINE OF CENTURION WAY, CALLED S 89°51'55" E, ACCORDING TO THE FINAL PLAT OF LOT 3, SURVEYOR ADDITION, RECORDED IN VOL. 77173, PAGE 135, D.R.D.C.T.

A LEGAL DESCRIPTION OF EVEN SURVEY DATE HERewith ACCOMPANIES THIS PLAT.

- DENOTES A FOUND POINT AS INDICATED
 - DENOTES A 5/8" IRON ROD SET UNLESS OTHERWISE NOTED
- PROPOSED RIGHT OF WAY LINE



PARCEL 10
A PLAT OF A
0.3664 ACRE (15,960 SQ. FT.)
TRACT OF LAND
IN THE DAVID MYERS SURVEY
ABSTRACT NO. 923
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.

Parcel 10-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0232 acre (1,011 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of the Deed Records of Dallas County, Texas, said 0.0232 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at the common Northeast corner of said called 1.3713 acre tract and Northwest corner of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of said Deed Records, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records said corner being in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records;

THENCE, SOUTH 00°08'05" WEST, departing said lines and along the common East line of said called 1.3713 acre tract and West line of said called 1.776 acre tract, a distance of 78.95 feet to a point in the proposed South right of way line of Arapaho Road for the Northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, SOUTH 00°08'05" WEST, continuing along said common line, a distance of 5.00 feet to a point for corner;

PARCEL 10-TE - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said common line, a distance of 202.14 feet to a point in the common West line of said called 1.3713 acre tract and East line of a called 1.103 acre tract of land conveyed to Bullough/Lykos Office Building No. 1, L.P. on June 11, 1998 and recorded in Volume 98115, Page 03999 of said Deed Records, said called 1.103 acre tract being all of "Lot 5, Surveyor Addition, Addison West Industrial Park", an addition to the Town of Addison, as evidenced by the plat dated February 7, 1979 and recorded in Volume 79053, Page 0620 of said Deed Records;

THENCE, NORTH 00°08'05" EAST, departing said line and along the common West line of said called 1.3713 acre tract and East line of said called 1.103 acre tract, a distance of 5.00 feet to a point in said proposed South right of way line of Arapaho Road;

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the said proposed South right of way line of Arapaho Road, a distance of 202.14 feet (called 202.11 feet) to the POINT OF BEGINNING;

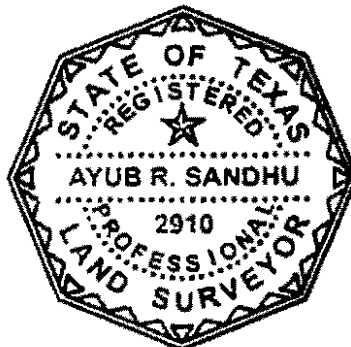
CONTAINING an area of 0.0232 acres or 1,011 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

Ayub R. Sandhu 7-26-01
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



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

Shopping Centers

Office

Office/Warehouses

Service Stations

Industrial/Manufacturing

Apartments

Farms/Ranches

Proposed Developments

Educational Facilities

Automobile Dealerships

Hospitals

Railroads

Churches

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

EASEMENT AGREEMENT

This Easement Agreement is made and entered into by and between Midway Centurion, Ltd. ("Grantor"), a Texas limited partnership, and the Town of Addison, Texas (the "Town").

W I T N E S S E T H:

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town of Addison intends to construct an extension of Arapaho Road through the Town (the "Arapaho Road Phase III Extension"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire a perpetual easement in, over, across, above, upon, under and through the Easement Property for elevated street right-of-way and other public purposes as described herein in connection with the construction of the Arapaho Road Phase III Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Midway Centurion, Ltd. ("Grantor"), a Texas limited partnership, and the Town of Addison, Texas (the "Town") agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement for an elevated street and right-of-way and other public purposes as described herein (the "Easement") in, over, across, above, upon, under and through the pProperty described and depicted in Exhibit A and depicted on Exhibit B (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This Easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of One Hundred Sixty Six Thousand Four Hundred Forty Six and No/100 Dollars (\$166,446.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit BC attached hereto and incorporated herein, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, ~~placement, installation,~~ reconstruction, relocation, alteration,

operation, ~~use, inspection, maintenance, improvement, and modification~~ of an elevated street and right-of-way, including without limitation an elevated bridge ^{and} and related public purposes in connection therewith (the "Project"), and including, without limitation, all Facilities. As used herein, "Facilities" means (a) streets, roadways, bridges, and ~~other rights-of-way for vehicular and pedestrian traffic and all paving, curbing, and striping thereon,~~ ^{sidewalks} (b) ~~footings, foundations, columns, posts, and other types of support structures,~~ (c) utility systems, including, without limitation, water, gas, sanitary sewer, storm sewer, electric, fiber optic, cable television, and/or communication system or systems, ~~(or parts thereof,) including without limitation lines, pipes, conduits, meters, valves, fittings, lateral, poles, wires, guys, crossarms, conductors, transformers, splices, switches, manholes, handholes, junction boxes, and cables,~~ (d) ~~drainage facilities and necessary appurtenances thereto, including without limitation shoring or retaining structures, culverts, box culverts, pipes, mains, manholes, handholes, valves, fittings, laterals, inlets, paving, and curbing,~~ (e) structures and equipment including, without limitation, lighting, conduit, cable, guardrails and other safety features and devices, (f) landscaping, and (g) all other things that the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project. The Grantor specifically is not granting this Easement to build any street at ground level, ~~(however, the Town may use so much of the above-surface, surface and subsurface of the Easement Property as the Town may determine, in its sole discretion, is necessary for the Project.)~~ The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the Facilities. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town, in its sole discretion, deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's reasonable determination, with the Easement, with the Project or with any of the Facilities. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

(iii) Grantor shall pay all taxes, and maintain such insurance (at Grantor's sole expense) as Grantor deems necessary, in connection with the Easement Property.

C. Grantor, its successors and assigns, may, at Grantor's sole cost and expense, fully use and enjoy so much of the surface of the Easement Property as is not being used or utilized by the Town for the purposes herein stated, such use and enjoyment by Grantor being subject to all applicable laws, rules, standards, and regulations of the Town or any other governmental entity having jurisdiction over the Easement Property, except that such use and enjoyment shall not

hinder, conflict or interfere with the exercise of the Town's rights hereunder and with the safe operation of the Project.

D. In addition to the grant and conveyance made herein, Grantor hereby grants and conveys to the Town an easement for the purpose of ingress and egress to and from the Easement Property (the "Access Easement") over and across that portion of the Remainder as shown on Exhibit DE attached hereto and incorporated herein (the "Access Easement Area"). Such Access Easement may be used by the Town upon the completion of the construction of the Project, and is granted solely for the purpose of allowing the Town, its employees, contractors, agents, successors, and assigns, to have motor vehicle access to and from the Easement Property and over and across the Access Easement Area for the maintenance and repair of the Project.

4. **Bridge.** The bridge to be constructed as a part of the Project shall be constructed no closer than ten (10) feet from the existing building located on the Remainder.

5. **Parking; Maintenance.**

A. In addition to the cash consideration described in Paragraph 2 of this Easement Agreement, the Town shall construct, during the initial construction of the elevated street right-of-way, at its expense approximately seventeen (17) paved parking spaces (the "Parking Spaces") on the Easement Property at the location shown in Exhibit CD attached hereto and incorporated herein.

B. In connection with the construction of the elevated street right-of-way, the Town intends to install such landscaping as it shall determine to be suitable and appropriate and which is anticipated to be located generally in those areas depicted in Exhibit CD (the "At Grade Landscaping"). Upon the expiration or termination of the period of any maintenance obligation required by the Town from its contractor in connection with the construction of the Parking Spaces and of the At Grade Landscaping, Grantor shall maintain and keep in good condition and repair the Parking Spaces and the At-Grade Landscaping. In the event Grantor shall fail to maintain and keep in good condition and repair the Parking Spaces and the At Grade Landscaping, the Town may (but shall not be obligated to), after giving to Grantor written notice of such failure and a reasonable opportunity to cure such failure, cause such maintenance or repair to be performed, and Grantor shall promptly reimburse the Town for the cost and expense thereof upon demand.

5. **Contractor to be Bonded.** The contractor retained by the Town to construct the Project shall be bonded and shall be responsible for any damage to the existing building on the Remainder.

6. **Existing Curb Cuts.** No existing curb cuts on the Remainder shall be moved or removed by the Town in conjunction with work performed pursuant to this Agreement.

7. **Midway Road.** Construction shall be conducted so as to allow reasonable access to Midway Road from the Remainder. This paragraph shall not be interpreted to prevent the temporary closure of certain lanes thereon, as deemed necessary by and in the sole discretion of the Town.

8. **Special Warranty of Title.** TO HAVE AND TO HOLD the Easements, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easements and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property by, through and under Grantor, but not otherwise.

9. **Exclusiveness of Easement.** The Easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

10. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

11. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

12. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

13. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this ____ day of _____, 2002

GRANTOR:

Midway Centurion, Ltd.

By: MBKA, L.L.C., its General Partner

By: _____
Michael W. Crepeau, President

Executed this _____ day of _____, 2002

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

[ADD ACKNOWLEDGEMENTS]

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____ day of _____, 200
by Michael W. Crepeau, President of MBKA, L.L.C., a Texas limited liability company, the sole
general partner of Midway Centurion, Ltd., a Texas limited partnership, on behalf of the said
limited partnership.

[Seal] _____ By: _____
Notary Public, State of Texas

My Commission Expires: _____

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____ day of _____, 200
by Ron Whitehead, City Manager of the Town of Addison, Texas, a Texas municipal
corporation, on behalf of the said municipal corporation.

[Seal] _____ By: _____
Notary Public, State of Texas

My Commission Expires: _____

EXHIBIT A

[Description of the Easement Property]

EXHIBIT B

[Description of the Remainder Tract
(Entire Property save and except the Easement Property)]

EXHIBIT C

[Map/Diagram showing location of Parking Spaces on the Easement Property,
and showing the At-Grade Landscaping to be located on the Easement Property]

EXHIBIT D

[Description of Area of Remainder to be Used by the Town
for Ingress/Easement to the Easement Property]

EASEMENT AGREEMENT

This Easement Agreement is made and entered into by and between Midway Centurion, Ltd. ("Grantor"), a Texas limited partnership, and the Town of Addison, Texas (the "Town").

WITNESSETH:

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town of Addison intends to construct an extension of Arapaho Road through the Town (the "Arapaho Road Phase III Extension"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire a perpetual easement in, over, across, above, upon, under and through the Easement Property for elevated street right-of-way and other public purposes as described herein in connection with the construction of the Arapaho Road Phase III Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Midway Centurion, Ltd. ("Grantor"), a Texas limited partnership, and the Town of Addison, Texas (the "Town") agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement for an elevated street and right-of-way and other public purposes as described herein (the "Easement") in, over, across, above, upon, under and through the ~~p~~Property described and depicted in Exhibit A and ~~depicted on Exhibit B~~ (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This Easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of One Hundred Sixty Six Thousand Four Hundred Forty Six and No/100 Dollars (\$166,446.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit BC attached hereto and incorporated herein, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, placement, installation, reconstruction, relocation, alteration,

operation, use, inspection, maintenance, improvement, and modification of an elevated street and right-of-way, including without limitation an elevated bridge and related public purposes in connection therewith (the "Project"), and including, without limitation, all Facilities. As used herein, "Facilities" means (a) streets, roadways, bridges, and other rights-of-way for vehicular and pedestrian traffic and all paving, curbing, and striping thereon, (b) footings, foundations, columns, posts, and other types of support structures, (c) utility systems, including, without limitation, water, gas, sanitary sewer, storm sewer, electric, fiber optic, cable television, and/or communication system or systems, or parts thereof, including without limitation lines, pipes, conduits, meters, valves, fittings, lateral, poles, wires, guys, crossarms, conductors, transformers, splices, switches, manholes, handholes, junction boxes, and cables, (d) drainage facilities and necessary appurtenances thereto, including without limitation shoring or retaining structures, culverts, box culverts, pipes, mains, manholes, handholes, valves, fittings, laterals, inlets, paving, and curbing, (e) structures and equipment including, without limitation, lighting, conduit, cable, guardrails and other safety features and devices, (f) landscaping, and (g) all other things that the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project. The Grantor specifically is not granting this Easement to build any street at ground level; however, the Town may use so much of the above-surface, surface and subsurface of the Easement Property as the Town may determine, in its sole discretion, is necessary for the Project. The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the Facilities. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town, in its sole discretion, deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's reasonable determination, with the Easement, with the Project or with any of the Facilities. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

(iii) Grantor shall pay all taxes, and maintain such insurance (at Grantor's sole expense) as Grantor deems necessary, in connection with the Easement Property.

C. Grantor, its successors and assigns, may, at Grantor's sole cost and expense, fully use and enjoy so much of the surface of the Easement Property as is not being used or utilized by the Town for the purposes herein stated, such use and enjoyment by Grantor being subject to all applicable laws, rules, standards, and regulations of the Town or any other governmental entity having jurisdiction over the Easement Property, except that such use and enjoyment shall not

hinder, conflict or interfere with the exercise of the Town's rights hereunder and with the safe operation of the Project.

D. In addition to the grant and conveyance made herein, Grantor hereby grants and conveys to the Town an easement for the purpose of ingress and egress to and from the Easement Property (the "Access Easement") over and across that portion of the Remainder as shown on Exhibit DE attached hereto and incorporated herein (the "Access Easement Area"). Such Access Easement may be used by the Town upon the completion of the construction of the Project, and is granted solely for the purpose of allowing the Town, its employees, contractors, agents, successors, and assigns, to have motor vehicle access to and from the Easement Property and over and across the Access Easement Area for the maintenance and repair of the Project.

4. **Bridge.** The bridge to be constructed as a part of the Project shall be constructed no closer than ten (10) feet from the existing building located on the Remainder.

5. **Parking; Maintenance.**

A. In addition to the cash consideration described in Paragraph 2 of this Easement Agreement, the Town shall construct, during the initial construction of the elevated street right-of-way, at its expense approximately seventeen (17) paved parking spaces (the "Parking Spaces") on the Easement Property at the location shown in Exhibit CD attached hereto and incorporated herein.

B. In connection with the construction of the elevated street right-of-way, the Town intends to install such landscaping as it shall determine to be suitable and appropriate and which is anticipated to be located generally in those areas depicted in Exhibit CD (the "At Grade Landscaping"). Upon the expiration or termination of the period of any maintenance obligation required by the Town from its contractor in connection with the construction of the Parking Spaces and of the At Grade Landscaping, Grantor shall maintain and keep in good condition and repair the Parking Spaces and the At-Grade Landscaping. In the event Grantor shall fail to maintain and keep in good condition and repair the Parking Spaces and the At Grade Landscaping, the Town may (but shall not be obligated to), after giving to Grantor written notice of such failure and a reasonable opportunity to cure such failure, cause such maintenance or repair to be performed, and Grantor shall promptly reimburse the Town for the cost and expense thereof upon demand.

5. **Contractor to be Bonded.** The contractor retained by the Town to construct the Project shall be bonded and shall be responsible for any damage to the existing building on the Remainder.

6. **Existing Curb Cuts.** No existing curb cuts on the Remainder shall be moved or removed by the Town in conjunction with work performed pursuant to this Agreement.

7. **Midway Road.** Construction shall be conducted so as to allow reasonable access to Midway Road from the Remainder. This paragraph shall not be interpreted to prevent the temporary closure of certain lanes thereon, as deemed necessary by and in the sole discretion of the Town.

8. **Special Warranty of Title.** TO HAVE AND TO HOLD the Easements, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easements and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property by, through and under Grantor, but not otherwise.

9. **Exclusiveness of Easement.** The Easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

10. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

11. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

12. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

13. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this ____ day of _____, 2002

GRANTOR:

Midway Centurion, Ltd.

By: MBKA, L.L.C., its General Partner

By: _____
Michael W. Crepeau, President

Executed this _____ day of _____, 2002

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

[ADD ACKNOWLEDGEMENTS]

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____ day of _____, 200
by Michael W. Crepeau, President of MBKA, L.L.C., a Texas limited liability company, the sole
general partner of Midway Centurion, Ltd., a Texas limited partnership, on behalf of the said
limited partnership.

[Seal] _____ By: _____
Notary Public, State of Texas

My Commission Expires: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this _____ day of _____, 200
by Ron Whitehead, City Manager of the Town of Addison, Texas, a Texas municipal
corporation, on behalf of the said municipal corporation.

[Seal] _____ By: _____
Notary Public, State of Texas

My Commission Expires: _____

EXHIBIT A

[Description of the Easement Property]

EXHIBIT B

[Description of the Remainder Tract
(Entire Property save and except the Easement Property)]

EXHIBIT C

[Map/Diagram showing location of Parking Spaces on the Easement Property,
and showing the At-Grade Landscaping to be located on the Easement Property]

EXHIBIT D

[Description of Area of Remainder to be Used by the Town
for Ingress/Easement to the Easement Property]

\$13

AFTER RECORDING MAIL TO:
Republic Title of Texas, Inc.
2626 Howell Street, 10th Flor
Dallas, Texas 75204-4064
02R14040 /SJ6

2084316

AFFIDAVIT OF IDENTITY

Deed 11/21/02 3574440 \$13.00

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared MICHAEL B. SCHIFF, to me well known, who, after being by me duly sworn, deposes and says:

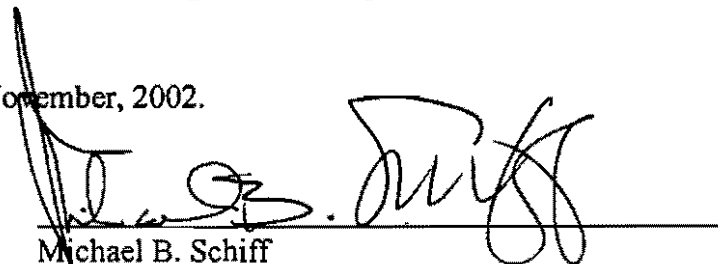
- 1. That I am, in the capacity as Trustee, the owner of the following real property located in Dallas County, Texas (the "Property"):

Being a 1.776 acre tract of land in the David Myers Survey, Abstract No. 923, Dallas County, Texas, more particularly described on Exhibit A attached hereto and made a part hereof for all purposes;

- 2. That I have resided at 6024 Twin Coves , Dallas, Dallas County, Texas 75248, since 1983.
- 3. That I have never resided at 16060 Dallas Parkway, Dallas, Texas 75248-3312;
- 4. That I am not the same Michael B. Schiff named in that certain Abstract of Judgment filed by Sears, Roebuck & Co. in the amount of \$6,113 plus interest and expenses, recorded in Volume 2001205, page 08459 of the Abstract of Judgment Records of Dallas County, Texas

This Affidavit is given to induce all parties dealing with the Property to act in reliance upon the matters herein contained.

EXECUTED this 21st day of November, 2002.


Michael B. Schiff

STATE OF TEXAS §
COUNTY OF DALLAS §

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 21st day of November, 2002, by Michael B. Schiff.

Donna M. Smith
Notary Public, State of Texas
Print Name: Donna M. Smith
My Commission Expires: 12-4-04



Exhibit "A"

BEING a tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in volume 82172, Page 2888 of the Deed of Records of Dallas County, Texas, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed of Records, said 1.776 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a point for corner on the north line of Centurion Drive (a 60 foot right-of-way) said point being N. $89^{\circ} 51' 55''$ W., 858.00 feet from the intersection of the said North line of Centurion Drive with the West line of Midway Road (a 100 foot right-of-way);

THENCE North $89^{\circ} 51' 55''$ W., 261.25 feet continuing along the said North line of Centurion Drive to a point for corner;

THENCE North $0^{\circ} 08' 05''$ E., 295.78 feet to a point for corner;

THENCE East, 261.25 feet to a point for corner;

THENCE South $0^{\circ} 08' 05''$ W., 296.39 feet to the Point of Beginning and containing 77,353 square feet or 1.776 acres of land.

FILED

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2002 NOV 21 PM 2:57

EARL BULLOCK
COUNTY CLERK
DALLAS COUNTY

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

STATE OF TEXAS COUNTY OF DALLAS
I hereby certify this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Dallas County, Texas as stamped hereon by me.

NOV 21 2002



Earl Bullock
COUNTY CLERK, Dallas County, Texas

317
022240401596

Re: in to:
Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas TX 75204

SM

Special Warranty Deed

2084317

11/21/02 3574441 \$17.00
Deed

Date: Effective as of November 21, 2002

Grantor: MICHAEL B. SCHIFF, TRUSTEE

Grantor's Mailing Address: 4131 Centurion Way, Addison, Dallas County, Texas 75001

Grantee: THE TOWN OF ADDISON

Grantee's Mailing Address: P.O. Box 9010, 5300 Beltline Road,
Addison, Dallas County, Texas 75001

Consideration: Ten and No/100 (\$10.00) Dollars and other good and valuable consideration, the sufficiency of which is hereby acknowledged

Property (including any improvements): Being a 0.4737 acre tract of land in the David Myers Survey, Abstract No. 923, Town of Addison, as more fully described on Exhibit A attached hereto and made a part hereof for all purposes

Reservations from Conveyance: None

Exceptions to Conveyance and Warranty: This conveyance is made subject only to ad valorem taxes for the year 2003 and subsequent years, the obligation for which is assumed by Grantee, and those matters set forth on Exhibit B attached hereto and made a part hereof for all purposes.

IT IS UNDERSTOOD AND AGREED THAT GRANTOR IS NOT MAKING ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OF CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TITLE, ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION, OPERATING HISTORY OR PROJECTIONS VALUATION GOVERNMENTAL APPROVALS GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY. GRANTEE AGREES THAT WITH RESPECT TO THE PROPERTY, GRANTEE HAS NOT RELIED UPON AND WILL NOT REPLY UPON, EITHER DIRECTLY OR INDIRECTLY, AND REPRESENTATION OR WARRANTY OF GRANTOR EXCEPT FOR GRANTOR'S EXPRESS WARRANTIES. GRANTEE HAS CONDUCTED SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND IS RELYING UPON SAME, AND, ASSUMES THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE

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PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY GRANTEE'S INSPECTIONS AND INVESTIGATIONS, GRANTEE, HEREBY ACKNOWLEDGES AND AGREES TO WAIVE, RELINQUISH AND RELEASE GRANTOR FROM AND AGAINST ANY AND ALL CLAIMS, DEMAND, CAUSES OF ACTION, LOSS, DAMAGE, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, FIXED OR CONTINGENT, WHICH GRANTEE MIGHT HAVE ASSERTED OR ALLEGED AGAINST GRANTOR AT ANY TIME AND FROM TIME TO TIME BY REASONS OR ARISING OUT OF THE VIOLATION OF ANY APPLICABLE LAWS (INCLUDING ANY APPLICABLE ENVIRONMENTAL LAWS HEREINAFTER DEFINED) AND ANY AND ALL MATTERS ARISING OUT OF ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE, REGARDLESS OR WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY SUCH APPLICABLE LAWS AT THE TIME OF ITS EXISTENCE OR OCCURRENCE. GRANTEE HAS TAKEN WHATEVER ACTION AND PERFORMED WHATEVER INVESTIGATIONS AND STUDIES GRANTEE DEEMED NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OF, OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO, ANY HAZARDOUS AND/OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, SHOULD ANY CLEAN UP OF THE PROPERTY BE REQUIRED AFTER THE DATED STATED ABOVE, IT IS HEREBY UNDERSTOOD AND AGREED THAT SUCH CLEAN UP SHALL BE THE RESPONSIBILITY OF, AND SHALL BE PERFORMED AT THE SOLE COST AND EXPENSE OF GRANTEE. GRANTEE ACKNOWLEDGES AND AGREES THAT UPON CLOSING, FUNDING AND DELIVERY OF THIS DEED GRANTOR SHALL SELL AND CONVEY TO GRANTEE AND GRANTEE SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS", WITH ALL FAULTS AND THERE ARE NO ORAL AGREEMENTS WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY GRANTOR OR ANY THIRD PARTY.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.


MICHAEL B. SCHIFF, TRUSTEE

2007 228 04792

STATE OF TEXAS

COUNTY OF DALLAS

SWORN TO AND SUBSCRIBED BEFORE ME, on November 21, 2002, by
Michael B. Schiff, Trustee.

[SEAL]



Donna M. Smith
Notary Public, State of Texas
Notary's Printed Name: Donna M. Smith
My Commission Expires: 12-4-04

EXHIBIT "A"

Parcel 9

Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.4737 acre (20,636 square foot) tract of land situated in the David Myers Survey, Abstract Number 923, Town of Addison, Dallas County, Texas, and being a portion of a called 1.776 acre tract of land conveyed to Michael B. Schiff on August 31, 1982 and recorded in Volume 82172, Page 2888 of the Deed Records of Dallas County, Texas, said called 1.776 acre tract of land being all of Intervest Companies Addition, an addition to the Town of Addison, as evidenced by the plat dated October 29, 1982 and recorded in Volume 83017, Page 2268 of said Deed Records, said 0.4737 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a 5/8 inch iron rod set in the proposed North right of way line of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northeast corners of said called 1.776 acre tract and said Intervest Companies Addition and Northwest corner of a called 2.5212 acre tract of land conveyed to J. H. Crouch, Jr. and Jo Doris Crouch on August 4, 1997 and recorded in Volume 97153, Page 03266 of said Deed Records, said called 2.5212 acre tract being all of "Lot 6, Surveyor Addition, Addison West Industrial Park"; an addition to the Town of Addison, as evidenced by the plat dated March 29, 1979 and recorded in Volume 79130, Page 2495 of said Deed Records, from said point a found 1/2 inch iron rod bears North 00°08'18" East, a distance of 0.24 feet;

THENCE, SOUTH 00°05'03" WEST (called South 00°08'05" West), departing said lines and along the common East line of said called 1.776 acre tract and West line of said called 2.5212 acre tract, a distance of 78.95 feet to an "X" in concrete set in the proposed South right of way line of Arapaho Road;

EXHIBIT "A"

PARCEL 9 - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49" WEST, departing said common line and along the proposed South right of way line of Arapaho Road, a distance of 261.40 feet to a 5/8 inch iron rod set in the common West line of said called 1.776 acre tract and East line of a called 1.3713 acre tract of land (designated "Tract 1") conveyed to 4125 Centurion Way, L.P. on June 18, 1998 and recorded in Volume 98121, Page 00188 of said Deed Records;

THENCE, NORTH 00°08'05" EAST, departing said line and along said common West line of said called 1.776 acre tract and East line of said called 1.3713 acre tract, a distance of 78.95 feet to an "X" in concrete set in the proposed North right of way line of Arapaho Road and South right of way line of said DART railroad for the common Northwest corner of said called 1.776 acre tract and Northeast corner of said called 1.3713 acre tract;

THENCE, SOUTH 89°58'49" EAST (called EAST), departing said common line and along the common North line of said called 1.776 acre tract, proposed North right of way line of Arapaho Road, and South right of way line of said DART railroad, a distance of 261.33 feet to the **POINT OF BEGINNING**;

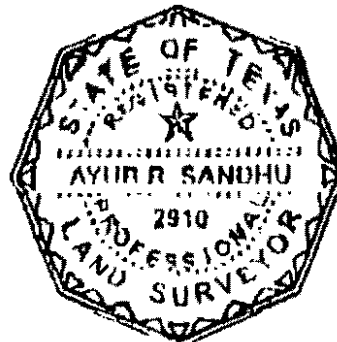
CONTAINING an area of 0.4737 acres or 20,636 square feet of land within the metes recited.

All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

I, Ayub R. Sandhu, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision:

Ayub R. Sandhu 11.12.77
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



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FILED

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EARL BULLOCK
COUNTY CLERK
DALLAS COUNTY

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

STATE OF TEXAS COUNTY OF DALLAS
I hereby certify this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Dallas County, Texas as stamped hereon by me.

NOV 21 2002



Earl Bullock
COUNTY CLERK, Dallas County, Texas