

ACAPATO PH II 15115 SUPERIOR BLD
CORRES.

Oxford®

NO. 753 1/3

ESSELTE

10%



MARK TYPES

METES

1. ~~METES~~ & BOUNDS DESCRIPTION OF ~~ASSEM~~ PROP
2. INCLUDE WORKING EASEMENTS
3. PLAT OF PROPERTY

Cleopatra Inc.

*Ola L. Assem
President*

Nile Properties



*P.O. Box 7792
Newport Beach, CA 92658
Tel: (949) 650-1000
Fax: (949) 650-2000*

*P.O. Box 191103
Dallas, TX 75219
Tel: (214) 521-3216
Fax: (214) 521-3939*

15115 Swayze

5-18-01

Attorney for a lease holder

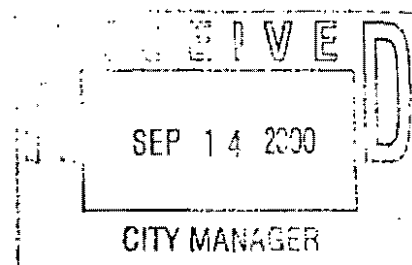
Glenn Smith

214.357-1640

Home SEC

CLIENT

Nile Properties Ltd.
P. O. Box 191103 - Dallas, Texas 75219
214 521-3216 214 521-3939 Fax



September 13, 2000

Via Fax 972 450-7043
and U.S. Mail

Mr. Ron Whitehead
City Manager, Town of Addison
5300 Belt Line Road
P. O. Box 9010
Addison, Texas 75002-9010

Re: 15115 Surveyor Boulevard, Addison, Texas

Dear Mr. Whitehead:

I am in receipt of your August 4, 2000, letter in response to my letter of August 1, 2000, regarding 15115 Surveyor Boulevard, Addison, Texas (the "Property"). I apologize for the delay in replying. I just recently returned from Europe.

Pursuant to the Texas Rules of Evidence (TRE 408), I am writing you this letter for settlement purposes only, and its contents will not be admissible in case of any litigation. I have cooperated fully with the Town of Addison by allowing access to the property and by providing relevant documents and financial reports. I have made several attempts to have effective and positive communications with the Town of Addison regarding the value of the Property. I have communicated my desires in this regard to Patrick J. Haggerty, Michael E. Murphy and, lately, to you.

I have made a good faith effort to cooperate and, at the same time, to protect my interests and my constitutional rights, and to avoid complications and the expense of litigation, both for my company and the citizens of Addison. I have proposed a meeting with the Town of Addison personnel. Thus far, I have not felt that the Town's response has been positive, and no such meeting has been scheduled. I still believe that an hour's meeting between reasonable people could save hundreds of hours in litigation and the attendant costs.

Not to be argumentative, but to show the basis for my counter-offer, there are several mistakes and misrepresentations in the appraisal on the Property prepared by Mackenzie S. Bettum for the City of Addison including, but not limited to, the following:

1. The actual square footage of the building is under-represented. I bought the Property and assumed leases based on 29,520 square feet. The square footage can be determined by actual measurement.
2. The actual rental amount is under-represented. The actual rental is reflected in the leases previously provided.
3. The actual expenses are over-represented. These expenses may be verified from the leases and the financials which I have provided.

4. The office leasing rate of \$13.50 per square foot is ignored completely. This also was reflected in the information provided.
5. The appraiser used a vacancy factor of 7% which, in my opinion, is higher than market vacancy. In addition to the vacancy factor, he added \$51,578 as loss of rent, an element of value reduction that should not be used in the pro forma.
6. The \$30,704 for commission and tenant improvements was factored on an annual basis which is not realistic. My lease rates did not reflect paying such amounts and, if and when the correct amount is paid, would be paid once at the occupation of the vacant suites only, not annually.
7. The appraiser used the lowest and most biased comp rate in his comparisons. He ignored properties in the market similar to the subject Property which are selling at \$110 per square foot and leasing at \$12-13 per square foot.

As I explained in my letter of August 1, I have pointed out these discrepancies to Mr. Haggerty who promised to take them to the appraiser and have him correct the errors. Presuming that the above items are corrected in accordance with the professional standard, for the purposes of this letter and limiting the analysis to the above points, using a 5% vacancy at a capitalization rate of 9, the value is between \$2.4 million and \$2.5 million. Even such a value does not include any damages and does not reflect the best and highest use of the Property.

To avoid litigation, for the purpose of settlement only, and still subject to TRE 408, my counter-offer to the Town of Addison is \$2,450,000, although that amount disregards the best and highest use of the Property and compensable damages to the remaining property and adjacent parcel, since both properties have been used as one economic unit. I will be glad to go through this with the City Council members, so that they may have a more complete understanding of the facts to enable them to reach a fair decision regarding the value of this Property.

I have every hope that we can reach an agreement beneficial to all parties. Thank you for your consideration and attention in this regard.

Yours truly,

Nile Properties Ltd.
By Cleopatra Inc.
A Texas Corporation, General Partner



Ola L. Assem, President

OLA:w



Public Works / Engineering

16801 Westgrove • P.O. Box 9010

Addison, Texas 75001-9010

Telephone: (972) 450-2871 • Fax: (972) 450-2837

LETTER OF TRANSMITTAL

DATE	9/11/00	JOB NO.
ATTENTION		
RE:	15115 Surveyor	
	Nile Properties	

TO Ken Dippel
Cowles & Thompson

GENTLEMAN:

WE ARE SENDING YOU

- Shop Drawings
- Copy of letter

- Attached
- Prints
- Change order

- Under separate cover via _____ the following items:
- Plans Samples Specifications
- _____

COPIES	DATE	NO.	DESCRIPTION
1			Parcel Maps & Descriptions for Arapahoe Road ROW Northern Remainder & Southern Remainder

THESE ARE TRANSMITTED as checked below:

- For approval
- For your use
- As requested
- For review and comment
- FOR BIDS DUE _____ 19____
- Approved as submitted
- Approved as noted
- Returned for corrections
- _____
- Resubmit _____ copies for approval
- Submit _____ copies for distribution
- Return _____ corrected prints
- PRINTS RETURNED AFTER LOAN TO US

REMARKS Mark Hipes has a copy

COPY TO _____

SIGNED: Jim [Signature]

If enclosures are not as noted, please notify us at once.

Jim Pierce

From: Jim Pierce
Sent: Friday, September 01, 2000 9:56 AM
To: Angela Stoddard (E-mail)
Cc: Michael Murphy
Subject: Arapaho Rd-Assem Property, 15115 Surveyor

This is to request metes and bounds and parcel maps for the ROW take, North Remainder, and South remainder of the above referenced property. This survey work is estimated to cost \$2,791 and will be completed "ASAP". You are authorized 40 hours of additional time to prepare exhibits, if needed for condemnation proceedings. We realize this is extra work over and above your contract. Please bill us separately for this work.

Jim Pierce, P.E.
Assistant Public Works Director
PO Box 9010
Addison, TX 75001-9010
972-450-2879

PI STA 30+43.46
OFF 194.49' LT

DENSE TREES

DENSE TREES

BRUSH

PI STA 34+72.72
OFF 62.45' LT

PC STA 34+86.53
OFF 40.51' LT

PI STA 30+48.46
OFF 40.00' LT

R - 810.00'
L - 101.52'

MATCH LINE STA. 30+00

OBSCURE

ROW 7

CURB 7

PARKING

NILE PORPERTIES, LTD.

Parcel 15

25' Setback

10' Setback

PARKING

Parcel 14

MATCH LINE STA. 35+00

R - 890.00'
L - 101.65'

PI STA 30+58.64
OFF 52.87' RT

PC STA 30+50.38
OFF 48.00' RT

E ARAPAHO ROAD

NILE PORPERTIES, LTD.

SURVEYOR BOULEVARD

R - 874.00'
L - 121.30'

PC STA 34+35.71
OFF 40.77' RT

S32°36'51"W
23.16'

PI STA 34+17.33
OFF 53.41' RT

PI STA 33+42.28
OFF 101.15' RT

TOWN OF ADDISON

Row Description
N. Line
S. Remainder

8/23/00
met with
Angie &
ordered the
maps.

FOR INTERIM REVIEW ONLY
By: David F. Becker, P.E. # 26549
HNTB CORPORATION
Date: 22-MAR-2000 11:58
NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO.	DATE	REVISION
HNTB ARCHITECTURE ENGINEERING PLANNING & CONSTRUCTION		
RIGHT-OF-WAY MAP		
ARAPAHO ROAD EXTENSION		
MARSH LAKE TO ADDISON ROAD		
TOWN OF ADDISON, TEXAS		
Design	RAS	DATE
Check	DFB	12/29
Drawn	RAS	SCALE
Check	DFB	1"=20'
		PROJECT NO.
		25168
		SHEET
		5

Clean plat of ROW
w/o the improvements
Would like Larger Exhibits - May Need to Testify

8-22-00 Meeting w Mark Hipes

Jim Pierce

From: Thoman, Caren [cthoman@cowlesthompson.com]
Sent: Friday, August 18, 2000 11:03 AM
To: Mike Murphy (E-mail)
Cc: Ron Whitehead (E-mail); Jim Pierce (E-mail)
Subject: 15115 Surveyor Blvd., Addison Texas - Nile Properties Acquisition for the Relocation of Arapaho Road

As we discussed last Wednesday to proceed with this matter, we need a survey, plat and field notes for the raw land that is to be acquired in condemnation from Nile Properties. ✓

In addition, we need a description of the land that is to be used to raze the part of the building that is located on the remainder of the Nile Properties real estate. We should describe enough space around the building for our contractor to remove the remainder of the building. This will be done with a temporary working easement, the duration of which is yet to be determined.

If you have any questions, please give me a call. Thanks for your help.

Ken Dippel

* We need corner pins marked and mark the ROW line

Proposed ROW plus a working easement

call it Temp

- 1 Perm Take Survey & Legal
2. N. Side Temp Work Easement Survey & Legal
3. S. Side Temp Work Easement Survey & Legal
4. Calculate Remainder area & Eng Drawing of Both Remainders

PI STA 30+43.46
OFF 194.49' LT

DENSE TREES

DENSE TREES

PI STA 34+34.50
OFF 129.44' LT

BRUSH

PI STA 34+72.72
OFF 62.45' LT

PC STA 34+88.53
OFF 40.51' LT

PI STA 30+48.46
OFF 40.00' LT

R = 810.00'
L = 101.52'

T&U ELECTRIC ROW
N00°15'08"W
247.45'

Parcel 16

OBSCURE

ROW 7
CURB 7

PARKING

NILE PORPERTIES, LTD.
Parcel 15

25' Setback

10' Setback

PARKING

Parcel 14

R = 890.00'
L = 101.65'

PI STA 30+58.64
OFF 52.87' RT

PC STA 30+50.38
OFF 40.00' RT

ARAPAHO ROAD

NILE PORPERTIES, LTD.

N89°44'49"E
320.07'

PI STA 33+42.28
OFF 101.15' RT

SURVEYOR BOULEVARD

PC STA 34+35.71
OFF 40.77' RT

S32°36'51"W
23.16'

PI STA 34+17.33
OFF 53.41' RT

TOWN OF ADDISON

FOR INTERIM REVIEW ONLY

By Daniel F. Becker, P.E. # 26569

HNTB CORPORATION

Date 22-MAR-2000 14:50

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO. DATE REVISION APPROV.

HNTB ARCHITECTS ENGINEERS PLANNERS
The HNTB Company

RIGHT-OF-WAY MAP

ARAPAHO ROAD EXTENSION

MARSH LAKE TO ADDISON ROAD

TOWN OF ADDISON, TEXAS

Design	RAS	Date			
Check	DFB	12/99			
Drawn	RAS		SCALE	PROJECT NO.	SHEET NO.
Check	DFB		1"=20'	25768	5 OF 16

25768 c:\25768\h1\cadd\crow05.dgn 22-MAR-2000 14:50



Public Works / Engineering

16801 Westgrove • P.O. Box 144

Addison, Texas 75001

Telephone: (214) 450-2871 • Fax: (214) 931-6643

LETTER OF TRANSMITTAL

DATE	8-3-00	JOB NO.	
ATTENTION			
RE:	Arapaho Rd, Phase II		
	15115 Surveyor Blvd		

TO Ken Dippel
Corulas & Thompson

GENTLEMAN:

WE ARE SENDING YOU

- Attached
- Under separate cover via _____ the following items:
- Shop Drawings
- Prints
- Plans
- Samples
- Specifications
- Copy of letter
- Change order
- _____

COPIES	DATE	NO.	DESCRIPTION
1			Appraisal Report
1			Letter from Ron Whitehead to Asssem 7-14-00
1			Letter from Asssem to Whitehead 8-1-00

THESE ARE TRANSMITTED as checked below:

- For approval
- For your use
- As requested
- For review and comment
- FOR BIDS DUE _____ 19____
- Approved as submitted
- Approved as noted
- Returned for corrections
- _____
- Resubmit _____ copies for approval
- Submit _____ copies for distribution
- Return _____ corrected prints
- PRINTS RETURNED AFTER LOAN TO US

REMARKS _____

COPY TO _____

SIGNED: Jim Felice

If enclosures are not as noted, please notify us at once.

Nile Properties Limited

P.O. Box 191103 · Dallas, TX 75219

August 1, 2000

VIA CERTIFIED MAIL
#Z409344443

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

Re: 15115 Surveyor Boulevard, Addison, TX

Dear Mr. Whitehead:

I have received your letter dated July 14, 2000 offering to purchase the property located at 15115 Surveyor Boulevard, Addison, TX for a price of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00). Please be advised that this offer is not acceptable.

I have previously discussed the value of the property with Mr. Pat Haggerty, the town of Addison's representative. I also mentioned to him and pointed out that the appraisal prepared by Mackenzie S. Botum and Associates, Inc., had disregarded material facts in the process of evaluating the fair market value of the property and the award amount. The offer you have made is considerably below the expected awarded amount.

I would appreciate if the town of Addison would reconsider and revise the offer and re-submit it to me for review. I would like the town of Addison to re-evaluate the property's fair market value and consider other allowable elements of compensation in determining the reward amount offered.

I look forward to your cooperation in this matter. If the town of Addison's personnel chooses to meet with me to discuss this matter further, I will be glad to do so.

Sincerely,

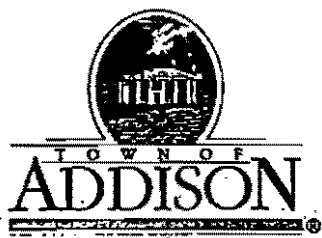
Nile Properties Limited
By: Cleopatra Inc
A Texas Corporation, General Partner

By: 
Ola L. Assem
President

c: Pat Haggerty, VIA FACSIMILE (972) 248-0230

cc Chris Ferry ✓
Mike Murphy ✓
Ken Dippel ✓

COPY



OFFICE OF THE CITY MANAGER

(972) 450-7000 • FAX (972) 450-7043

Post Office Box 9010 Addison, Texas 75001-9010

5300 Belt Line Road

July 14, 2000

Ms. Ola L. Assem
P.O. Box 191103
Dallas, TX 75219-8103

Re: 15115 Surveyor Boulevard

Dear Ms. Assem:

The City Council has authorized me to make an offer for the purchase of your property at 15115 Surveyor Boulevard. In accordance with the appraisal, the Town of Addison will consider paying the full market value or \$1,750,000.

Please inform Pat Haggerty, our representative if this meets with your approval. If so, purchasing approval for the property will be presented to the City Council at their regularly scheduled meeting on Tuesday, August 8, 2000.

Sincerely,

Ron Whitehead
City Manager

RW:mc

7-28-00

Pat Haggerty

Surveyors Rd

Olga Assen - wants city's final

offer \$2.2 X 10⁶ - verbal

there would be an increase of \$150,000 to appraiser's amt

Pat → Don't recommend accepting our offer

I instructed Pat to get a counter offer from Ms Assen

HP LaserJet 3100
Printer/Fax/Copier/Scanner

SEND CONFIRMATION REPORT for
Town of Addison
9724502834
Jun-28-00 1:46PM

Job	Start Time	Usage	Phone Number or ID	Type	Pages	Mode	Status
65	6/28 1:45PM	0'36"	214 248 0230	Send.....	1 / 1	EC 96	Completed.....

Total 0'36" Pages Sent: 1 Pages Printed: 0

06-28-00 11:53AM FROM CAMPBELL COMPANIES

To Pat Haggerty

P02

Campbell Company of Dallas

700 GEMT TOWER • 16475 DALLAS PARKWAY • ADDISON, TEXAS 75001



REALTORS

(972) 348-8888
FAX (972) 348-0230

NATIONAL ASSOCIATION OF REAL ESTATE BROKERS
NATIONAL INSTITUTE OF REAL ESTATE BROKERS
SOCIETY OF REALTORS AND OTHER REALTORS

June 28, 2000

Ms. Ora L. Assen
P.O. Box 191109
Dallas, TX 75219

Pat: OK as noted

Jam

Dear Ms. Assen,

As you requested, please find the appraisal report for your building at 13115 Surveyor Boulevard. The Town of Addison would like to acquire your property for the right of way for Arapaho Road extension. However, the great disparity between your value of \$2,753,000.00 plus other damages and the town's budget for all right of way, forces the town to pursue alternative scenarios for Arapaho Road.

RECONSIDER ITS OFFER
We are very sorry the process extended so long since our February 2000 Bond election. Since we did not have an offering price from you until last week, we had to go through a bid and appraisal process which was completed as quickly as possible. The appraisal value was very generous in comparison to recent sales which is why the \$1,450,000.00 offer was below this value. I have been directed by the City Manager to now withdraw that offer.

The fundamental difference is our determinants of the property's worth is the use of gross versus the net capitalization. You felt the net rental was \$8.50 per square foot instead of the \$6.91 reflected by the appraiser. Also the appraiser used a 10% versus a 9% rate which is more in line with today's market.

Finally, your request for damages beyond the value of the property is not legally supportable. The town will pay fair market value, but cannot exceed that amount.

Again, I am sorry this process took longer than we expected. Please call me if you have any questions.

Sincerely,

Patrick J. Haggerty

Encl.

To Pat Haggerty

Campbell Company of Dallas

700 BENT TREE TOWER • 16475 DALLAS PARKWAY • ADDISON, TEXAS 75001



REALTORS

(972) 248-8888
FAX (972) 248-0230

MEMBER:
NATIONAL ASSOCIATION OF REAL ESTATE BOARDS
NATIONAL INSTITUTE OF REAL ESTATE BROKERS
SOCIETY OF INDUSTRIAL AND OFFICE REALTORS

June 28, 2000

Ms. Ola L. Assem
P.O. Box 191103
Dallas, TX 75219

Pat: OK as noted

Jim

Dear Ms. Assem,

As you requested, please find the appraisal report for your building at 15115 Surveyor Boulevard. The Town of Addison would like to acquire your property for the right of way for Arapaho Road extension. However, the great disparity between your value of \$2,753,000.00 plus other damages and the town's budget for all right of way, forces the town to ~~pursue alternative routes~~ for Arapaho Road.

reconsider its options

We are very sorry the process extended so long since our February 2000 Bond election. Since we did not have an offering price from you until last week, we had to go through a bid and appraisal process which was completed as quickly as possible. The appraisal value was very generous in comparison to recent sales which is why the \$1,450,000.00 offer was below this value. I have been directed by the City Manager to now withdraw that offer.

The fundamental difference is our determinants of the property's worth is the use of gross versus the net capitalization. You felt the net rental was \$8.50 per square foot instead of the \$6.31 reflected by the appraiser. Also the appraiser used a 10% versus a 9% rate which is more in line with today's market.

Finally, your request for damages beyond the value of the property is not legally supportable. The town will pay fair market value, but cannot exceed that amount.

Again, I am sorry this process took longer than we expected. Please call me if you have any questions.

Sincerely,

Patrick J. Haggerty

Encl.



June 26, 2000

Mr. James C. Pierce, Jr., P.E.
Assistant City Engineer
Town of Addison
16801 Westgrove Drive
P.O. Box 9010
Addison, Texas 75001-9010

RE: Additional appraisal services for 15115 Surveyor Boulevard, Addison, Texas

Dear Mr. Pierce:

In response to your recent request, we are pleased to submit this proposal to provide additional appraisal services regarding the referenced property. As you know, we recently submitted a complete appraisal reported in a self-contained appraisal report that estimated the market value of the leased fee estate in the property, effective as of April 25, 2000. We understand that the Town of Addison is now considering acquiring a portion of the property. Consequently, we understand that you now seek an appraisal of the market value of *the part being taken* for the property, as well as an estimate of *damages to the remainder after the taking*. We understand that the Town of Addison intends to acquire a portion of the property for construction of a road, and that our appraisal will be used for the acquisition. An assumption of this proposal is that the Town of Addison will provide a exhibit for the property illustrating the portion to be taken (as well as the remainder after the taken).

Based on the time and personnel required to complete this assignment, our fee is **\$2,000.00**. This fee is based on the preparation of a complete appraisal that will be communicated via a self-contained attachment to our previously submitted self-contained report, under definitions contained in the Uniform Standards of Professional Appraisal Practice (or USPAP). Our appraisal will be prepared in conformance with USPAP and the laws of the State of Texas, and will consider all three traditional approaches to value. Three copies of the supplemental letter will be provided. We estimate that the appraisal attachment will be completed and delivered within two weeks of engagement and receipt of all required data. The appraisal will be prepared by MacKenzie S. Bottum, MAI. Any post appraisal meetings and/or assignments will be billed at a rate of **\$125 per hour**.

*Town of Addison
Appraisal Proposal
June 26, 2000*

My appraisal experience has primarily consisted of the valuation of whole properties for mortgage lending, ad valorem tax issues, acquisitions/dispositions, etc. My experience with properties being acquired under the threat of eminent domain is limited to a retail property along North Central Expressway in Dallas. However, if awarded this assignment, I will take all steps required to comply with the competency provision contained in USPAP. In addition, I intend to consult with legal counsel for the Town of Addison to ensure that the valuation techniques considered in the appraisal are supported by recent court cases in Texas. Thank you in advance for considering our services, and we look forward to this assignment.

Respectfully Submitted,



MacKenzie S. Bottum, MAI
File: 3015

Meeting w/ Mae Bottomum 6-21-00

Value of Southern "strip"?

Parking is a critical issue - we are cutting off a lot of parking -

Exhibit: ROW Both Sides

Bldg "cut line"

o 10' set back

25' set back

& 10" parallel to Rd set back.

Need area of remainder of land on the south side.

Other areas - ??

25768 g:\25768\h1\cds\arrov05.dgn 22-MAR-2000 14:50

PI STA 30+43.46
OFF 194.49' LT

DENSE TREES

DENSE TREES

BRUSH

PI STA 34+34.50
OFF 129.44' LT

PI STA 34+72.72
OFF 62.45' LT

PC STA 34+88.53
OFF 40.51' LT

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OFF 53.41' RT

PC STA 34+35.71
OFF 40.77' RT

R = 874.00'
L = 121.30'

PI STA 33+42.28
OFF 101.15' RT

EST:

Area (A) = $\frac{1}{2} 57' \times 320' = 9,120$

Area (B) = $109 \times 320 = 34,880$

A+B = $44,000 \text{ ft}^2$

Area (C) = $133' \times 88' - (7 \times 33) = 11,473 \text{ ft}^2$

Area (D) = $15 \times 133 = 1,995 \text{ ft}^2$

C+D = $13,468 \text{ ft}^2$

FOR INTERIM REVIEW ONLY

By: Donald F. Becker, P.E. - 26569

HNTB CORPORATION

Date: 22-MAR-2000 14:50

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO. DATE REVISION APPROV.

HNTB ARCHITECTS ENGINEERS PLANNERS
THE HNTB COMPANY

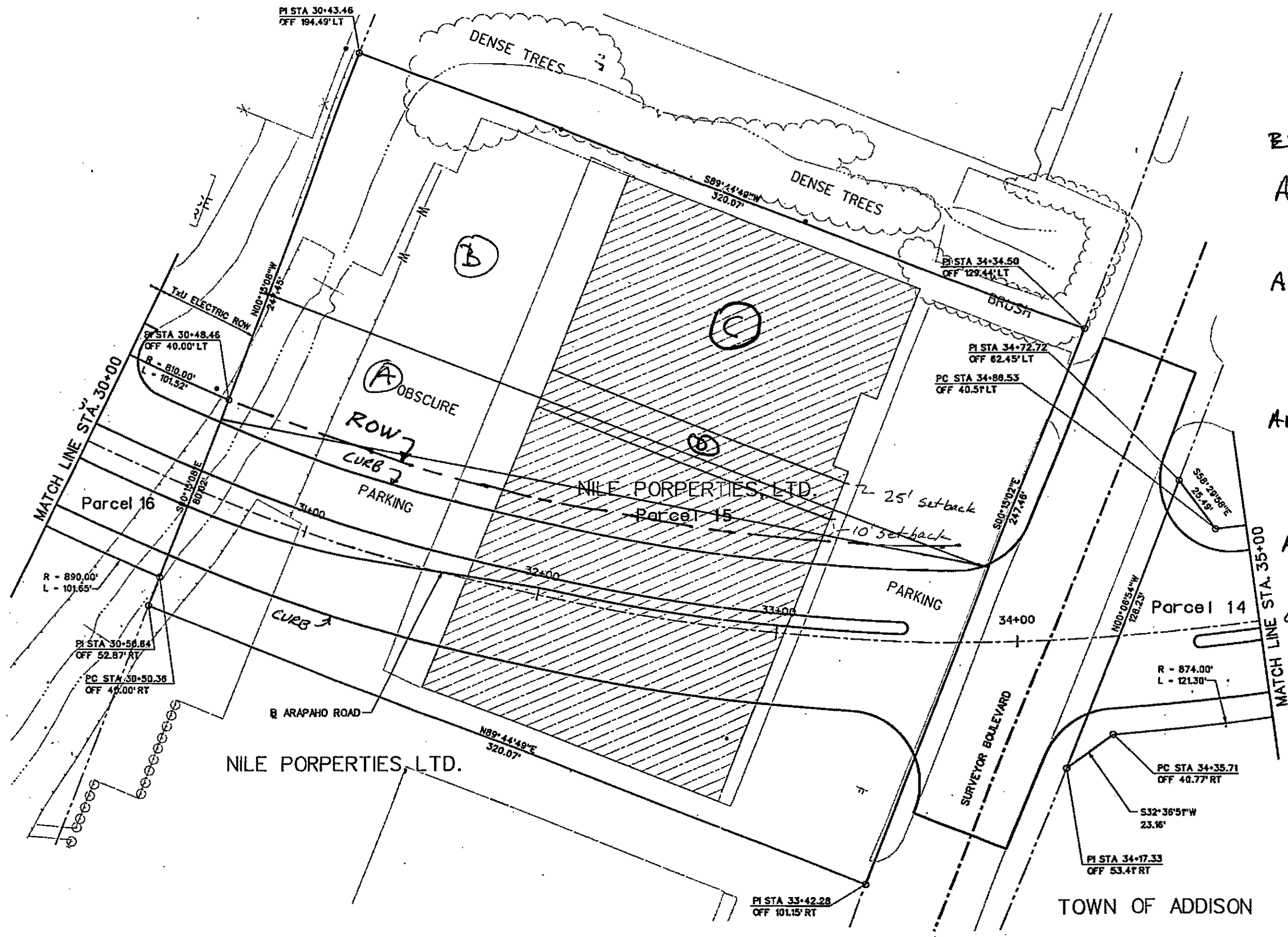
RIGHT-OF-WAY MAP

ARAPAHO ROAD EXTENSION

MARSH LAKE TO ADDISON ROAD

TOWN OF ADDISON, TEXAS

Design	RAS	DATE			
Check	DFB	12/99			
Drawn	RAS		SCALE	PROJECT NO.	SHEET NO.
Check	DFB		1"=20'	25768	5 OF 1



NILE PORPERTIES, LTD.

TOWN OF ADDISON

Assem Property

6-20-00

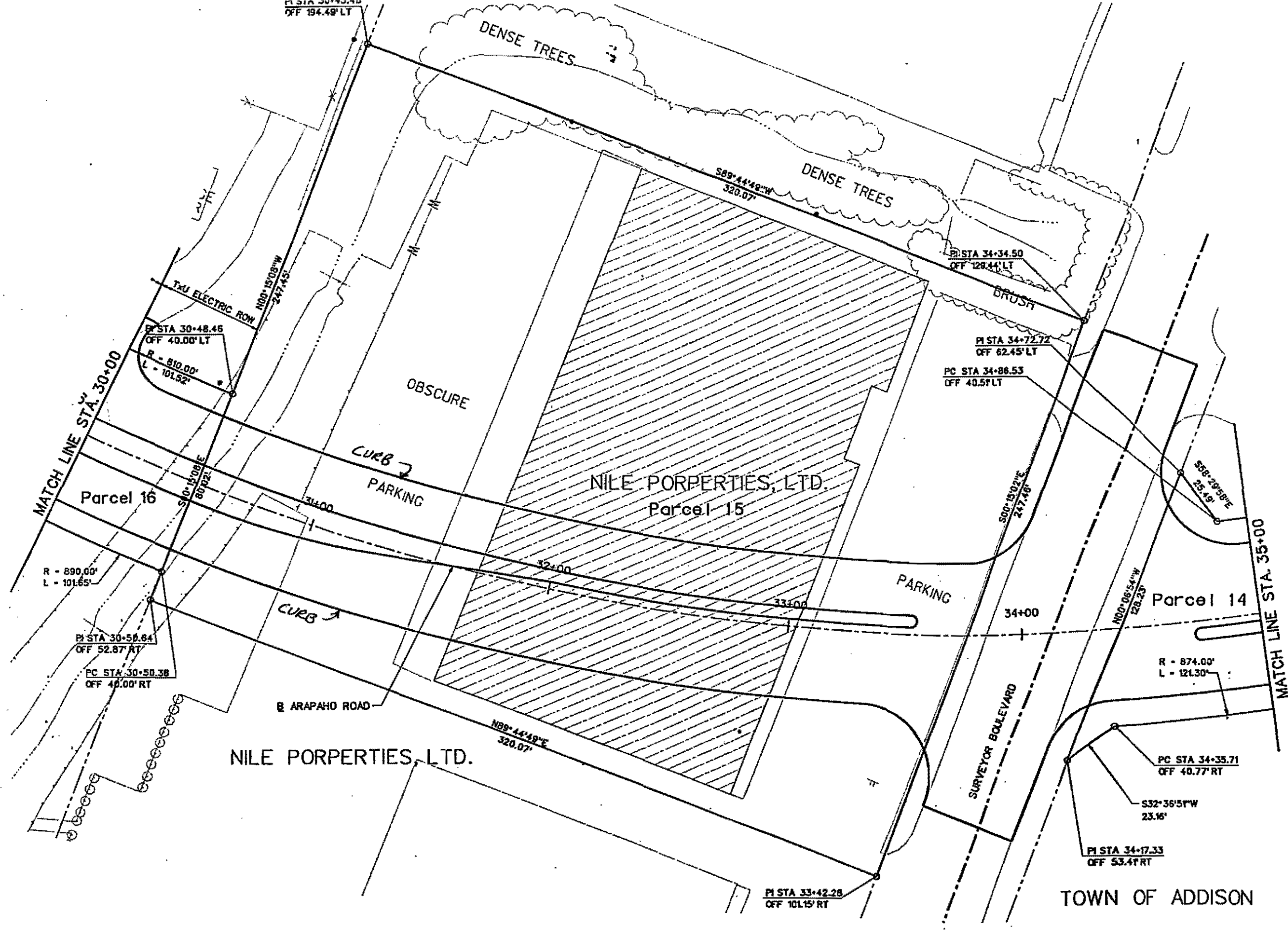
$$\begin{aligned} \text{Land Value} \times \text{ft}^2 + \text{Bldg Value} \times \text{ft}^2 &= 1,750,000 \\ \$10 \times 79,202 + \text{BV} \times 29,360 &= 1,750,000 \\ \text{BV} &= 32.63/\text{ft}^2 \end{aligned}$$

$$\begin{aligned} \text{LV} \times 79,202 + 40/\text{ft}^2 \times 29,360 &= 1,750,000 \\ \text{LV} &= \$7.27/\text{ft}^2 \end{aligned}$$

Value of remainder:

$$\begin{array}{r} \text{Land: } 44,000 \text{ ft}^2 \times 7.27 = \$319,769 \\ \text{Building } 11,473 \text{ ft}^2 \times 40 = 458,920 \\ \text{(25' set back)} \\ \hline \$778,689 \end{array}$$

23768 01:23168\hlycd8\arrows.dgn 22-MAR-2000 14:50



FOR INTERIM REVIEW ONLY
 By Daniel F. Becker, P.E. - 26589
 HNTB CORPORATION
 Date 22-MAR-2000 14:50
 NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO.	DATE	REVISION	APPROV.
HNTB ARCHITECTS ENGINEERS PLANNERS For HNTB Company			
RIGHT-OF-WAY MAP			
ARAPAHO ROAD EXTENSION			
MARSH LAKE TO ADDISON ROAD			
TOWN OF ADDISON, TEXAS			
Design	RAS	12/99	
Check	DFB	12/99	
Drawn	RAS		
Check	DFB		
		SCALE	PROJECT NO.
		1"=20'	23768
			SHEET
			5 OF 5

PI STA 30+43.48
OFF 194.49' LT

DENSE TREES

S89°44'48"W
320.07'

DENSE TREES

PI STA 34+34.50
OFF 129.44' LT

BRUSH

PI STA 34+72.72
OFF 62.45' LT

PC STA 34+88.53
OFF 40.51' LT

T&U ELECTRIC ROW

PI STA 30+48.46
OFF 40.00' LT

R = 810.00'
L = 101.52'

OBSCURE

NILE PORPERTIES, LTD.
Parcel 15

MATCH LINE STA. 30+00

Parcel 16

S10°15'08"E
807.92'

CURB
PARKING

S00°15'02"E
247.48'

S59°29'59"E
25.49'

R = 890.00'
L = 101.65'

PI STA 30+58.64
OFF 52.87' RT

PC STA 30+50.38
OFF 40.00' RT

CURB

PARKING

Parcel 14

N00°06'54"W
128.23'

R = 874.00'
L = 121.30'

MATCH LINE STA. 35+00

ARAPAHO ROAD

NILE PORPERTIES, LTD.

N89°44'48"E
320.07'

SURVEYOR BOULEVARD

PC STA 34+35.71
OFF 40.77' RT

S32°36'51"W
23.16'

PI STA 34+17.33
OFF 53.41' RT

PI STA 33+42.28
OFF 101.15' RT

TOWN OF ADDISON

FOR INTERIM REVIEW ONLY
By: Daniel F. Becker, P.E. # 25569
HNTB CORPORATION
Date 22-MAR-2000 14:50
NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO.	DATE	REVISION	APPROV.
HNTB ARCHITECTS ENGINEERS PLANNERS 714 5278 Company			
RIGHT-OF-WAY MAP			
ARAPAHO ROAD EXTENSION			
MARSH LAKE TO ADDISON ROAD			
TOWN OF ADDISON, TEXAS			
Design	RAS	DATE	
Check	DFB	12/99	
Drawn	RAS		
Check	DFB		
		SCALE	PROJECT NO.
		1"=20'	25788
			SHEET NO.
			5 OF 16

25788 0:\25788\h1\cds\rtow05.dgn 22-MAR-2000 14:50



June 6, 2000

Mr. Michael E. Murphy, P.E.
Acting Director of Public Works
The Town of Addison
Post Office Box 9010
Addison, Texas 75001-9010

RE: An office/flex/warehouse property located at 15115 Surveyor Boulevard, Addison, Dallas County, Texas 75001

Dear Mr. Murphy:

In accordance with your request, I have inspected and appraised the referenced property for the purpose of estimating the "as is" market value, as of April 25, 2000, of the leased fee interest, as defined herein.

The market data and valuation procedures used in the complete appraisal are presented in the accompanying self-contained report, as are assumptions or conditions which qualify or limit the value estimate. This valuation assumes a typical marketing and exposure period of nine months based upon research for similar properties and discussions with market participants. In addition, the property is not considered to have any natural, cultural, recreational or scientific value. This report was prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as set forth by the Appraisal Foundation and in accordance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the laws of the State of Texas. Based upon my analysis, the "as is" market value of the leased fee interest in the property, as of April 25, 2000, was:

ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS

(\$1,750,000)

The reader's attention is directed to Special Assumption Nos. 15, 16, 17 and 18 regarding environmental hazards, building areas, historical operation of the property and the presumed default by a tenant at the property (2Xtreme Performance, Inc.).

Thank you for the opportunity to be of service in this matter.

Respectfully submitted,

MacKenzie S. Bottum, MAI
File: 3015.01

SUMMARY OF SALIENT DATA AND CONCLUSIONS

Physical Data

Mapco: 14-A
Type of Property: A one-story office/flex/warehouse facility
Address: 15115 Surveyor Boulevard, Addison, Texas 75001
Location: West side of Surveyor Boulevard, just north of Belt Line Road Addison, Dallas County, Texas
Land Size: 1.8182 acres (79,202 square feet)
Zoning: I-1; Industrial District

Improvements

Description: A one-story office/flex/warehouse facility
Gross Building Area: 29,360 square feet
Percentage Office/HVAC: 40%/67%
Year of Construction: 1978
Parking: 36 surface spaces
Market Rental Rate: \$8.50 per square foot (gross with a base year expense stop)
Stabilized Occupancy: 93%
Current Occupancy: 100% (leased); 58% (occupied)
Estimated Expenses: \$1.65 per square foot

Highest and Best Use:

As Vacant: Development with an office/flex facility
As Improved: Continued use as an office/flex facility

"As Is" Value Indication

Dates of Inspection: April 25 (detailed) and May 17 (exterior only) 2000
Effective Date of Value: April 25, 2000
Interest Appraised: Leased Fee Estate

Cost Approach: \$1,600,000
Sales Comparison Approach: \$1,750,000
Income Capitalization Approach: \$1,750,000

"As Is" Market Value Estimate: \$1,750,000
Per Square Foot: \$60.27

Marketing and Exposure Period: Nine months

**TOWN OF ADDISON
PAYMENT AUTHORIZATION MEMO**

DATE: 6-8-00

Claim # _____

Check \$ 4,000.00

Vendor No. _____
 Vendor Name MacKenzie S. Bottom & Associates, Inc
 Address 16051 Addison Rd., Suite 203
 Address Addison
 Address Texas
 Zip Code 75001

INVOICE # OR DESCRIPTION	FUND	DEPT	OBJ	PROJ	SAC	AMOUNT
	(00)	(000)	(00000)	(00000)	(000)	(\$000,000.00)
<u>Invoice 6/6/00</u>	<u>41</u>	<u>000</u>	<u>5810</u>	<u>83300</u>		<u>4,000.00</u>

TOTAL \$ 4,000.00

EXPLANATION Appraisal of property at 15115 Surveyor
Blvd needed for Arapaho Rd, Phase II


 Authorized Signature

 Finance



INVOICE

June 6, 2000

Mr. Michael E. Murphy, P.E.
Acting Director of Public Works
The Town of Addison
Post Office Box 9010
Addison, Texas 75001-9010

Reference

Fee

Appraisal of an office/flex/warehouse
15115 Surveyor Boulevard,
Addison, Dallas County, Texas 75001

\$4,000.00

Payable to: MacKenzie S. Bottum & Associates, Inc.
16051 Addison Road, Suite 203
Addison, Texas 75001
Tax payer ID# 75-2390431

Thank you.

*OK to pay
J. Miller
6-8-00*

HP LaserJet 3100
Printer/Fax/Copier/Scanner

SEND CONFIRMATION REPORT for
Town of Addison
9724502834
Jun-8-00 9:12AM

Job	Start Time	Usage	Phone Number or ID	Type	Pages	Mode	Status
840	6/ 8 9:10AM	1'46"	7043.....	Send.....	4/ 4	EC 96	Completed.....

Total 1'46" Pages Sent: 4 Pages Printed: 0

TOWN OF
ADDISON

PUBLIC WORKS

To: Carmen

From: Jim Pierce, P.E.
Assistant City Engineer
Phone: 972/450-2879
FAX: 972/450-2834
jpierce@ci.addison.tx.us

Company: Town Hall

FAX #: 7043

Date: 6-8-00

16801 Westgrove
P.O.Box 9010
Addison, TX 75001-9010

of pages (including cover): 4

Re: Appraisal Report

- Original in mail Per your request FYI Call me

Comments: Summary data for appraisal
of 15115 Surveyor. We need council
action to make an offer.

Jim



June 6, 2000

Mr. Michael E. Murphy, P.E.
Acting Director of Public Works
The Town of Addison
Post Office Box 9010
Addison, Texas 75001-9010

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The market data and valuation procedures used in the complete appraisal are presented in the accompanying self-contained report, as are assumptions or conditions which qualify or limit the value estimate. This valuation assumes a typical marketing and exposure period of nine months based upon research for similar properties and discussions with market participants. In addition, the property is not considered to have any natural, cultural, recreational or scientific value. This report was prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as set forth by the Appraisal Foundation and in accordance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the laws of the State of Texas. Based upon my analysis, the "as is" market value of the leased fee interest in the property, as of April 25, 2000, was:

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(\$1,750,000)

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Thank you for the opportunity to be of service in this matter.

Respectfully submitted,

MacKenzie S. Bottum, MAI
File: 3015.01

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The appraised property is a one-story multi-tenant concrete tilt-wall office/warehouse/flex facility containing 29,036 square feet. The structure is situated on a 1.818 acre (79,202 square foot) site on the west side of Surveyor Boulevard, just north of Belt Line Road in Addison, Dallas County, Texas. The street addresses are 15109, 15111, 15113 and 15115 Surveyor Boulevard, but the property is commonly referred to as 15115 Surveyor Boulevard. Further, the property is legally described as "Being a 1.8182 acre (79,202 square foot) tract of land situated in the David Myers Survey, Texas, and being all of that certain tract of land conveyed to Nile Properties, Ltd. on August 26, 1997 and recorded in Volume 97168, Page 02624 of the Deed Records of Dallas County, Texas, said Nile Properties, Ltd. tract being all of the KJA Subdivision Part 2, Addison West Industrial Park, an addition to the Town of Addison, as evidenced by plat dated May 11, 1978 and recorded in Volume 78105, Page 1111 of said Deed Records." A complete metes and bounds legal description of the property is included in the Addenda of this appraisal and is sufficient to accurately identify the property.

PURPOSE AND DATES OF THE APPRAISAL

The purpose of this appraisal is to estimate the "as is" market value of the leased fee interest in the property, as of April 25, 2000. This appraisal was prepared in the months of April, May and June 2000.

CLIENT AND INTENDED USE OF THE APPRAISAL

This appraisal report is prepared for use by the Town of Addison to assist the Public Works Department in acquiring the property for the proposed extension of Arapaho Road. The report is not intended for use by others.

SUMMARY OF SALIENT DATA AND CONCLUSIONS

Physical Data

Mapsco: 14-A
Type of Property: A one-story office/flex/warehouse facility
Address: 15115 Surveyor Boulevard, Addison, Texas 75001
Location: West side of Surveyor Boulevard, just north of Belt Line Road Addison, Dallas County, Texas
Land Size: 1.8182 acres (79,202 square feet)
Zoning: I-1; Industrial District

Improvements

Description: A one-story office/flex/warehouse facility
Gross Building Area: 29,360 square feet
Percentage Office/HVAC: 40%/67%
Year of Construction: 1978
Parking: 36 surface spaces
Market Rental Rate: \$8.50 per square foot (gross with a base year expense stop)
Stabilized Occupancy: 93%
Current Occupancy: 100% (leased); 58% (occupied)
Estimated Expenses: \$1.65 per square foot

Highest and Best Use:

As Vacant: Development with an office/flex facility
As Improved: Continued use as an office/flex facility

"As Is" Value Indication

Dates of Inspection: April 25 (detailed) and May 17 (exterior only) 2000
Effective Date of Value: April 25, 2000
Interest Appraised: Leased Fee Estate

Cost Approach: \$1,600,000
Sales Comparison Approach: \$1,750,000
Income Capitalization Approach: \$1,750,000

"As Is" Market Value Estimate: \$1,750,000
Per Square Foot: \$60.27

Marketing and Exposure Period: Nine months

Job	Start Time	Usage	Phone Number or ID	Type	Pages	Mode	Status
176	3/27 9:19AM	0'59"	214 248 0230	Send.....	2 / 2	EC 96	Completed.....

Total 0'59" Pages Sent: 2 Pages Printed: 0

FAC-24-2834 15:39

MACENZIE BOTTLIN

P.01



FAX INFORMATION SHEET

TO: JIM PIRAGE
 COMPANY: TOWN OF ADDISON
 FAX NUMBER: 972 450-1834
 FROM: MACENZIE BOTTLIN
 COMPANY: MacKenzie S. Bottom & Associates, Inc.
 ADDRESS: 16001 Addison Road, Suite 203, Addison, Texas 75001
 TELEPHONE: 972-404-1433
 FAX NUMBER: 972-404-0089

to Pat Haggerty FYI Jim 972-248-0230

VISIT OUR WEB SITE: www.flash.net-mcbottom/

DATE 3-24-00 TIME 3:25

NUMBER OF PAGES TO FOLLOW: 1

COMMENTS: I spoke with Ms. Assem and she asked me to mail the list of information (which I did). She also said that the inspection would have to be arranged through her property manager after notifying the tenants. I told her we would like to do it as soon as possible. Regards Alac

Note: The information contained in this facsimile message and documents accompanying same are legally privileged and confidential intended only for the use of the individual or entity named herein. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this document is strictly prohibited.



March 24, 2000

Ms. Ola L. Assem
Cleopatra Inc.
P.O. Box 191103
Dallas, Texas 75219

RE: 15115 Surveyor Boulevard, Addison, Texas

Dear Ms. Assem:

We have been engaged by the Town of Addison to prepare an appraisal of the referenced property, and the following items will be beneficial in our analysis:

1. 1999 ad valorem tax statement or account number
2. Survey and/or a site plan
3. Environmental studies
4. Contract for sale or any other data regarding transactions of the property during the last three years (required to comply with USPAP)
5. Building plans
6. Title policy (an older version is acceptable)
7. Copies of existing leases for the property
8. Operating statements for 1998 and 1999
9. List of deferred maintenance or capital costs, along with estimated cost to cure
10. History of major repairs for the improvements
11. Information regarding any recent sales or leases of comparable properties
12. Any other information that is important for our appraisal

We also need to inspect the property at your earliest convenience in order to complete the assignment in a timely manner. Our mission is to provide the highest quality appraisal services in a timely manner, and your assistance with these items will insure an expeditious delivery of the appraisal. Thank you in advance for your assistance with this information, and we are looking forward to working with you on this assignment.

Sincerely,

MacKenzie S. Bottum, MAI
file: 3015.01

cc: Mr. James C. Pierce, Jr., P.E., Town of Addison

3-24-00

Maple Phase II / Appraisal 15115 Surveyor

Met with Mac Bottoms & Pat Haggerty
Gave Mac Mites & Bounds & drawing
showing how road goes thru the
property.

Mac will call Ken Deppel &
coordinate.

Mac will send the same letter
he gave us to MB Assem (and
also ask for an operating statement).

Gave Pat a copy of a sketch showing
a portion of the building that could
remain.

J.P.



MacKenzie S. Bottum, MAI

MacKenzie S. Bottum
© Associates, Inc.
16051 Addison Road, Suite 203
Dallas, TX 75248
Tele 972-4041433
FAX 972-4040089



March 24, 2000

Mr. Pat Haggerty, Negotiator
c/o Mr. Jim Pierce, Project Manager
Town of Addison
16801 Westgrove Drive
Addison, Texas 75001

RE: 15115 Surveyor Boulevard, Addison, Texas

Dear Mr. Haggerty and Mr. Peirce:

In response to our engagement by the Town of Addison to prepare an appraisal of the referenced property, the following items will be beneficial in our analysis:

1. 1999 ad valorem tax statement or account number
2. Survey and/or a site plan
3. Environmental studies
4. Contract for sale or any other data regarding transactions of the property during the last three years (required to comply with USPAP)
5. Building plans
6. Title policy
7. Copies of existing leases for the property
8. List of deferred maintenance or capital costs, along with estimated cost to cure
9. History of major repairs for the improvements
10. Information regarding any recent sales or leases of comparable properties
11. Any other information that is important for our appraisal

Our mission is to provide the highest quality appraisal services in a timely manner, and your assistance with these items will insure an expeditious delivery of the appraisal. Once we have reviewed the data, we will need to inspect the property. Thank you in advance for your assistance with this information, and we are looking forward to working with you on this assignment.

Sincerely,

MacKenzie S. Bottum, MAI
file: 3015.01

Options:

- ① 25' Setback (conforming) I-1 Industrial
- ② Planned Develop District
10' Setback - make it legal
Change Zoning
- ③ Legal Non-Conforming
51% damage would have
to build back conforming
10' Setback (now)

PI STA 30+43.46
OFF 194.49' LT

DENSE TREES

DENSE TREES

PI STA 34+34.50
OFF 129.44' LT

PI STA 34+72.72
OFF 62.45' LT

PC STA 34+86.53
OFF 40.51' LT

PI STA 30+48.46
OFF 40.00' LT

R = 810.00'
L = 101.92'

T&U ELECTRIC ROW

N80°15'08"W
247.45'

S89°44'48"W
320.07'

BRUSH

MATCH LINE STA. 30+00

Parcel 16

OBSCURE

NILE PORPERTIES, LTD.
Parcel 15

Parcel 14

MATCH LINE STA. 35+00

R = 890.00'
L = 101.65'

PI STA 30+50.84
OFF 52.87' RT

PC STA 30+50.38
OFF 45.00' RT

curb
PARKING

PARKING

curb

ARAPAHO ROAD

SURVEYOR BOULEVARD

NILE PORPERTIES, LTD.

N89°44'49"E
320.07'

R = 874.00'
L = 121.30'

PC STA 34+35.71
OFF 40.77' RT

S32°36'51"W
23.16'

PI STA 34+17.33
OFF 53.41' RT

PI STA 33+42.28
OFF 101.15' RT

TOWN OF ADDISON

FOR INTERIM REVIEW ONLY

By Daniel F. Becker, P.E., No. 28569

HNTB CORPORATION

Date 22-MAR-2000 14:50

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO.	DATE	REVISION	APPROV.

HNTB ARCHITECTS ENGINEERS PLANNERS
The HNTB Companies

RIGHT-OF-WAY MAP

ARAPAHO ROAD EXTENSION

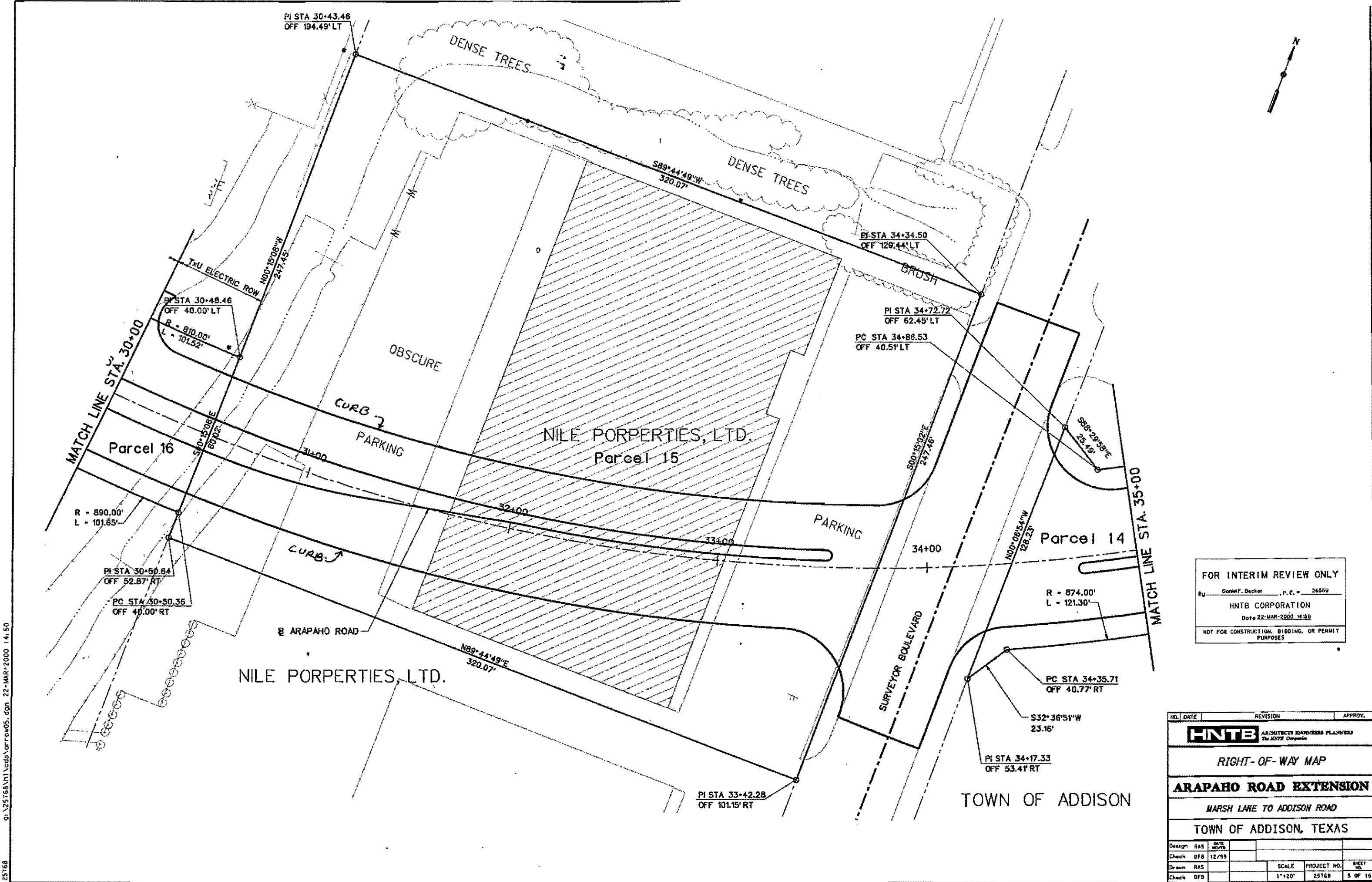
MARSH LAKE TO ADDISON ROAD

TOWN OF ADDISON, TEXAS

Design	RAS	DATE	SCALE	PROJECT NO.	SHEET NO.
Check	DFB	12/99	1"=20'	25768	5 OF 16
Drawn	RAS				
Check	DFB				

g:\25768\m\eds\arrow05.dgn 22-MAR-2000 14:50

g:\25768\1\Acad\Drawings\22-MAR-2000 14:50



FOR INTERIM REVIEW ONLY

By: Dorrell Becker, P.E. # 26569

HNTB CORPORATION

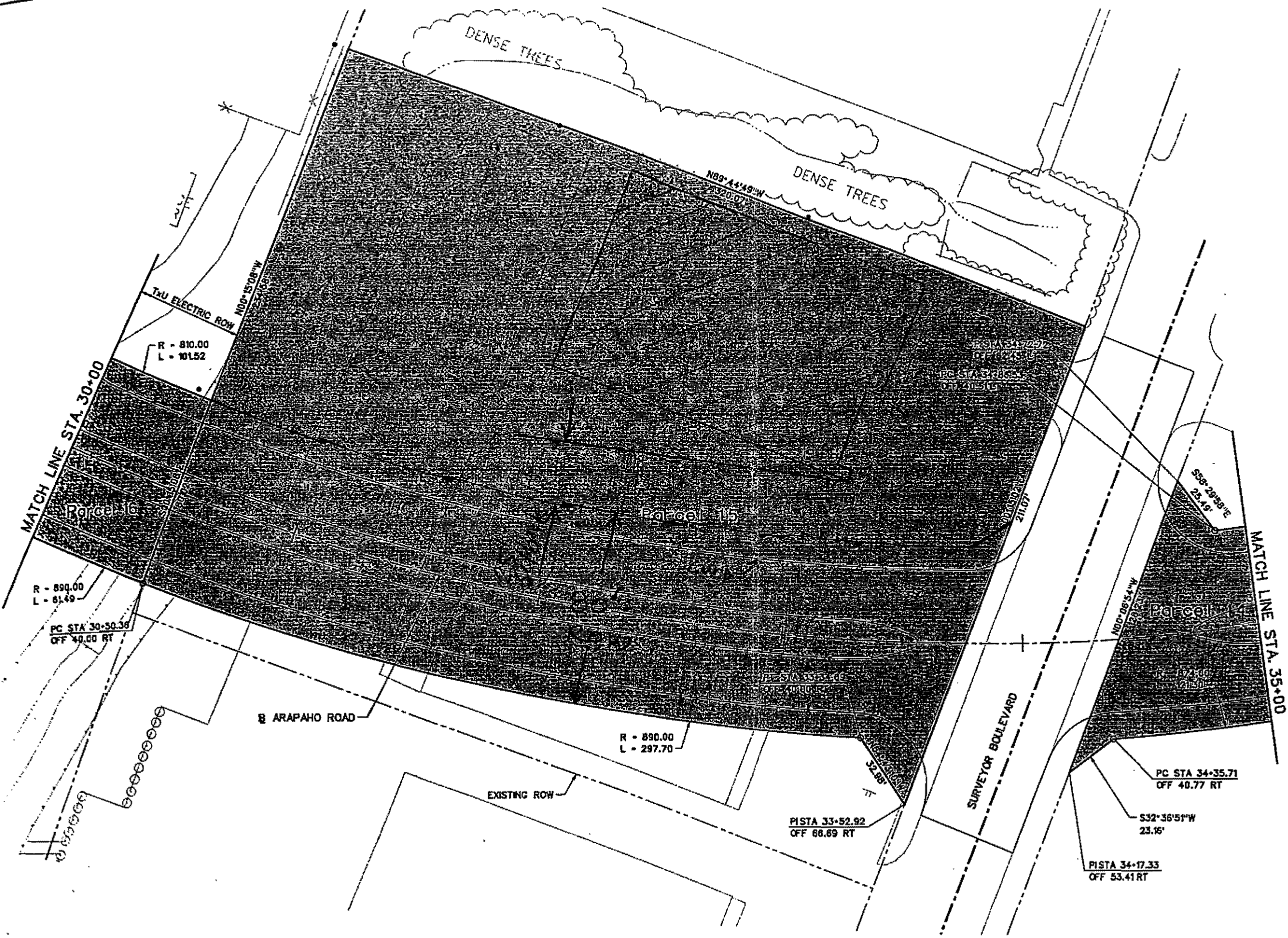
Date 22-MAR-2000 14:50

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO.	DATE	REVISION	APPROV.
HNTB ARCHITECTS ENGINEERS PLANNERS <small>The HNTB Companies</small>			
RIGHT-OF-WAY MAP			
ARAPAHO ROAD EXTENSION			
MARSH LAKE TO ADDISON ROAD			
TOWN OF ADDISON, TEXAS			
Design	RAS	DATE 12/98	
Check	DFB	12/99	
Drawn	RAS		
Check	DFB		
		SCALE	PROJECT NO.
		1"=20'	25768
			SHEET NO.
			5 OF 16

1" = 20'

15115
Surveyor
Blvd



FOR INTERIM REVIEW ONLY
 By Donald F. Becker P. E. # 24589
 HNTB CORPORATION
 Date 26-JAN-2009 09:01
 NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO.	DATE	REVISION	APPROV.
HNTB ARCHITECTURE ENGINEERS PLANNERS The HNTB Companies			
RIGHT-OF-WAY MAP			
ARAPAHO ROAD EXTENSION			
MARSH LANE TO ADDISON ROAD			
TOWN OF ADDISON, TEXAS			
Design	RAS	DATE	
Check	DFB	12/09	
Scale	AS SHOWN		