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FACSIMILE COVER PAGE

Date: November 17, 2003

Time: _____

Total Number of Pages (including this sheet): 13

Normal/Rush: Normal

Client/Matter #: 3305/60962

TO: (1) Mike Murphy

FAX: (972) 450-2837

PHONE:

FROM: Angela K. Washington

Direct Dial #: (214) 672-2144

MESSAGE: **As we discussed.**

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

Yolanda Rodriguez at (214) 672-2629

Thank you.

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CAUSE NO. CC-02-05062-E

TOWN OF ADDISON

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§

IN THE COUNTY COURT

V.

**METRO BRICK COMPANY, INC., and
DENNIS CALANDER, INDIVIDUALLY
and as PRESIDENT OF METRO BRICK
COMPANY, INC.**

AT LAW NUMBER 5

DALLAS COUNTY, TEXAS

AGREED FINAL JUDGMENT

On the _____ day of _____, 2003, came on to be heard the above-entitled and numbered cause. As evidenced by their signatures below, the Town of Addison ("Plaintiff") and the owners of the land, Metro Brick Company, Inc., and Dennis Calander, Individually and as President of Metro Brick Company, Inc. ("Defendants"), have compromised and settled all matters in controversy between them and have requested entry of this Agreed Judgment.

I.

Defendants admit and stipulate as follows:

- (a) Plaintiff has the right to recover and condemn the property and access rights described in Exhibit "A," attached hereto and incorporated herein;
- (b) All statutory requirements and due processes of law have been duly, legally, and timely performed;
- (c) Plaintiff has duly complied with all legal prerequisites;
- (d) Defendants have agreed to accept the sum of \$95,150.00 as the amount of compensation due to them as a result of the condemnation of the property described herein;
- (e) Defendants have agreed to accept the sum of \$60,000.00 in full and final satisfaction of their counterclaims, as described in Defendants' Original Counterclaim; and
- (f) This Court has jurisdiction of such issues and these causes of action.

II.

After reviewing the pleadings on file, the orders of the Court, and the agreements and stipulations made by the parties, as evidenced by their signatures below, the Court finds:

(a) Under and by its Original Petition in Condemnation, filed with the court on April 23, 2002, Plaintiff sought and prayed for acquisition of the tract of land located in Dallas County, Texas, more properly described in Exhibit "A," and the rights of access also described in Exhibit "A." Plaintiff sought and prayed for the acquisition of the land for purposes of constructing, relocating, and extending Arapaho Road, as well as for related park uses in the form of pedestrian walkways and pocket parks.

(b) Pursuant to the Original Petition in Condemnation, the Court appointed three disinterested freeholders of Dallas County, Texas, as Special Commissioners with respect to the parcel. The Special Commissioners subsequently took their oaths of office, set a date of hearing, and caused notice thereof to be duly served as prescribed by law regarding the parcel.

(c) On July 26, 2002, the Special Commissioners issued their Order Setting Time and Place of Hearing, setting a hearing for September 11, 2002.

(d) On September 11, 2002, the Special Commissioners duly held the hearing scheduled for that day.

(e) After the hearing, the Special Commissioners rendered their decision and Award in writing. The Award was filed with the Court on September 12, 2002.

(f) In their Award the Special Commissioners awarded the Defendants the sum of **NINETY-FIVE THOUSAND ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$95,150.00)** for the parcel of land.

(g) Defendants duly and timely filed Objections to the award of the Special Commissioners.

III.

The Court further finds and determines the following:

(a) All proceedings necessary to vest this Court with jurisdiction of the parties, the property and of the subject matter of this cause have been instituted, maintained, and complied with as required by law; therefore, this Court has jurisdiction of the parties hereto and of the subject matter set forth in this case;

(b) Metro Brick Company, Inc. and Dennis Calander, whose Agent for Service is Charles Salazar, 3710 Rawlins, Suite 1200, Dallas, Texas 75219, are the owners of said property; Town of Addison, whose Agent for Service is _____, _____; Dallas County, whose Agent for Service is Margaret Keiher, County Judge, 411 Elm Street, 2nd Floor, Dallas, Texas 75202; and Dallas Independent School District, whose Agent for Service is Mike Moses, Superintendent, 3700 Ross Avenue, Dallas, Texas 75204-5491, have an interest in said property. Plaintiff is condemning and acquiring the fee simple title in and to said property under and by virtue of these condemnation proceedings. Plaintiff is authorized to condemn said property.

(c) From the agreement of the parties, Defendants shall have and recover from Plaintiff the total sum of **ONE HUNDRED FIFTY-FIVE THOUSAND, ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$155,150.00)**, representing **NINETY-FIVE THOUSAND, ONE HUNDRED FIFTY AND NO 100/DOLLARS (\$95,150.00)** for Plaintiff's acquisition and condemnation of the subject property, and **SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00)** in satisfaction of Defendants' counterclaims alleged against Plaintiff.

(d) Plaintiff should have and recover from Defendants, as more specifically set forth in Exhibit "A," a fee simple title in and to said property, and any rights of access as described in Exhibit "A."

(e) On January 21, 2003, Plaintiff deposited **NINETY-FIVE THOUSAND ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$95,150.00)** into the Registry of this Court for

the use and benefit of the Defendants, which amount Defendants did not withdraw. Defendants acknowledge Plaintiff's deposit into the Registry of the Court;

(f) The parties expressly agree to each pay their own court costs and costs of litigation;

(g) The parties agree that the payments as outlined herein are a full and final settlement of all pending or potential claims arising from this taking, including any potential or outstanding claims for inverse condemnation, wrongful possession, relocation expenses, attorney's fees and expenses, and costs of court.

IV.

It is therefore **ORDERED, ADJUDGED, AND DECREED** that Plaintiff does have and recover of and from Defendants fee simple title in and to said property, and any rights of access, as described in Exhibit "A," situated in the Town of Addison, Dallas County, Texas. It is further **ORDERED** that Defendants have and are entitled to a judgment from the Plaintiff in the total amount of **ONE HUNDRED FIFTY-FIVE THOUSAND, ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$155,150.00)**, representing **NINETY-FIVE THOUSAND, ONE HUNDRED FIFTY AND NO 100/DOLLARS (\$95,150.00)** for Plaintiff's acquisition and condemnation of the subject property, and **SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00)** in satisfaction of Defendants' counterclaims alleged against Plaintiff. The amount of **NINETY-FIVE THOUSAND, ONE HUNDRED FIFTY AND NO 100/DOLLARS (\$95,150.00)** was deposited into the Registry of the Court on January 21, 2003. Upon payment of the remaining **SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00)** into the Registry of the Court, Plaintiff will be **RELEASED** and **DISCHARGED** from its constitutional obligation to pay compensation for the taking of said property for public use to any party with any interest in the subject property.

V.

It is further **ORDERED** that within ten (10) days after Plaintiff has deposited into the Court's Registry the remaining balance as described in Paragraph IV, the Dallas County Clerk shall immediately issue a check in the total amount of **ONE HUNDRED FIFTY-FIVE THOUSAND, ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$155,150.00)** (less any statutory administrative fees), payable to "Metro Brick Company, Inc., Dennis Calander, and The Law Offices of Eddie Vassallo, P.C.," and shall forward the check via first class U.S. mail to the Law Offices of Eddie Vassallo, P.C., 3710 Rawlins, Suite 1200, Dallas, Texas 75219-4276.

VI.

It is further **ORDERED, ADJUDGED, and DECREED** that the fee simple title to said land, any rights of access as described in Exhibit "A," is hereby decreed to and vested in Plaintiff.

Signed this _____ day of _____, 2003.

JUDGE PRESIDING

APPROVED AS TO SUBSTANCE AND FORM:

THOMAS L. MIGHELL
Cowles & Thompson, P.C.

Attorneys for Plaintiff, the Town of Addison

CHARLES A. SALAZAR
Law Offices of Eddie Vassallo, P.C.

Attorneys for Defendants Metro Brick Company,
Inc. and Dennis Calander

CAUSE NO. CC-02-05062-E

TOWN OF ADDISON	§	IN THE COUNTY COURT
	§	
V.	§	
	§	
METRO BRICK COMPANY, INC., and DENNIS CALANDER, INDIVIDUALLY and as PRESIDENT OF METRO BRICK COMPANY, INC.	§	AT LAW NUMBER 5
	§	
	§	DALLAS COUNTY, TEXAS

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE is made and entered into effective as of the date of its signing as set out at the end of this Agreement by and among **The Town of Addison, Texas, Plaintiff, and Metro Brick Company, Inc., and Dennis Calander, Individually and as President of Metro Brick Company, Inc.** (hereinafter "Metro Brick"), Defendant and Counter-Plaintiff.

1.0 RECITALS

The parties acknowledge that bona fide disputes and controversies exist between them, both as to liability and the amount of damages thereof, if any, and by reason of such disputes and controversies they desire to compromise and settle all claims and causes of action of any kind whatsoever which the parties have or may have arising out of the transaction or occurrence which is the subject of this litigation. It is further understood and agreed that this is a compromise of a disputed claim, and nothing contained herein shall be construed as an admission of liability by any party, all such liability being expressly denied.

2.0 AGREEMENT

The parties hereto agree as follows:

2.01 Release and Discharge

In consideration of the payments called for herein, which the parties assert arises out of the condemnation proceedings instituted by the Town of Addison, Texas as well as the

claims and allegations asserted and more fully described in Metro Brick's Original Counterclaim, and any damages related thereto, The Town of Addison, Metro Brick and Dennis Calander, for themselves, their heirs, executors, administrators, estates, legal representatives, assigns, and all others claiming under them, completely release, discharge, and forever hold harmless the Town of Addison, Metro Brick and Dennis Calander, of and from any and all past, present or future claims, demands, obligations, actions, causes of action, damages, costs, sums of money, suits, expenses, whether based on tort, breach of contract, fraud, breach of fiduciary duty, breach of implied warranty, breach of express warranty, negligent misrepresentation, intentional misrepresentation, legal misrepresentation, bad faith, statutory violation, fraud, statutory fraud, Deceptive Trade Practices Act, or other theory of recovery and whether for compensatory or punitive damages which the Town of Addison, Metro Brick and/or Dennis Calander now have or which may have or hereafter accrue or otherwise be acquired including, without limitation, any and all known and unknown claims for loss of earnings; attorney's fees; judgments and liabilities whatsoever, in law and in equity; interest; costs; penalties; punitive damages; exemplary damages or any other damage or claim of any kind or character whatsoever sustained, directly or indirectly, by the Town of Addison, Metro Brick and/or Dennis Calander which in any way relates to, arises out of, or is in any way connected with the Town of Addison's institution of condemnation proceedings or the allegations, facts and injuries more particularly described in Metro Brick's Original Counterclaim, and any lawsuits or the handling of any lawsuits emanating therefrom. This release on the part of the Town of Addison, Metro Brick and Dennis Calander shall be a fully binding and complete settlement between the Town of Addison, Metro Brick, and Dennis Calander.

2.02 AGREED JUDGMENT

The Town of Addison, Texas, Metro Brick, and Dennis Calander agree to the entry of an Agreed Judgment in this case, which will confirm that the Town of Addison has

lawfully obtained fee simple title to the property in question, and that Metro Brick and Dennis Calander's counterclaims against the Town of Addison are dismissed with prejudice, with court costs to be taxed against the party that incurred them.

3.0 PAYMENTS

In consideration for the mutual promises, covenants, warranties and Release set forth above, the Town of Addison hereby agrees to make the following payments:

3.01 Condemnation Damages

The sum of **NINETY-FIVE THOUSAND, ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$95,150.00)** shall be paid to **Cynthia Figueroa Calhoun, Dallas County Clerk, for the Use and Benefit of Metro Brick, Inc. and/or Dennis Calander**, as payment for damages awarded against the Town of Addison, Texas for the condemnation of that property described in Exhibit "A," which is attached hereto and incorporated herein by reference.

3.02 Additional Payments

The sum of **SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000)**, to be paid to Dennis Calander and his attorneys, the Law Offices of Eddie Vasallo, P.C.

4.0 General Release

Metro Brick, Dennis Calander, and the Town of Addison hereby acknowledge and agree that the release set forth in Paragraph 2.01 hereof is a general release of all claims they have or might have and they further expressly waive and assume the risk of any and all claims for damages which exist as of this date but of which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect their decision to enter into this Settlement Agreement and Release. The Town of Addison, Metro Brick and Dennis Calander agree that the payment of the sums specified herein are a complete compromise of a matter involving disputed issues of law and fact and that they fully assume the risk that the facts or law may be otherwise than they believe. It is

understood by the Town of Addison, Metro Brick and Dennis Calander that this settlement is a compromise of doubtful and disputed claims and the payments are not to be construed as an admission of liability on the part of the Town of Addison, Texas, Metro Brick, Dennis Calander, or any of the other parties released, by whom liability is expressly denied.

5.0 WARRANT OF CAPACITY TO EXECUTE AGREEMENT

The Town of Addison, Metro Brick and Dennis Calander represent and warrant that no other persons or entities have or have had any interest in the claims, demands, allegations referred to in this Settlement Agreement and Release except as otherwise set forth herein and that they have the sole right and exclusive authority to execute this Settlement Agreement and Release and receive the sums specified in it; and that they have not sold, assigned, transferred, conveyed or otherwise disposed of any claims, demands, or obligations referred to in this Settlement Agreement and Release.

6.0 NO ADMISSION OF LIABILITY OF RELEASED PARTY

With respect to Metro Brick's Original Counterclaim, the Town of Addison, Metro Brick and Dennis Calander acknowledge that the Town of Addison, Texas denied and continues to deny all allegations made by Metro Brick in, or in connection with, the Counterclaim; and that the settlement of the above-referenced matter, the payment of the above-described sums, and any other actions taken by the Town of Addison, Texas in connection therewith shall not be deemed to be, or construed as an admission of, liability by the Town of Addison, Texas but rather said actions have been taken in order to avoid the expense, uncertainty, and inconvenience of litigation.

7.0 ENTIRE AGREEMENT AND SUCCESSORS IN INTEREST

This Settlement Agreement and Release contains the entire agreement between the parties with regard to the matters set forth in it and shall be binding upon and inure to the benefit

of the executors, administrators, personal representatives, heirs, successors and assigns of Metro Brick, Dennis Calander, and the Town of Addison, Texas.

8.0 REPRESENTATION OF COMPREHENSION OF DOCUMENTS

In entering into this Settlement, Agreement and Release, the Town of Addison, Metro Brick and Dennis Calander represent that they have not relied upon any statements or representations pertaining to this matter or any issues in the aforementioned lawsuit made by the person(s), firms, organizations, or corporations hereby released or by any person(s) representing them or by anyone employed on their behalf, and the terms of this Settlement Agreement and Release have been completely read by the Town of Addison, Metro Brick and Dennis Calander and those terms are fully understood and voluntarily accepted by them.

9.0 GOVERNANCE, CONSTRUCTION AND PERFORMANCE

This Settlement, Release and Indemnity Agreement shall be governed by and construed in accordance with the laws of the State of Texas in all respects, including matters of construction, interpretation, validity and enforcement, and is performable in Dallas County, Texas.

**DENNIS CALANDER, Individually and
as Authorized Representative of Metro
Brick, Inc.**

**RON WHITEHEAD, Authorized
Representative of the Town of Addison,
Texas**

VERIFICATION

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared **DENNIS CALANDER**, Individually and as Authorized Representative of Metro Brick, Inc., known to me to be the person whose name is subscribed to the above and foregoing instrument and, being by me first duly sworn on his oath deposed and stated that he is duly qualified and authorized in all respects to make this Affidavit; that he has read the above and foregoing Settlement Agreement and Release; and that every statement contained therein is true and correct to the best of his knowledge.

DENNIS CALANDER, Individually and as Authorized Representative of Metro Brick, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME on this _____ day of _____, 2003, to certify which witness my hand and seal of office.

Notary Public, State of Texas

My Commission Expires:

VERIFICATION

**STATE OF TEXAS §
 §
COUNTY OF DALLAS §**

BEFORE ME, the undersigned authority, on this day personally appeared **RON WHITEHEAD**, Authorized Representative of The Town of Addison, Texas known to me to be the person whose name is subscribed to the above and foregoing instrument and, being by me first duly sworn on his oath deposed and stated that he is duly qualified and authorized in all respects to make this Affidavit; that he has read the above and foregoing Settlement Agreement and Release; and that every statement contained therein is true and correct to the best of his knowledge.

**RON WHITEHEAD, Authorized
Representative of the Town of Addison,
Texas**

SUBSCRIBED AND SWORN TO BEFORE ME on this _____ day of _____, 2003, to certify which witness my hand and seal of office.

Notary Public, State of Texas

My Commission Expires:

3-14-2002 10:15PM FROM

P. 2



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 16, 2001

Mr. Dennis Calander
 Metro Brick Company, Inc.
 15301 Addison Road
 Addison, Tx 75001

**RE: Lot 3, Block 1
 Addison Car Care Addition to the Town of Addison
 Recorded in Vol. 87111, Pg. 0286 in the Deed Records of Dallas Co.**

Dear Mr. Calander:

In February 2000, the Town of Addison elected to sell bonds in order to fund six construction projects. Included in these projects is the extension of Arapaho Road, from Addison Road to Marsh Lane. At this time, we are in the right-of-way acquisition phase of the project, in order to extend Arapaho Road to the west.

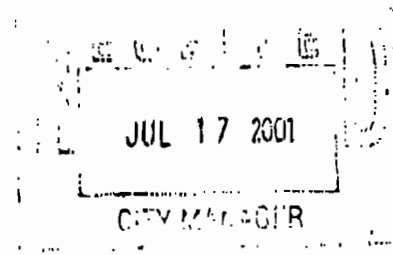
The Town of Addison has determined the public need to acquire all of the tract of land that is owned by you and is currently occupied by Metro Brick Company, Inc. The public purpose for this land acquisition is the necessary right-of-way for the Arapaho Road project along with related municipal uses including public parks and open spaces. The firm of Hipes & Associates appraised the property on May 24, 2001. The attached summary sheet shows the fair market value of this whole taking is \$103,032. One June 26, 2001, the City Council of the Town of Addison authorized me to make an offer to purchase this 11,363 square foot tract of land at the appraisal value of \$103,032.

The Town of Addison requests that you respond to this offer of purchase within thirty (30) days of the date of this letter. If we do not hear from you within the thirty (30) days, the Town will consider its offer rejected and we will initiate eminent domain proceedings to acquire the property.

Should you have any questions, please feel free to contact Mr. Mike Murphy, Director of Public Works, at (972) 450-2886, or me.

Sincerely,

Ron Whitehead
 City Manager



COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



FACSIMILE COVER PAGE

Date: March 15, 2002

Time: _____

Total Number of Pages (including this sheet): 4

Normal/Rush: Normal

Client/Matter #: 3305/60962

TO: (1) **Steve Chutchian**

FAX: (972) 450-2837

FROM: Kenneth Dippel

Direct Dial #: (214) 672-2158

MESSAGE: RE: Metro Brick - Fax for Your Files (Ron Whitehead's letter to Dennis Calander).

**IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION,
PLEASE CALL OUR SERVICE CENTER
AT (214) 672-2508
or Yolanda Rodriguez at (214) 672-2629
Thank you.**

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JUL 17 2002

SUMMARY OF SALIENT FACTS

**A Whole Property Acquisition at the NW/c of Intersection of Addison Road/Arapaho Road
Metro Brick Company, Inc. - Owner
Addison, Texas**

Date of the Appraisal:	May 24, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±11,363 SF tract improved with an office/sales facility, located at the NW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use:	
"As vacant":	To be assembled with adjacent railroad property for potential future uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.

Estimates of Fee Simple Value:

<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach:	\$ N/A
Whole Property:	\$103,032

Part Taken: \$103,032

Remainder Before the Take: \$ -0-

Remainder After the Take:

Land Value:	\$ N/A
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ N/A

Final Value Estimate: JUST COMPENSATION \$103,032

Council Agenda Item:

SUMMARY:

Arapaho Rd., Phase III Right-of-Way Acquisition from Lot 3, Block 1, Addison Car Care (Metro Brick Company, Inc.)

FINANCIAL IMPACT:

Budgeted Amount: Not Budgeted
Cost: \$103,032
Budget Impact: Bond Funds are available for right-of-way acquisition in Arapaho Road, Phase II/III, Project No. 83300

BACKGROUND:

The right-of-way acquisition process is currently underway on the proposed Arapaho Road, Phase III project. It was determined that a 1,657 square foot portion of land (see attached Parcel 1 map) at the northwest corner of Addison Road and the proposed extension of Arapaho Road is required as part of the proposed roadway improvements. This parcel is a portion of a tract of land on Lot 3, Block 1, Addison Car Care, and owned by Metro Brick Company, Inc. The attached Summary of Facts states a Just Compensation value of \$102,061, including damages to the remaining property, for the fee-simple taking of this parcel.

Public Works and Park & Recreation staff evaluated this location and determined that the Metro Brick Company site would also benefit the Town as a new hike & bike staging facility/pocket park. Accordingly, a second appraisal was performed with the purpose of evaluating the fee-simple taking of the entire 11,363 square foot area of Lot 3, Block 1, Addison Car Care (See attached map). The attached Summary of Facts states a Just Compensation value of \$103,032.

RECOMMENDATION:

It is recommended that Council authorize the City Manager to offer a total of \$103,032 to Metro Brick Company, Inc., for the acquisition of the entire 11,363 square foot site on Lot 3, Block 1, Addison Car Care.

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS DETERMINING THE NECESSITY OF ACQUIRING THE HEREINAFTER DESCRIBED REAL PROPERTY OWNED BY METRO BRICK, ET AL. AND AUTHORIZING ITS CONDEMNATION AND/OR APPROPRIATION FOR PUBLIC USE IN CONNECTION WITH THE REALIGNMENT AND EXTENSION OF ARAPAHO ROAD AND RELATED PARK IMPROVEMENTS IN ADDISON, TEXAS.

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

SECTION 1. That for the purposes of this Resolution, the following definitions of terms shall apply:

"PROPERTY": The areas described in Exhibit "A attached hereto are made a part hereof for all purposes.

"PROPERTY INTEREST": Fee simple title to the land described in Exhibit "A," attached hereto and incorporated herein.

"PROJECT": Realignment and extension of Arapaho Road, with related pedestrian parkway and pocket parks in Addison, Texas.

"OFFER AMOUNT": One Hundred Three Thousand and Thirty Two and No/100 Dollars (\$103,032.00).

"OWNERS": Metro Brick Company, Inc. and Dennis Calander, individually and as officer of Metro Brick Company, Inc.

SECTION 2. That it is hereby determined that public convenience and necessity requires that the Town of Addison should acquire the PROPERTY INTERESTS in, over, and across the PROPERTY necessary for the PROJECT.

SECTION 3. That the PROPERTY is hereby determined to be necessary for the PROJECT. That for the purpose of acquiring the PROPERTY INTEREST in, over, and across the PROPERTY, the City Manager, or such employee as he may designate, is hereby authorized and directed to offer the OFFER AMOUNT as payment for the PROPERTY to be acquired and full damages allowable by law, which amount represents its fair cash market value.

SECTION 4. That the Town of Addison determines to appropriate the PROPERTY INTEREST in, over, and across the PROPERTY for the PROJECT under the laws of the State of Texas and the provisions of the Charter of the Town of Addison.

SECTION 5. That, in the event the OWNER accepts the OFFER AMOUNT as authorized herein, the City Finance Director be and is hereby authorized to draw a check in favor of the OWNER named above, or the current owner of record, in the OFFER AMOUNT.

SECTION 6. That the City is to have possession of the PROPERTY on closing; and the City will pay any title expenses and closing costs; and the City will pay court costs as may be assessed by the Special Commissioners or the court.

SECTION 7. Should the employee designated to make the official offer report to the City Attorney that OWNER has refused to accept the OFFER AMOUNT as compensation for the hereinabove described taking from OWNER under the laws of eminent domain, which amount the City Council deems to be the fair cash market value and all just compensation, in compliance with the laws of the State of Texas, this will be evidence that the Town of Addison cannot agree with the OWNER as to the damages legally allowable by law. In such case, the City Attorney is authorized and directed to file the necessary suit and take the necessary action for the prompt acquisition of the PROPERTY in condemnation or in any manner provided by law.

SECTION 8. That in the event the Special Commissioners in Condemnation appointed by the court return an award that is the same amount or less than the OFFER AMOUNT the City Finance Director is hereby authorized to issue a check not to exceed the amount of the Commissioners' award made payable to the County Clerk of Dallas County, to be deposited into the registry of the court to enable the City to take possession of the PROPERTY without further action of the City Council.

SECTION 9. That in the event it is subsequently determined that additional persons other than those named herein have an interest in the PROPERTY, then the City Attorney is authorized and directed to join said parties as defendants in said condemnation suit.

SECTION 10. That this resolution shall take effect immediately from and after its passage, as in the Charter in such cases is made and provided.

PASSED AND APPROVED this _____ day of _____, 2002.

Mayor
Town of Addison, Texas

ATTEST:

By: _____
City Secretary
Town of Addison, Texas

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

BEING a description of a 0.2532 acre (11,027 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being all of Lot 3, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of the Deed Records of Dallas County, Texas, said Lot being conveyed to Metro Brick Company, Inc. on September 11, 1996 and recorded in Volume 96180, Page 02908 of said Deed Records, Deed calls for Lot 3 of block 1 of said addition; said 0.2532 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a point at the North end of a cut back corner located at the Northwest intersection of Addison Road (variable width) as dedicated by said plat of Addison Car Care with Arapho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said point also being the most Easterly Southeast corner of said Lot 3, from said point an "X" in concrete found bears North $44^{\circ}45'45''$ West, a distance of 4.24 feet;

THENCE, SOUTH $44^{\circ}45'45''$ WEST (called SOUTH $48^{\circ}17'$ WEST by plat), along said cut back corner and the Southeast line of said Lot 3 a distance of 24.01 feet to an "X" in concrete found in the common existing North right of way line of said Arapaho Road and South line of said Lot 3, for the most Southerly Southeast corner of said Lot 3;

THENCE, SOUTH $89^{\circ}49'45''$ WEST (called NORTH $89^{\circ}39'$ WEST by plat), along said common line, a distance of 19.93 feet to a "PK" nail set for the beginning of a tangent curve to the left;

THENCE, WESTERLY, continuing along said common line and along the arc of said curve to the left having a radius of 730.00 feet, a central angle of $9^{\circ}42'42''$, a chord bearing South $84^{\circ}58'25''$ West for 123.59 feet, for an arc distance of 123.74 feet (called 123.82 feet by plat) to a point in a curve of the Southeasterly line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 270, Page 115 of said Deed Records, said point being the common Southwest corner of said Lot 3 and the Northwest corner of the dedication of said Arapaho Road by said plat of Addison Car Care;

PARCEL 1 - ARAPAHO ROAD PROJECT

THENCE, NORTHEASTERLY, departing said common line, along the common Northwesterly line of said Lot 3 and Southeasterly line of said called 3 & 48/100 acre tract, along the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet by plat), a central angle of 17°09'36", a chord bearing North 48°24'53" East for 213.04 feet, to 5/8 inch iron rod set for the Northeast corner of said Lot 3, being in the West Right Of Way line of said Addison Road (variable width) as dedicated by said plat;

THENCE, SOUTH 00°18'13" EAST, departing said common line along the common East line of said Lot 3 and West Right Of Way line of said Addison Road, a distance of 113.47 to the **POINT OF BEGINNING**;

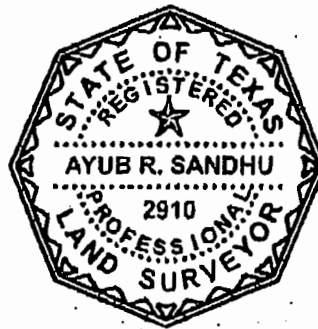
CONTAINING an area of 0.2532 acres or 11,027 square feet of land within the metes recited.

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 6/13/01
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



Law Offices Of Eddie Vassallo, P.C.

REGENCY PLAZA
3710 RAWLINS, SUITE 1200
DALLAS, TEXAS 75219-4276

August 8, 2001

TELEPHONE (214) 559-7200
TELECOPIER (214) 559-7209

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

Via CMRRR – 7106 4575 1294 0406 7330

Re: Lot 3, Block 1
Addison Car Care Addition to the Town of Addison
Recorded in Vol. 87111, Pg. 0286 in the Deed Records of Dallas County

Dear Mr. Murphy:

Please let this letter serve as formal notice that the Law Offices of Eddie Vassallo, P.C. have been retained to represent the interests of Mr. Dennis Calander, regarding the Town of Addison's acquisition of the above-referenced property. Please direct all further negotiations, inquiries and correspondence to our client by and through this office.

This letter shall further serve as evidence that the Law Offices of Eddie Vassallo, P.C. are authorized to serve as agents for any required notices, citations and/or other process as may be necessary to acquire the real property.

Pursuant to Tex. Prop. Code Ann. § 21.0111, you are requested to forward copies of any and all appraisal reports used or relied upon in determining the final valuation offer. We would further like the opportunity to participate in the nomination or selection of the Special Commissioners who may be appointed to serve in the administrative hearing.

Should you have any questions regarding our representation and authority, please feel free to call me at your convenience.

Very truly yours,

LAW OFFICES OF EDDIE VASSALLO, P.C.

Eddie Vassallo/cc

EDDIE VASSALLO

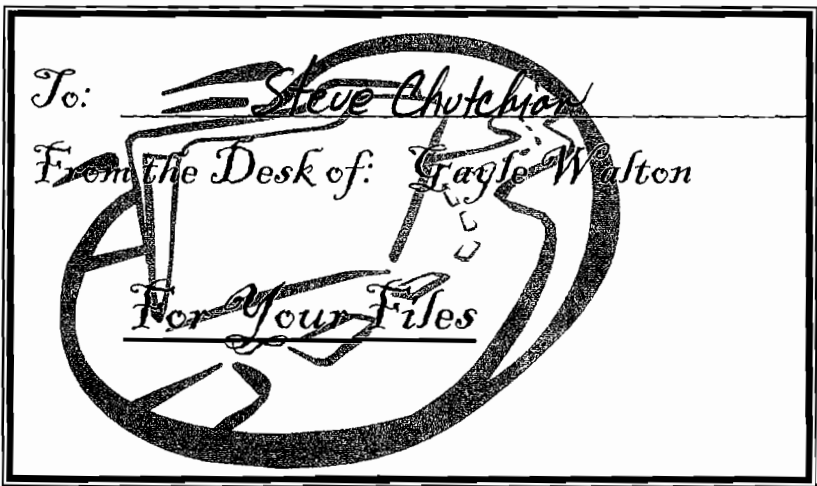
EV/cc

cc: Mr. Ron Whitehead
Addison City Manager

Via CMRRR – 7106 4575 1294 0406 7347

Mr. Dennis Calander

Via First Class Mail



**TOWN OF ADDISON, TEXAS
RESOLUTION NO. R03-090**

A RESOLUTION OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING THE CITY'S ATTORNEY TO ENTER INTO AN AGREED JUDGMENT IN CAUSE NO. CC-02-05062-E, *TOWN OF ADDISON V. METRO BRICK COMPANY, INC. AND DENNIS CALANDER, INDIVIDUALLY AND AS PRESIDENT OF METRO BRICK COMPANY, INC.*; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas, has instituted Cause No. CC-02-05062-E, styled *The Town of Addison vs. Metro Brick Company, Inc. and Dennis Calander, Individually and As President of Metro Brick Company, Inc.*, to acquire a certain tract of land needed for the extension of Arapaho Road; and

WHEREAS, the Special Commissioners appointed by the Court have rendered an award of \$95,150.00, which money has been deposited into the registry of the Court; and

WHEREAS, the parties have appeared before a court appointed mediator and reached a settlement of the hereinabove described case, the total settlement amount approved by the mediator and agreed to by the parties being the sum of \$155,150.00; and

WHEREAS, the City Council of the Town of Addison finds that it is in the public interest to settle this matter for said amount; Now, Therefore,

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

Section 1. That the City's attorney is hereby authorized to enter into an Agreed Judgment in *The Town of Addison vs. Metro Brick Company, Inc. and Dennis Calander, Individually and As President of Metro Brick Company, Inc.*, Cause No. CC-02-05062-E, effectively settling the matter by providing a total amount of \$155,150.00 as compensation for the property, allowable moving expenses, to save further costs and expense of litigation and to address any and all other matters as set forth in the pleadings on file in this Cause.

Section 2. That, as the Town has already deposited the Special Commissioners' Award of \$95,150.00 into the registry of the Court, the Director of Finance is hereby authorized to issue a check in the amount of \$60,000.00 payable to Metro Brick, Dennis Calander, and their attorney with the Law Offices of Eddie Vasallo, P.C. as full and final settlement of *The Town of Addison vs. Metro Brick Company, Inc. and Dennis Calander, Individually and As President of Metro Brick Company, Inc.*

Section 3. That this resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this 9th day of September, 2003.



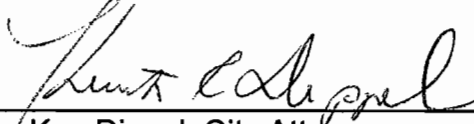
R. Scott Wheeler, Mayor

ATTEST:

By: 

Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: 

Ken Dippel, City Attorney

Steve Chutchian

From: Jim Pierce
Sent: Tuesday, May 06, 2003 9:46 AM
To: Steve Chutchian; Luke Jalbert
Subject: FW: Water customers

FYI

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

-----Original Message-----

From: David Wilde
Sent: Friday, May 02, 2003 4:29 PM
To: Jerry Davis
Cc: Phillip Kagarice; Ron Pelky; Jim Pierce
Subject: Water customers

Jerry,

We need to know positively all the buildings served by meter number 5527439 at 15293 Addison Rd. The engineers are trying to determine how to disconnect the water services at the old Metro Brick, and also the body shop and welding service, as those buildings are set to be demolished. Is there service to the old buildings in the back of that property? Are they metered with the Car Wash? We need definite information to avoid surprises later. Thank you for timely information.

Dave Wilde
Public Works Inspector
Town of Addison
PH: 972-450-2847

EDWARD COOK SURVEY

A-326

EXHIBIT "B"

LINE TABLE				
LINE	BEARING	CALLED	DIST	CALLED
L1	S 44°45'45" W	S48°17'W	24.01'	-
L2	S 89°49'45" W	N89°39'W	19.93'	19.93'
L3	EAST	-	9.48'	-
L4	N 44°55'56" E	-	43.76'	-
L5	S 00°18'13" E	-	21.64'	-

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	9°42'42"	730.00'	123.74'	S 84°58'25" W - 123.59'
C2	1°15'05"	714.00'	15.59'	N 40°27'38" E - 15.59'
C3	7°03'24"	890.00'	109.61'	N 86°28'18" E - 109.54'

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

CALLED 3 & 48/100 AC.
ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY OF TEXAS
JANUARY 15, 1902
VOL. 278, PG. 115
D.R.D.C.T.

LOT 3
BLOCK 1
ADDISON CAR CARE
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

METRO BRICK COMPANY, INC.
SEPTEMBER 11, 1996
VOL. 96180, PG. 02908
D.R.D.C.T.

AREA NEEDED FOR
ROADWAY PURPOSES
ARAPAHO ROAD
(60' R.O.W.)
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

PROPOSED ARAPAHO ROAD

(CALLED R = 713.94')

ADDISON ROAD

ARAPAHO ROAD



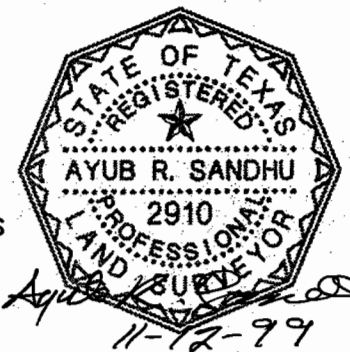
NOTES:

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.

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



PARCEL 1
A PLAT OF A
0.0380 ACRE (1,657 SQ. FT.)
TRACT OF LAND
IN THE EDWARD COOK SURVEY
ABSTRACT NO. 326
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.

EDWARD COOK SURVEY

A-326

PARCEL TO BE TAKEN

EXHIBIT "B"

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

CALLED 3 & 48/100 AC.
ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY OF TEXAS
JANUARY 15, 1902
VOL. 278, PG. 115
D.R.D.C.T.

LOT 3
BLOCK 1
ADDISON CAR CARE
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

METRO BRICK COMPANY, INC.
SEPTEMBER 11, 1996
VOL. 96180, PG. 02908
D.R.D.C.T.

ARAPAHO ROAD
(60' R.O.W.)
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

LINE TABLE			
LINE	BEARING	CALLED	DIST
L1	S 44°45'45" W	S48°17'W	24.01'
L2	S 89°49'45" W	N89°39'W	19.93'
L3	S 00°18'13" E	-	113.47'

CURVE TABLE						
CURVE	DELTA	RADIUS	CALLED	LENGTH	CALLED	CHORD
C1	9°42'42"	730.00'	-	123.74'	123.82'	S 84°58'25" W - 123.59'
C2	17°09'36"	714.00'	713.94'	213.04'	-	N 48°24'53" E - 213.04'



PROPOSED ARAPAHO ROAD

ADDISON ROAD

ARAPAHO ROAD

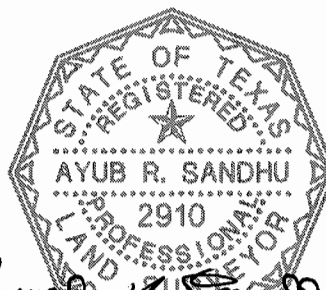
NOTES:

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.

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



Ayub R. Sandhu
6-13-01

A PLAT OF A
0.2532 ACRE (11,027 SQ. FT.)
TRACT OF LAND
IN THE EDWARD COOK SURVEY
ABSTRACT NO. 326
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.

Council Agenda Item:

Ok as noted

SUMMARY:

Arapaho Rd., Phase III Right-of-Way Acquisition from Lot 3, Block 1, Addison Car Care (Metro Brick)

FINANCIAL IMPACT:

Budgeted Amount: Not Budgeted

Cost: \$ 103,032

Budget Impact: Funds are available for right-of-way acquisition in Arapaho Road, Phase II/III, Project No. 83300

Bond

BACKGROUND:

The right-of-way acquisition process is currently underway on the proposed Arapaho Road, Phase III project. It was determined that a 1,657 square foot portion of land (see attached Parcel 1 map) at the northwest corner of Addison Road and the proposed extension of Arapaho Road is required as part of the proposed roadway improvements. This parcel is a portion of a tract of land on Lot 3, Block 1, Addison Car Care, and owned by Metro Brick Company, Inc. The attached Summary of Facts states a Just Compensation value of \$102,061, including damages to the remaining property, for the fee-simple taking of this parcel.

Public Works and Park & Recreation staff evaluated this location and determined that the Metro Brick Company site would also benefit the Town as a new hike & bike staging facility. Accordingly, a second appraisal was performed with the purpose of evaluating the fee-simple taking of the entire 11,363 square foot area of Lot 3, Block 1, Addison Car Care. The associated Summary of Facts states a Just Compensation value of \$103,032.

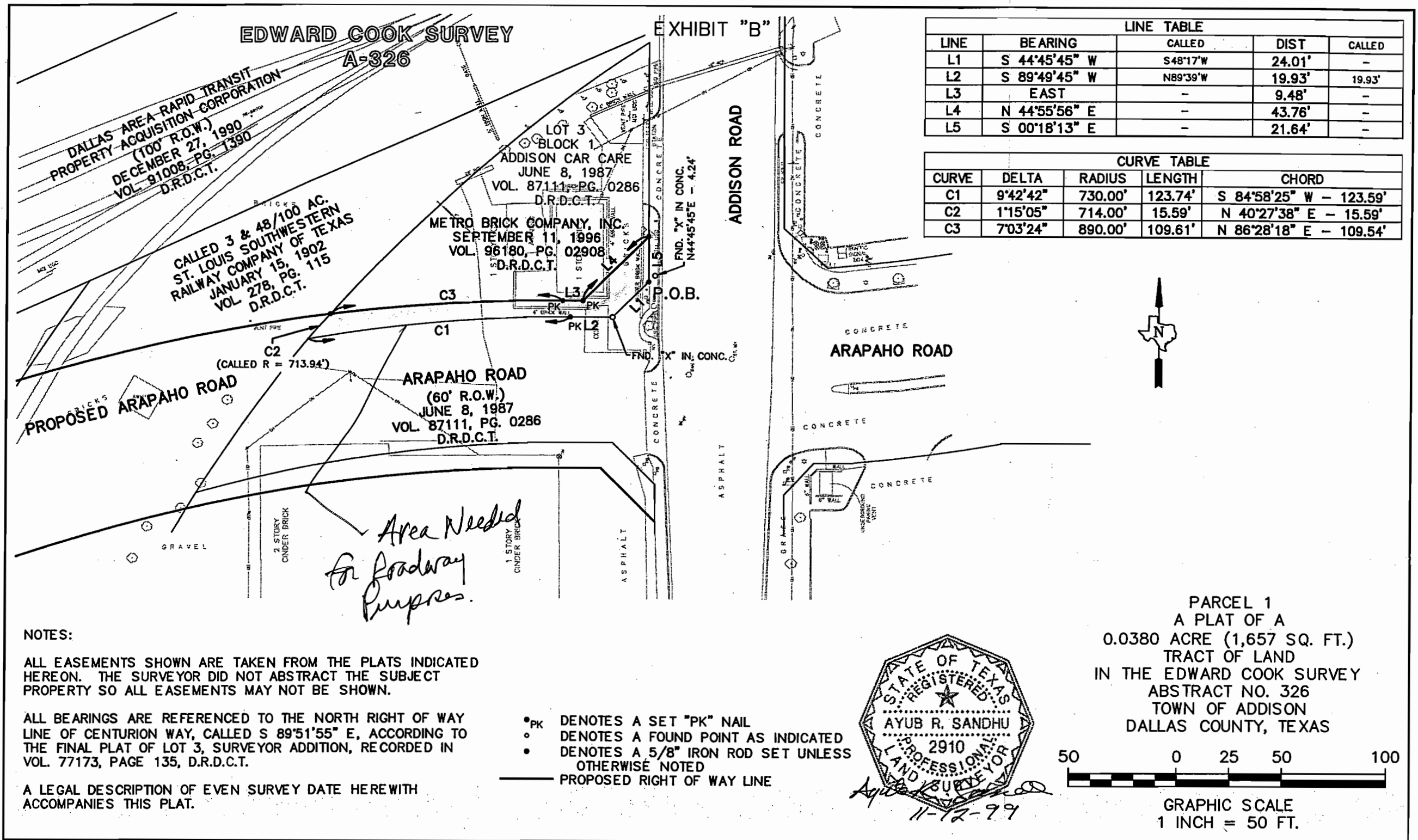
attached

RECOMMENDATION:

It is recommended that Council authorize the City Manager to offer a total of \$103,032 to Metro Brick Company, Inc., for the acquisition of the entire 11,363 square foot site on Lot 3, Block 1, Addison Car Care.

/pocket park

See attached map



Attach Map showing the entire property - color it and label accordingly

SUMMARY OF SALIENT FACTS

**±1,657 SF out of ±11,363 SF at the NW/c of Intersection of Addison Road/Arapaho Road
Metro Brick Company, Inc. - Owner
Addison, Texas**

Date of the Appraisal:	May 7, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±1,657 SF tract out of a ±11,363 SF tract, located at the NW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use:	
"As vacant":	To be assembled with adjacent railroad property for potential future uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach:	\$ N/A
Whole Property:	\$103,032
<u>Part Taken:</u>	\$ 15,275
<u>Remainder Before the Take:</u>	\$ 87,757
<u>Remainder After the Take:</u>	
Land Value:	\$ 971
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ 86,786
Final Value Estimate: JUST COMPENSATION	\$102,061

SUMMARY OF SALIENT FACTS

**A Whole Property Acquisition at the NW/c of Intersection of Addison Road/Arapaho Road
Metro Brick Company, Inc. - Owner
Addison, Texas**

Date of the Appraisal:	May 24, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±11,363 SF tract improved with an office/sales facility, located at the NW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use:	
"As vacant":	To be assembled with adjacent railroad property for potential future uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach:	\$ N/A
Whole Property:	\$103,032
<u>Part Taken:</u>	\$103,032
<u>Remainder Before the Take:</u>	\$ -0-
<u>Remainder After the Take:</u>	
Land Value:	\$ N/A
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ N/A
Final Value Estimate: JUST COMPENSATION	\$103,032

∴

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

BEING a description of a 0.2532 acre (11,027 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being all of Lot 3, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of the Deed Records of Dallas County, Texas, said Lot being conveyed to Metro Brick Company, Inc. on September 11, 1996 and recorded in Volume 96180, Page 02908 of said Deed Records, Deed calls for Lot 3 of block 1 of said addition; said 0.2532 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a point at the North end of a cut back corner located at the Northwest intersection of Addison Road (variable width) as dedicated by said plat of Addison Car Care with Arapaho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said point also being the most Easterly Southeast corner of said Lot 3, from said point an "X" in concrete found bears North $44^{\circ}45'45''$ West, a distance of 4.24 feet;

THENCE, SOUTH $44^{\circ}45'45''$ WEST (called SOUTH $48^{\circ}17'$ WEST by plat), along said cut back corner and the Southeast line of said Lot 3 a distance of 24.01 feet to an "X" in concrete found in the common existing North right of way line of said Arapaho Road and South line of said Lot 3, for the most Southerly Southeast corner of said Lot 3;

THENCE, SOUTH $89^{\circ}49'45''$ WEST (called NORTH $89^{\circ}39'$ WEST by plat), along said common line, a distance of 19.93 feet to a "PK" nail set for the beginning of a tangent curve to the left;

THENCE, WESTERLY, continuing along said common line and along the arc of said curve to the left having a radius of 730.00 feet, a central angle of $9^{\circ}42'42''$, a chord bearing South $84^{\circ}58'25''$ West for 123.59 feet, for an arc distance of 123.74 feet (called 123.82 feet by plat) to a point in a curve of the Southeasterly line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 278, Page 115 of said Deed Records, said point being the common Southwest corner of said Lot 3 and the Northwest corner of the dedication of said Arapaho Road by said plat of Addison Car Care;

PARCEL 1 - ARAPAHO ROAD PROJECT

THENCE, NORTHEASTERLY, departing said common line, along the common Northwesterly line of said Lot 3 and Southeasterly line of said called 3 & 48/100 acre tract, along the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet by plat), a central angle of 17°09'36", a chord bearing North 48°24'53" East for 213.04 feet, to 5/8 inch iron rod set for the Northeast corner of said Lot 3, being in the West Right Of Way line of said Addison Road (variable width) as dedicated by said plat;

THENCE, SOUTH 00°18'13" EAST, departing said common line along the common East line of said Lot 3 and West Right Of Way line of said Addison Road, a distance of 113.47 to the **POINT OF BEGINNING**;

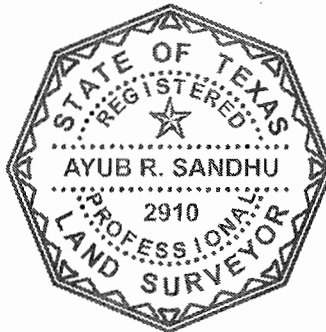
CONTAINING an area of 0.2532 acres or 11,027 square feet of land within the metes recited.

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 6/13/01
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



TRANSMITTAL FORM



5910 N. Central Expressway, Suite 1000, Dallas,
Texas 75206
(214) 739-3152 Fax: (214) 750-8823

- Via Regular Mail
- Via Fax
- Via Courier..... Next a.m.
- Via ARS Personnel
- Via Client Pickup
- Via Lone Star/Fed Ex

To TOWN OF ADDISON PUBLIC WORKS
16801 WESGROVE
ADDISON, TX 75001

Attn STEVE CHUTCHIAN

Date July 13, 2001
ARS Ref. # 302-01-061
Project ARAPAHO ROAD EXTENSION
LAND AT NW CORNER OF ARAP. AND ADD.

The following items are being transmitted for your:

- Review/Comments
- Signature
- Use
- Approval
- Files
- Please return
- Information
copy(ies) for our files

<u>Qty</u>	<u>Description of Items</u>	<u>Remarks</u>
2 Ea.	Signed and Sealed Parcel Map	

Distribution

Master File Ayub
Project File

Hugh Knight
Transmitted By



*THIS WORK IS
DELAYED UNTIL
AFTER BIDDING*

REVISED

December 30, 2002

Steven Z. Chutchian, P.E., R.P.L.S.
Assistant City Engineer
Town of Addison
16801 Westgrove
P.O. Box 9010
Addison, Texas 75001-9010

**RE: Platting and Surveying Services for Town of Addison
Addison, Texas
DTE Job 0244**

Dear Steve:

DAL-TECH Engineering, Inc. is pleased to resubmit our revised fee proposal per Mr. Jim Pierce's comments, to perform the necessary services to prepare plats for two (2) parcels of property located at the intersections of Arapaho Road and Addison Road, and Arapaho Road and Surveyor's Boulevard, per our meeting of December 19, 2002 and documents provided to us by your office. Our budget estimate for each of the two plats is as follows:

1. Plat of area owned by the City of Addison and containing "Parcel 14" of the proposed Arapaho Road (at intersection of Arapaho Road and Surveyor Boulevard):

DESCRIPTION	HOURS	RATE	COST
2-Man Field Party	22	\$122.00	\$2,684.00
1 Man w/GPS	5	\$150.00	\$ 750.00
Principal	4	\$160.00	\$ 640.00
RPLS	20	\$ 84.00	\$1,680.00
Survey Technician	35	\$ 68.50	\$2,397.50
Secretary/Typist	10	\$ 44.00	\$ 440.00
Abstractor	6	\$ 50.00	\$ 300.00
Reproduction (Lump Sum)			\$ 225.00
Travel Expenses			
TOTAL BUDGET			\$ 9,116.50

2. Replat of Lot 3, Block 1, Addison Car Care Addition (contains "Parcel 1" – at intersection of Arapaho Road and Addison Road) of the proposed Arapaho Road:

DESCRIPTION	HOURS	RATE	COST
2-Man Field Party	22	\$122.00	\$2,684.00
1 Man w/GPS	5	\$150.00	\$ 750.00
Principal	4	\$160.00	\$ 640.00
RPLS	20	\$ 84.00	\$1,680.00
Survey Technician	35	\$ 68.50	\$2,397.50
Secretary/Typist	10	\$ 44.00	\$ 440.00
Abstractor	6	\$ 50.00	\$ 300.00
Reproduction (Lump Sum)			\$ 225.00
Travel Expenses			
TOTAL BUDGET			\$ 9,116.50

The total proposed fee for both plats is **\$18,233.00**. We are prepared to commence this survey upon your authorization. We propose to complete this work in 25 working days. Please advise if you have any questions regarding this estimate.

Sincerely,
DAL-TECH Engineering, Inc.



Sedi A. Toumani, P.E.
SAT/dkj

DAL-TECH Engineering, Inc.
17311 Dallas Parkway
Suite 200
Dallas, Texas 75248
972-250-2727
972-250-4774 Fax

FAX TRANSMITTAL

To: Mr. Steve Chutchian, P.E.
Town of Addison

Fax No: (972) 450-2837

From: Sedi A. Toumani, P.E.

Subject: Revised Fee Proposal for
Platting and Surveying Services

Date: December 30, 2002

Total Pages: 3 (including cover)

Mr. Chutchian,

Please review the attached revised fee proposal and let us know if this is acceptable, so that we can send you the originals.

If you have any questions, please do not hesitate to give me a call.

Sedi



December 20, 2002

VIA HAND DELIVERY

Steven Z. Chutchian, P.E., R.P.L.S.
 Assistant City Engineer
 Town of Addison
 16801 Westgrove
 P.O. Box 9010
 Addison, Texas 75001-9010

**RE: Platting and Surveying Services for Town of Addison
 Addison, Texas
 DTE Job 0244**

Dear Steve:

DAL-TECH Engineering, Inc. is pleased to submit our fee proposal to perform the necessary services to prepare plats for two (2) parcels of property located at the intersections of Arapaho Road and Addison Road, and Arapaho Road and Surveyor's Boulevard, per our meeting of December 19, 2002 and documents provided to us by your office. Our budget estimate for each of the two plats is as follows:

1. Plat of area owned by the City of Addison and containing "Parcel 14" of the proposed Arapaho Road (at intersection of Arapaho Road and Surveyor Boulevard):

DESCRIPTION	COST
3-Man Field Party	\$3,780.00
Principal	\$ 640.00
RPLS	\$1,680.00
Project Coordinator	\$1,450.00
Survey Technician	\$2,150.00
Secretary/Typist	\$ 433.00
Reproduction (Lump Sum)	\$ 225.00
Travel Expenses	
TOTAL BUDGET	\$10,358.00

2. Replat of Lot 3, Block 1, Addison Car Care Addition (contains "Parcel 1" – at intersection of Arapaho Road and Addison Road) of the proposed Arapaho Road:

DESCRIPTION	COST
3-Man Field Party	\$3,490.00
Principal	\$ 590.00
RPLS	\$1,650.00
Project Coordinator	\$1,345.00
Survey Technician	\$2,100.00
Secretary/Typist	\$ 433.00
Reproduction (Lump Sum)	\$ 225.00
Travel Expenses	
TOTAL BUDGET	\$ 9,833.00

The total proposed fee for both plats is **\$20,191.00**. We are prepared to commence this survey upon your authorization. We propose to complete this work in 25 working days. Please advise if you have any questions regarding this estimate.

Sincerely,
DAL-TECH Engineering, Inc.



Sedi A. Toumani, P.E.
SAT/dkj

AGREEMENT FOR PROFESSIONAL SERVICES

Between DAL-TECH Engineering, Inc. and Town of Addison

THIS AGREEMENT, entered into at Addison, Dallas County, Texas, on the 20th day of December, 2002, by and between Town of Addison, hereinafter called "CLIENT," and DAL-TECH Engineering, Inc., a Dallas corporation, hereinafter called "DAL-TECH," is as follows:

The CLIENT engages DAL-TECH to perform professional services for a project described as Platting and Surveying Services for Town of Addison

The CLIENT and DAL-TECH, for mutual consideration hereinafter set forth, agree as follows:

- A. DAL-TECH agrees to provide and perform certain professional services for CLIENT upon the Project as follows: See Attached "Fee Proposal"
- B. CLIENT agrees to pay DAL-TECH as compensation for its services as follows: Lump Sum fee \$20,191.00 for listed services on attached "Fee Proposal" to be paid monthly as the work progresses.
- C. Period in which services are to be rendered: Twenty Five (25) Working Days

1. **AUTHORIZATION FOR WORK TO PROCEED**

Signing of this AGREEMENT for services shall be authorization by the CLIENT for DAL-TECH to proceed with the work, unless stated otherwise in the WORK AUTHORIZATION/AGREEMENT.

2. **STANDARD OF PRACTICE**

Services performed by DAL-TECH under this AGREEMENT will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, expressed or implied, and no warranty or guarantee is included or intended in this AGREEMENT, or in any report, opinion, document or otherwise.

3. **BILLING AND PAYMENT**

The CLIENT, recognizing that timely payment is a material part of the consideration of this AGREEMENT, shall pay DAL-TECH for services performed in accordance with the rates and charges set forth herein. Invoices will be submitted by DAL-TECH on a monthly basis and shall be due and payable within thirty (30) calendar days of invoice date. If the CLIENT objects to all or any portion of an invoice, the CLIENT shall so notify DAL-TECH in writing within ten (10) calendar days of receipt of the bill in question, and pay when due that portion of the invoice, not in dispute.

4. LIMITATION OF LIABILITY

In order for the CLIENT to obtain the benefits of a fee which includes a lesser allowance for risk funding, the CLIENT agrees to limit DAL-TECH's liability arising from DAL-TECH's professional acts, errors or omissions, such that the total aggregate liability of DAL-TECH shall not exceed DAL-TECH's total fee for the services rendered on this project.

5. CONSEQUENTIAL DAMAGES

The CLIENT shall not be liable to DAL-TECH and DAL-TECH shall not be liable to the CLIENT for any consequential damages incurred by either due to the fault of the other, regardless of the nature of this fault, or whether it was committed by the CLIENT or DAL-TECH, their employees, agents or subcontractors. Consequential damages include, but are not limited to loss of use and loss of profit.

6. TERMINATION

In the event termination becomes necessary, the party (CLIENT or DAL-TECH) effecting termination shall so notify the other party and termination shall so notify the other party and termination will become effective fourteen (14) calendar days after receipt of the termination notice. Irrespective of which party shall effect termination or the cause of termination, the CLIENT shall within thirty (30) calendar days of termination remunerate DAL-TECH for services rendered and costs incurred up to the effective time of termination, in accordance with DAL-TECH's prevailing fee schedule and expense reimbursement policy.

7. ADDITIONAL SERVICES

Any services beyond those specified will be provided for separately under an additional Work Authorization or amended Work Authorization.

IF ANY ONE OR MORE OF THE PROVISIONS CONTAINED IN THIS AGREEMENT SHALL BE HELD UNENFORCEABLE, THE ENFORCEABILITY OF THE REMAINING PROVISIONS SHALL NOT BE IMPAIRED.

IN WITNESS WHEREOF, the parties hereto have accepted, made and executed this agreement upon the terms, conditions, and provisions above stated, and on the reverse side hereof, the day and year first above written.

DAL-TECH Engineering, Inc. Officer

Town of Addison, Client

Signature: *Sedi Tourani*

Signature: _____

By: *Sedi Tourani*

By: _____

Title: *President*

Title: _____

12-26-02

Steve - I talked to
about this and they don't even use
3 man crews anymore. They use 2
man crews mostly. Sometimes they
use a one man crew. With today's
technology, that's all that is needed.
They may use a 3 man if the
extra man is needed for safety
(flagman) for busy highway work.

2 man crew = \$ 120/hr.

1 man crew = \$160/hr - this is
a "GPS" crew and they have to rent
the GPS equipment.

ARS normal charges:

RPLS	\$ 80-90 /hr
Tech	\$ 55-70 /hr
2 man crew	\$ 75-100/hr
3 man crew	\$ 105-120/hr
Admin	\$ 35-45 /hr
Abstractor	\$ 50 /hr

Parcel 14

- analysis

Assuming \$120/hr for a field crew

$$\frac{3780}{120} = 31.5 \text{ hours}$$

Is this reasonable field time?

Principal \$640 @ \$160/hr = 4 hrs
OK

RPLS $\frac{1680}{80} = 21 \text{ hrs}$ looks a little hi

Project Coordinator \$1,450 don't know
what this is for - Research?

Survey Technician $\frac{\$2150}{65} = 33 \text{ hrs}$ OK

This guy does most of the work - prepares drawing, notes, etc.

Secretary $\frac{\$433}{40} = 10.8 \text{ hrs}$ OK

Analysis of Addison Car Care would be similar

job.

HIPES & ASSOCIATES
7557 Rambler Road
Suite 260, LB 25
Dallas, Texas 75231
(214) 739-5941

Facsimile Transmittal

To: STEVEN Z. CHUTCHIAN

Fax #: 972.450.2837

From: Mark A. Hipes

Date: 2 January 2003

Matter: Metro Brick - Summary Page

Pages: 2

COMMENTS:

Steve Chutchian

From: Michael Murphy
Sent: Tuesday, December 31, 2002 2:07 PM
To: Ron Whitehead; Chris Terry
Cc: Jim Pierce; Steve Chutchian
Subject: FW: Metro Brick

Gents,

Below is the latest from our attorney's regarding Metro Brick,

Call with any questions.....

-----Original Message-----

From: MIGHELL, TOM [mailto:tmighell@cowlesthompson.com]
Sent: Tuesday, December 31, 2002 11:48 AM
To: 'mmurphy@ci.addison.tx.us'
Cc: HILL, JOHN; DIPPEL, KEN
Subject: Metro Brick

We met today to discuss our plan of action with regard to Metro Brick. This week, we are going to propose that Metro Brick and Addison enter into an Interim Agreed Order on both pieces of property, as follows:

1. Metro Brick will vacate both parcels on or before February 15, 2003;
2. Metro Brick will pay rent due from September 2002 through February 15, 2003;
3. Metro Brick will allow Addison representatives to enter the property for the purpose of environmental and other testing necessary to prepare the property for demolition and construction;
4. If Metro Brick does not vacate by February 15, Addison will have the sheriff serve a Writ of Possession on both pieces of property, and evict Metro Brick from the premises at their expense.

I (or John) will get back to you when we hear a response from Metro Brick.

Please let me know if you have any questions.

Have a Happy New Year!

Tom

Tom Mighell
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202
(214) 672-2181
(214) 672-2381 (Fax)
tmighell@cowlesthompson.com
<http://www.cowlesthompson.com>

Steve Chutchian

From: Michael Murphy
Sent: Monday, December 16, 2002 1:56 PM
To: Ron Whitehead; Chris Terry
Cc: Steve Chutchian; Jim Pierce
Subject: FW: Metro Brick

Guys,

Below is a message from John Hill detailing the decision of the JP hearing last week regarding Metro Brick.

Call with any questions. Mike

-----Original Message-----

From: HILL, JOHN [mailto:jhill@cowlesthompson.com]
Sent: Monday, December 16, 2002 10:44 AM
To: Mike Murphy (E-mail)
Cc: DIPPEL, KEN; MIGHELL, TOM
Subject: Metro Brick

*

IMPORTANT/CONFIDENTIAL: This message contains information from the law firm of Cowles & Thompson, P.C. 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

**

Mike--as we discussed this morning, the JP Court entered a Judgment dated December 12, 2002 in the Metro Brick forcible entry and detainer matter. I will fax a copy of the Judgment to you today. The terms of the Judgment and the process for Metro Brick to file an appeal from the Judgment are as follows:

The Judgment provides that the Town of Addison shall have:

1. Possession of the premises;
2. Rent owed in the sum of \$2,382.07;
3. Attorney Fees of \$1,000.00
4. Interest on the judgment at 10% per annum.

Although it's not stated, Metro Brick must vacate the premises within 5 days of the Judgment, which means that legally Metro Brick must vacate by tomorrow, December 17. After that, the Town is entitled to have the court enter a writ of possession, so that the sheriff can remove Metro Brick from the premises.

Metro Brick has a right of appeal -- this is to the County Court, and it is trial de novo. They may do so by filing an appeal bond by December 17. Failure to file an appeal bond by this date deprives the County Court of jurisdiction. Within 5 days of filing the appeal bond, Metro Brick must provide the Town with notice of the appeal.

When the appeal is perfected, further proceedings in the JP court (i.e., the writ of possession) are suspended. The JP Court must file a transcript with the County Court "immediately", but no specific time limit is prescribed. After the transcript is on file 8 days, the case is subject to trial at any time. We would need to contact the specific court once the appeal is filed to determine their procedure on scheduling FED appeals for trial.

We will let you know once we determine whether or not Metro Brick has filed an appeal bond.

If you have any questions or desire any additional information, please let me know.

John

7002 0860 0004 9719 5372

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42

ADDISON TX 75001
 OCT 28 2002
 Postmark Here
 USPS

Sent To: *Mr. Dennis Calender - Metro Back*
 Street, Apt. No., or PO Box No.: *15301 Addison Rd.*
 City, State, ZIP+4: *DALLAS COUNTY, TX 75001*
 PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Received by (Please Print Clearly) <i>Josephine Hickman</i> B. Date of Delivery <i>10/29</i></p> <p>C. Signature <i>Josephine Hickman</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p><i>Mr. Dennis Calender Metro Back Company 15301 Addison Road DALLAS, TX 75001 County</i></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Certified Mail Only)</p> <p><i>7002</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A signature upon delivery
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail or Priority Mail.
- Certified Mail is not available for any class of International mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

PS Form 3800, April 2002 (Reverse)

102595-02-M-1132

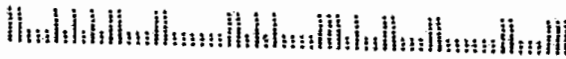
UNITED STATES POSTAL SERVICE



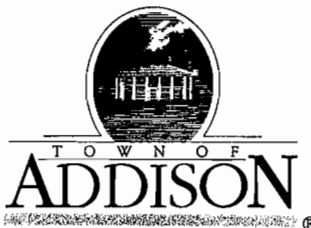
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-16

• Sender: Please print your name, address, and ZIP+4 in this box •

Mike Murphy
TOWN of Addison
P.O. Box 9010
16801 Westgrove
Addison, TX 75001



Metro-Brick



OFFICE OF THE CITY MANAGER
Post Office Box 9010 Addison, Texas 75001-9010

(972) 450-7001 • FAX (972) 450-7043
5300 Belt Line Road

October 24, 2002

*Certified # 7002 0860
0004 9719 5372*

Mr. Dennis Calander
Metro Brick Company
15301 Addison Road
Dallas County, TX 75001

Re: Lease of Property Located at 15301 Addison Road, Addison, Texas

Dear Mr. Calander:

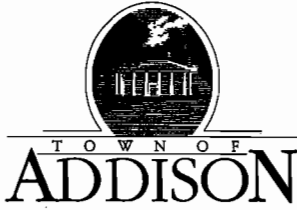
Your annual rent for the above-referenced property was due September 1, 2002. As your lease of the property is terminated effective November 1, 2002, we have prorated the amount due to cover the months of September and October 2002 only. Based on your current annual rent of \$8,694.56, the amount due is \$1,449.10. **Please deliver or forward a check made out to the Town of Addison in the amount of \$1,449.10 no later than October 31, 2002 to the following address:**

Mr. Ron Whitehead
City Manager
Town of Addison
P.O. Box 9010
5300 Belt Line Road
Addison, Texas 75001-9010

Thank you for your attention to this matter.

Sincerely,

Ron Whitehead
City Manager



OFFICE OF THE CITY MANAGER

(972) 450-7001 • FAX (972) 450-7043

Post Office Box 9010 Addison, Texas 75001-9010

5300 Belt Line Road

September 20, 2002

Mr. Dennis Calander
Metro Brick Company
15301 Addison Road
Dallas County, TX 75001

**Re: Notice of Termination of Lease of Property Located at 15301 Addison Road,
Addison, Texas 75001**

Dear Mr. Calander:

On December 21, 2001, the Town of Addison, Texas (the "City") purchased certain land from the Union Pacific Railroad Company. At the time of the purchase, a portion of that land was the subject of a Lease Agreement entered into on September 20, 1997 by and between St Louis Southwestern Railway Company, as Landlord, and Metro Brick Company, as Tenant (the "Lease Agreement"). The City has succeeded to the interests of and is the Landlord under the Lease. Pursuant to Section 13B of Exhibit B of the Lease, you are hereby notified that the Lease is **terminated effective November 1, 2002**. You must surrender the property to the Town of Addison on or before November 1, 2002.

As provided by Section 15 of Exhibit B of the Lease Agreement, you must remove from the leased premises all structures, property and other materials not belonging to the Town by or before November 1, 2002, and restore the surface of the ground to as a good a condition as the same was in before such structures were erected or such materials were thereon placed. If restoration and removal cannot be completed by November 1, 2002, please contact the City's Director of Public Works, Mr. Mike Murphy, at 972-450-2871 and additional time may be provided for you to complete this requirement. Any additional time provided shall not extend beyond December 1, 2002. If restoration and removal are not completed by December 1, 2002, the Town may exercise its options under Section 15B of Exhibit B of the Lease Agreement, or it may seek other remedies pursuant to the terms of the Lease Agreement or as otherwise allowed by law.

Sincerely,

Ron Whitehead
City Manager

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

STEVE,

PLEASE FILE.

Mike

Addison!

**PUBLIC WORKS
MEMORANDUM**

FAX COVER SHEET

TO: David A Johnson
FAX (214) 672-2020

FROM: Mike Murphy, Director of Public Works/Addison
FAX # (972) 450-2837
Off # (972) 450-2878

SUBJ: Metro Brick Forcible Detainer/Right of Possession

DATE: November 22, 2002
(number of pages - 7)

David,

Please find attached a signed and sealed copy of the Forcible Detainer Verification.

We did have one question. If Metro Brick decides to vacate the property but leaves the Brick surplus behind, what do we do with all of the brick?

Call with any questions:....

Mike



COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



FACSIMILE COVER PAGE

Date: November 21, 2002 Time: _____

Total Number of Pages (including this sheet): 6

Normal/Rush: Normal Client/Matter #: 3305-60972

TO: (1) **Chris Terry** FAX: **972-450-2837**

FROM: **David A Johnson** Direct Dial #: **(214) 672-2186**

MESSAGE: **Town of Addison v Metro Brick: Please sign verification, have it notarized and return to me. Thanks!**

**IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION,
PLEASE CALL OUR SERVICE CENTER
AT (214) 672-2508
or Christy Trimble at (214) 672-2570**

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.

CAUSE NO. _____

TOWN OF ADDISON
Plaintiff,

§
§
§
§
§
§
§
§

IN THE JUSTICE COURT

V.

METRO BRICK COMPANY, INC., and
DENNIS CALANDER,
Defendants.

PRECINCT 3, PLACE A

DALLAS COUNTY, TEXAS

COMPLAINT FOR FORCIBLE DETAINER

COMES NOW, TOWN OF ADDISON, Plaintiff, and complains of METRO BRICK COMPANY, INC. and DENNIS CALANDER and for cause of action respectfully represents to the Court the following:

Parties and Service of Citation

1. Plaintiff Town of Addison is a municipal corporation duly formed and existing under the laws of the State of Texas, and having its location in Dallas County, Texas.

2. Defendant Metro Brick Company, Inc. is a corporation duly formed and existing under the laws of the State of Texas, and may be served by service on its President, Dennis Calander, at 15301 Addison Road, Dallas, Dallas County, Texas, 75001.

3. Defendant Dennis Calander is an individual residing in Dallas County, Texas, who may be served at his place of business, Metro Brick, Inc., 15301 Addison Road, Dallas, Dallas County, Texas, 75001.

Facts

4. The Town of Addison is the owner of certain land in Addison, Dallas County, Texas, (the "Subject Property") as more particularly described in the Special Warranty Deed from Union Pacific Railroad Company to the Town of Addison, a copy of which is attached hereto as Exhibit A and incorporated herein. The Town of Addison is also the assignee, owner

and holder of the landlord's interest in that certain Lease agreement ("Lease") with lessee Metro Brick Company dated September 20, 1997, and relating to the Subject Property. A true copy of the Assignment and Assumption Agreement regarding the Lease is attached hereto as Exhibit B and incorporate herein by reference. A true copy of the Lease is attached to the Assignment and Assumption Agreement.

5. Defendants are presently occupying the Subject Property pursuant to the Lease

6. The Lease is terminable without cause upon 30 days' notice. Section 13(B) of the

Lease states:

Notwithstanding the term of this Lease set forth in Article II.A., Lessor or Lessee may terminate this Lease without cause upon thirty (30) days' notice to the other party; provided, however, that at Lessor's election, no such termination by Lessee shall be effective unless and until Lessee has vacated and restored the Premises as required in Section 13(A), at which time Lessor shall refund to Lessee, on a pro rata basis, any unearned rental paid in advance.

7. On September 20, 2002, the Town of Addison served written Notice of Termination validly terminating the Lease as of November 1, 2002 and demanding that Defendants vacate the Subject Property. This written notice was served upon Defendants in full compliance with Section 13(B) of the Lease.

Forcible Detainer/Right of Possession

8. The Town of Addison is entitled to immediate possession of the Subject Property. The Defendants, despite notice and demand to vacate the property, have failed, refused, and continue to fail and refuse to vacate the Subject Property and remove all property and materials they placed thereon, thereby committing a forcible detainer and breach of the Lease. The Town of Addison is therefore entitled to and seeks judgment for restitution and possession of the Subject Property.

Claim for Unpaid Rent

9. The terms of the lease agreement provided for rent to be paid to the Plaintiff in the amount of \$7,500.00 per year, with a three percent (3%) increase annually compounded increase. The total amount owed by Defendants on September 1, 2002 was \$8,694.56. This amount was prorated due to the termination of the lease, and a demand for payment of \$1,449.10 was made on October 24, 2002. The Defendants have failed and refused and continue to fail and refuse to pay the rental owed. Moreover, the Defendants' holding over after the expiration of the lease agreement entitles the Town of Addison to additional rent in an undetermined amount within the jurisdictional limits of this Court.

Attorneys' Fees and Court Costs

10. Exhibit B, Section 20 of the Lease states the following:

If either party retains an attorney to enforce this Lease (including, without limitation, the indemnity provisions of this Lease), the prevailing party is entitled to recover reasonable attorneys' fees.

Under this provision of the Lease, Plaintiff is entitled to recover attorney's fees in a sum that is reasonable in relation to the amount of work expended in preparation and trial of this cause. This amount of attorneys' fees to which Plaintiff is entitled is currently undetermined but is within the jurisdictional limits of this Court. Further, Plaintiff is entitled to recover all costs of court in this matter under Texas Property Code §24.006(d).

WHEREFORE, PREMISES CONSIDERED, Plaintiff The Town of Addison prays that Defendants be cited to appear and answer, and that on final trial Defendants be adjudged guilty of forcible detainer, a writ of possession be issued giving Plaintiff its rightful possession of the leased property, restitution of the leased property be made to Plaintiff, the Plaintiff recover from the Defendants rents due within the jurisdictional limits of this Court, the Plaintiff recover

from the Defendants attorneys' fees within the jurisdictional limits of this Court, that Plaintiff recover all costs of court, and for such other and further relief, both at law and in equity, to which it may show itself justly entitled.

Respectfully submitted,

COWLES & THOMPSON, P.C.

By: _____

SIM ISRAELOFF
Texas Bar No. 10435380

THOMAS L. MIGHELL
Texas Bar No. 14028020

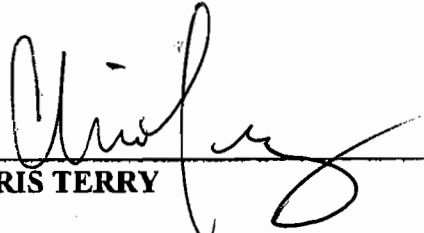
901 Main Street, Suite 4000
Dallas, TX 75202
(214) 672-2000
(214) 672-2020 (Fax)

**ATTORNEYS FOR PLAINTIFF
TOWN OF ADDISON, TEXAS**

VERIFICATION

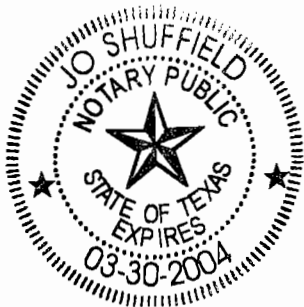
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

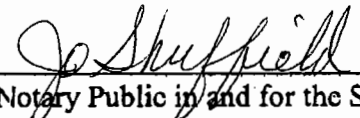
Before me, the undersigned authority, on this day personally appeared Chris Terry, known to me to be a person of lawful age, qualified in all respects to make this Verification, and who, being first duly sworn upon oath states and affirms that he is the Assistant City Manager for the Town of Addison, the Plaintiff in the above-captioned cause, that he has read the Plaintiff's Complaint for Forcible Detainer, and that he has either personal knowledge, or knowledge from public records, of all facts stated in the Complaint of Forcible Detainer, each of which is true and correct.



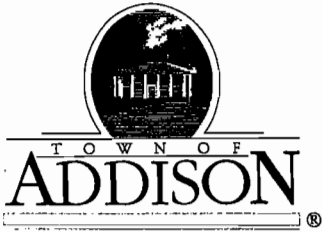
CHRIS TERRY

SWORN TO AND SUBSCRIBED before me by Chris Terry on this 21 day of October, 2002, to certify which witness my hand and official seal.





Notary Public in and for the State of Texas



Post Office Box 9010

Addison, Texas 75001-9010

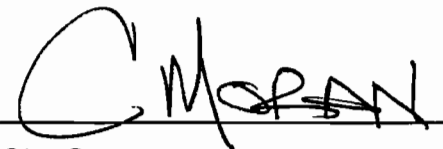
5300 Belt Line Road

(972) 450-7000
FAX (972) 450-7043

TO WHOM IT MAY CONCERN

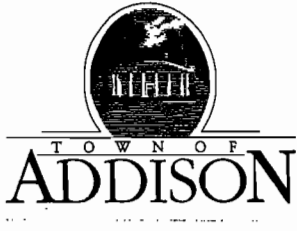
Please be advised that the attached document is a true and correct copy of a letter to Mr. Dennis Calander, dated September 20, 2002, which bears the signature of Ron Whitehead, City Manager.

Duly certified by Carmen Moran, City Secretary for the Town of Addison on the 19th day of November, 2002


City Secretary

ATTEST:

SEAL



OFFICE OF THE CITY MANAGER

(972) 450-7001 • FAX (972) 450-7043

Post Office Box 9010 Addison, Texas 75001-9010

5300 Belt Line Road

September 20, 2002

Mr. Dennis Calander
Metro Brick Company
15301 Addison Road
Dallas County, TX 75001

**Re: Notice of Termination of Lease of Property Located at 15301 Addison Road,
Addison, Texas 75001**

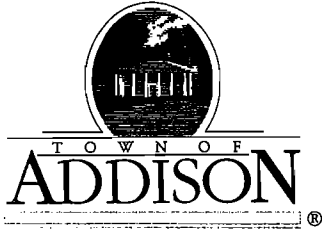
Dear Mr. Calander:

On December 21, 2001, the Town of Addison, Texas (the "City") purchased certain land from the Union Pacific Railroad Company. At the time of the purchase, a portion of that land was the subject of a Lease Agreement entered into on September 20, 1997 by and between St Louis Southwestern Railway Company, as Landlord, and Metro Brick Company, as Tenant (the "Lease Agreement"). The City has succeeded to the interests of and is the Landlord under the Lease. Pursuant to Section 13B of Exhibit B of the Lease, you are hereby notified that the Lease is **terminated effective November 1, 2002**. You must surrender the property to the Town of Addison on or before November 1, 2002.

As provided by Section 15 of Exhibit B of the Lease Agreement, you must remove from the leased premises all structures, property and other materials not belonging to the Town by or before November 1, 2002, and restore the surface of the ground to as a good a condition as the same was in before such structures were erected or such materials were thereon placed. If restoration and removal cannot be completed by November 1, 2002, please contact the City's Director of Public Works, Mr. Mike Murphy, at 972-450-2871 and additional time may be provided for you to complete this requirement. Any additional time provided shall not extend beyond December 1, 2002. If restoration and removal are not completed by December 1, 2002, the Town may exercise its options under Section 15B of Exhibit B of the Lease Agreement, or it may seek other remedies pursuant to the terms of the Lease Agreement or as otherwise allowed by law.

Sincerely,

Ron Whitehead
City Manager



Post Office Box 9010 Addison, Texas 75001-9010

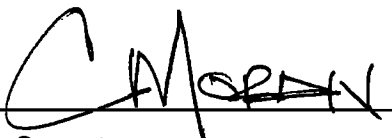
5300 Belt Line Road

(972) 450-7000
FAX (972) 450-7043

TO WHOM IT MAY CONCERN

Please be advised that the attached document is a true and correct copy of a letter to Mr. Dennis Calander, dated October 24, 2002, which bears the signature of Ron Whitehead, City Manager.

Duly certified by Carmen Moran, City Secretary for the Town of Addison on the 19th day of November, 2002



City Secretary

ATTEST:

SEAL



OFFICE OF THE CITY MANAGER
Post Office Box 9010 Addison, Texas 75001-9010

(972) 450-7001 • FAX (972) 450-7043
5300 Belt Line Road

October 24, 2002

Mr. Dennis Calander
Metro Brick Company
15301 Addison Road
Dallas County, TX 75001

Re: Lease of Property Located at 15301 Addison Road, Addison, Texas

Dear Mr. Calander:

Your annual rent for the above-referenced property was due September 1, 2002. As your lease of the property is terminated effective November 1, 2002, we have prorated the amount due to cover the months of September and October 2002 only. Based on your current annual rent of \$8,694.56, the amount due is \$1,449.10. **Please deliver or forward a check made out to the Town of Addison in the amount of \$1,449.10 no later than October 31, 2002 to the following address:**

Mr. Ron Whitehead
City Manager
Town of Addison
P.O. Box 9010
5300 Belt Line Road
Addison, Texas 75001-9010

Thank you for your attention to this matter.

Sincerely,

Ron Whitehead
City Manager

Steve Chutchian

From: Michael Murphy
Sent: Thursday, October 24, 2002 3:57 PM
To: Michele Covino
Cc: Steve Chutchian
Subject: FW: Metro Brick - Letter Re Prorated Rent

Importance: High



Metro Brick -
Prorated rent

Michele,

Please print the attached letter on City Manager letter head for Ron's sig. Please return to Public Works for delivery.

Thanks.....call with any questions.

-----Original Message-----

From: Washington, Angela [mailto:awashington@cowlesthompson.com]
Sent: Thursday, October 24, 2002 11:20 AM
To: 'mmurphy@ci.addison.tx.us'
Cc: DIPPEL, KEN; HILL, JOHN
Subject: Metro Brick - Letter Re Prorated Rent
Importance: High

Mike -

Pursuant to your meeting with John and Ken yesterday, enclosed is a letter to Metro Brick regarding rent due on the property. It should be sent or preferably hand delivered immediately as we are requiring payment no later than October 31, 2002. Let me know if you have any questions or changes.

Angela

<<Metro Brick - Prorated rent>>

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



THOMAS L. MIGHELL
214.672.2181
TMIGHELL@COWLESTHOMPSON.COM

October 31, 2002

Mr. Ron Whitehead
Town of Addison
P.O. Box 9010
Addison, Texas 75001-9010

Re: *Town of Addison vs. Metro Brick Company, Inc.*; Cause No. CC-02-05062-E
Our File No. 3305/60962

Dear Mr. Whitehead:

Please be advised that the court has set the above-referenced case for trial on **April 28, 2003, at 9:00 a.m.** The court has also appointed **Maxine Aaronson** as mediator, and has ordered that mediation take place before **March 28, 2003**. Please make a note of these dates on your calendar.

If you have any questions, please do not hesitate to give me a call.

Sincerely,

Thomas L. Mighell

TLM

cc: Mike Murphy
Ken Dippel
Sim Israeloff

Tom wants
to talk to Mr Dippel

1. Notice of Deposit
2. Motion
3. Motion

1. FILE A SEPARATE LAWSUIT (AN EVICTION SUIT)
2. FILE A SEPARATE ACTION
FORCEABLE ENTRY & RETAINER

September 20, 2002

Mr. Dennis Calander
Metro Brick Company
15301 Addison Road
Dallas County, TX 75001

**Re: Notice of Termination of Lease of Property Located at 15301 Addison Road,
Addison, Texas 75001**

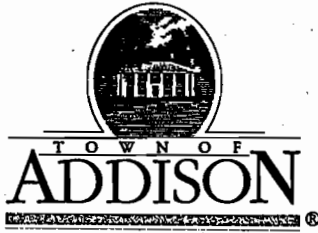
Dear Mr. Calander:

The Town of Addison, Texas (the "City") purchased certain land from the Union Pacific Railroad Company. At the time of the purchase, a portion of that land was the subject of a Lease Agreement entered into on September 20, 1997 by and between St Louis Southwestern Railway Company, as Landlord, and Metro Brick Company, as Tenant (the "Lease Agreement"). The City has succeeded to the interests of and is the Landlord under the Lease. Pursuant to Section 13B of Exhibit B of the Lease, you are hereby notified that the Lease is **terminated effective November 1, 2002**. You must surrender the property to the Town of Addison on or before November 1, 2002.

As provided by Section 15 of Exhibit B of the Lease Agreement, you must remove from the leased premises all structures, property and other materials not belonging to the Town by or before November 1, 2002, and restore the surface of the ground to as a good a condition as the same was in before such structures were erected or such materials were thereon placed. If restoration and removal cannot be completed by November 1, 2002, please contact the City's Director of Public Works, Mr. Mike Murphy, at 972-450-2871 and additional time may be provided for you to complete this requirement. Any additional time provided shall not extend beyond December 1, 2002. If restoration and removal are not completed by December 1, 2002, the Town may exercise its options under Section 15B of Exhibit B of the Lease Agreement, or it may seek other remedies pursuant to the terms of the Lease Agreement or as otherwise allowed by law.

Yours truly,

Ron Whitehead, City Manager
Town of Addison



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 16, 2001

Mr. Dennis Calander
Metro Brick Company, Inc.
15301 Addison Road
Addison, Tx 75001

**RE: Lot 3, Block 1
Addison Car Care Addition to the Town of Addison
Recorded in Vol. 87111, Pg. 0286 in the Deed Records of Dallas Co.**

Dear Mr. Calander:

In February 2000, the Town of Addison elected to sell bonds in order to fund six construction projects. Included in these projects is the extension of Arapaho Road, from Addison Road to Marsh Lane. At this time, we are in the right-of-way acquisition phase of the project, in order to extend Arapaho Road to the west.

The Town of Addison has determined the public need to acquire all of the tract of land that is owned by you and is currently occupied by Metro Brick Company, Inc. The public purpose for this land acquisition is the necessary right-of-way for the Arapaho Road project along with related municipal uses including public parks and open spaces. The firm of Hipes & Associates appraised the property on May 24, 2001. The attached summary sheet shows the fair market value of this whole taking is \$103,032. On June 26, 2001, the City Council of the Town of Addison authorized me to make an offer to purchase this 11,363 square foot tract of land at the appraisal value of \$103,032.

The Town of Addison requests that you respond to this offer of purchase within thirty (30) days of the date of this letter. If we do not hear from you within the thirty (30) days, the Town will consider its offer rejected and we will initiate eminent domain proceedings to acquire the property.

Should you have any questions, please feel free to contact Mr. Mike Murphy, Director of Public Works, at (972) 450-2886, or me.

Sincerely,

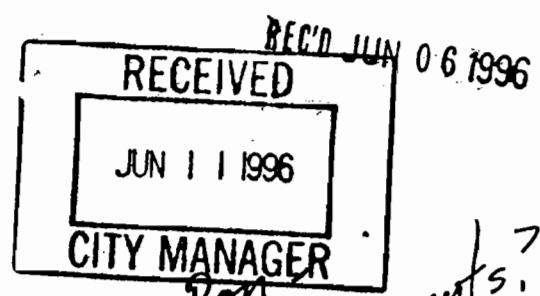
Ron Whitehead
City Manager

SUMMARY OF SALIENT FACTS

A Whole Property Acquisition at the NW/c of Intersection of Addison Road/Arapaho Road Metro Brick Company, Inc. - Owner Addison, Texas

Date of the Appraisal:	May 24, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±11,363 SF tract improved with an office/sales facility, located at the NW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use:	
"As vacant":	To be assembled with adjacent railroad property for potential future uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach:	\$ N/A
Whole Property:	\$103,032
<u>Part Taken:</u>	\$103,032
<u>Remainder Before the Take:</u>	\$ -0-
<u>Remainder After the Take:</u>	
Land Value:	\$ N/A
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ N/A
Final Value Estimate: JUST COMPENSATION	\$103,032

6-17-96
John, [unclear]
[unclear] [unclear]
6-17-96



Any Comments?
RB

June 3, 1996

Mr. John Baumgartner
Director of Public Works
Town of Addison
16801 Westgrove Drive
P. O. Box 144
Addison, Texas 75001-0144

RE: 11,363± square feet of land located at the northwest corner of Addison Road and future Arapaho Road in the Town of Addison, Dallas County, Texas

Dear John:

Pursuant to our meeting approximately a month ago, please be advised that the owners of the above referenced property are desirous of entering into a Contract of Sale with the Town of Addison to sell the above referenced property.

As we discussed in our meeting and in a couple of telephone conversations prior to the meeting, I have been authorized to offer this land to you at a price of \$10.00 per square foot or \$113,630.00. I genuinely feel that I can deliver this property to you with a summer 1996 closing date at a bottom dollar price of around \$100,000.00.

This property is owned by Car Wash Properties North V, L.P. The Managing General Partner is Weyand Investment Trust with the signatory being Richard W. Weyand, Trustee. The address of record is 5710 LBJ Freeway, Suite 328, Dallas, Texas 75230.

I know that you have been waiting on word from the City Manager so as to proceed in this matter. I would greatly appreciate it if you could give me a call with an update on the timing under which we might proceed with this acquisition.

Also, please find enclosed a copy of the Easement Dedications for the drainage easement that Milton J. Noell granted to the City of Addison back in March 1979. As you may recall this is the easement that runs east and west through the excess land north of the Waterworks Car Wash and south of future Arapaho Road. I mentioned to you in our meeting that I had been told that Mr. Noell possibly added a special condition to the granting of this easement and sure enough, he did.

D:\CONTRACT\BMGRTNR.LTR
6/3/96

4011 West Plano Parkway, Suite 116 Plano, Texas 75093 (214) 985-0500

Mr. John Baumgartner
June 3, 1996
Page 2

Thank you for your help regarding this matter and please know that I will look forward to hearing from you.

Sincerely,

FAIRWAY GROUP, REAL ESTATE



Rick Fambro

RF:lz
Enc.

DORCHESTER PIPELINE
(APPROX. LOCATION)
VOL. 5757, PG. 121

84
right of way

T. P. & L. EASEMENT
VOL. 163, PG. 1744
(D.R.D.C.T.)

SERVICE LINE
GUY WIRE
PP

LOT 3
11,363 SQ.FT.
12' 1/2

ARAPAHO ROAD
(60' R.O.W.)
(UNIMPROVED)

N 89°39'00" W
19.93

22.0
ONE STORY BRICK
42.1

25' BUILDING LINE

25' BUILDING LINE

ASPHALT

3' STREET ESMT.

PP

SWBT METER

SET P K NAIL

SET P K NAILS

SWBT METER
SIGNAL POLE

LONE STAR GAS MARKER

MAIL BOX

S 00°13'00" W - 112.30

S 45°17'00" W
28.25

NOTE: THE FOLLOWING BLANKET EASEMENTS AFFECT THIS SUBJECT TRACT OF LAND (NOT PLOTTABLE):
VOL. 1530, PG. 475
VOL. 5757, PG. 121
VOL. 83049, PG. 407
VOL. 83053, PG. 2004
VOL. 89057, PG. 0357

5
EASEMENT DEDICATIONS (2)

1
DEED RECORD

THE STATE OF TEXAS
COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS:

3777

5.00 DEED
0 2 12/05/77

THAT the undersigned, Milton J. Noell, hereinafter called "Grantor", for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant to the CITY OF ADDISON, TEXAS, hereinafter called "Grantee", a 10 foot drainage easement and a 20 foot construction easement for the purpose of constructing, operating and maintaining a 60" diameter storm sewer line over and across Grantor's land located on the west side of the existing Right-of-Way line of Addison Road, City of Addison, Dallas County, Texas and more particularly described as follows:

Being a tract of land in the Edward Cook survey, Abstract No. 326, and being more particularly described as follows:

COMMENCING at the intersection of the centerlines of Belt Line and Addison Roads; thence, N 0° 17' 00" E, with the centerline of Addison Road, 1103.50 feet to a point; thence, N 89° 43' 00" W, 30.00 feet, to a point on the west R.O.W. line of Addison Road, said point being the POINT OF BEGINNING:

THENCE, North, 0° 17' 00" E, 10.00 feet, to a point;

THENCE, North, 89° 43' 00" W, 300 feet, more or less, to a point in the curved easterly R.O.W. line of the Saint Louis and Southwestern Railroad property;

THENCE, along said curved R.O.W. line 10.00 feet, more or less, to a point; making a 10.00 foot easement;

THENCE, South, 89° 43' 00" E, 304 feet, more or less, to the POINT OF BEGINNING, and describing aforesaid 10 foot drainage easement.

Also, from above described POINT OF BEGINNING:

THENCE, North, 0° 17' 00" E, being in the west R.O.W. line of Addison Road 30.00 feet, more or less, to a point, said point being the southeast corner of construction easement; and the SECOND POINT OF BEGINNING:

THENCE, North, 89° 43' 00" W, 298 feet, more or less, to a point in the east R.O.W. line of railroad property;

THENCE, southerly 20 feet, more or less, in the east line of railroad property for a point;

THENCE, South, 89° 43' 00" E, 300 feet, more or less, to the POINT OF BEGINNING, and describing aforesaid 20 foot construction easement.

Special Conditions: GRANTOR reserves the right to construct facilities over the drainage easements.

71233 2770

TO HAVE AND TO HOLD the above described right-of-way and all rights unto the said City of Addison, Texas, its successors and assigns, forever.

And Grantor does hereby bind HIS self, HIS heirs and legal representatives, to warrant and forever defend all and singular and above described right-of-way and all right unto said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this 8th day of March, 1979.

GRANTOR:

Milton J. Free

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Milton J. Free known to me to be the person whose name _____ is subscribed to the foregoing instrument, and acknowledged to me that he executed and same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this 8th day of March, 1979.



Patti Stebbins
Notary Public in and for
Dallas County, Texas

70233 2771

2112 9826A

1979

79 DEC 4 PM 3:12

COUNTY CLERK, DALLAS COUNTY, TEXAS

K. E. M... ..



DEC 5 1979

STATE OF TEXAS
COUNTY OF DALLAS
I hereby certify that the foregoing was
read and filed in the County Clerk's
office on this 5th day of December 1979
and that a copy of the same was
sent to the parties at their last
known addresses as shown on the
County Clerk's records.

GANN INC
13740 MIDWAY RD #402
DALLAS TX 75234

APPROVED
6/26/01

Item #R11 - Consideration of a Resolution authorizing the City Manager to enter into negotiations with 15211 Addison Road Joint Venture to purchase 0.0558 acres of permanent right-of-way located at Lot 2, Block 1, Addison Car Care.

Item #R12 - Consideration of an Ordinance amending the Town of Addison FY 2000-01 Annual Budget.

Item #R13- Presentation and discussion of General Fund and Hotel Fund non-profit requests for the FY 2001-02 budget.

Item #R14 - Presentation and review of 2nd quarter financial report and the preliminary City Manager's General Fund and Hotel Fund budgets for FY 2001-02.

Adjourn Meeting

Posted 5:00 p.m.
June 20, 2001
Carmen Moran
City Secretary

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS
WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

3. The term "bar", "tavern" or any equivalent term associated with alcoholic beverages shall not be used in exterior signs.

Voting Aye: Braun, Bradbury, Doepfner, Hirsch, Niemann
Voting Nay: None
Absent: Ryland

Administrative Recommendation:

Administration recommends approval

Item #R9 - Consideration of a Resolution authorizing the City Manager to enter into a contract in an amount not to exceed \$21,220.00 with the Waters Consulting Group to conduct a Departmental Audit of Public Works.

Passed

Attachment:

1. Council Agenda Item Overview
2. Memorandum to Ron Whitehead
3. Letter to Mike Murphy
4. Proposed Work Plan/Contract

\$ 23,342 inc. expenses

Administrative Recommendation:

Administration recommends approval

Item #R10 - Consideration of a Resolution authorizing the City Attorney to initiate eminent domain proceedings to acquire a .2532 acre tract of land, Lot 3, Block 1 of Addison Car Care Addition from Metro Brick Company, Inc. Said property to be used for Arapaho Road and related park uses.

Passed

Attachments:

1. Council Agenda Item Overview
2. Resolution
3. Letter to Metro Brick Company Inc.
4. Letter to Mike Murphy

Administrative Recommendation:

Administration recommends approval

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



KENNETH C DIPPEL
214.672.2158
KDIPPEL@COWLESTHOMPSON.COM

July 10, 2001

~~VIA FAX (972) 450-2837~~

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

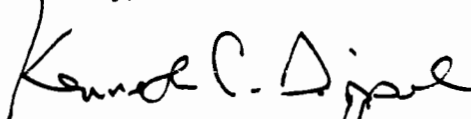
RE: Right-of-Way Acquisition
Metro Brick Company
Joe's Auto Body

Dear Mike:

Pursuant to Steve Chutchian's letter of July 3, 2001, enclosed are my changes to Steve's letters to two property owners on Addison Road regarding the taking of right-of-way for the proposed Arapaho Road Extension project. If you will note, I do not want to send the two property owners any of the right-of-way parcel maps for each site.

Thank you for your attention to this matter. If you have any questions, please give me a call.

Sincerely,


Kenneth C. Dippel

KCD/yjr
Enclosures

✓cc: Mr. Steve Chutchian, Assistant City Engineer
Town of Addison

Mr. Dennis Calander
Metro Brick Company, Inc.
15301 Addison Road
Addison, TX 75001

**RE: Lot 3, Block 1
Addison Car Care Addition to the Town of Addison
Recorded in Vol. 87111, Pg. 0286 in the Deed Records of Dallas Co.**

Dear Mr. Calander:

In February 2000, the Town of Addison elected to sell bonds in order to fund six construction projects. Included in these improvements is the extension of Arapaho Road, from Addison Road to Marsh Lane. At this time, we are in the right-of-way acquisition phase of the project.

The Town of Addison has determined the public need to acquire all of the tract of land that is owned by you and is currently occupied by Metro Brick Company, Inc. The public purpose for this land acquisition is the necessary right-of-way for the Arapaho Road project along with related municipal uses including public parks and open spaces. The firm of Hipes & Associates appraised the property on May 24, 2001. The attached summary sheet shows the fair market value of this whole taking is \$103,032. On June 26, 2001, the City Council of the Town of Addison authorized me to make an offer to purchase this 11,363 square foot tract of land at the appraised value of \$103,032.

The Town of Addison requests that you respond to this offer of purchase within thirty (30) days of the date of this letter. If we do not hear from you within the thirty (30) days, the Town will consider its offer to be rejected and we will initiate eminent domain proceedings to acquire the property.

Should you have any questions, please feel free to contact Mr. Mike Murphy, Director of Public Works, at (972) 450-2886, or me.

Sincerely,

Ron Whitehead
City Manager

Mr. Kim Forsythe
Sambuca Jazz Café
3333 Earhart, Suite 140
Carrollton, Texas 75006

**RE: 15211 Addison Road Joint Venture located at the
Southwest Corner of the Addison Road/Arapaho Road Intersection
Town of Addison, Dallas County, Texas**

Dear Mr. Forsythe:

The Town of Addison is in the process of extending Arapaho Road from Addison Road to Marsh Lane. Your organization "The 15211 Addison Road Joint Venture" owns a tract of land consisting of 1.6188 acres that will be affected by the new roadway.

The City needs to acquire 2,432 square feet of land at the North end of your real property.

Mr. Pat Haggerty, our real estate consultant, will be in contact with you to discuss this project. Under state law, the City is required to pay fair market value for the land it purchases.

Although the land needed for the road is small in comparison to your entire property, it will affect the two northern most buildings on your property.

Mr. Haggerty will discuss with you the proposed compensation and its affect on your ownership and the leases on the property.

We are in hopes of arriving at a mutually and satisfactory resolution of this matter.

Sincerely,

Ron Whitehead
City Manager

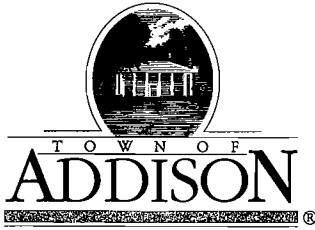
SC —

for your

info :

file

Memorandum



PUBLIC WORKS DEPARTMENT

(972) 450-2871

Post Office Box 9010 Addison, Texas 75001-9010

16801 Westgrove

Fax Cover Sheet

To: Ken Dippel
Fax (214) 672-2020

From: Mike Murphy, Dir. of Public Works/Addison
Fax (972) 450-2837
Off (972) 450-2878

Subj: Arapaho Road ROW Acquisition

Date: August 13, 2001
(number of pages including cover - 2)

Ken,

Attached is a letter I received from Mr. Vassallo regarding Lot 3 Block 1 of the Addison Car Care Addition (Metro Brick Property).

Call me with any questions.

Mike

Law Offices Of Eddie Vassallo, P.C.

REGENCY PLAZA
3710 RAWLINS, SUITE 1200
DALLAS, TEXAS 75219-4276

CERTIFIED MAIL



7106 4575 1294 0406 7330



RETURN RECEIPT REQUESTED



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

Thank you for using Return Receipt Service

PLACE STICKER AT TOP OF ENVELOPE
TO THE RIGHT OF RETURN ADDRESS.
FOLD AT DOTTED LINE

RETURN RECEIPT REQUESTED
USPS MAIL CARRIER
DETACH ALONG PERFORATION

Thank you for using Return Receipt Service

HP LaserJet 3200se



TOALASERJET 3200
9724502837
AUG-13-2001 10:03

Fax Call Report

Job	Date	Time	Type	Identification	Duration	Pages	Result
522	8/13/2001	10:02:06	Send	92146722020	1:00	2	OK



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

(972) 450-2871
16801 Westgrove

Fax Cover Sheet

To: Ken Dippel
Fax (214) 672-2020

From: Mike Murphy, Dir. of Public Works/Addison
Fax (972) 450-2837
Off (972) 450-2878

Subj: Arapaho Road ROW Acquisition

Date: August 13, 2001
(number of pages including cover - 2)

Ken,

Attached is a letter I received from Mr. Vassallo regarding Lot 3 Block 1 of the Addison Car Care Addition (Metro Brick Property).

Call me with any questions.

Mike

DALLAS AREA RAPID TRANSIT

METRO BRICK CO. INC

PROPOSED ROW

PARCEL 1

ADDISON RD.

EXISTING ROW

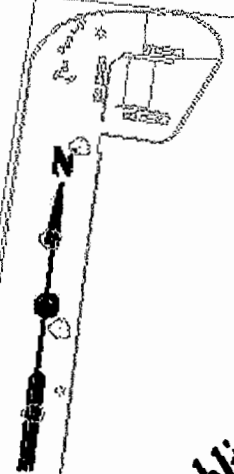
ARAPAHO ROAD

EXISTING ROW

PARCEL 2

ADDISON ROAD JOINT VENTURE

PROPOSED ROW



Addison Public

48+00

87+00

88+00



Civil Engineering • Planning • Surveying

July 9, 2001

Luke Jalbert
Town of Addison
5300 Belt Line Road
Dallas, Texas 75240-7606

**RE: Arapaho Road Extension— Property Survey of Parcel 1 showing Improvements
ARS Proposal No. 160-01-079**

Dear Mr. Jalbert;

In response to a Request for Proposal, ARS Engineers, Inc. is pleased to present this proposal for Professional Services for the referenced project.

SCOPE

Prepare a Survey Plat showing improvements and Description of Lot 3, Block 1 of the Addison Car Care Addition.

Delivery

ARS Engineers, Inc. will be able to deliver two (2) signed and sealed Plats and Descriptions on or before Friday July 20, 2001.

FEE

ARS Engineers proposes to perform the Work outlined above for a Lump Sum Fee of One Thousand, Eight Hundred Dollars (\$1,800.00).

If you have any questions regarding this proposal, please feel free to call me at (214) 739-3152. If this proposal is acceptable, please have an authorized representative of your firm sign below and return one original letter to our office with Notice to Proceed.

Sincerely,

Hugh W. Knight, RPLS
Survey Manager

AUTHORIZATION	
Accepted by:	<u>J. C. Pierce</u>
Printed Name:	<u>J. C. Pierce</u>
Title:	<u>Asst. Public Wks. Director</u>
Date:	<u>7-9-01</u>

Consulting Engineers



Civil Engineering • Planning • Surveying

July 9, 2001

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Town of Addison
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Accepted by:	<u>J. C. Pierce</u>
Printed Name:	<u>J. C. Pierce</u>
Title:	<u>Asst. Public Wks Director</u>
Date:	<u>7-11-01</u>

Consulting Engineers

SUMMARY OF SALIENT FACTS

**A Whole Property Acquisition at the NW/c of Intersection of Addison Road/Arapaho Road
Metro Brick Company, Inc. - Owner
Addison, Texas**

Date of the Appraisal:	May 24, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±11,363 SF tract improved with an office/sales facility, located at the NW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use: "As vacant":	To be assembled with adjacent railroad property for potential future uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach:	\$ N/A
Whole Property:	\$103,032
<u>Part Taken:</u>	\$103,032
<u>Remainder Before the Take:</u>	\$ -0-
<u>Remainder After the Take:</u>	
Land Value:	\$ N/A
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ N/A
Final Value Estimate: JUST COMPENSATION	\$103,032

DRAFT

July 3, 2001

Mr. Dennis Calander
Metro Brick Company, Inc.
15301 Addison Road
Addison, Texas 75001

Re: Lot 3, Block 1
Addison Car Care

Dear Mr. Calander:

In February 2000, the Town of Addison elected to sell bonds in order to fund six individual construction projects. Included in this list of improvements is the extension of Arapaho Road, from Addison Road to Marsh Lane. At this time, we are in the right-of-way acquisition phase of this project.

The Town of Addison has determined the need to acquire your entire 11,363 square foot tract of land that is currently occupied by Metro Brick Company, Inc. This taking will provide necessary right-of-way for the proposed Arapaho Rd. project and associated municipal park & recreation facilities. The firm of Hipes & Associates appraised the property on May 7, 2001. The attached summary sheet states the value of this taking as \$103,032.00. On June 26, 2001, the City Council of the Town of Addison authorized me to make an offer to purchase this 11,363 square foot tract of land at the appraised value of \$103,032.

Please accept this correspondence as a written request for your response regarding acceptance of this offer. The Town of Addison must receive your response within thirty (30) days of receipt of this letter. If we do not hear from you within the thirty (30) day time frame, the Town will consider our offer to be rejected and we will immediately initiate eminent domain proceedings against your property.

The Town looks forward to resolving this issue in a timely and equitable manner for all parties involved. Should you have any questions, please feel free to contact Mr. Mike Murphy, Director of Public Works, at 972-450-2886, or myself.

Sincerely,

Ron Whitehead
City Manager

Cc: Ken Dippel, City Attorney
Chris Terry, Assistant City Manager
Mike Murphy, Director of Public Works
Jim Pierce, Assistant Director of Public Works
Steve Chutchian, Assistant City Engineer

SC

AN APPRAISAL REPORT OF

THE METRO BRICK COMPANY, INC. PROPERTY
A WHOLE PROPERTY ACQUISITION
LOCATED AT THE
NORTHWEST CORNER OF THE ADDISON ROAD/ARAPAHO ROAD INTERSECTION
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

PREPARED FOR

TOWN OF ADDISON
C/O MR. MICHAEL MURPHY, P.E.
DIRECTOR OF PUBLIC WORKS
P.O. BOX 9010
ADDISON, TEXAS 75001-9010

See
me
Nutka

DATE OF APPRAISAL

MAY 24, 2001

PREPARED BY

HIPES & ASSOCIATES
7557 RAMBLER ROAD
SUITE 260, LB 25
DALLAS, TEXAS 75231

HIPES & ASSOCIATES

REAL ESTATE
APPRAISERS/CONSULTANTS

OFFICE ADDRESS:
7557 RAMBLER RD #260
LOCK BOX 25
DALLAS, TEXAS 75231

MAILING ADDRESS:
P.O. BOX 600142
DALLAS, TEXAS 75360
214-739-5941

May 24, 2001

Mr. Michael Murphy, P.E.
Director of Public Works
Town of Addison
P.O. Box 9010
Addison, Texas 75001-9010

**Re: The Metro Brick Company, Inc. Property
Arapaho Road Acquisition**

Dear Mr. Murphy:

I have inspected and made an appraisal of the above referenced property. Conditions pertinent to or indicative of the value of the property were researched and investigated.

This report sets forth my findings and conclusions and any material matters within the market place that may have an impact on the value of the subject, the proposed acquisition, and any remainders both before and after the proposed acquisition. Factual data pertaining to the subject is exhibited along with any market data felt significant in the analysis and opinion of value.

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$103,032.00 as of May 24, 2001 based upon my independent appraisal and the exercise of my professional judgement;

That on April 11, 2001, and various other dates, I personally inspected in the field the property herein appraised; that I afforded Mr. Dennis Calandar, the property owner or his representative, 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 April 11, 2001, 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

24 MAY 2001

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

**A Whole Property Acquisition at the NW/c of Intersection of Addison Road/Arapaho Road
Metro Brick Company, Inc. - Owner
Addison, Texas**

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<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
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<u>Part Taken:</u>	\$103,032
<u>Remainder Before the Take:</u>	\$ -0-
<u>Remainder After the Take:</u>	
Land Value:	\$ N/A
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ N/A
Final Value Estimate: JUST COMPENSATION	\$103,032

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Purpose of the Appraisal

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

Definition of Market Value

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Scope of the Appraisal

The scope of this report includes the research, data acquisition and analysis as described in the appraisal process description of this report. In gathering comparable sales data our sources 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 rent information is generally derived from direct interview 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 interview with property managers and owners and published industry averages. Replacement construction costs amounts are generally derived from the national cost reporting services 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.

Property Rights Appraised

The property rights appraised are those of the *Fee Simple* estate. 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". (The Dictionary of Real Estate Appraisal, Second Edition, American Institute of Real Estate Appraisers, 1984, p. 123.)

Effective Date of Valuation

The effective date of valuation is May 24, 2001. The inspection date of the subject was April 11, 2001, and various other dates. The date of this report is May 24, 2001.

Identification of the Subject Property

The property being appraised is a ±11,363 SF tract of land improved with a small sales/office building, located at the northwest corner of Arapaho Road and Addison Road, in the Town of Addison, Dallas County, Texas. This is an area principally developed with commercial, industrial, and airport service uses.

The acquisition of the subject property is comprised of a strip taking along the south side of the subject containing ±1,167 SF adjacent to the existing Arapaho Road right-of-way, and the ±9,706 SF outside the strip taking for a future park site. The survey provided to the appraiser representing the proposed acquisition is included in the Addendum to this report.

Briefly, the legal description for the subject property/part taken is described as; *being a part of Block 1, Lot 3, Addison Car Care Addition, and a part of the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, containing a total of ±11,363 SF of land area.*

A metes and bounds legal description of the proposed acquisition has been provided to the appraiser and is included in the addendum of the report.

History of the Subject Property

No property ownership information was provided to the appraiser for this appraisal assignment. However, data contained in the appraiser's files indicates that the current owner acquired the subject property on September 11, 1996, from Carwash Properties North V, LP, as recorded in Volume 96180, Page 2908, of the Dallas County Deed Records, for \$85,267. No previous ownership history is known. The subject property was purchased by the pre-existing tenant for the continued operation of his business.

Ad Valorem Tax Information

The DCAD Acct. # for the subject is 10000610010030000. The DCAD appraised value for the subject is \$85,000; land value @ \$68,210 and improvement value @ \$16,790 for the year 2000.

Estimated Marketing/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 and office brokers in preparing this report indicate that a reasonable exposure time for the subject property of nine to twelve months is supported by historic market conditions.

CITY DATA

The Town 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 the City of Carrollton on the west. The City is a suburb of Dallas and is a 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	N/A
1980	5,553	+835%
1990	8,783	+ 58%
1997 (est.)	11,100	+ 25%

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 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 t 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 central and southwestern portions, 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 it's citizens. Utilities are provided by Lone Star Gas Company, TU Electric Company, and Southwestern Bell Telephone Company. It gets it's 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 districts. 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 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 the in Town.

The new "urban hub" consisting of a 70 acre development at Addison Circle, located north of Belt Line Road and bounded by Airport Parkway, Addison road, the Toll road and Arapaho Road is currently under development. 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 1980's, 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 market research has consistently reported strong increases in office construction over the previous several years. In addition, Hines Interests plan 250,000 Sf of new office at the Galleria in the Dallas City limits, and Centre Development plans a 410,000 SF office structure at Dallas Parkway and Spring Valley in Farmers Branch just south of Addison. For multi-family construction, M/PF research also shows strong growth and absorption. The overall prospects for the City's future is considered to be good, in our opinion.

NEIGHBORHOOD ANALYSIS AND TRENDS

The subject neighborhood is described as being that area generally bounded by Belt Line Road on the south, Midway Road on the west, Westgrove to the north and Quorum Drive to the east. This area is in the north-central portion of the Town of Addison which is a northern suburb of the City of Dallas situated approximately 12 miles north of that municipality's central business district.

The predominant feature and major land use within the subject neighborhood is the Addison Airport which is due north of the subject property. This is a major fixed-base corporate and private airport facility for northern Dallas County. Improvements at the airport include a 7,200' lighted runway, control towers, ILS Approach System, and two 24-hour fixed base operators providing fuel and other aircraft related services. It houses corporate aircraft for a number of businesses within the area. Much of the improvement west of Addison Road is light industrial and airport related type construction. Major facilities for the City of Addison occur at the west corners formed by the intersection of Airport Parkway and Addison Road. The northwest corner of those two streets houses the City of Addison's police and court facilities while the southwest corner is the site for the City of Addison's central fire station. The majority of the rest of the development south of Airport Parkway, extending along Lindberg and on the west side of the airport, is light industrial or commercial in nature.

Addison Road is a major north/south connector within this portion of Addison and North Dallas. In addition to commercial buildings found here, there was fairly extensive low and mid-rise garden office development during the construction boom of the early and mid 1980's. Examples of this type of construction are found on the west side of that thoroughfare both south and north of the Keller Springs intersection with similar development in the northeast quadrant of Keller Springs and Addison Road. Additional construction of this type is found along the south side of Westgrove west of Addison Road. North of Westgrove on this side of Addison Road is found more office warehouse/office showroom type development. There are still some fairly sizable tracts of undeveloped land, primarily on the east side of Addison Road in this area. The development in the northern part of the northeastern part of the neighborhood has been high quality, single-story office showroom and hi-tech type construction. There is still a significant amount of developable land in this area.

The City of Addison and adjacent areas north of Belt Line have enjoyed new development and generally increasing land prices since the mid-1990's. Of particular interest is the developing apartment, hotel, retail, and commercial activity surrounding the Addison Circle portion of the subject neighborhood. The attractiveness of relatively close in North Dallas locations should ensure strong demand for existing properties and vacant development land within the subject neighborhood as the real estate economy continues to improve. As these events occur, the subject neighborhood development prospers. Current market evidence suggests a healthy real estate market.

SUBJECT PROPERTY

Site Data

The subject tract is near triangular in shape, the northwest side curving along the railroad right-of-way, based on information provided in a site plan. Plats indicate approximately $\pm 112'$ of boundary with the west right-of-way line of Addison Road and $\pm 144'$ of frontage along the north side of existing (but unimproved) Arapaho Road. Total land area is $\pm 11,363$ SF as shown on the survey provided by the Town of Addison and a survey/site plan provided by the previous owner. Addison Road is a four-lane undivided street, with a center turn lane. The improved portion of Arapaho Road terminates to the east of the subject property, where it is a concrete divided multi-lane road. The Arapaho Road right-of-way along the south side of the subject is unimproved and currently utilized for access, parking and storage. The subject appears to be at grade with Addison Road/Arapaho Road.

Physical Characteristics

The subject site is basically level with no major drainage problems noted. Site grading appears to such to carry surface water from the entire site to the south and east and the drainage in Addison Road. An open cut drainage ditch is situated near the north side of the subject improvements. This is generally effective except in very heavy rainfalls. Apparently off-site drainage capacity is sufficient. The subject property is not located in a HUD designated flood plain area according to Town of Addison, Texas Community Panel No. 481089 0005 A, effective July 16, 1980. Access in and out of the site is accomplished from existing frontage along Addison Road adjacent to the east. Additional access, via unimproved Arapaho Road right-of-way, is currently available along the south side of the site. However, no drive-way cuts are currently existing within this area.

Size/Shape

The subject property contains $\pm 11,363$ SF in a triangular configuration. The site is of insufficient size and shape to support independent economic development, if it were vacant and available for development. There is a pipeline easement across the northwest side of the site, which precludes building permanent improvements in that area. Additionally, there is a 25' setback requirement along both Addison Road and Arapaho Road. That portion of the site available to support improvements is too limited for reasonable economic viability.

Currently, the existing Arapaho Road right-of-way to the south of the subject site and the railroad right-of-way to the north of the subject are utilized for parking in support of the subject improvements. The only on-site parking noted was limited to parallel parking in front of the subject improvements (east side).

Zoning: *The existing improvements are considered "non-conforming" under the Town's current zoning ordinances.* Per the sale plat of the subject, the existing improvements are situated within the setback requirements. A 25' setback building line is required off of both Arapaho Road and Addison Road. The subject property is zoned "PD", a planned development zoning allowing for office, retail, restaurant, and car wash development, under the Town of Addison's ordinances. This is a fairly broad classification providing for a wide variety of commercial usages. Due to the location of the subject tract proximate to Addison Airport, a 20' maximum building height restriction is imposed on any building improvements. The actual development of the subject would require specific plan approval by the Town.

Utilities

Sanitary sewer and water connections are provided through the Town of Addison. It is presumed that the present utilities directly available to the site are of sufficient capacity to support commercial development. Telephone service, electricity and natural gas are available and in adequate supply by private companies serving the subject's general area. The current design of access is considered sufficient to support commercial development. Given the abundance of adjoining street right-of-way, direct access to the subject site is considered both reasonable and probable.

Easements and Restrictions

As set forth in the Assumptions and Limiting Conditions of this report, there was not available to the appraiser in the preparation of this appraisal a current survey and/or title policy. It is assumed from a review of plats and public information that there are no, other than standard utility easements, easements affecting the subject property which are not shown on the site plans/plats, and further, that there are no private deed restrictions that would hinder its current use or future development. It is suggested that these assumptions be verified by competent parties. Easements shown on the plats available to the appraiser indicate that there is a Dorchester Pipeline easement along the northwest side of the subject site and a T.P. & L. easement along the south side of the subject site. Typical utility easements are presumed to service the site.

Site Improvements

The subject property is improved with 2 buildings, a mixture of concrete and brick paving, and ornamental brick fencing. The buildings are currently utilized for display and sales office functions.

The building fronting Addison Road is a one story brick veneer building, constructed in a residential style, $\pm 22' \times \pm 42'$ (± 924 SF). This building is utilized as a display and sales office for the Metro Brick Company, Inc. The east central portion of the building is generally used as open display area. Along the south, west and north sides are sales offices. There is a restroom located on the west central side of the building. Interior trim is generally related to the products the company markets. Overall condition of this subject improvement is considered to be very good.

The roof is a low pitch, asphalt shingle type, with HVAC unit. Gutters and drains were noted. Security lighting was noted along the eaves.

Near adjacent to the west of the residential style office is a brick veneer garage and storage building. The garage is basically $23' \times 17.5'$ and complete with overhead residential garage type doors. This area has sales samples displayed and also appears to be utilized as a breakroom area for the brick yard employees. Attached to the south side of the garage building is a brick veneer storage room, approximately $16.5' \times 8.5'$. Storage of sales samples was noted in this area.

A significant portion of the site area to the south, east, and west of the buildings is paved with bricks. Ornamental brick wall/fencing is noted to the south and to the north of the buildings.

The bulk of the currently available parking for the subject buildings is situated within the existing right-of-way of Arapaho Road. A limited amount of parking may be available adjacent to the railroad right-of-way along the northwest side of the subject site. It appears that portions of the site could be reconfigured to provide for limited parking in support of the building improvements. As the subject property is currently improved, it appears that there is minimal parking available on the Addison Road side of the subject site to support the subject improvements.

HIGHEST AND BEST USE

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

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

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

The definition immediately above applies specifically to the highest and best use of the land. It is 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."

Also implied is that the determination of the Highest and Best Use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. (Appraisal Terminology and Handbook, AIREA AND SREA, 1975) 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 are discussed in the "Neighborhood Description and Trends" section of this report.

In addition to the typical considerations involved in estimating the Highest and Best Use of the subject property, the City of Addison requires approval from the U.S. Department of Transportation, Federal Aviation Administration (FAA), for the construction or alteration of improvements located within many of its zoning classifications. Even though the subject property is located outside the currently existing "clear zone" of the Addison Municipal Airport, these additional requirements apply.

The subject property is located proximate to the east and south of the existing airport boundary and clear zone. Consideration was given to the development currently existing proximate to the north, south, east, and west of the subject in analyzing the potential uses for the subject site. While the FAA will not speculate on what types of improvements or alterations would be allowable, without proper application and supporting documentation, it is presumed by the appraiser that those uses existing proximate to the subject generally reflect the type of development that would be probable.

Exhibits containing a "Notice of Proposed Construction or Alteration" (Form Approved OMB No. 2120-0001) are provided in the Addendum section of this report.

Physically Possible Uses

As previously described, the subject tract is of such size and shape to preclude the physical possibility of construction of most structures permitted under current zoning and clear zone restrictions.

Legally Permissible Uses

The main constraints are those affected by the subject tract's zoning ordinance. The "PD" zoning ordinance which regulates the subject allows for office, retail, restaurant, and car wash uses. The character of the surrounding development and the subject's proximity to the Addison Road/Arapaho Road controlled intersection, and Belt Line Road, it is estimated that retail or office development would be the most appropriate for the site, if it were of sufficient size and shape to support such development. There is no current or contemplated change in the subject site's zoning, nor is there one which would provide development opportunities that would create a higher return to the land than it's current classification.

Financially Feasible

Due to building height restrictions imposed by clear zone considerations it is unlikely that a typical office development would generate the necessary revenues to provide for an adequate return on the cost of the land and improvements at current market office rent rates in this location.

Retail/service or restaurant occupancy and rental rates suggest that the current local market is strong enough to support financial feasibility for development of the subject site as it is zoned for retail/service or restaurant use. These uses could include restaurant, fast-food, convenience store, service station, satellite banking, copy center, or comparable high intensity/exposure traffic uses, again if the site were of sufficient size and shape to support independent economic development.

Maximally Productive

Based on the subject's zoning, current operational results and market analysis, it is estimated that the maximally productive utilization of the site as a retail/service or restaurant/fast-food site is substantiated. The subject site, as developed with the older office/sales-style improvements representing a very high building-to-land ratio, is maximally utilizing the site, given the current size and shape of the subject site.

Highest and Best Use As Vacant Land

The estimate of the Highest and Best Use of the subject Whole Property would be to utilize for off-site parking for commercial developments in the area which may be short on parking, or to sell to the adjacent land owner (railroad). If vacant, the size and shape of the subject site render it unsuitable for development to any use which is allowable under the current zoning. It is unlikely that a change in zoning would materially affect the probable future use of the subject site, if it were vacant and available for development.

Highest and Best Use As Improved

Analysis of the subject property indicates that the currently existing improvements provide contributory value to the property. The improvements represent the estimated Highest and Best Use of the property "as improved". The existing improvements would provide for income which, in effect, provide a return on and of the investment represented by the property.

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 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 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. 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 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 the Sales Comparison Approach

In this section of the report, the appraiser will present data and analysis leading to an estimate of market value as of the effective date of the appraisal for the subject site. Basically, this value is estimated by the comparison of sales of similar land tracts that are current or of recent date to the subject tract. This comparison relates the 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 presented all transferred ownership in fee simple, and there were no known unusual financing terms. General 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. Over the time period reviewed for the comparable sales, trends in either direction which cannot presently be ascribed to other contributing factors within the marketplace, other than those discussed following the comparable sales presentation, will be adjusted based on historical market data.

At the end of the presentation of the comparable sales, those sales will be summarized and a grid presented which makes the remaining adjustments called for relative to locational and physical differences between the comparables and the subject tract. The comparable sale prices as adjusted to the subject site are then analyzed to produce an estimate of market value for the land.

As the subject whole property is of insufficient size and shape to support independent economic development, it's contributory value for some other use is deemed the most appropriate methodology to utilize. The land sales selected reflect the contributory value of the subject site to the adjacent railroad property to the northwest; the only property that adjoins the subject site.

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. This is the case for the subject site and the Sales Comparison Approach will be utilized solely in estimating it's current market value. Sufficient data is available within the recent past to make an accurate appraisal specifically for the subject.

The subject property is triangular in shape and contains $\pm 11,363$ SF. There is a pipeline easement across the northwest (interior) side of the site, and 25' building setback requirements on the south and east sides of the site. It is unlikely that this site could be developed if it were vacant and available for development. It provides for an insufficient foot-print for building development. Therefore, it will be evaluated "as if" it were a part of the adjacent railroad property. The adjacent railroad property is considered the ± 4.5 acre "Y" tract adjacent to the northwest side of the subject. The comparable sales will reflect this property, resulting in a subject-parent tract. In this manner, the subject site has value comparable to that of the adjacent tract. Exclusive of the adjacent tract, the subject site has near zero value due to a minimal market for a site of such size, shape, and encumbrances.

Comparable #1



Location:	3800 Realty Road (Realty Rd./Arapaho Road connection), Addison, Texas
Legal Description:	Beltline-Marsh Business Park, Blk. 1, Lot 4R, Addison, TX
Grantor:	Lincoln Trust Co.
Grantee:	Osteomed Corporation
Date of Sale:	Pending Contract 04/02/01
Recorded:	Pending
Consideration:	\$5.20/SF (\$988,158.60)
Terms of Sale:	Not Available
Cash Equivalency:	\$5.20/SF
Size:	±190,030 SF; 4.3625 Acres
Zoning:	I-1, industrial
Comments:	This pending sale will have a portion of extended Arapaho Road through it. It is approximately the same size as the parent property.
Verified By:	Contract
Mapsco #:	D-14A

Land Sale Comparable #2



Location: Southeast corner of Westgrove & Excel, Addison, TX

Legal Description: Block A, Part of Lots 3, 4, 21, 22, Carroll Estates Addition, Addison, TX

Grantor: Stratus Properties Operating Company
Grantee: Jackson-Shaw/Addison Tech, Ltd.

Date of Sale: October 1, 1999 (filed)
Recorded: 99192/3812

Consideration: \$4.50/SF (\$1,524,252 - calculated)
Terms of Sale: All cash to seller.
Cash Equivalency: \$4.50/SF
Size: ±338,773 SF; 7.776 Acres
Zoning: C-1 (commercial)
Comments: This site is a minor corner location, just outside the airport boundaries, similar to that of the subject parent tract. It has since been developed with a large tech-space building.

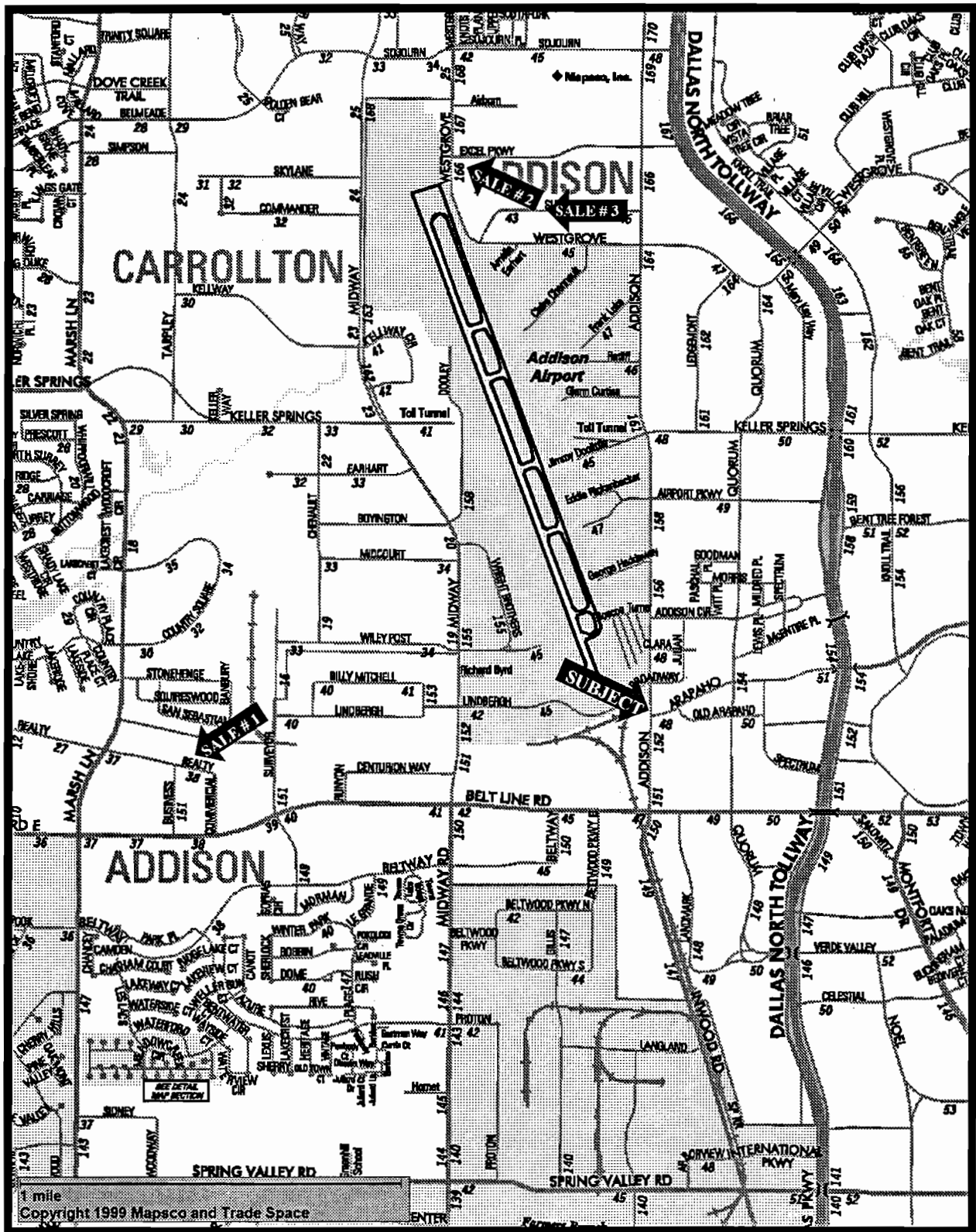
Verified By: Debbie Carter (w/gte) 972.628.7400
Mapsco #: D-4P

Land Sale Comparable #3



Location:	±4300 Sunbelt, Addison, Texas
Legal Description:	Sunbelt Business Park Addn., Addison, TX
Grantor:	Blackland Properties
Grantee:	Johnson Equipment
Date of Sale:	November 28, 2000
Recorded:	
Consideration:	\$4.50/SF (±\$744,876)
Terms of Sale:	All cash to seller
Cash Equivalency:	\$4.50/SF
Size:	±165,528 SF; ±3.8 Acres
Zoning:	C-1, commercial
Comments:	This is an interior tract near the north side of the airport. This is predominantly a tech-space area. This site is comparable in size to the subject parent tract.
Verified By:	Randall Johnson - Purchaser
Mapsco #:	D-4P

COMPARABLE MAP



COMPARABLE LAND SALES SUMMARY				
Sale #	Date of Sale	Price/SF	Size (SF)	Zoning/Use
1	Pending 04/01	\$5.20	190,030	Commercial
2	10/01/99	\$4.50	338,773	Industrial
3	11/28/00	\$4.50	165,528	Commercial
Subject	05/01	N/A	±196,020	Commercial

Subject-Parent Tract

As discussed previously, the subject Whole Property is judged to be of insufficient size, shape, and building utility to support independent economic development "as if" it were vacant and available in the open market. The most probable scenario for the subject Whole Property "as if" vacant and available for development, would be for development as a part/portion of an adjoining property. As there is only one property adjoining the subject Whole Property, the railroad property to the north and west, this property was the obvious selection for association with the subject Whole Property. The resulting *subject-parent tract* benefits both tracts; (1) it potentially provides the necessary site area and shape to cure the subject's deficiencies, and (2) it would provide better access for the vacant railroad property for future development. As discussed at the beginning of the Land Valuation section (Page 11), the subject Whole Property will be evaluated as if it were a proportional part of a *subject-parent tract* in this analysis. To consider the subject Whole Property on an independent basis would adversely affect the potential market value of the site by severely restricting the probable end-users for such a site.

Adjustments to Land Sale Comparables

Standard appraisal practice calls for the analysis of the sales presented comparing each to the subject in regard to time passed from sale date to appraisal date (that is, changes in 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 sale and vice versa. Your appraiser considered the application of paired sales analysis in adjusting the comparable sales to the subject. There was not sufficient comparability of the sales within those available for review that permitted a reasonable application of that type of analysis. The adjustments are based to a great degree on subjective analysis and market appraisal experience, but the adjustments rely on some easily recognizable and generally 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.

Property Rights Conveyed

This is a consideration of the real property interest conveyed. In the case of the comparable sales used in this 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.

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. Although paired sales were not available with which to compare it, it is the appraiser's opinion that those conditions in all probability did not exist for any of the comparables selected for inclusion in this report.

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 subject neighborhood has undergone significant growth in the recent past, which in turn has led to escalating land prices. Upward Time/Market Conditions adjustments will be applied to the selected comparable sales to reflect this change. Sale #2 is approximately 18 months old. While the more recent comparable sales do not provide any significant indication of upward pressure on prices, it is felt prudent to apply a modest upward adjustment to this sale for time to this sale in comparison to the subject-parent tract. Both Sales #1 and #3 are sufficiently recent in time as to require no adjustment for 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. The subject-parent tract is located within a transition area of Addison Road. To the south is much more intense retail/restaurant development associated with Beltline Road. Beginning just to the south of the subject-parent tract along the west side of Addison Road is typically more commercial/industrial in nature, partially due to the influence of adjacent Addison Airport. To the north of this commercial/industrial character area transition to office, service, and tech-space development predominates. Each of the sales is considered to be inferior in location as compared to the subject-parent tract due to the "Addison Road" name recognition factor. Additionally, Sales #1 and #3 are interior tracts as compared to the subject-parent tract's corner influence. Sale #2 has good quality corner location. Each sale is adjusted upward to the subject-parent tract for locational considerations.

Zoning

The zoning of each of the Comparable Sales is considered to be comparable to that of the subject-parent property. No adjustment is deemed appropriate for these sales.

Utility

In this category a number of factors are considered in adjusting the comparable sales and offerings to the subject property. They include physical dimensions and shape of the site, topography of the site, availability of public and private utilities, and accessibility among others. Those physical dimensions which permit the most economic and efficient use of the land also command better prices. This fact perhaps is best stated in that not having this advantage is an offset to sites with poor frontage-to-depth ratios and the like. The density of development allowable on the subject is restricted to a maximum building height of 20'. Similar restrictions apply to the Comparable Sales. The density of development appeared to be comparable between the sales and the subject-parent tract. Therefore, no "utility" adjustment will be made in this analysis; the components of site "utility" being address in zoning, location, etc. *Being located adjacent to the south end of the Addison Airport runway will make the approval process for any planned development of the subject site extremely rigorous and potentially restrictive. This could/would have a significant impact on the estimated market value for the subject property. For the purpose of this appraisal, it is presumed that a reasonable level of development would be allowable by the FAA and the Town of Addison.*

Access, exposure, and frontage all impact how a property will be accepted by the market. Additionally, immediacy of access is a specific consideration for the subject property, as opposed to general access which is considered as a part of the "Location" category.

Sight/View

This factor considers (1) how the property is presented to the public and (2) what the impact of surrounding property characteristics affect subject property. Each of the Comparables are within a typical commercial/tech-space development area, which exhibit good orderly development and design. The subject-parent tract is deemed to be comparable to each of the comparable sales.

Access/Frontage

Each of the comparable sales is judged to be superior to the subject-parent tract in this category. Both Sales #1 and #3 are interior tracts which have extensive frontage along their respective streets, relative to the size of their sites. The subject-parent tract, which a quasi-corner at the present time, has relatively little road frontage in relation to it's size. Sale #2 is located at the corner of Westgrove and Excel, providing dual improved road frontage. Sale #1 is situated along Realty as Realty becomes a quasi-corner. Each of the sales is superior to the subject-parent tract and is adjusted downward accordingly.

Size

The subject-parent tract is ± 4.5 Acres SF in size. Sales #1 and #3 are ± 4 Acres in size and considered comparable to the subject-parent tract. Sale #2 is ± 7.8 Acres in size and is considered to be inferior to the subject-parent tract. It is typically found that much larger tracts do tend to sell for a lesser "per unit" price than do smaller tracts that are generally available for similar, although smaller scale, developments. While there are no absolutes noted for size difference among the comparable sales selected for presentation herein, the general market reflected throughout the range of sales reviewed for this appraisal does indicate that the market is somewhat size sensitive. To a limited degree the market reflects a willingness to pay slightly more for smaller tracts, on a per square foot basis, than for larger tracts.

There follows a grid which displays the adjustments to the comparable sales called for in the opinion of your appraiser.

LAND SALE ADJUSTMENT GRID			
	1	2	3
Cash Equivalent Price \$/SF	\$5.20	\$4.50	\$4.50
Property Rights Adjustment	-0-	-0-	-0-
Adjusted Price \$/SF	\$5.20	\$4.50	\$4.50
Conditions of Sale Adjustment	-0-	-0-	-0-
Adjusted Price \$/SF	\$5.20	\$4.50	\$4.50
Time/Market Conditions Adjustment	-0-	+ 5%	-0-
Adjusted Price \$/SF	\$5.20	\$4.73	\$4.50
Location Adjustment	+10%	+ 5%	+10%
Access/Frontage	-10%	-10%	- 5%
Zoning	-0-	-0-	-0-
Size Adjustment	-0-	+10%	-0-
Sight/View	-0-	-0-	-0-
Adjustment Factor	-0-	+ 5%	+ 5%
Adjusted Price \$/SF	\$5.20	\$4.97	\$4.73

Market Value Estimate - Subject Site

After adjustments, the comparable sales range from \$4.73/SF to \$5.20/SF. The average of the adjusted sales price is calculated at \$4.97/SF.

It is the appraiser's opinion that each of the Comparable Sales, as adjusted, are representative of the probable market value of the subject property, as a proportional part of the subject-parent tract. Sales #1 and #3 are very similar in size and potential for future development. Sale #2 is near adjacent to the airport and has been developed with a use comparable to the probable future use of the subject-parent tract. All of the sales are more expressive of the lower density development available for the subject, given the subject's location proximate to Addison Airport. Each comparable has its strengths and weaknesses as compared to the subject. While these comparables are not identical to the subject in terms of exact location, these sales are believed to accurately reflect the most probable range of value for the subject, as well as approximating the ultimate use of the subject. The comparables selected ultimately required fewer adjustments than other comparables in the market would require.

When analyzed in light of the general surrounding development, it appears that there is a market and, hence, a range of value which is generally acceptable for various forms of development on properties of this class in this area.

Over sixteen sales, occurring from 1997 to the present, were reviewed in the development of this appraisal. These sales were proximate to the market area of the subject and were analyzed to determine if there was any definable trend to the market activity. It is noted that sales to end-users is becoming more wide spread in this market for all classes of properties. Speculative investment does not appear to be the principal motivating factor. A number of sales reviewed were for near term use/development, and these sales reflected the upper limit of the market value range.

The range of the value indications provided by the Comparable Sales is considered to be a good indication of probable market value for the subject property.

Based on the aforementioned data and analysis, the Market Value of the subject site is estimated to be \$5.00 per square foot of the land area. The subject is estimated to contain ±11,363 SF of land area according to the documents provided. Therefore:

<u>Site Area</u>	<u>Value Estimate</u>	<u>Total</u>
±11,363 SF	\$5.00/SF	\$56,815

ESTIMATED MARKET VALUE - WHOLE PROPERTY "SITE", Say \$56,815

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 ± 60 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

The source for current cost data is from the *Marshall and Swift Valuation Service* as adjusted for time and locational variances. This building has the characteristics between the "Average Class D" and "Good Class D" office buildings as described by *Marshall and Swift*. In Section 15, Page 17, which describes this type of building, current estimated replacement costs are stated at \$82.67/SF for Class "D" Good and \$58.63/SF for Average Class "D" construction. The finish and climate control of the subject are better than the "average" category, but not nearly as extensive as the "good" category.

The subject property appears to be more of a typical residential exterior construction, with the interior lacking many of the amenities of residential construction. Construction costs for "shell" Class "D" office buildings range from \$30.40/SF for "average" Class "D" to \$46.16/SF for "good" Class "D" buildings. The exterior of the building supports limited, but good quality landscaping and sections of ornamental brick fencing/screening.

Based on the physical inspection of the subject property, the estimated construction cost for the subject main building improvements is \$72.00/SF. The estimated construction cost is adjusted by factors also prepared by *Marshall and Swift* for time lapse to the present from cost preparation date--1.03x--and adjustment for price differentials caused by different physical geographic locations--0.91x. Multiplying these two factors times the \$72.00/SF indicates a current estimated replacement cost for the subject at \$67.49/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 landscaped areas at the front of the building, the ornamental fencing/screening, the paved area at the front and sides of the office, and the garage type storage structure behind the main office building. Not included is the brick paved parking area to the south of the buildings, as this area is within the existing Arapaho Road right-of-way.

The estimated cost new of the landscape items is \$2,500. The estimated cost of the ornamental brick fencing/screening is \$2,000. The estimated cost of the "accessory" garage/storage building to the east of the office is \$19,285 (551 SF x a shell+ cost estimate of \$35.00/SF). These estimates are based on interviews with developers as cross-referenced with *Marshall and Swift*.

The other major element of direct expense not covered in the per square foot cost is the amount for paved parking, walks and drives. It is estimated that there is approximately 1,250 SF of paving associated with the subject property. The paving is a mixture of concrete and brick paving, estimated at a current new cost estimate of \$3.50/SF (per *Marshall and Swift* estimates for concrete). This equates to \$4,375 for the paving on the subject site as obtained and adjusted from the segregated cost section of the *Marshall and Swift* report found on Page 2 of Section 66.

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.

The estimate of entrepreneurial profit is based on -0-% of the direct replacement cost. It is unlikely that an investor would build a property the size of the subject. This is more typically an owner/builder type of property. The subject is so small as to make the risk of such speculative "investor" venture highly unlikely. No entrepreneurial profit is estimated.

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. 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 of sufficient appeal in the market, although not in conformity with the current zoning of the site. It is noted that the building is in good physical condition. As such, it is the appraiser’s opinion that there are no elements of curable or incurable functional obsolescence present in the subject property, at the property’s estimate of highest and best use.

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 buildings of the type and construction quality of the subject to be ±50 years. The building’s actual age is unknown, but a physical inspection results in an estimate of its effective age of ± 20 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)	\$62,361
Times Ratio of Effective Age to Use Life (20/50)	<u>x0.40</u>
Estimated Incurable Physical Depreciation, Long-Lived Items	<u>\$24,944</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. No noted adverse physical influences so affecting the subject property as to produce economic loss from that cause were observed.

There follows a Cost Approach Summary tabulating the preceding data leading to subject's value estimate by this method.

COST APPROACH SUMMARY

Direct Costs

924 SF @ \$67.49/SF - Main Building	\$ 62,361
551 SF @ \$35/SF - Acc. Bld.	19,285
Landscaping	2,500
Fencing/Screening	2,000
Paving	<u>4,375</u>

Total Estimated Direct Costs \$90,521

Indirect Costs

Entrepreneurial Profit @ 0%	\$ N/A
Loan Fees (est.)	<u>N/A</u>

Total Estimated Indirect Costs -0-

Total Estimated Replacement Cost New \$90,521

Estimated Depreciation

Main Building (.40 x \$62,361)	\$ 24,944
Paving (.40 x \$4,375)	1,750
Landscaping (.20 x \$2,500)	500
Acc. Bld. (.40 x \$19,285)	7,714
Fencing/Screening (.40 x \$2,000)	<u>800</u>

Depreciated Replacement Cost \$ 54,813

Add: Site Value Estimate by Market Comparison 56,815

Total Estimated Replacement Cost After Depreciation \$111,628

ESTIMATED MARKET VALUE BY COST APPROACH, Called \$111,500

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.

The subject property is currently owner occupied. The current owner was previously the tenant on this property. The improvements are utilized for a sales/showroom office. Primary parking for the building is located within the existing right-of-way for Arapaho Road to the south of the building, and on the St. Louis & Southwestern Railroad property to the north. On site parking is limited to parallel parking at the front (east side) of the building.

Due to the lack of available parking in support of the improvements, it is estimated that the leasing of the subject property would be limited to low traffic density uses.

A survey was made of office space in the subject area adjacent to Addison Road. The primary criteria was Addison Road frontage and relatively small office space availability. While no buildings were found reflective of the small total size of the subject, buildings leasing relatively small square footage office space were. Although the comparables are multi-tenant buildings with adequate parking availability, they should provide a competitive alternative to the subject's characteristics.

Rents

Survey data indicated that rental rates are based either on a "full-service" or modified full-service basis. In a full-service lease, all expenses are paid by the landlord and include; water, electricity, trash service, common area maintenance (CAM), janitorial service, property taxes, and insurance. In the modified full-service leases, the tenant is responsible for their individual electric utility expense and janitorial expenses. Full-service leases are quoted in the \$18.00/SF to \$20.00/SF price range, depending on the size of the space leased. Modified full-service leases are quoted in the \$15.00/SF price range.

Vacancy

Generally, the survey data indicates a softening of the office market in this area. This is demonstrated by average vacancy rates in the 85% to 90% range. Noted vacancies surveyed spanned 0% to 30%. A lower than typical vacancy is estimated for the subject - 8%. The rationale for this estimate is, since the subject and the comparables are smaller buildings a relatively small number of square feet translates into a relatively high percentage of vacancy. The subject would either be 100% occupied or 100% vacant. The *Real Estate Investment Trends - Year End 2000*, published by the Henry S. Miller Companies, indicates survey results for average vacancy and collection loss at 8.7% for "small" office properties. The 8% vacancy figure is based on the presumption that there will be periods between tenants, not that a certain number of square feet will be vacant at any given time.

Expenses

The *direct* expense data derived in the survey was very uniform in all areas excepting electrical service expense. A \$3.00/SF expense figure was quoted for the combined expenses of taxes, insurance, trash service, water, and common area maintenance. Janitorial service was estimated at \$0.30/SF by those properties including that service. Electrical utility expense ranged from \$3.20/SF to \$3.55/SF for the full-service properties.

The *indirect* expense data includes lease commission expenses and administrative expenses. While lease commission expenses range from 2% to 6%, based on surveys of real estate companies specializing in this service, no lease expense will be estimated for the subject. As the subject is not reflective of a multi-tenant building, it is presumed that the subject property owner would likely provide his own leasing effort. An administrative expense of 1½% is estimated for the subject to address the minimal bookkeeping/reporting time involved in managing the property. Market survey data suggests that multi-tenant properties pay management companies in the range of 2½% to 6% for these services.

Subject Lease - Estimate

Based on the survey data, a market lease estimate is developed for the subject property (1) as if it were available to produce rental income for the property owner, or (2) for the purpose of estimating the economic value of the subject property for owner-occupancy. The income analysis theory presumes that a prudent person considers the options between leasing business property and owning business property. There are opportunity costs involved with each, and these costs will vary depending on how well suited a property is to the general leasing market, versus how well suited a property is to an owner-occupant.

As stated previously, the modified full-service lease rate in the subject area is ±\$15.00/SF. The full-service lease rate ranges from \$18.00/SF to \$20.00/SF. Deducting the \$3.50/SF to \$3.85/SF from the full-service lease rates results in a range of \$14.50/SF to \$16.15/SF lease rate on a modified full-service basis.

Obviously, all of the comparables are typical of conventional office space. All have adequate parking and offer amenities not available to the subject. However, as competitive space, each has its strengths and weaknesses, each potentially appealing to an over-lapping demand mix in the market. The Comparable data pages and location map will be found in the Addendum.

For the purpose of this analysis, the non-conforming nature of the subject improvements will not be considered. It is presumed that a lease use compatible with the subject improvements as they currently exist is reasonable; i.e., that no change in use would be required to achieve the estimated rental rates, as a material change in use could elevate the subject's non-conforming status to the detriment of the property.

The following pro-forma operating income statement is developed for the subject property, based on the survey data and the extrapolations made therefrom. This derivation is made for the subject property as an independent, self-sustaining unit; i.e., a ±924 SF primary structure situated on a ±11,363 SF site situated at the northwest corner of Addison Road and Arapaho Road (unimproved).

Pro-Forma Operating Income Statement
15301 Addison Road - Metro Brick Co.

Potential Gross Income (924 SF @ \$15.00/SF)	\$13,860
Less Vacancy & Collection Loss @ 8%	- 1,109
Effective Gross Income Estimate	12,751
Less Expenses:	
Admin./Mgt. @ 1½%	\$ 191
Leasing Commission (self marketed)	-0-
Modified Full Service @ \$3.00/SF	2,772
Janitorial - tenant expense	-0-
Electrical (utility) - tenant expense	-0-
Total Estimated Expenses	- 2,963
Indicated Net Operating Income	\$ 9,788

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. As there are not any properties similar to the subject from which to derive capitalization rates, survey data compiled at the end of 2000 was utilized for the overall rate estimate.

Three capitalization rate ranges were surveyed by the Henry S. Miller Companies and summarized in their *Real Estate Investment Trends - Year End 2000* report; "going-in" rate (based on the income at the time of purchase), "stabilized" rate (based on typical operating year at stabilized occupancy), and a "reversion" rate (rate anticipated at resale). The stabilized rates for office properties ranged from 9.5% to 11.5%, with an average of 10.4%. As the net operating income estimate is divided by the capitalization rate to derive an estimate of market value, the lower the capitalization rate, the higher the estimate of market value will be. Analysis supports an R_o for the subject property of 9.5%. This gives the benefit of the doubt for a strong operating market for the subject property as an investment. Thus:

<u>Proforma NOI</u>		<u>R_o</u>		<u>Indicated Value</u>
\$9,788	+	9.5%	=	\$103,032

The estimated market value of the subject site via the Sales Comparison Approach is \$56,815. The capitalized value estimate for the whole property "as improved" is \$103,032.

These results indicate that the improvements to the subject site have a contributory value of \$46,217. Improvements that generate the level of income displayed by the subject improvements provide for an adequate return "on" the value of the site, and a return "on" the value of the improvements. There does not appear to be a return "of" the value of the improvements (i.e., paying back the depreciating value of the improvements over time).

SALES COMPARISON APPROACH TO VALUE
(Improved)

The Sales Comparison Approach to Value was utilized to estimate the value of the subject property as vacant, undeveloped land. Generally, the Sales Comparison Approach to Value is considered to be the most reliable approach for valuing undeveloped land.

The Sales Comparison Approach to Value was not utilized to estimate the value of the subject property "as improved". An investigation of the Addison market did not reveal any meaningful level of very small office property sales within the previous 2½ years. Therefore, the Sales Comparison Approach to Value - Improved was not developed for the subject property.

RECONCILIATION

For reasons previously stated within this report, the Sales Comparison Approach was utilized in estimating the Market Value of the subject site. The Cost Approach was developed to test the reasonableness of the conclusions derived in the Income Approach. Generally, the Cost Approach is much better utilized in estimating the value of new or proposed improvements. It is more difficult to judge the various levels of depreciation on improvements the age of the subject improvements. The Income Approach was developed for the subject property. The subject property improvements have small office utility in the current market, and there is evidence that the subject improvements are capable of producing income and, hence, value as they currently exist. Typically, income producing properties are traded on their ability to produce income. A summary of the value estimates derived for the Whole Property are as follows;

Sales Comparison Approach - Land:	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach - Improved:	N/A

The Income Approach to Value is selected as the most reliable indicator of probable market value for the subject Whole Property. Therefore;

WHOLE PROPERTY	\$103,032
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Components of Value

Main Bld.	\$ 37,500
Acc. Bld.	4,000
Landscape	1,000
Fencing	1,000
Paving	<u>2,717</u>
Imp. Tot.	46,217
Land Value	<u>56,815</u>
Total	\$103,032

PART TAKEN - VALUATION

This Taking is considered a Whole Property acquisition. The Part Taken is comprised of two parts; (1) a strip taking for right-of-way, and (2) a park site tract. A plat of the subject showing the Part Taken is included in the Addendum of this report.

The Right-of-Way Part Taken consists of a strip of land varying from $\pm 21\frac{1}{2}'$ to $\pm 15\frac{1}{2}'$ wide, along the south side of the subject from east to west, roughly parallel, and adjacent, to the existing unimproved Arapaho Road right-of-way; a length of roughly $\pm 144'$. The land area within the proposed R.O.W. acquisition contains $\pm 1,657$ SF of site area. The Park Site-Part Taken encompasses $\pm 9,706$ SF adjacent to the north side of the R.O.W. acquisition, and represents the balance of the subject property.

Within the acquisition area are all of the main office/sales building, secondary building, brick fencing/screening, driveway paving, and landscaping. As many of the survey markers for the proposed right-of-way for the Arapaho Road right-of-way extension have been over-covered with brick, percentage estimates of the quantity of improvements within the proposed Arapaho Road right-of-way have been made from the right-of-way plat provided by the Town of Addison. The balance of those improvements are situated in the park-site portion of the proposed acquisition. The depreciated value of all of the site improvements, taken from the Final Value Estimate breakdown on Page 27 is included in the Part Taken estimate. *This is a Whole Property acquisition.*

Therefore, the estimated Value of the fee simple interest of the Part Taken is the same as the estimated Market Value of the Whole Property, or,

Part Taken -

\$103,032

REMAINDER BEFORE THE TAKE - VALUATION

In circumstances of Whole Property acquisitions, wherein the Part Taken is synonymous with the Whole Property, there is no Remainder Before the Take to evaluate. Therefore, this analysis is not applicable to this appraisal problem.

REMAINDER AFTER THE TAKE - VALUATION

In circumstances of Whole Property acquisitions, wherein the Part Taken is synonymous with the Whole Property, there is no Remainder After the Take to evaluate. Therefore, this analysis is not applicable to this appraisal problem.

ESTIMATE OF JUST COMPENSATION

As the proposed acquisition represents a Whole Property acquisition, the estimate of Just Compensation Estimate is the same as the Value of the Whole property. As damages to real property arise out of the difference in the Value of the Remainder Before the Take and the Value of the Remainder After the Take, no real property damages are relevant in this analysis. Therefore, the Estimate of Just Compensation is the same as the estimate of Market Value for the Whole Property, or,

ESTIMATE OF JUST COMPENSATION

\$103,032

APPRAISER'S CERTIFICATE

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

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



Mark A. Hipes

Texas Certification No. TX-1321416-G

ADDENDUM

**Comparable Rental Data
Assumptions & Limiting Conditions
Photographs of the Subject
Survey
Legal Description
FAA Exhibits
Zoning Map
Qualifications of Mark A. Hipes**

Comparable #1



Location: 4801 Arapaho Rd. (NE/c Arapaho/Addison), Addison, TX
Building Type: 3 story, office
Construction: Brick Veneer, 1900's style design
Age/Condition: ±15 yrs., since remodeling; excellent condition
Parking: Concrete paved surface parking, excel. cond., adequate #

Rentable Area: 10,000 SF
Current Occupancy: 71%

Quoted Lease Rate: \$15.00/SF
Terms of Lease: Modified Full Service; tenant pays electrical & janitorial
Length of Leases: 3 years, negotiable

Estimated Expenses: \$3.00/SF, exclusive of electric & janitorial

Comments: This property is across Addison Road from the subject. It has one lease space available equaling 2,900 SF. Owner/manager felt like his rates were on the low side of the market, and also that the office market is somewhat soft at the present time.

Survey Information: Owner/manager 469.644.0002
Mapsco #: D-14C
Survey Date: 05/01

Comparable #2



Location: 16051 Addison Road (SE/c Addison/Keller Springs), Addison, TX
Building Type: 3 story, office
Construction: Brick Veneer, elevated, modern
Age/Condition: ±15 yrs., excellent condition
Parking: Concrete paved surface parking (covered), excel. cond., adequate #

Rentable Area: 40,515 SF
Current Occupancy: 88%

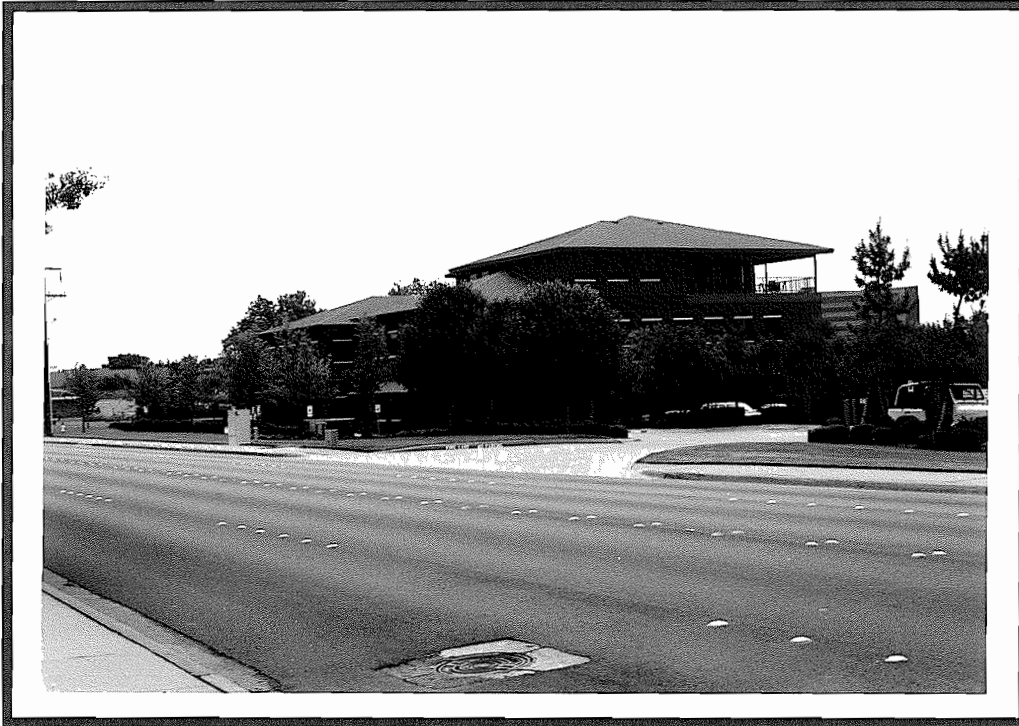
Quoted Lease Rate: \$18.00 - \$19.50 per square foot
Terms of Lease: Full Service; attempting to change to + electrical
Length of Leases: 3 years, negotiable

Estimated Expenses: \$6.50/SF

Comments: This property is on the west side of Addison Road, adjacent to the airport. It currently has space available ranging from 300 SF to 2,756 SF. This is the Concourse Plaza building. Owner/manager feels that the market is somewhat soft at the present time.

Survey Information: Owner/manager 972.934.8414
Mapsco #: D-4U
Survey Date: 05/01

Comparable #3



Location: 16300 Addison Road, Addison, TX
Building Type: 3 story, office
Construction: Brick Veneer
Age/Condition: ±3 yrs., excellent condition
Parking: Concrete paved surface parking, excel. cond., adequate #

Rentable Area: 11,848 SF
Current Occupancy: 100%; 2,313 SF available for sub-lease

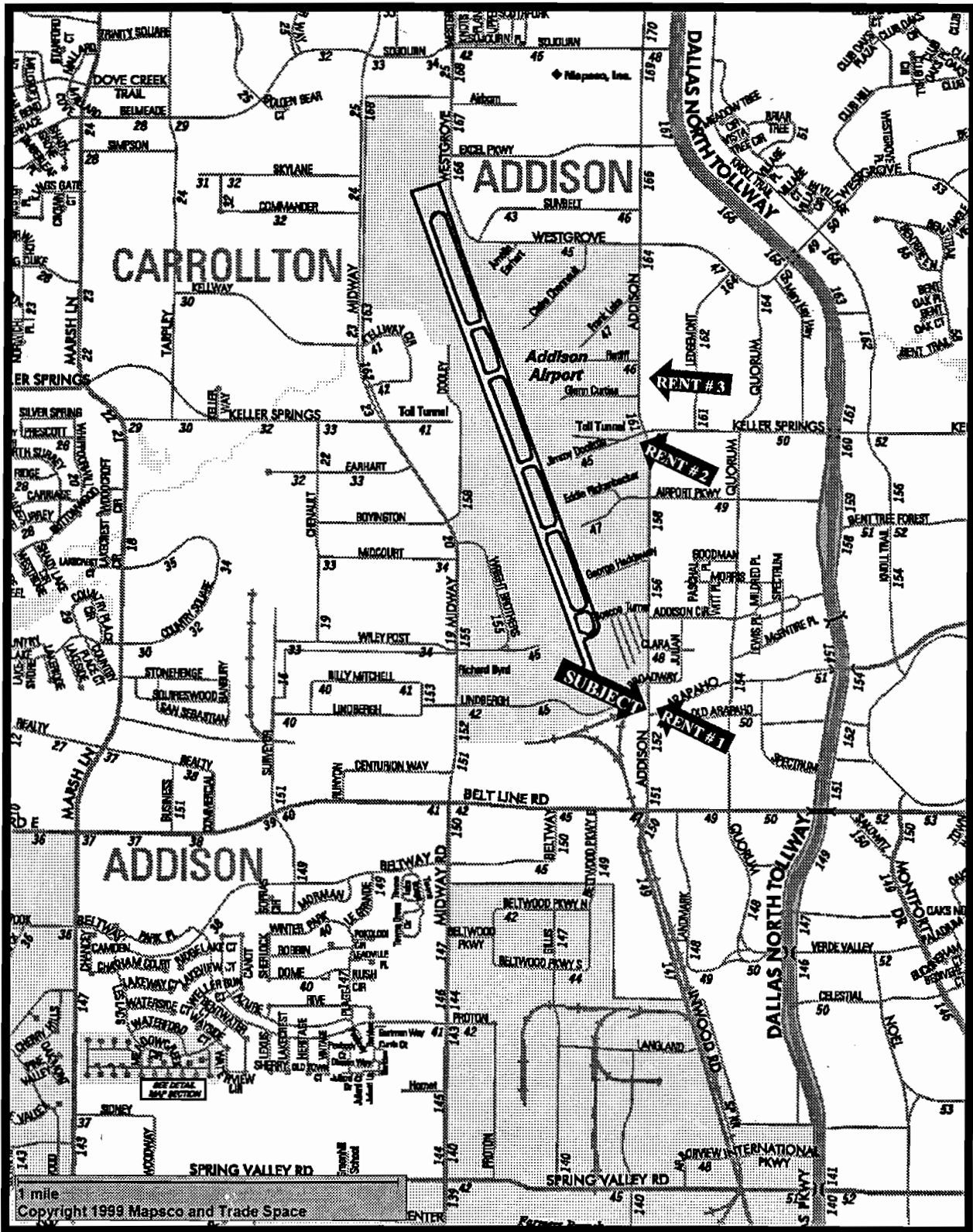
Quoted Lease Rate: \$20.00/SF
Terms of Lease: Full Service
Length of Leases: 3 years, negotiable

Estimated Expenses: \$6.84/SF

Comments: This property an interior location on the east side of Addison Road, about ½ block north of Keller Springs (non-airport side). This is a more casual style building with a covered walk around the perimeter of the building. Manager indicates that their properties in the area suggest an 85% to 90% occupancy rate in the area; a somewhat soft market.

Survey Information: Leasing Agent 972.250.3902
Mapsco #: D-4U
Survey Date: 05/01

COMPARABLE MAP



ASSUMPTIONS AND LIMITING CONDITIONS
(Read Carefully)

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

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

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

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

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

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

22. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this Property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the Property, together with a detailed analysis of the requirements of the ADA, could reveal that the Property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible non-compliance with the requirements of ADA in estimating the value of the Property. Special Note: This may not be adequate if "readily achievable" barrier removal items are obvious and should have been identified.

EDWARD COOK SURVEY

A=326

EXHIBIT "B"

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

CALLED 3 & 48/100 AC.
ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY OF TEXAS
JANUARY 15, 1902
VOL. 278, PG. 115
D.R.D.C.T.

LOT 3
BLOCK 1
ADDISON CAR CARE
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

METRO BRICK COMPANY, INC.
SEPTEMBER 11, 1996
VOL. 96180, PG. 02908
D.R.D.C.T.

ARAPAHO ROAD
(60' R.O.W.)
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

PROPOSED ARAPAHO ROAD
(CALLED R = 713.94')

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.

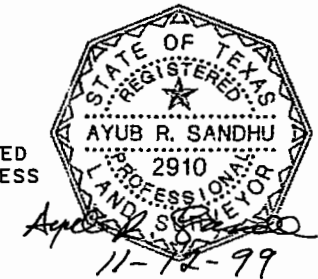
ALL BEARINGS ARE REFERENCED TO THE NORTH RIGHT OF WAY LINE OF CENTURION WAY, CALLED S 89°51'55" E, ACCORDING TO THE FINAL PLAT OF LOT 3, SURVEYOR ADDITION, RECORDED IN VOL. 77173, PAGE 135, D.R.D.C.T.

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

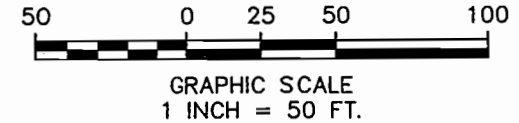
- PK DENOTES A SET "PK" NAIL
- ○ DENOTES A FOUND POINT AS INDICATED
- ● DENOTES A 5/8" IRON ROD SET UNLESS OTHERWISE NOTED
- PROPOSED RIGHT OF WAY LINE

LINE TABLE				
LINE	BEARING	CALLED	DIST	CALLED
L1	S 44°45'45" W	S 48°17' W	24.01'	-
L2	S 89°49'45" W	N 89°39' W	19.93'	19.93'
L3	EAST	-	9.48'	-
L4	N 44°55'56" E	-	43.76'	-
L5	S 00°18'13" E	-	21.64'	-

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	9°42'42"	730.00'	123.74'	S 84°58'25" W - 123.59'
C2	1°15'05"	714.00'	15.59'	N 40°27'38" E - 15.59'
C3	7°03'24"	890.00'	109.61'	N 86°28'18" E - 109.54'



PARCEL 1
A PLAT OF A
0.0380 ACRE (1,657 SQ. FT.)
TRACT OF LAND
IN THE EDWARD COOK SURVEY
ABSTRACT NO. 326
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



Parcel 1
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0380 acre (1,657 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being a portion of that certain tract of land conveyed to Metro Brick Company, Inc. on September 11, 1996 and recorded in Volume 96180, Page 02908 of the Deed Records of Dallas County, Texas, said tract being all of Lot 3, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of said Deed Records; said 0.038 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a point at the North end of a cut back corner located at the Northwest intersection of Addison Road (variable width) as dedicated by said plat of Addison Car Care with Arapho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said point also being the most Easterly Southeast corners of said Lot 3 and said Metro Brick Company, Inc. tract, from said point an "X" in concrete found bears North 44°45'45" West, a distance of 4.24 feet;

THENCE, SOUTH 44°45'45" WEST (called SOUTH 48°17' WEST), along said cut back corner and the Southeast line of said Metro Brick Company, Inc. tract, a distance of 24.01 feet to an "X" in concrete found in the common existing North right of way line of said Arapaho Road and South line of said Metro Brick Company, Inc. tract, for the most Southerly Southeast corner of said Metro Brick Company, Inc. tract;

THENCE, SOUTH 89°49'45" WEST (called NORTH 89°39' WEST), along said common line, a distance of 19.93 feet to a "PK" nail set for the beginning of a tangent curve to the left;

PARCEL 1 - ARAPAHO ROAD PROJECT

THENCE, WESTERLY, continuing along said common line and along the arc of said curve to the left having a radius of 730.00 feet, a central angle of $9^{\circ}42'42''$, a chord bearing South $84^{\circ}58'25''$ West for 123.59 feet, for an arc distance of 123.74 feet (called 123.82 feet) to a point in a curve of the Southeasterly line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 278, Page 115 of said Deed Records, said point being the common Southwest corner of said Metro Brick Co. Inc. tract and the Northwest corner of the dedication of said Arapaho Road by said plat of Addison Car Care;

THENCE, NORTHEASTERLY, departing said common line, along the common Northwesterly line of said Metro Brick Company, Inc. tract and Southeasterly line of said called 3 & 48/100 acre tract, along the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet), a central angle of $1^{\circ}15'05''$, a chord bearing North $40^{\circ}27'38''$ East for 15.59 feet, for an arc distance of 15.59 feet to a 5/8 inch iron rod set in a curve of the proposed North right of way line of Arapaho Road;

THENCE, along the proposed North right of way line of Arapaho Road the following courses and distances;

EASTERLY, departing said common line, along the arc of a non-tangent curve to the right having a radius of 890.00 feet, a central angle of $7^{\circ}03'24''$, a chord bearing North $86^{\circ}28'18''$ East for 109.54 feet, for an arc distance of 109.61 feet to a "PK" nail set for the point of tangency of said curve;

EAST, a distance of 9.48 feet to a "PK" nail set for an angle point;

NORTH $44^{\circ}55'56''$ EAST, a distance of 43.76 feet to a 5/8 inch iron rod set in the common East line of said Metro Brick Company, Inc. tract and West right of way line of said Addison Road;

THENCE, SOUTH $00^{\circ}18'13''$ EAST, departing the proposed North right of way line of said Arapaho Road, along said common line, a distance of 21.64 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 0.0380 acres or 1,657 square feet of land within the metes recited.

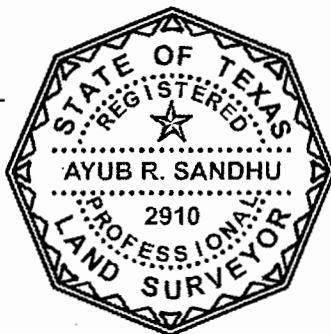
PARCEL 1 - ARAPAHO ROAD PROJECT

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



DO NOT REMOVE CARBONS

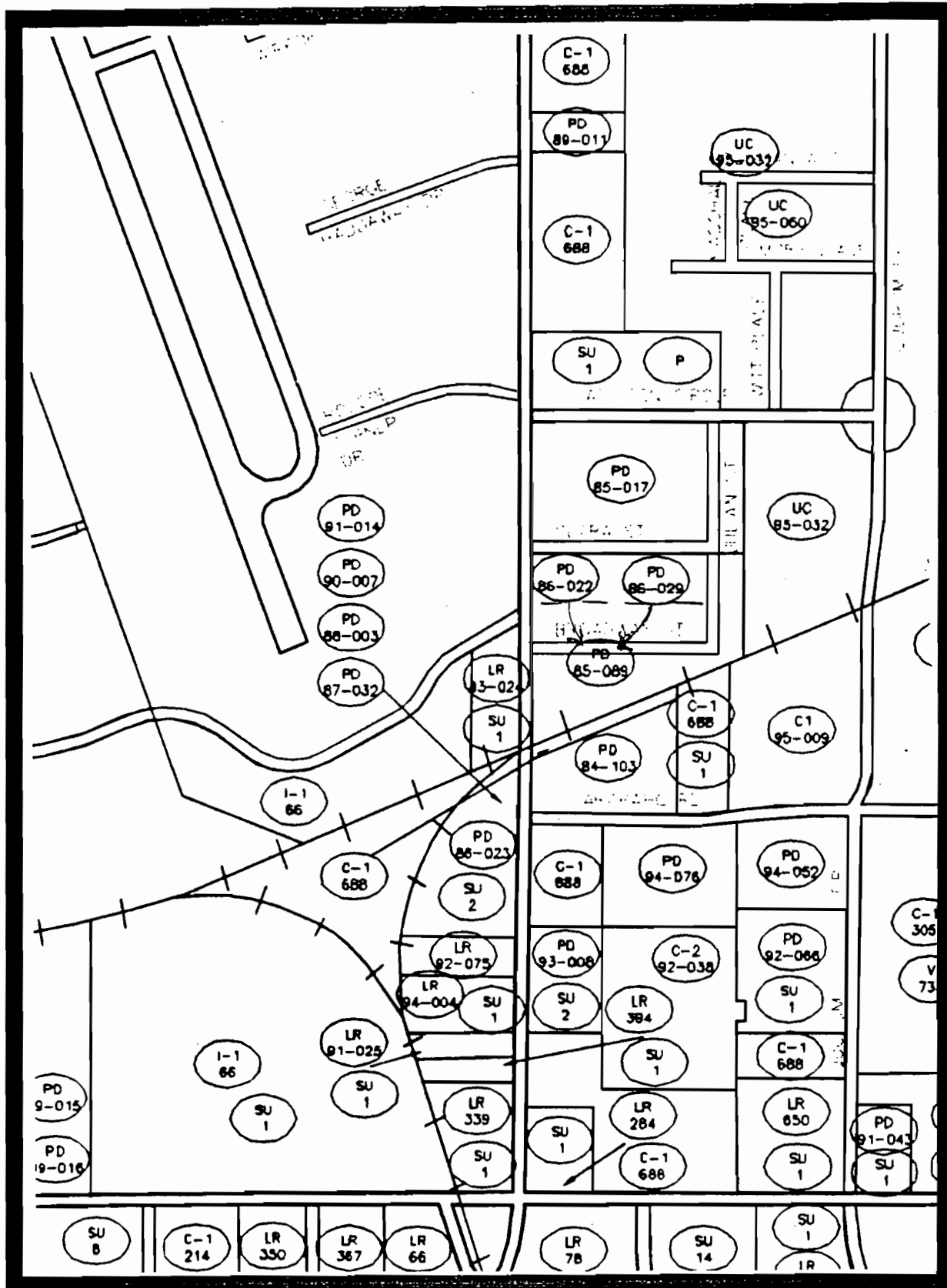
Form Approved OMB No. 2120-0001

 U.S. Department of Transportation Federal Aviation Administration			NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION			Aeronautical Study Number _____		
1. Nature of Proposal				2. Complete Description of Structure				
A. Type <input type="checkbox"/> New Construction <input type="checkbox"/> Alteration		B. Class <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary (Duration _____ months)		C. Work Schedule Dates Beginning _____ End _____		A. Include effective radiated power and assigned frequency of all existing, proposed or modified AM, FM, or TV broadcast stations utilizing this structure.		
3A. Name and address of individual, company, corporation, etc. proposing the construction or alteration. (Number, Street, City, State and Zip Code)				B. Include size and configuration of power transmission lines and their supporting towers in the vicinity of FAA facilities and public airports.				
(_____) area code Telephone Number _____				C. Include information showing site orientation, dimensions, and construction materials of the proposed structure.				
B. Name, address and telephone number of proponent's representative if different than 3A above.				(if more space is required, continue on a separate sheet.)				
4. Location of Structure				5. Height and Elevation (Complete to the nearest foot)				
A. Coordinates (To nearest second)		B. Nearest City or Town, and State		C. Name of nearest airport, heliport, flight park, or seaplane base		A. Elevation of site above mean sea level		
0 1 " Latitude		_____ Miles		(1) Distance from structure to nearest point of nearest runway		B. Height of Structure including all appurtenances and lighting (if any) above ground, or water if so situated		
0 1 " Longitude		_____		(2) Direction from structure to airport		C. Overall height above mean sea level (A + B)		
D. Description of location of site with respect to highways, streets, airports, prominent terrain features, existing structures, etc. Attach a U.S. Geological Survey quadrangle map or equivalent showing the relationship of construction site to nearest airport(s). (if more space is required, continue on a separate sheet of paper and attach to this notice.)								
<small>Notice is required by Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) pursuant to Section 1101 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1101). Persons who knowingly and willfully violate the Notice requirements of Part 77 are subject to a fine (criminal penalty) of not more than \$500 for the first offense and not more than \$2,000 for subsequent offenses, pursuant to Section 902(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(a)).</small>								
I HEREBY CERTIFY that all of the above statements made by me are true, complete, and correct to the best of my knowledge. In addition, I agree to obstruction mark and/or light the structure in accordance with established marking & lighting standards if necessary.								
Date		Typed Name/Title of Person Filing Notice			Signature			
FOR FAA USE ONLY <i>FAA will either return this form or issue a separate acknowledgement.</i>								
The Proposal: <input type="checkbox"/> Does not require a notice to FAA. <input type="checkbox"/> Is not identified as an obstruction under any standard of FAR, Part 77, Subpart C, and would not be a hazard to air navigation. <input type="checkbox"/> Is identified as an obstruction under the standards of FAR, Part 77, Subpart C, but would not be a hazard to air navigation. <input type="checkbox"/> Should be obstruction marked and lighted per FAA Advisory Circular 7460-1, Chapter(s) _____ <input type="checkbox"/> Obstruction marking and lighting are not necessary.				Supplemental Notice of Construction FAA Form 7460-2 is required any time the project is abandoned, or <input type="checkbox"/> At least 48 hours before the start of construction. <input type="checkbox"/> Within five days after the construction reaches its greatest height. This determination expires on _____ unless: (a) extended, revised or terminated by the issuing office. (b) the construction is subject to the licensing authority of the Federal Communications Commission and an application for a construction permit is made to the FCC on or before the above expiration date. In such case the determination expires on the date prescribed by the FCC for completion of construction, or on the date the FCC denies the application. NOTE: Request for extension of the effective period of this determination must be postmarked or delivered to the issuing office at least 15 days prior to the expiration date. If the structure is subject to the licensing authority of the FCC, a copy of this determination will be sent to that Agency.				
Remarks:								
Issued in _____		Signature _____			Date _____			

FAA Form 7460-1 (4-83) SUPERSEDES PREVIOUS EDITION

DO NOT REMOVE CARBONS

FAA FORM



ZONING MAP

MARK A. HIPES
Qualifications

Location of Office

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

Education

Southern Methodist University

* Bachelor of Business Administration - Quantitative Analysis

* Master of Business Administration - Finance

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

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

Appraisal Courses, Seminars

American Institute of Real Estate Appraisers

* Course IIa - Case Studies in Real Estate Valuation

* Course IIb - Valuation Analysis & Report Writing

Society of Real Estate Appraisers

* Course 101 - Principals of Real Estate Appraisal

* Course 201 - Income Property Valuation

* Course R2 - Report Writing

Standards of Professional Practice

Various Seminars on Valuation & Litigation

Experience

02/87 to Present

Hipes & Associates

Independent Real Estate Appraiser

03/79 to 02/87

Dallas County Department of Public Works

Eminent Domain Appraiser

09/71 to 03/79

Self Employed

Financial Analysis/Real Estate Analysis

Types of Properties Appraised

Regional Malls

Industrial/Manufacturing

Automobile Dealerships

Shopping Centers

Apartments

Hospitals

Office

Farms/Ranches

Railroads

Office/Warehouses

Proposed Developments

Churches

Service Stations

Educational Facilities

Airports

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

Extensive work in Eminent Domain & other forms of litigation valuation

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

SUMMARY OF SALIENT FACTS

**±1,657 SF out of ±11,363 SF at the NW/c of Intersection of Addison Road/Arapaho Road
Metro Brick Company, Inc. - Owner
Addison, Texas**

Date of the Appraisal:	May 7, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±1,657 SF tract out of a ±11,363 SF tract, located at the NW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use:	
"As vacant":	To be assembled with adjacent railroad property for potential future uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach:	\$ N/A
Whole Property:	\$103,032
<u>Part Taken:</u>	\$ 15,275
<u>Remainder Before the Take:</u>	\$ 87,757
<u>Remainder After the Take:</u>	
Land Value:	\$ 971
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ 86,786
Final Value Estimate: JUST COMPENSATION	\$102,061

Parcel 1
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0380 acre (1,657 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being a portion of that certain tract of land conveyed to Metro Brick Company, Inc. on September 11, 1996 and recorded in Volume 96180, Page 02908 of the Deed Records of Dallas County, Texas, said tract being all of Lot 3, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of said Deed Records; said 0.038 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a point at the North end of a cut back corner located at the Northwest intersection of Addison Road (variable width) as dedicated by said plat of Addison Car Care with Arapho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said point also being the most Easterly Southeast corners of said Lot 3 and said Metro Brick Company, Inc. tract, from said point an "X" in concrete found bears North $44^{\circ}45'45''$ West, a distance of 4.24 feet;

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PARCEL 1 - ARAPAHO ROAD PROJECT

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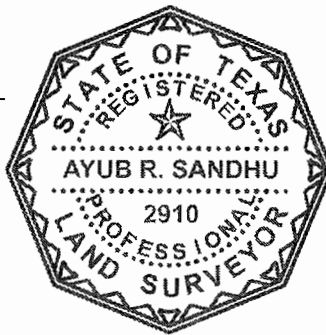
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Ayub R. Sandhu 11-12-79

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



Parcel 1
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

*Council doesn't need
the description*

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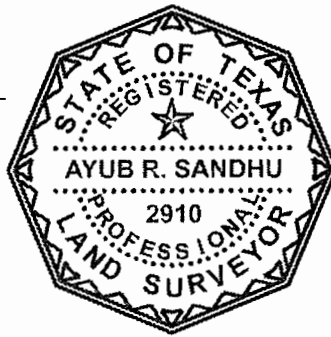
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Ayub R. Sandhu 11-12-79
Ayub R. Sandhu, R.P.L.S.
Texas Registration No. 2910



SC

AN APPRAISAL REPORT OF

THE METRO BRICK COMPANY, INC. PROPERTY
A WHOLE PROPERTY ACQUISITION
LOCATED AT THE
NORTHWEST CORNER OF THE ADDISON ROAD/ARAPAHO ROAD INTERSECTION
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

PREPARED FOR

TOWN OF ADDISON
C/O MR. MICHAEL MURPHY, P.E.
DIRECTOR OF PUBLIC WORKS
P.O. BOX 9010
ADDISON, TEXAS 75001-9010

DATE OF APPRAISAL

MAY 24, 2001

PREPARED BY

HIPES & ASSOCIATES
7557 RAMBLER ROAD
SUITE 260, LB 25
DALLAS, TEXAS 75231

HIPES & ASSOCIATES

REAL ESTATE
APPRAISERS/CONSULTANTS

OFFICE ADDRESS:
7557 RAMBLER RD #260
LOCK BOX 25
DALLAS, TEXAS 75231

MAILING ADDRESS:
P.O. BOX 600142
DALLAS, TEXAS 75360
214-739-5941

May 24, 2001

Mr. Michael Murphy, P.E.
Director of Public Works
Town of Addison
P.O. Box 9010
Addison, Texas 75001-9010

**Re: The Metro Brick Company, Inc. Property
Arapaho Road Acquisition**

Dear Mr. Murphy:

I have inspected and made an appraisal of the above referenced property. Conditions pertinent to or indicative of the value of the property were researched and investigated.

This report sets forth my findings and conclusions and any material matters within the market place that may have an impact on the value of the subject, the proposed acquisition, and any remainders both before and after the proposed acquisition. Factual data pertaining to the subject is exhibited along with any market data felt significant in the analysis and opinion of value.

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$103,032.00 as of May 24, 2001 based upon my independent appraisal and the exercise of my professional judgement;

That on April 11, 2001, and various other dates, I personally inspected in the field the property herein appraised; that I afforded Mr. Dennis Calandar, the property owner or his representative, 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 April 11, 2001, 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

24 MAY 2001

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

**A Whole Property Acquisition at the NW/c of Intersection of Addison Road/Arapaho Road
Metro Brick Company, Inc. - Owner
Addison, Texas**

Date of the Appraisal:	May 24, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±11,363 SF tract improved with an office/sales facility, located at the NW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use:	
"As vacant":	To be assembled with adjacent railroad property for potential future uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach:	\$ N/A
Whole Property:	\$103,032
<u>Part Taken:</u>	\$103,032
<u>Remainder Before the Take:</u>	\$ -0-
<u>Remainder After the Take:</u>	
Land Value:	\$ N/A
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Damages to the Remainder:	\$ N/A
Final Value Estimate: JUST COMPENSATION	\$103,032

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Qualifications of Appraiser	

Purpose of the Appraisal

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

Definition of Market Value

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Scope of the Appraisal

The scope of this report includes the research, data acquisition and analysis as described in the appraisal process description of this report. In gathering comparable sales data our sources 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 rent information is generally derived from direct interview 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 interview with property managers and owners and published industry averages. Replacement construction costs amounts are generally derived from the national cost reporting services 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.

Property Rights Appraised

The property rights appraised are those of the *Fee Simple* estate. 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". (The Dictionary of Real Estate Appraisal, Second Edition, American Institute of Real Estate Appraisers, 1984, p. 123.)

Effective Date of Valuation

The effective date of valuation is May 24, 2001. The inspection date of the subject was April 11, 2001, and various other dates. The date of this report is May 24, 2001.

Identification of the Subject Property

The property being appraised is a ±11,363 SF tract of land improved with a small sales/office building, located at the northwest corner of Arapaho Road and Addison Road, in the Town of Addison, Dallas County, Texas. This is an area principally developed with commercial, industrial, and airport service uses.

The acquisition of the subject property is comprised of a strip taking along the south side of the subject containing ±1,167 SF adjacent to the existing Arapaho Road right-of-way, and the ±9,706 SF outside the strip taking for a future park site. The survey provided to the appraiser representing the proposed acquisition is included in the Addendum to this report.

Briefly, the legal description for the subject property/part taken is described as; *being a part of Block 1, Lot 3, Addison Car Care Addition, and a part of the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, containing a total of ±11,363 SF of land area.*

A metes and bounds legal description of the proposed acquisition has been provided to the appraiser and is included in the addendum of the report.

History of the Subject Property

No property ownership information was provided to the appraiser for this appraisal assignment. However, data contained in the appraiser's files indicates that the current owner acquired the subject property on September 11, 1996, from Carwash Properties North V, LP, as recorded in Volume 96180, Page 2908, of the Dallas County Deed Records, for \$85,267. No previous ownership history is known. The subject property was purchased by the pre-existing tenant for the continued operation of his business.

Ad Valorem Tax Information

The DCAD Acct. # for the subject is 10000610010030000. The DCAD appraised value for the subject is \$85,000; land value @ \$68,210 and improvement value @ \$16,790 for the year 2000.

Estimated Marketing/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 and office brokers in preparing this report indicate that a reasonable exposure time for the subject property of nine to twelve months is supported by historic market conditions.

CITY DATA

The Town 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 the City of Carrollton on the west. The City is a suburb of Dallas and is a 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	N/A
1980	5,553	+835%
1990	8,783	+ 58%
1997 (est.)	11,100	+ 25%

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 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 t 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 central and southwestern portions, 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 it's citizens. Utilities are provided by Lone Star Gas Company, TU Electric Company, and Southwestern Bell Telephone Company. It gets it's 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 districts. 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 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 the in Town.

The new "urban hub" consisting of a 70 acre development at Addison Circle, located north of Belt Line Road and bounded by Airport Parkway, Addison road, the Toll road and Arapaho Road is currently under development. 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 1980's, 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 market research has consistently reported strong increases in office construction over the previous several years. In addition, Hines Interests plan 250,000 Sf of new office at the Galleria in the Dallas City limits, and Centre Development plans a 410,000 SF office structure at Dallas Parkway and Spring Valley in Farmers Branch just south of Addison. For multi-family construction, M/PF research also shows strong growth and absorption. The overall prospects for the City's future is considered to be good, in our opinion.

NEIGHBORHOOD ANALYSIS AND TRENDS

The subject neighborhood is described as being that area generally bounded by Belt Line Road on the south, Midway Road on the west, Westgrove to the north and Quorum Drive to the east. This area is in the north-central portion of the Town of Addison which is a northern suburb of the City of Dallas situated approximately 12 miles north of that municipality's central business district.

The predominant feature and major land use within the subject neighborhood is the Addison Airport which is due north of the subject property. This is a major fixed-base corporate and private airport facility for northern Dallas County. Improvements at the airport include a 7,200' lighted runway, control towers, ILS Approach System, and two 24-hour fixed base operators providing fuel and other aircraft related services. It houses corporate aircraft for a number of businesses within the area. Much of the improvement west of Addison Road is light industrial and airport related type construction. Major facilities for the City of Addison occur at the west corners formed by the intersection of Airport Parkway and Addison Road. The northwest corner of those two streets houses the City of Addison's police and court facilities while the southwest corner is the site for the City of Addison's central fire station. The majority of the rest of the development south of Airport Parkway, extending along Lindberg and on the west side of the airport, is light industrial or commercial in nature.

Addison Road is a major north/south connector within this portion of Addison and North Dallas. In addition to commercial buildings found here, there was fairly extensive low and mid-rise garden office development during the construction boom of the early and mid 1980's. Examples of this type of construction are found on the west side of that thoroughfare both south and north of the Keller Springs intersection with similar development in the northeast quadrant of Keller Springs and Addison Road. Additional construction of this type is found along the south side of Westgrove west of Addison Road. North of Westgrove on this side of Addison Road is found more office warehouse/office showroom type development. There are still some fairly sizable tracts of undeveloped land, primarily on the east side of Addison Road in this area. The development in the northern part of the northeastern part of the neighborhood has been high quality, single-story office showroom and hi-tech type construction. There is still a significant amount of developable land in this area.

The City of Addison and adjacent areas north of Belt Line have enjoyed new development and generally increasing land prices since the mid-1990's. Of particular interest is the developing apartment, hotel, retail, and commercial activity surrounding the Addison Circle portion of the subject neighborhood. The attractiveness of relatively close in North Dallas locations should ensure strong demand for existing properties and vacant development land within the subject neighborhood as the real estate economy continues to improve. As these events occur, the subject neighborhood development prospers. Current market evidence suggests a healthy real estate market.

SUBJECT PROPERTY

Site Data

The subject tract is near triangular in shape, the northwest side curving along the railroad right-of-way, based on information provided in a site plan. Plats indicate approximately $\pm 112'$ of boundary with the west right-of-way line of Addison Road and $\pm 144'$ of frontage along the north side of existing (but unimproved) Arapaho Road. Total land area is $\pm 11,363$ SF as shown on the survey provided by the Town of Addison and a survey/site plan provided by the previous owner. Addison Road is a four-lane undivided street, with a center turn lane. The improved portion of Arapaho Road terminates to the east of the subject property, where it is a concrete divided multi-lane road. The Arapaho Road right-of-way along the south side of the subject is unimproved and currently utilized for access, parking and storage. The subject appears to be at grade with Addison Road/Arapaho Road.

Physical Characteristics

The subject site is basically level with no major drainage problems noted. Site grading appears to be such to carry surface water from the entire site to the south and east and the drainage in Addison Road. An open cut drainage ditch is situated near the north side of the subject improvements. This is generally effective except in very heavy rainfalls. Apparently off-site drainage capacity is sufficient. The subject property is not located in a HUD designated flood plain area according to Town of Addison, Texas Community Panel No. 481089 0005 A, effective July 16, 1980. Access in and out of the site is accomplished from existing frontage along Addison Road adjacent to the east. Additional access, via unimproved Arapaho Road right-of-way, is currently available along the south side of the site. However, no drive-way cuts are currently existing within this area.

Size/Shape

The subject property contains $\pm 11,363$ SF in a triangular configuration. The site is of insufficient size and shape to support independent economic development, if it were vacant and available for development. There is a pipeline easement across the northwest side of the site, which precludes building permanent improvements in that area. Additionally, there is a 25' setback requirement along both Addison Road and Arapaho Road. That portion of the site available to support improvements is too limited for reasonable economic viability.

Currently, the existing Arapaho Road right-of-way to the south of the subject site and the railroad right-of-way to the north of the subject are utilized for parking in support of the subject improvements. The only on-site parking noted was limited to parallel parking in front of the subject improvements (east side).

Zoning: *The existing improvements are considered "non-conforming" under the Town's current zoning ordinances.* Per the sale plat of the subject, the existing improvements are situated within the setback requirements. A 25' setback building line is required off of both Arapaho Road and Addison Road. The subject property is zoned "PD", a planned development zoning allowing for office, retail, restaurant, and car wash development, under the Town of Addison's ordinances. This is a fairly broad classification providing for a wide variety of commercial usages. Due to the location of the subject tract proximate to Addison Airport, a 20' maximum building height restriction is imposed on any building improvements. The actual development of the subject would require specific plan approval by the Town.

Utilities

Sanitary sewer and water connections are provided through the Town of Addison. It is presumed that the present utilities directly available to the site are of sufficient capacity to support commercial development. Telephone service, electricity and natural gas are available and in adequate supply by private companies serving the subject's general area. The current design of access is considered sufficient to support commercial development. Given the abundance of adjoining street right-of-way, direct access to the subject site is considered both reasonable and probable.

Easements and Restrictions

As set forth in the Assumptions and Limiting Conditions of this report, there was not available to the appraiser in the preparation of this appraisal a current survey and/or title policy. It is assumed from a review of plats and public information that there are no, other than standard utility easements, easements affecting the subject property which are not shown on the site plans/plats, and further, that there are no private deed restrictions that would hinder its current use or future development. It is suggested that these assumptions be verified by competent parties. Easements shown on the plats available to the appraiser indicate that there is a Dorchester Pipeline easement along the northwest side of the subject site and a T.P. & L. easement along the south side of the subject site. Typical utility easements are presumed to service the site.

Site Improvements

The subject property is improved with 2 buildings, a mixture of concrete and brick paving, and ornamental brick fencing. The buildings are currently utilized for display and sales office functions.

The building fronting Addison Road is a one story brick veneer building, constructed in a residential style, $\pm 22'$ x $\pm 42'$ (± 924 SF). This building is utilized as a display and sales office for the Metro Brick Company, Inc. The east central portion of the building is generally used as open display area. Along the south, west and north sides are sales offices. There is a restroom located on the west central side of the building. Interior trim is generally related to the products the company markets. Overall condition of this subject improvement is considered to be very good.

The roof is a low pitch, asphalt shingle type, with HVAC unit. Gutters and drains were noted. Security lighting was noted along the eaves.

Near adjacent to the west of the residential style office is a brick veneer garage and storage building. The garage is basically $23'$ x $17.5'$ and complete with overhead residential garage type doors. This area has sales samples displayed and also appears to be utilized as a breakroom area for the brick yard employees. Attached to the south side of the garage building is a brick veneer storage room, approximately $16.5'$ x $8.5'$. Storage of sales samples was noted in this area.

A significant portion of the site area to the south, east, and west of the buildings is paved with bricks. Ornamental brick wall/fencing is noted to the south and to the north of the buildings.

The bulk of the currently available parking for the subject buildings is situated within the existing right-of-way of Arapaho Road. A limited amount of parking may be available adjacent to the railroad right-of-way along the northwest side of the subject site. It appears that portions of the site could be reconfigured to provide for limited parking in support of the building improvements. As the subject property is currently improved, it appears that there is minimal parking available on the Addison Road side of the subject site to support the subject improvements.

HIGHEST AND BEST USE

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

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

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

The definition immediately above applies specifically to the highest and best use of the land. It is 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."

Also implied is that the determination of the Highest and Best Use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. (Appraisal Terminology and Handbook, AIREA AND SREA, 1975) 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 are discussed in the "Neighborhood Description and Trends" section of this report.

In addition to the typical considerations involved in estimating the Highest and Best Use of the subject property, the City of Addison requires approval from the U.S. Department of Transportation, Federal Aviation Administration (FAA), for the construction or alteration of improvements located within many of its zoning classifications. Even though the subject property is located outside the currently existing "clear zone" of the Addison Municipal Airport, these additional requirements apply.

The subject property is located proximate to the east and south of the existing airport boundary and clear zone. Consideration was given to the development currently existing proximate to the north, south, east, and west of the subject in analyzing the potential uses for the subject site. While the FAA will not speculate on what types of improvements or alterations would be allowable, without proper application and supporting documentation, it is presumed by the appraiser that those uses existing proximate to the subject generally reflect the type of development that would be probable.

Exhibits containing a "Notice of Proposed Construction or Alteration" (Form Approved OMB No. 2120-0001) are provided in the Addendum section of this report.

Physically Possible Uses

As previously described, the subject tract is of such size and shape to preclude the physical possibility of construction of most structures permitted under current zoning and clear zone restrictions.

Legally Permissible Uses

The main constraints are those affected by the subject tract's zoning ordinance. The "PD" zoning ordinance which regulates the subject allows for office, retail, restaurant, and car wash uses. The character of the surrounding development and the subject's proximity to the Addison Road/Arapaho Road controlled intersection, and Belt Line Road, it is estimated that retail or office development would be the most appropriate for the site, if it were of sufficient size and shape to support such development. There is no current or contemplated change in the subject site's zoning, nor is there one which would provide development opportunities that would create a higher return to the land than it's current classification.

Financially Feasible

Due to building height restrictions imposed by clear zone considerations it is unlikely that a typical office development would generate the necessary revenues to provide for an adequate return on the cost of the land and improvements at current market office rent rates in this location.

Retail/service or restaurant occupancy and rental rates suggest that the current local market is strong enough to support financial feasibility for development of the subject site as it is zoned for retail/service or restaurant use. These uses could include restaurant, fast-food, convenience store, service station, satellite banking, copy center, or comparable high intensity/exposure traffic uses, again if the site were of sufficient size and shape to support independent economic development.

Maximally Productive

Based on the subject's zoning, current operational results and market analysis, it is estimated that the maximally productive utilization of the site as a retail/service or restaurant/fast-food site is substantiated. The subject site, as developed with the older office/sales-style improvements representing a very high building-to-land ratio, is maximally utilizing the site, given the current size and shape of the subject site.

Highest and Best Use As Vacant Land

The estimate of the Highest and Best Use of the subject Whole Property would to be to utilize for off-site parking for commercial developments in the area which may be short on parking, or to sell to the adjacent land owner (railroad). If vacant, the size and shape of the subject site render it unsuitable for development to any use which is allowable under the current zoning. It is unlikely that a change in zoning would materially affect the probable future use of the subject site, if it were vacant and available for development.

Highest and Best Use As Improved

Analysis of the subject property indicates that the currently existing improvements provide contributory value to the property. The improvements represent the estimated Highest and Best Use of the property "as improved". The existing improvements would provide for income which, in effect, provide a return on and of the investment represented by the property.

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 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 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. 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 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 the Sales Comparison Approach

In this section of the report, the appraiser will present data and analysis leading to an estimate of market value as of the effective date of the appraisal for the subject site. Basically, this value is estimated by the comparison of sales of similar land tracts that are current or of recent date to the subject tract. This comparison relates the 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 presented all transferred ownership in fee simple, and there were no known unusual financing terms. General 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. Over the time period reviewed for the comparable sales, trends in either direction which cannot presently be ascribed to other contributing factors within the marketplace, other than those discussed following the comparable sales presentation, will be adjusted based on historical market data.

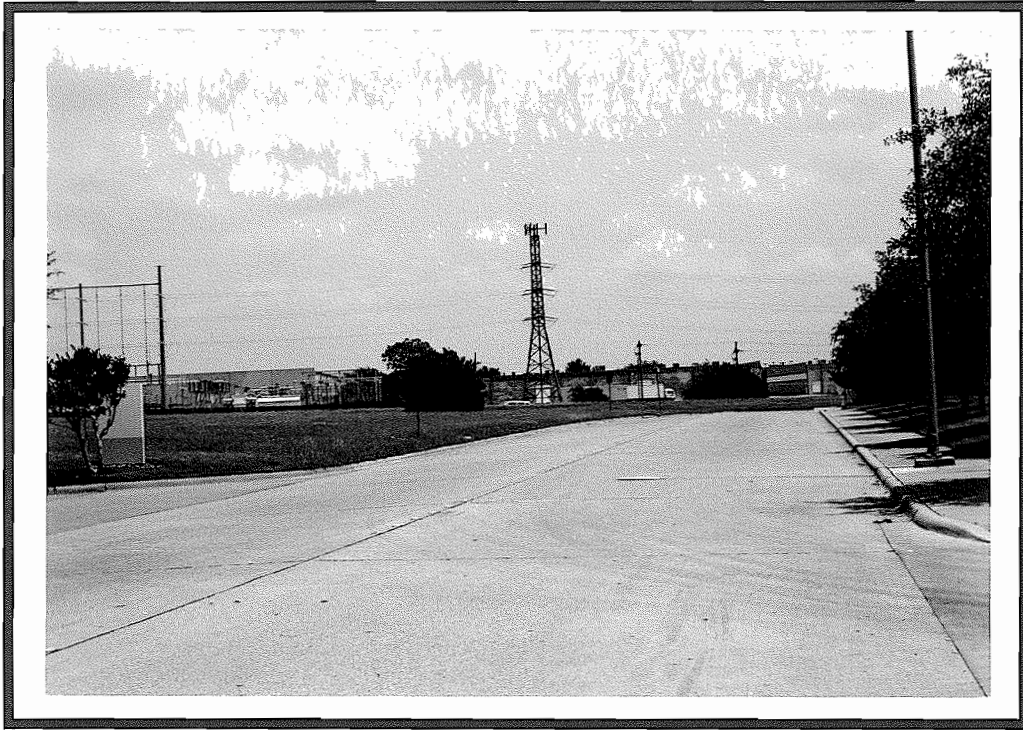
At the end of the presentation of the comparable sales, those sales will be summarized and a grid presented which makes the remaining adjustments called for relative to locational and physical differences between the comparables and the subject tract. The comparable sale prices as adjusted to the subject site are then analyzed to produce an estimate of market value for the land.

As the subject whole property is of insufficient size and shape to support independent economic development, it's contributory value for some other use is deemed the most appropriate methodology to utilize. The land sales selected reflect the contributory value of the subject site to the adjacent railroad property to the northwest; the only property that adjoins the subject site.

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. This is the case for the subject site and the Sales Comparison Approach will be utilized solely in estimating it's current market value. Sufficient data is available within the recent past to make an accurate appraisal specifically for the subject.

The subject property is triangular in shape and contains $\pm 11,363$ SF. There is a pipeline easement across the northwest (interior) side of the site, and 25' building setback requirements on the south and east sides of the site. It is unlikely that this site could be developed if it were vacant and available for development. It provides for an insufficient foot-print for building development. Therefore, it will be evaluated "as if" it were a part of the adjacent railroad property. The adjacent railroad property is considered the ± 4.5 acre "Y" tract adjacent to the northwest side of the subject. The comparable sales will reflect this property, resulting in a subject-parent tract. In this manner, the subject site has value comparable to that of the adjacent tract. Exclusive of the adjacent tract, the subject site has near zero value due to a minimal market for a site of such size, shape, and encumbrances.

Comparable #1



Location: 3800 Realty Road (Realty Rd./Arapaho Road connection), Addison, Texas

Legal Description: Beltline-Marsh Business Park, Blk. 1, Lot 4R, Addison, TX

Grantor: Lincoln Trust Co.

Grantee: Osteomed Corporation

Date of Sale: Pending Contract 04/02/01

Recorded: Pending

Consideration: \$5.20/SF (\$988,158.60)

Terms of Sale: Not Available

Cash Equivalency: \$5.20/SF

Size: ±190,030 SF; 4.3625 Acres

Zoning: I-1, industrial

Comments: This pending sale will have a portion of extended Arapaho Road through it. It is approximately the same size as the parent property.

Verified By: Contract

Mapsco #: D-14A

Land Sale Comparable #2



Location: Southeast corner of Westgrove & Excel, Addison, TX

Legal Description: Block A, Part of Lots 3, 4, 21, 22, Carroll Estates Addition, Addison, TX

Grantor: Stratus Properties Operating Company
Grantee: Jackson-Shaw/Addison Tech, Ltd.

Date of Sale: October 1, 1999 (filed)
Recorded: 99192/3812

Consideration: \$4.50/SF (\$1,524,252 - calculated)
Terms of Sale: All cash to seller.
Cash Equivalency: \$4.50/SF
Size: ±338,773 SF; 7.776 Acres
Zoning: C-1 (commercial)
Comments: This site is a minor corner location, just outside the airport boundaries, similar to that of the subject parent tract. It has since been developed with a large tech-space building.

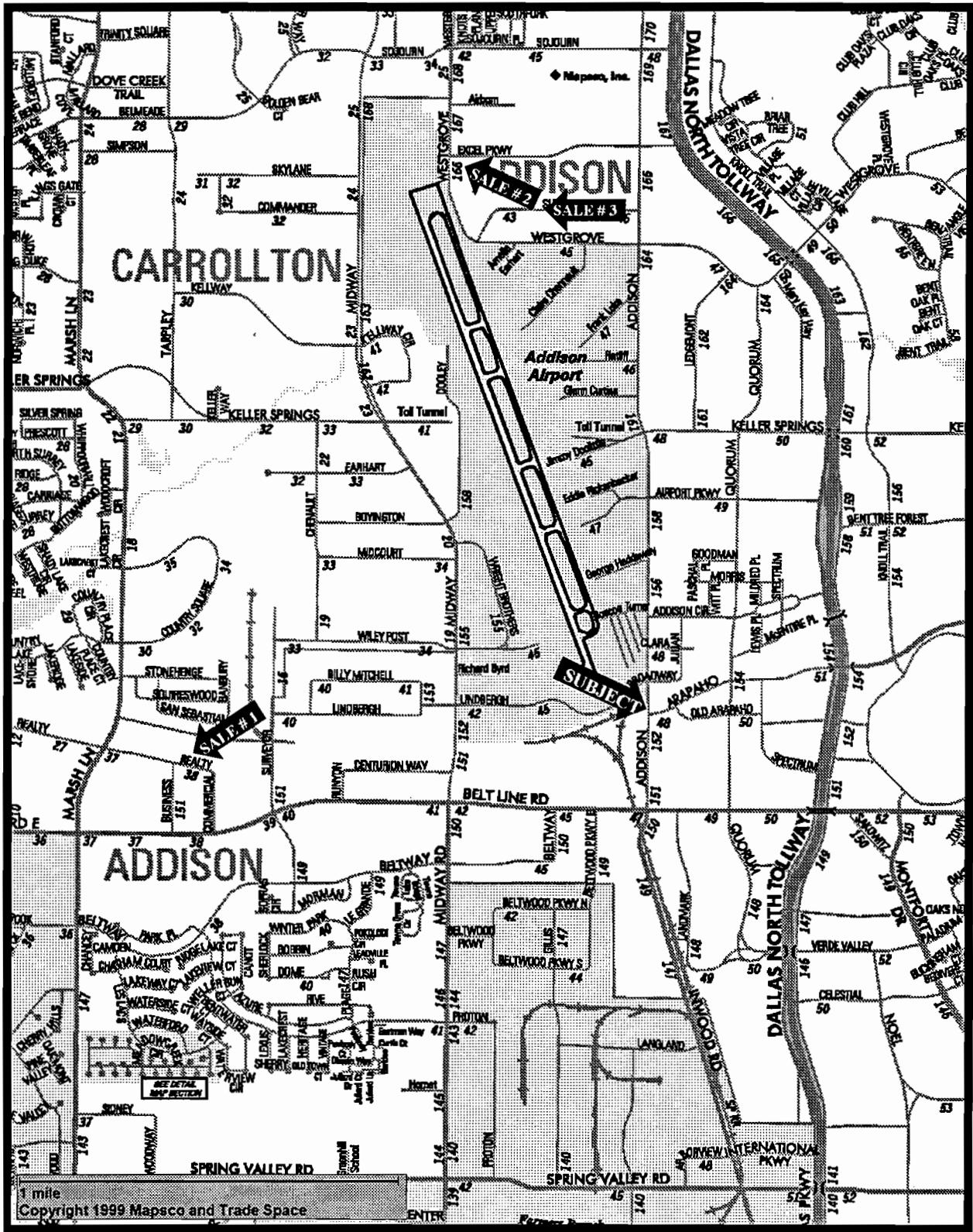
Verified By: Debbie Carter (w/gte) 972.628.7400
Mapsco #: D-4P

Land Sale Comparable #3



Location:	±4300 Sunbelt, Addison, Texas
Legal Description:	Sunbelt Business Park Addn., Addison, TX
Grantor:	Blackland Properties
Grantee:	Johnson Equipment
Date of Sale:	November 28, 2000
Recorded:	
Consideration:	\$4.50/SF (±\$744,876)
Terms of Sale:	All cash to seller
Cash Equivalency:	\$4.50/SF
Size:	±165,528 SF; ±3.8 Acres
Zoning:	C-1, commercial
Comments:	This is an interior tract near the north side of the airport. This is predominantly a tech-space area. This site is comparable in size to the subject parent tract.
Verified By:	Randall Johnson - Purchaser
Mapsco #:	D-4P

COMPARABLE MAP



COMPARABLE LAND SALES SUMMARY				
Sale #	Date of Sale	Price/SF	Size (SF)	Zoning/Use
1	Pending 04/01	\$5.20	190,030	Commercial
2	10/01/99	\$4.50	338,773	Industrial
3	11/28/00	\$4.50	165,528	Commercial
Subject	05/01	N/A	±196,020	Commercial

Subject-Parent Tract

As discussed previously, the subject Whole Property is judged to be of insufficient size, shape, and building utility to support independent economic development "as if" it were vacant and available in the open market. The most probable scenario for the subject Whole Property "as if" vacant and available for development, would be for development as a part/portion of an adjoining property. As there is only one property adjoining the subject Whole Property, the railroad property to the north and west, this property was the obvious selection for association with the subject Whole Property. The resulting *subject-parent tract* benefits both tracts; (1) it potentially provides the necessary site area and shape to cure the subject's deficiencies, and (2) it would provide better access for the vacant railroad property for future development. As discussed at the beginning of the Land Valuation section (Page 11), the subject Whole Property will be evaluated as if it were a proportional part of a *subject-parent tract* in this analysis. To consider the subject Whole Property on an independent basis would adversely affect the potential market value of the site by severely restricting the probable end-users for such a site.

Adjustments to Land Sale Comparables

Standard appraisal practice calls for the analysis of the sales presented comparing each to the subject in regard to time passed from sale date to appraisal date (that is, changes in 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 sale and vice versa. Your appraiser considered the application of paired sales analysis in adjusting the comparable sales to the subject. There was not sufficient comparability of the sales within those available for review that permitted a reasonable application of that type of analysis. The adjustments are based to a great degree on subjective analysis and market appraisal experience, but the adjustments rely on some easily recognizable and generally 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.

Property Rights Conveyed

This is a consideration of the real property interest conveyed. In the case of the comparable sales used in this 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.

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. Although paired sales were not available with which to compare it, it is the appraiser's opinion that those conditions in all probability did not exist for any of the comparables selected for inclusion in this report.

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 subject neighborhood has undergone significant growth in the recent past, which in turn has led to escalating land prices. Upward Time/Market Conditions adjustments will be applied to the selected comparable sales to reflect this change. Sale #2 is approximately 18 months old. While the more recent comparable sales do not provide any significant indication of upward pressure on prices, it is felt prudent to apply a modest upward adjustment to this sale for time to this sale in comparison to the subject-parent tract. Both Sales #1 and #3 are sufficiently recent in time as to require no adjustment for 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. The subject-parent tract is located within a transition area of Addison Road. To the south is much more intense retail/restaurant development associated with Beltline Road. Beginning just to the south of the subject-parent tract along the west side of Addison Road is typically more commercial/industrial in nature, partially due to the influence of adjacent Addison Airport. To the north of this commercial/industrial character area transition to office, service, and tech-space development predominates. Each of the sales is considered to be inferior in location as compared to the subject-parent tract due to the "Addison Road" name recognition factor. Additionally, Sales #1 and #3 are interior tracts as compared to the subject-parent tract's corner influence. Sale #2 has good quality corner location. Each sale is adjusted upward to the subject-parent tract for locational considerations.

Zoning

The zoning of each of the Comparable Sales is considered to be comparable to that of the subject-parent property. No adjustment is deemed appropriate for these sales.

Utility

In this category a number of factors are considered in adjusting the comparable sales and offerings to the subject property. They include physical dimensions and shape of the site, topography of the site, availability of public and private utilities, and accessibility among others. Those physical dimensions which permit the most economic and efficient use of the land also command better prices. This fact perhaps is best stated in that not having this advantage is an offset to sites with poor frontage-to-depth ratios and the like. The density of development allowable on the subject is restricted to a maximum building height of 20'. Similar restrictions apply to the Comparable Sales. The density of development appeared to be comparable between the sales and the subject-parent tract. Therefore, no "utility" adjustment will be made in this analysis; the components of site "utility" being address in zoning, location, etc. *Being located adjacent to the south end of the Addison Airport runway will make the approval process for any planned development of the subject site extremely rigorous and potentially restrictive. This could/would have a significant impact on the estimated market value for the subject property. For the purpose of this appraisal, it is presumed that a reasonable level of development would be allowable by the FAA and the Town of Addison.*

Access, exposure, and frontage all impact how a property will be accepted by the market. Additionally, immediacy of access is a specific consideration for the subject property, as opposed to general access which is considered as a part of the "Location" category.

Sight/View

This factor considers (1) how the property is presented to the public and (2) what the impact of surrounding property characteristics affect subject property. Each of the Comparables are within a typical commercial/tech-space development area, which exhibit good orderly development and design. The subject-parent tract is deemed to be comparable to each of the comparable sales.

Access/Frontage

Each of the comparable sales is judged to be superior to the subject-parent tract in this category. Both Sales #1 and #3 are interior tracts which have extensive frontage along their respective streets, relative to the size of their sites. The subject-parent tract, which a quasi-corner at the present time, has relatively little road frontage in relation to its size. Sale #2 is located at the corner of Westgrove and Excel, providing dual improved road frontage. Sale #1 is situated along Realty as Realty becomes a quasi-corner. Each of the sales is superior to the subject-parent tract and is adjusted downward accordingly.

Size

The subject-parent tract is ± 4.5 Acres SF in size. Sales #1 and #3 are ± 4 Acres in size and considered comparable to the subject-parent tract. Sale #2 is ± 7.8 Acres in size and is considered to be inferior to the subject-parent tract. It is typically found that much larger tracts do tend to sell for a lesser "per unit" price than do smaller tracts that are generally available for similar, although smaller scale, developments. While there are no absolutes noted for size difference among the comparable sales selected for presentation herein, the general market reflected throughout the range of sales reviewed for this appraisal does indicate that the market is somewhat size sensitive. To a limited degree the market reflects a willingness to pay slightly more for smaller tracts, on a per square foot basis, than for larger tracts.

There follows a grid which displays the adjustments to the comparable sales called for in the opinion of your appraiser.

LAND SALE ADJUSTMENT GRID			
	1	2	3
Cash Equivalent Price \$/SF	\$5.20	\$4.50	\$4.50
Property Rights Adjustment	-0-	-0-	-0-
Adjusted Price \$/SF	\$5.20	\$4.50	\$4.50
Conditions of Sale Adjustment	-0-	-0-	-0-
Adjusted Price \$/SF	\$5.20	\$4.50	\$4.50
Time/Market Conditions Adjustment	-0-	+ 5%	-0-
Adjusted Price \$/SF	\$5.20	\$4.73	\$4.50
Location Adjustment	+10%	+ 5%	+10%
Access/Frontage	-10%	-10%	- 5%
Zoning	-0-	-0-	-0-
Size Adjustment	-0-	+10%	-0-
Sight/View	-0-	-0-	-0-
Adjustment Factor	-0-	+ 5%	+ 5%
Adjusted Price \$/SF	\$5.20	\$4.97	\$4.73

Market Value Estimate - Subject Site

After adjustments, the comparable sales range from \$4.73/SF to \$5.20/SF. The average of the adjusted sales price is calculated at \$4.97/SF.

It is the appraiser's opinion that each of the Comparable Sales, as adjusted, are representative of the probable market value of the subject property, as a proportional part of the subject-parent tract. Sales #1 and #3 are very similar in size and potential for future development. Sale #2 is near adjacent to the airport and has been developed with a use comparable to the probable future use of the subject-parent tract. All of the sales are more expressive of the lower density development available for the subject, given the subject's location proximate to Addison Airport. Each comparable has its strengths and weaknesses as compared to the subject. While these comparables are not identical to the subject in terms of exact location, these sales are believed to accurately reflect the most probable range of value for the subject, as well as approximating the ultimate use of the subject. The comparables selected ultimately required fewer adjustments than other comparables in the market would require.

When analyzed in light of the general surrounding development, it appears that there is a market and, hence, a range of value which is generally acceptable for various forms of development on properties of this class in this area.

Over sixteen sales, occurring from 1997 to the present, were reviewed in the development of this appraisal. These sales were proximate to the market area of the subject and were analyzed to determine if there was any definable trend to the market activity. It is noted that sales to end-users is becoming more wide spread in this market for all classes of properties. Speculative investment does not appear to be the principal motivating factor. A number of sales reviewed were for near term use/development, and these sales reflected the upper limit of the market value range.

The range of the value indications provided by the Comparable Sales is considered to be a good indication of probable market value for the subject property.

Based on the aforementioned data and analysis, the Market Value of the subject site is estimated to be \$5.00 per square foot of the land area. The subject is estimated to contain ±11,363 SF of land area according to the documents provided. Therefore:

<u>Site Area</u>	<u>Value Estimate</u>	<u>Total</u>
±11,363 SF	\$5.00/SF	\$56,815

ESTIMATED MARKET VALUE - WHOLE PROPERTY "SITE", Say \$56,815

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 ± 60 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

The source for current cost data is from the *Marshall and Swift Valuation Service* as adjusted for time and locational variances. This building has the characteristics between the "Average Class D" and "Good Class D" office buildings as described by *Marshall and Swift*. In Section 15, Page 17, which describes this type of building, current estimated replacement costs are stated at \$82.67/SF for Class "D" Good and \$58.63/SF for Average Class "D" construction. The finish and climate control of the subject are better than the "average" category, but not nearly as extensive as the "good" category.

The subject property appears to be more of a typical residential exterior construction, with the interior lacking many of the amenities of residential construction. Construction costs for "shell" Class "D" office buildings range from \$30.40/SF for "average" Class "D" to \$46.16/SF for "good" Class "D" buildings. The exterior of the building supports limited, but good quality landscaping and sections of ornamental brick fencing/screening.

Based on the physical inspection of the subject property, the estimated construction cost for the subject main building improvements is \$72.00/SF. The estimated construction cost is adjusted by factors also prepared by *Marshall and Swift* for time lapse to the present from cost preparation date--1.03x--and adjustment for price differentials caused by different physical geographic locations--0.91x. Multiplying these two factors times the \$72.00/SF indicates a current estimated replacement cost for the subject at \$67.49/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 landscaped areas at the front of the building, the ornamental fencing/screening, the paved area at the front and sides of the office, and the garage type storage structure behind the main office building. Not included is the brick paved parking area to the south of the buildings, as this area is within the existing Arapaho Road right-of-way.

The estimated cost new of the landscape items is \$2,500. The estimated cost of the ornamental brick fencing/screening is \$2,000. The estimated cost of the "accessory" garage/storage building to the east of the office is \$19,285 (551 SF x a shell+ cost estimate of \$35.00/SF). These estimates are based on interviews with developers as cross-referenced with *Marshall and Swift*.

The other major element of direct expense not covered in the per square foot cost is the amount for paved parking, walks and drives. It is estimated that there is approximately 1,250 SF of paving associated with the subject property. The paving is a mixture of concrete and brick paving, estimated at a current new cost estimate of \$3.50/SF (per *Marshall and Swift* estimates for concrete). This equates to \$4,375 for the paving on the subject site as obtained and adjusted from the segregated cost section of the *Marshall and Swift* report found on Page 2 of Section 66.

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.

The estimate of entrepreneurial profit is based on -0-% of the direct replacement cost. It is unlikely that an investor would build a property the size of the subject. This is more typically an owner/builder type of property. The subject is so small as to make the risk of such speculative "investor" venture highly unlikely. No entrepreneurial profit is estimated.

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. 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 of sufficient appeal in the market, although not in conformity with the current zoning of the site. It is noted that the building is in good physical condition. As such, it is the appraiser’s opinion that there are no elements of curable or incurable functional obsolescence present in the subject property, at the property’s estimate of highest and best use.

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 buildings of the type and construction quality of the subject to be ±50 years. The building’s actual age is unknown, but a physical inspection results in an estimate of its effective age of ± 20 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)	\$62,361
Times Ratio of Effective Age to Use Life (20/50)	<u>x0.40</u>
Estimated Incurable Physical Depreciation, Long-Lived Items	<u>\$24,944</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. No noted adverse physical influences so affecting the subject property as to produce economic loss from that cause were observed.

There follows a Cost Approach Summary tabulating the preceding data leading to subject's value estimate by this method.

COST APPROACH SUMMARY

Direct Costs

924 SF @ \$67.49/SF - Main Building	\$ 62,361
551 SF @ \$35/SF - Acc. Bld.	19,285
Landscaping	2,500
Fencing/Screening	2,000
Paving	<u>4,375</u>

Total Estimated Direct Costs \$90,521

Indirect Costs

Entrepreneurial Profit @ 0%	\$ N/A
Loan Fees (est.)	<u>N/A</u>

Total Estimated Indirect Costs -0-

Total Estimated Replacement Cost New \$90,521

Estimated Depreciation

Main Building (.40 x \$62,361)	\$ 24,944
Paving (.40 x \$4,375)	1,750
Landscaping (.20 x \$2,500)	500
Acc. Bld. (.40 x \$19,285)	7,714
Fencing/Screening (.40 x \$2,000)	<u>800</u>

Depreciated Replacement Cost - 35,708
\$ 54,813

Add: Site Value Estimate by Market Comparison 56,815

Total Estimated Replacement Cost After Depreciation \$111,628

ESTIMATED MARKET VALUE BY COST APPROACH, Called \$111,500

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.

The subject property is currently owner occupied. The current owner was previously the tenant on this property. The improvements are utilized for a sales/showroom office. Primary parking for the building is located within the existing right-of-way for Arapaho Road to the south of the building, and on the St. Louis & Southwestern Railroad property to the north. On site parking is limited to parallel parking at the front (east side) of the building.

Due to the lack of available parking in support of the improvements, it is estimated that the leasing of the subject property would be limited to low traffic density uses.

A survey was made of office space in the subject area adjacent to Addison Road. The primary criteria was Addison Road frontage and relatively small office space availability. While no buildings were found reflective of the small total size of the subject, buildings leasing relatively small square footage office space were. Although the comparables are multi-tenant buildings with adequate parking availability, they should provide a competitive alternative to the subject's characteristics.

Rents

Survey data indicated that rental rates are based either on a "full-service" or modified full-service basis. In a full-service lease, all expenses are paid by the landlord and include; water, electricity, trash service, common area maintenance (CAM), janitorial service, property taxes, and insurance. In the modified full-service leases, the tenant is responsible for their individual electric utility expense and janitorial expenses. Full-service leases are quoted in the \$18.00/SF to \$20.00/SF price range, depending on the size of the space leased. Modified full-service leases are quoted in the \$15.00/SF price range.

Vacancy

Generally, the survey data indicates a softening of the office market in this area. This is demonstrated by average vacancy rates in the 85% to 90% range. Noted vacancies surveyed spanned 0% to 30%. A lower than typical vacancy is estimated for the subject - 8%. The rationale for this estimate is, since the subject and the comparables are smaller buildings a relatively small number of square feet translates into a relatively high percentage of vacancy. The subject would either be 100% occupied or 100% vacant. The *Real Estate Investment Trends - Year End 2000*, published by the Henry S. Miller Companies, indicates survey results for average vacancy and collection loss at 8.7% for "small" office properties. The 8% vacancy figure is based on the presumption that there will be periods between tenants, not that a certain number of square feet will be vacant at any given time.

Expenses

The *direct* expense data derived in the survey was very uniform in all areas excepting electrical service expense. A \$3.00/SF expense figure was quoted for the combined expenses of taxes, insurance, trash service, water, and common area maintenance. Janitorial service was estimated at \$0.30/SF by those properties including that service. Electrical utility expense ranged from \$3.20/SF to \$3.55/SF for the full-service properties.

The *indirect* expense data includes lease commission expenses and administrative expenses. While lease commission expenses range from 2% to 6%, based on surveys of real estate companies specializing in this service, no lease expense will be estimated for the subject. As the subject is not reflective of a multi-tenant building, it is presumed that the subject property owner would likely provide his own leasing effort. An administrative expense of 1½% is estimated for the subject to address the minimal bookkeeping/reporting time involved in managing the property. Market survey data suggests that multi-tenant properties pay management companies in the range of 2½% to 6% for these services.

Subject Lease - Estimate

Based on the survey data, a market lease estimate is developed for the subject property (1) as if it were available to produce rental income for the property owner, or (2) for the purpose of estimating the economic value of the subject property for owner-occupancy. The income analysis theory presumes that a prudent person considers the options between leasing business property and owning business property. There are opportunity costs involved with each, and these costs will vary depending on how well suited a property is to the general leasing market, versus how well suited a property is to an owner-occupant.

As stated previously, the modified full-service lease rate in the subject area is ±\$15.00/SF. The full-service lease rate ranges from \$18.00/SF to \$20.00/SF. Deducting the \$3.50/SF to \$3.85/SF from the full-service lease rates results in a range of \$14.50/SF to \$16.15/SF lease rate on a modified full-service basis.

Obviously, all of the comparables are typical of conventional office space. All have adequate parking and offer amenities not available to the subject. However, as competitive space, each has its strengths and weaknesses, each potentially appealing to an over-lapping demand mix in the market. The Comparable data pages and location map will be found in the Addendum.

For the purpose of this analysis, the non-conforming nature of the subject improvements will not be considered. It is presumed that a lease use compatible with the subject improvements as they currently exist is reasonable; i.e., that no change in use would be required to achieve the estimated rental rates, as a material change in use could elevate the subject's non-conforming status to the detriment of the property.

The following pro-forma operating income statement is developed for the subject property, based on the survey data and the extrapolations made therefrom. This derivation is made for the subject property as an independent, self-sustaining unit; i.e., a ±924 SF primary structure situated on a ±11,363 SF site situated at the northwest corner of Addison Road and Arapaho Road (unimproved).

Pro-Forma Operating Income Statement
15301 Addison Road - Metro Brick Co.

Potential Gross Income (924 SF @ \$15.00/SF)	\$13,860
Less Vacancy & Collection Loss @ 8%	- 1,109
Effective Gross Income Estimate	12,751
Less Expenses:	
Admin./Mgt. @ 1½%	\$ 191
Leasing Commission (self marketed)	-0-
Modified Full Service @ \$3.00/SF	2,772
Janitorial - tenant expense	-0-
Electrical (utility) - tenant expense	-0-
Total Estimated Expenses	- 2,963
Indicated Net Operating Income	\$ 9,788

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. As there are not any properties similar to the subject from which to derive capitalization rates, survey data compiled at the end of 2000 was utilized for the overall rate estimate.

Three capitalization rate ranges were surveyed by the Henry S. Miller Companies and summarized in their *Real Estate Investment Trends - Year End 2000* report; "going-in" rate (based on the income at the time of purchase), "stabilized" rate (based on typical operating year at stabilized occupancy), and a "reversion" rate (rate anticipated at resale). The stabilized rates for office properties ranged from 9.5% to 11.5%, with an average of 10.4%. As the net operating income estimate is divided by the capitalization rate to derive an estimate of market value, the lower the capitalization rate, the higher the estimate of market value will be. Analysis supports an R_o for the subject property of 9.5%. This gives the benefit of the doubt for a strong operating market for the subject property as an investment. Thus:

<u>Proforma NOI</u>		<u>R_o</u>		<u>Indicated Value</u>
\$9,788	÷	9.5%	=	\$103,032

The estimated market value of the subject site via the Sales Comparison Approach is \$56,815. The capitalized value estimate for the whole property "as improved" is \$103,032.

These results indicate that the improvements to the subject site have a contributory value of \$46,217. Improvements that generate the level of income displayed by the subject improvements provide for an adequate return "on" the value of the site, and a return "on" the value of the improvements. There does not appear to be a return "of" the value of the improvements (i.e., paying back the depreciating value of the improvements over time).

**SALES COMPARISON APPROACH TO VALUE
(Improved)**

The Sales Comparison Approach to Value was utilized to estimate the value of the subject property as vacant, undeveloped land. Generally, the Sales Comparison Approach to Value is considered to be the most reliable approach for valuing undeveloped land.

The Sales Comparison Approach to Value was not utilized to estimate the value of the subject property "as improved". An investigation of the Addison market did not reveal any meaningful level of very small office property sales within the previous 2½ years. Therefore, the Sales Comparison Approach to Value - Improved was not developed for the subject property.

RECONCILIATION

For reasons previously stated within this report, the Sales Comparison Approach was utilized in estimating the Market Value of the subject site. The Cost Approach was developed to test the reasonableness of the conclusions derived in the Income Approach. Generally, the Cost Approach is much better utilized in estimating the value of new or proposed improvements. It is more difficult to judge the various levels of depreciation on improvements the age of the subject improvements. The Income Approach was developed for the subject property. The subject property improvements have small office utility in the current market, and there is evidence that the subject improvements are capable of producing income and, hence, value as they currently exist. Typically, income producing properties are traded on their ability to produce income. A summary of the value estimates derived for the Whole Property are as follows;

Sales Comparison Approach - Land:	\$ 56,815
Cost Approach:	\$111,500
Income Approach:	\$103,032
Sales Comparison Approach - Improved:	N/A

The Income Approach to Value is selected as the most reliable indicator of probable market value for the subject Whole Property. Therefore;

WHOLE PROPERTY	\$103,032
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Components of Value

Main Bld.	\$ 37,500
Acc. Bld.	4,000
Landscape	1,000
Fencing	1,000
Paving	<u>2,717</u>
Imp. Tot.	46,217
Land Value	<u>56,815</u>
Total	\$103,032

PART TAKEN - VALUATION

This Taking is considered a Whole Property acquisition. The Part Taken is comprised of two parts; (1) a strip taking for right-of-way, and (2) a park site tract. A plat of the subject showing the Part Taken is included in the Addendum of this report.

The Right-of-Way Part Taken consists of a strip of land varying from $\pm 21\frac{1}{2}'$ to $\pm 15\frac{1}{2}'$ wide, along the south side of the subject from east to west, roughly parallel, and adjacent, to the existing unimproved Arapaho Road right-of-way; a length of roughly $\pm 144'$. The land area within the proposed R.O.W. acquisition contains $\pm 1,657$ SF of site area. The Park Site-Part Taken encompasses $\pm 9,706$ SF adjacent to the north side of the R.O.W. acquisition, and represents the balance of the subject property.

Within the acquisition area are all of the main office/sales building, secondary building, brick fencing/screening, driveway paving, and landscaping. As many of the survey markers for the proposed right-of-way for the Arapaho Road right-of-way extension have been over-covered with brick, percentage estimates of the quantity of improvements within the proposed Arapaho Road right-of-way have been made from the right-of-way plat provided by the Town of Addison. The balance of those improvements are situated in the park-site portion of the proposed acquisition. The depreciated value of all of the site improvements, taken from the Final Value Estimate breakdown on Page 27 is included in the Part Taken estimate. *This is a Whole Property acquisition.*

Therefore, the estimated Value of the fee simple interest of the Part Taken is the same as the estimated Market Value of the Whole Property, or,

Part Taken -

\$103,032

REMAINDER BEFORE THE TAKE - VALUATION

In circumstances of Whole Property acquisitions, wherein the Part Taken is synonymous with the Whole Property, there is no Remainder Before the Take to evaluate. Therefore, this analysis is not applicable to this appraisal problem.

REMAINDER AFTER THE TAKE - VALUATION

In circumstances of Whole Property acquisitions, wherein the Part Taken is synonymous with the Whole Property, there is no Remainder After the Take to evaluate. Therefore, this analysis is not applicable to this appraisal problem.

ESTIMATE OF JUST COMPENSATION

As the proposed acquisition represents a Whole Property acquisition, the estimate of Just Compensation Estimate is the same as the Value of the Whole property. As damages to real property arise out of the difference in the Value of the Remainder Before the Take and the Value of the Remainder After the Take, no real property damages are relevant in this analysis. Therefore, the Estimate of Just Compensation is the same as the estimate of Market Value for the Whole Property, or,

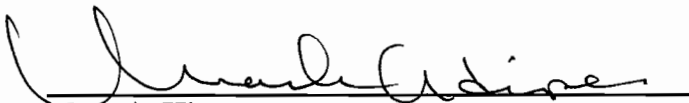
ESTIMATE OF JUST COMPENSATION

\$103,032

APPRAISER'S CERTIFICATE

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

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



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

ADDENDUM

**Comparable Rental Data
Assumptions & Limiting Conditions
Photographs of the Subject
Survey
Legal Description
FAA Exhibits
Zoning Map
Qualifications of Mark A. Hipes**

Comparable #1



Location: 4801 Arapaho Rd. (NE/c Arapaho/Addison), Addison, TX
Building Type: 3 story, office
Construction: Brick Veneer, 1900's style design
Age/Condition: ±15 yrs., since remodeling; excellent condition
Parking: Concrete paved surface parking, excel. cond., adequate #

Rentable Area: 10,000 SF
Current Occupancy: 71%

Quoted Lease Rate: \$15.00/SF
Terms of Lease: Modified Full Service; tenant pays electrical & janitorial
Length of Leases: 3 years, negotiable

Estimated Expenses: \$3.00/SF, exclusive of electric & janitorial

Comments: This property is across Addison Road from the subject. It has one lease space available equaling 2,900 SF. Owner/manager felt like his rates were on the low side of the market, and also that the office market is somewhat soft at the present time.

Survey Information: Owner/manager 469.644.0002
Mapsco #: D-14C
Survey Date: 05/01

Comparable #2



Location: 16051 Addison Road (SE/c Addison/Keller Springs), Addison, TX
Building Type: 3 story, office
Construction: Brick Veneer, elevated, modern
Age/Condition: ±15 yrs., excellent condition
Parking: Concrete paved surface parking (covered), excel. cond., adequate #

Rentable Area: 40,515 SF
Current Occupancy: 88%

Quoted Lease Rate: \$18.00 - \$19.50 per square foot
Terms of Lease: Full Service; attempting to change to + electrical
Length of Leases: 3 years, negotiable

Estimated Expenses: \$6.50/SF

Comments: This property is on the west side of Addison Road, adjacent to the airport. It currently has space available ranging from 300 SF to 2,756 SF. This is the Concourse Plaza building. Owner/manager feels that the market is somewhat soft at the present time.

Survey Information: Owner/manager 972.934.8414
Mapsco #: D-4U
Survey Date: 05/01

Comparable #3



Location: 16300 Addison Road, Addison, TX
Building Type: 3 story, office
Construction: Brick Veneer
Age/Condition: ±3 yrs., excellent condition
Parking: Concrete paved surface parking, excel. cond., adequate #

Rentable Area: 11,848 SF
Current Occupancy: 100%; 2,313 SF available for sub-lease

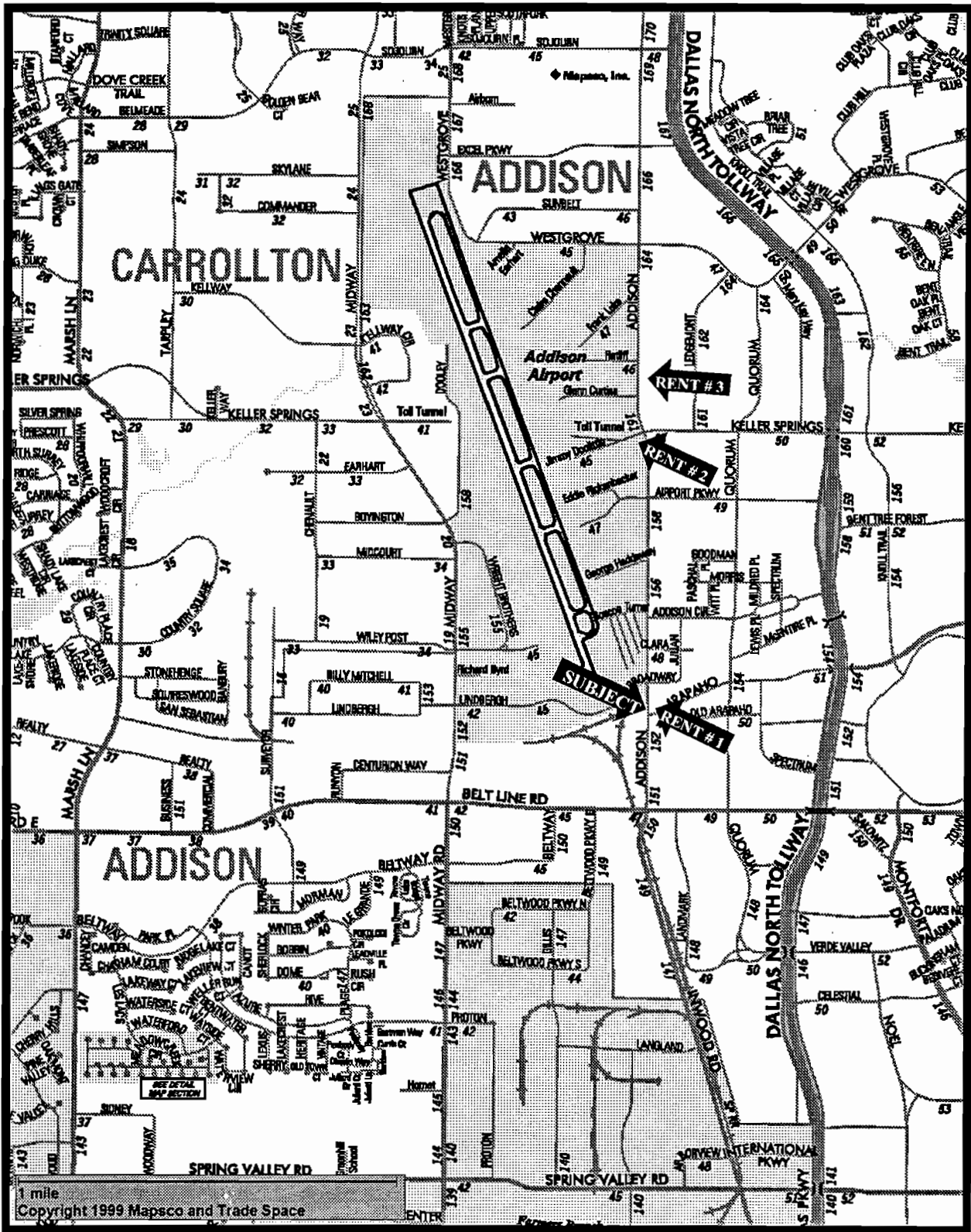
Quoted Lease Rate: \$20.00/SF
Terms of Lease: Full Service
Length of Leases: 3 years, negotiable

Estimated Expenses: \$6.84/SF

Comments: This property an interior location on the east side of Addison Road, about ½ block north of Keller Springs (non-airport side). This is a more casual style building with a covered walk around the perimeter of the building. Manager indicates that their properties in the area suggest an 85% to 90% occupancy rate in the area; a somewhat soft market.

Survey Information: Leasing Agent 972.250.3902
Mapsco #: D-4U
Survey Date: 05/01

COMPARABLE MAP



ASSUMPTIONS AND LIMITING CONDITIONS
(Read Carefully)

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

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

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

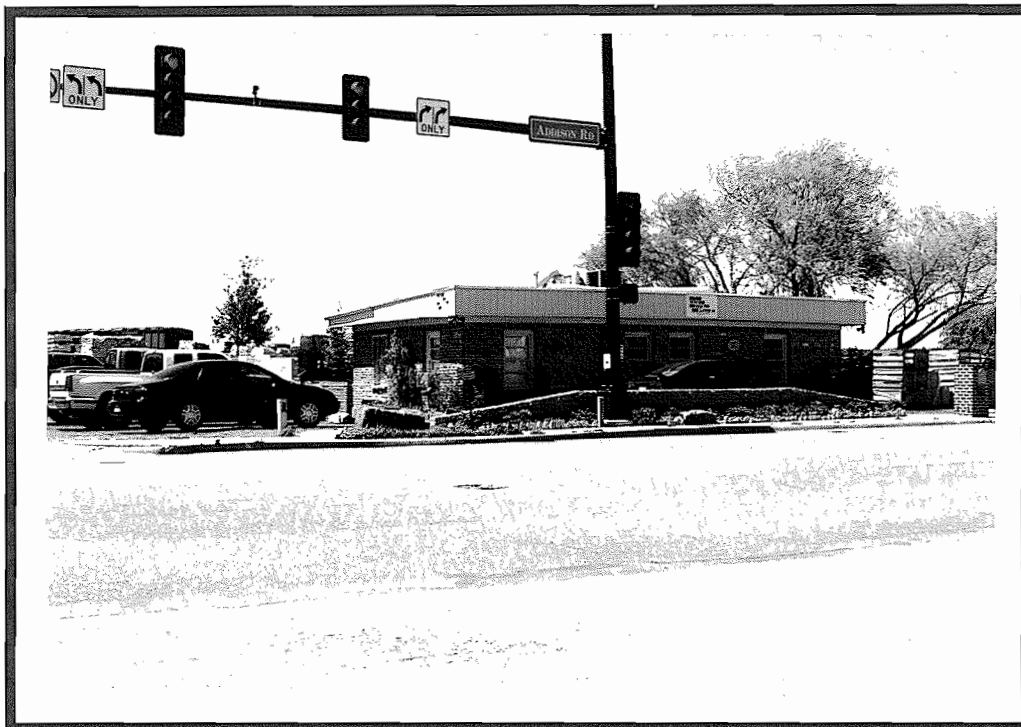
8. That there are no latent defects or any hidden or any unapparent conditions of the Property, subsoil, or structures which would render the Property more or less valuable. (No responsibility is accepted or assumed by Appraiser for any such conditions or for analyses or engineering which may be required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

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

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

22. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this Property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the Property, together with a detailed analysis of the requirements of the ADA, could reveal that the Property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible non-compliance with the requirements of ADA in estimating the value of the Property. Special Note: This may not be adequate if "readily achievable" barrier removal items are obvious and should have been identified.

SUBJECT PHOTOGRAPHS



View of proposed R.O.W., looking west-northwest from Addison Rd.

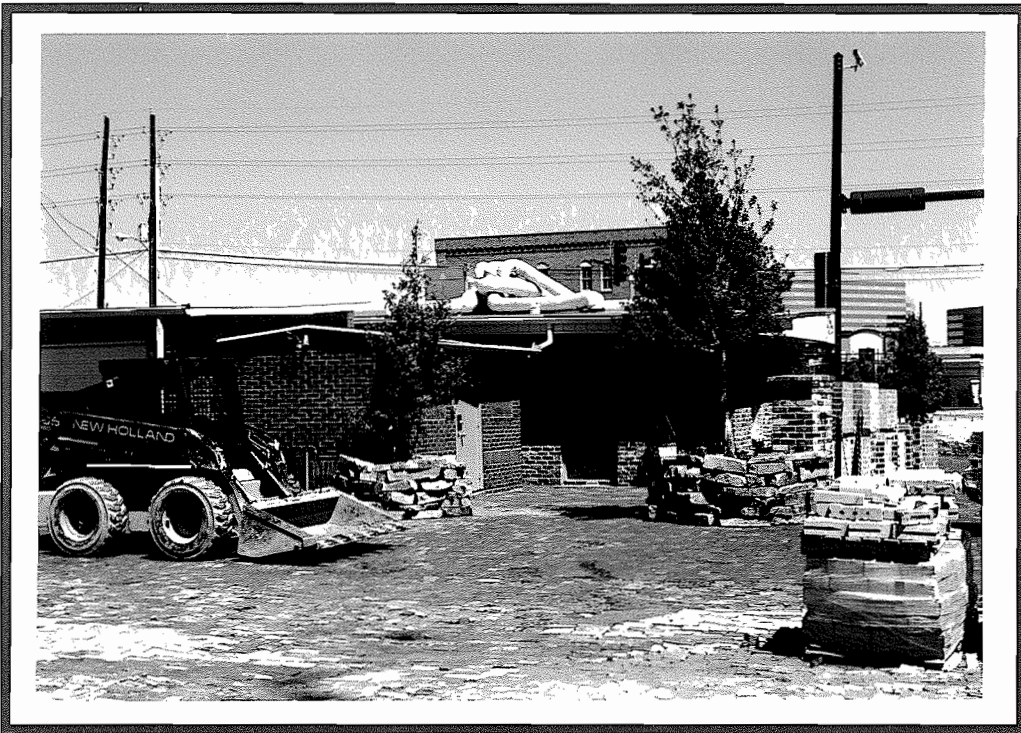


View along the south side of the property showing acquisition width.

SUBJECT PHOTOGRAPHS

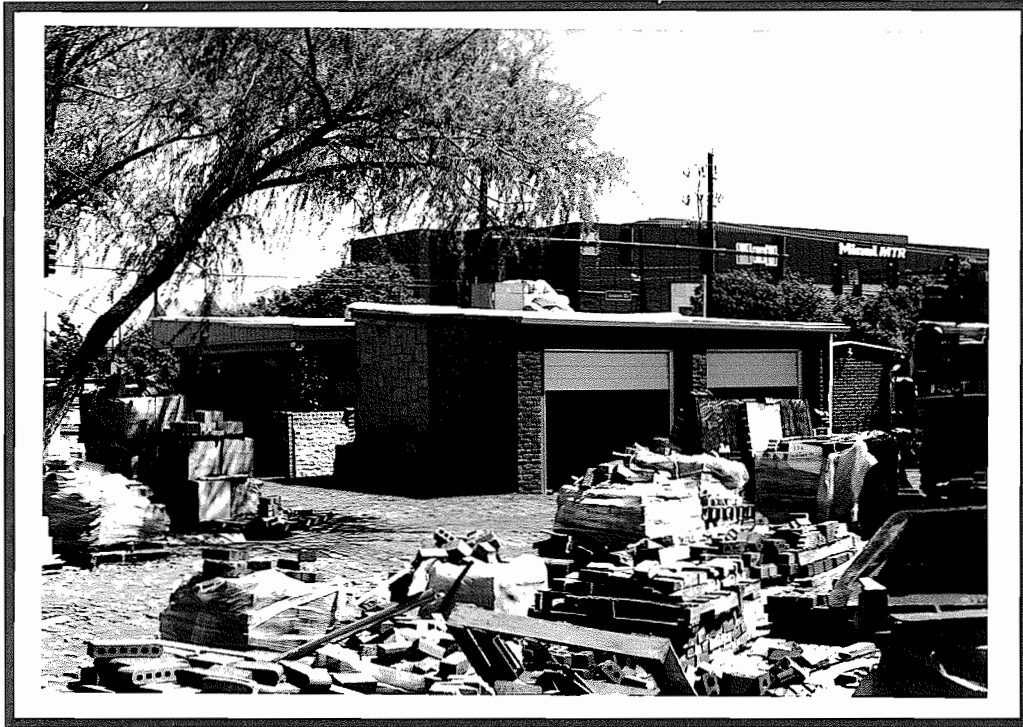


View from the railroad northeast of the subject looking SW; trucks on RR property.

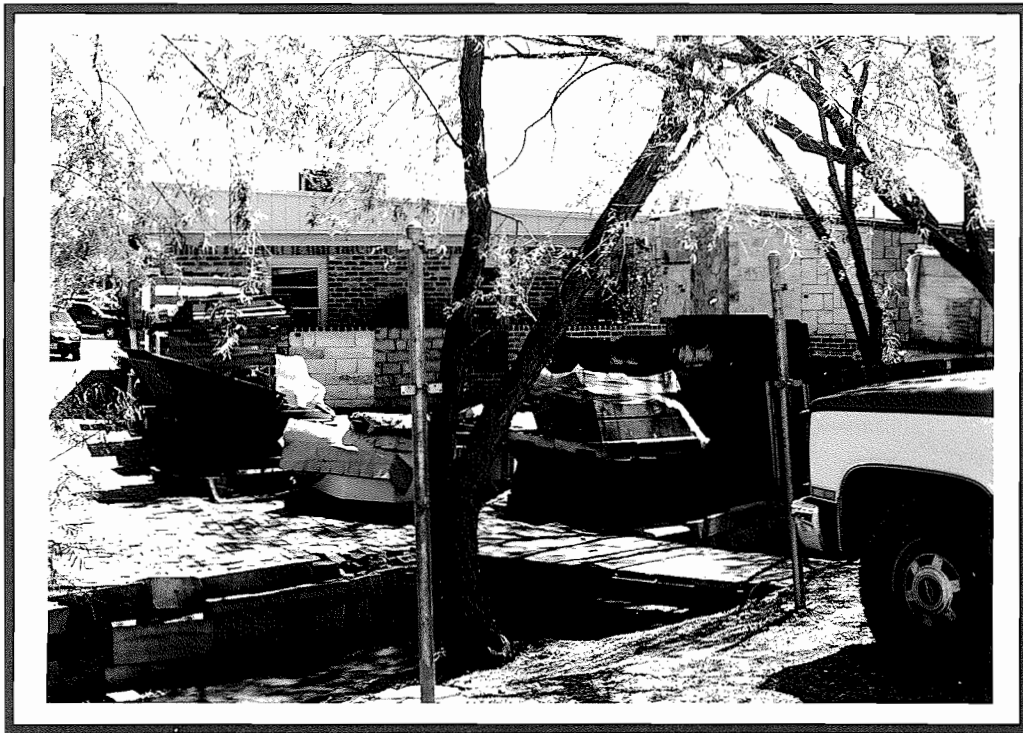


View of the back of the property, looking from the \pm southwest toward Addison Rd.

SUBJECT PHOTOGRAPHS

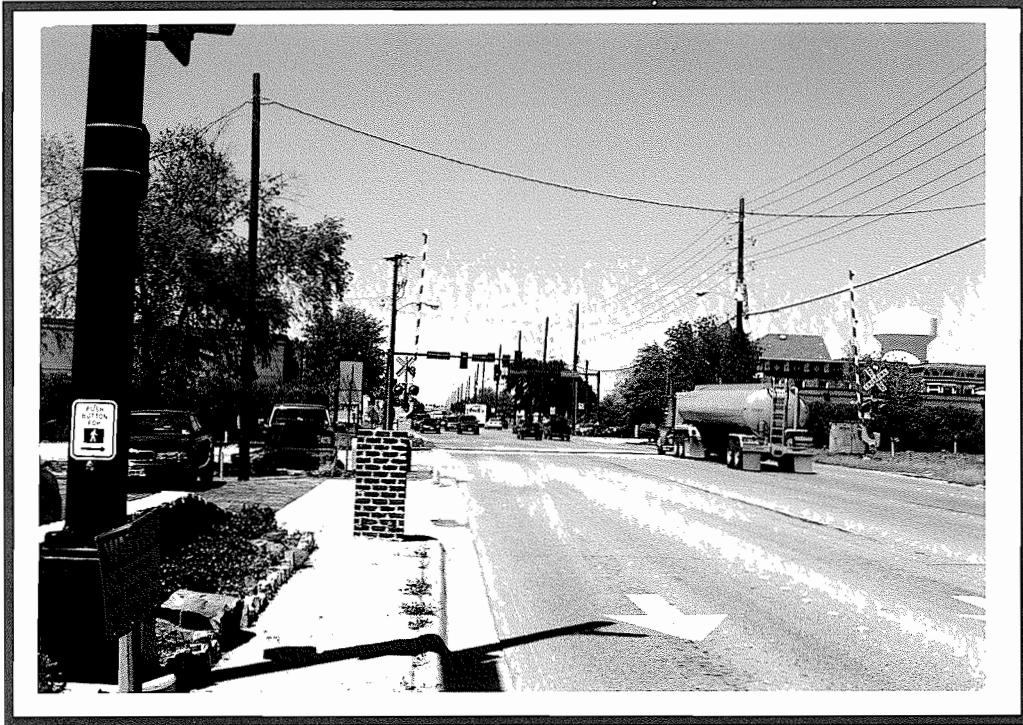


View of the northwest side of the subject, looking southeast toward Addison Rd.



View of the north side of subject office; subject begins past the drainage ditch.

SUBJECT PHOTOGRAPHS



View north along Addison Road from the subject property.



View south along Addison Road from the subject property.

SUBJECT PHOTOGRAPHS



View west along Arapaho Road from the subject property.



View east along Arapaho Road from the subject property.

EDWARD COOK SURVEY

A-326

EXHIBIT "B"

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

CALLED 3 & 48/100 AC.
ST. LOUIS SOUTHWESTERN
RAILWAY COMPANY OF TEXAS
JANUARY 15, 1902
VOL. 278, PG. 115
D.R.D.C.T.

LOT 3
BLOCK 1
ADDISON CAR CARE
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

METRO BRICK COMPANY, INC.
SEPTEMBER 11, 1996
VOL. 96180, PG. 02908
D.R.D.C.T.

ARAPAHO ROAD
(60' R.O.W.)
JUNE 8, 1987
VOL. 87111, PG. 0286
D.R.D.C.T.

LINE TABLE				
LINE	BEARING	CALLED	DIST	CALLED
L1	S 44°45'45" W	S 48°17' W	24.01'	-
L2	S 89°49'45" W	N 89°39' W	19.93'	19.93'
L3	EAST	-	9.48'	-
L4	N 44°55'56" E	-	43.76'	-
L5	S 00°18'13" E	-	21.64'	-

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	9°42'42"	730.00'	123.74'	S 84°58'25" W - 123.59'
C2	1°15'05"	714.00'	15.59'	N 40°27'38" E - 15.59'
C3	7°03'24"	890.00'	109.61'	N 86°28'18" E - 109.54'



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.

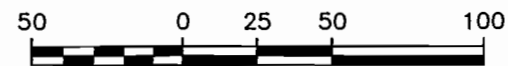
A LEGAL DESCRIPTION OF EVEN SURVEY DATE HEREWITH ACCOMPANIES THIS PLAT.

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



11-12-99

PARCEL 1
A PLAT OF A
0.0380 ACRE (1,657 SQ. FT.)
TRACT OF LAND
IN THE EDWARD COOK SURVEY
ABSTRACT NO. 326
TOWN OF ADDISON
DALLAS COUNTY, TEXAS



GRAPHIC SCALE
1 INCH = 50 FT.

Parcel 1
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0380 acre (1,657 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being a portion of that certain tract of land conveyed to Metro Brick Company, Inc. on September 11, 1996 and recorded in Volume 96180, Page 02908 of the Deed Records of Dallas County, Texas, said tract being all of Lot 3, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of said Deed Records; said 0.038 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a point at the North end of a cut back corner located at the Northwest intersection of Addison Road (variable width) as dedicated by said plat of Addison Car Care with Arapho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said point also being the most Easterly Southeast corners of said Lot 3 and said Metro Brick Company, Inc. tract, from said point an "X" in concrete found bears North $44^{\circ}45'45''$ West, a distance of 4.24 feet;

THENCE, SOUTH $44^{\circ}45'45''$ WEST (called SOUTH $48^{\circ}17'$ WEST), along said cut back corner and the Southeast line of said Metro Brick Company, Inc. tract, a distance of 24.01 feet to an "X" in concrete found in the common existing North right of way line of said Arapaho Road and South line of said Metro Brick Company, Inc. tract, for the most Southerly Southeast corner of said Metro Brick Company, Inc. tract;

THENCE, SOUTH $89^{\circ}49'45''$ WEST (called NORTH $89^{\circ}39'$ WEST), along said common line, a distance of 19.93 feet to a "PK" nail set for the beginning of a tangent curve to the left;

PARCEL 1 - ARAPAHO ROAD PROJECT

THENCE, WESTERLY, continuing along said common line and along the arc of said curve to the left having a radius of 730.00 feet, a central angle of $9^{\circ}42'42''$, a chord bearing South $84^{\circ}58'25''$ West for 123.59 feet, for an arc distance of 123.74 feet (called 123.82 feet) to a point in a curve of the Southeasterly line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 278, Page 115 of said Deed Records, said point being the common Southwest corner of said Metro Brick Co. Inc. tract and the Northwest corner of the dedication of said Arapaho Road by said plat of Addison Car Care;

THENCE, NORTHEASTERLY, departing said common line, along the common Northwesterly line of said Metro Brick Company, Inc. tract and Southeasterly line of said called 3 & 48/100 acre tract, along the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet), a central angle of $1^{\circ}15'05''$, a chord bearing North $40^{\circ}27'38''$ East for 15.59 feet, for an arc distance of 15.59 feet to a 5/8 inch iron rod set in a curve of the proposed North right of way line of Arapaho Road;

THENCE, along the proposed North right of way line of Arapaho Road the following courses and distances;

EASTERLY, departing said common line, along the arc of a non-tangent curve to the right having a radius of 890.00 feet, a central angle of $7^{\circ}03'24''$, a chord bearing North $86^{\circ}28'18''$ East for 109.54 feet, for an arc distance of 109.61 feet to a "PK" nail set for the point of tangency of said curve;

EAST, a distance of 9.48 feet to a "PK" nail set for an angle point;

NORTH $44^{\circ}55'56''$ EAST, a distance of 43.76 feet to a 5/8 inch iron rod set in the common East line of said Metro Brick Company, Inc. tract and West right of way line of said Addison Road;

THENCE, SOUTH $00^{\circ}18'13''$ EAST, departing the proposed North right of way line of said Arapaho Road, along said common line, a distance of 21.64 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 0.0380 acres or 1,657 square feet of land within the metes recited.

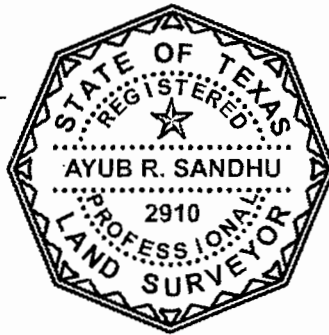
PARCEL 1 - ARAPAHO ROAD PROJECT

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



DO NOT REMOVE CARBONS

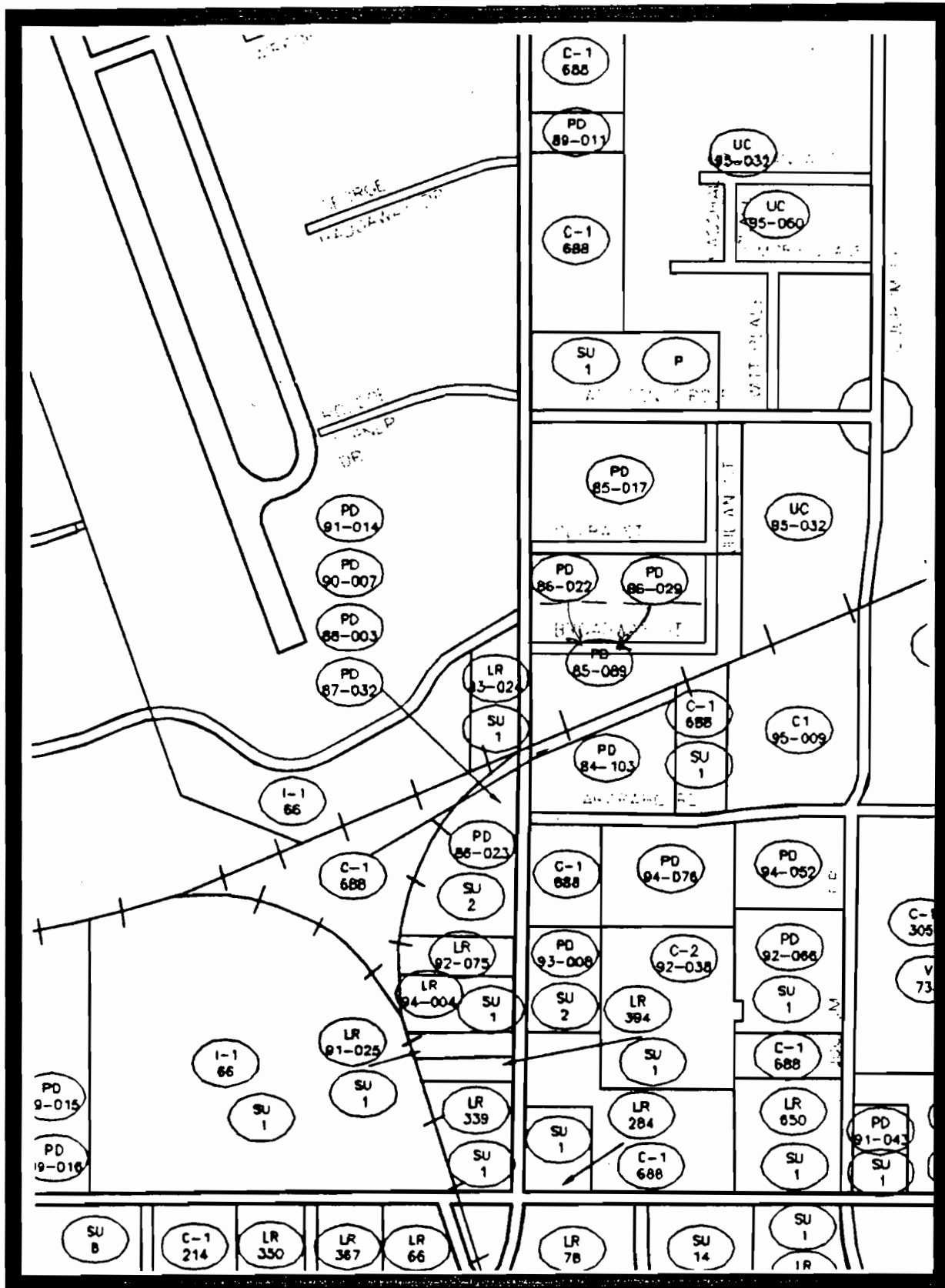
Form Approved OMB No. 2120-0001

 NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION			Aeronautical Study Number _____	
1. Nature of Proposal A. Type <input type="checkbox"/> New Construction <input type="checkbox"/> Alteration			2. Complete Description of Structure A. Include effective radiated power and assigned frequency of all existing, proposed or modified AM, FM, or TV broadcast stations utilizing this structure. B. Include size and configuration of power transmission lines and their supporting towers in the vicinity of FAA facilities and public airports. C. Include information showing site orientation, dimensions, and construction materials of the proposed structure.	
B. Class <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary (Duration _____ months)			C. Work Schedule Dates Beginning _____ End _____	
3A. Name and address of individual, company, corporation, etc. proposing the construction or alteration. (Number, Street, City, State and Zip Code) (_____) _____ area code Telephone Number			(if more space is required, continue on a separate sheet.)	
B. Name, address and telephone number of proponent's representative if different than 3 above.				
4. Location of Structure A. Coordinates (To nearest second) Latitude _____ Longitude _____			5. Height and Elevation (Complete to the nearest foot) A. Elevation of site above mean sea level _____ B. Height of Structure including all appurtenances and lighting (if any) above ground, or water if so situated _____ C. Overall height above mean sea level (A + B) _____	
B. Nearest City or Town, and State _____ Miles _____ C. Name of nearest airport, heliport, flightpark, or seaplane base _____ (1) Distance from structure to nearest point of nearest runway _____ (2) Direction from structure to airport _____			D. Description of location of site with respect to highways, streets, airports, prominent terrain features, existing structures, etc. Attach a U.S. Geological Survey quadrangle map or equivalent showing the relationship of construction site to nearest airport(s) (if more space is required, continue on a separate sheet of paper and attach to this notice.)	
<small>Notice is required by Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) pursuant to Section 1101 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1101). Persons who knowingly and willingly violate the Notice requirements of Part 77 are subject to a fine (criminal penalty) of not more than \$500 for the first offense and not more than \$2,000 for subsequent offenses, pursuant to Section 802(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(a)).</small>				
I HEREBY CERTIFY that all of the above statements made by me are true, complete, and correct to the best of my knowledge. In addition, I agree to obstruction mark and/or light the structure in accordance with established marking & lighting standards if necessary.				
Date _____		Typed Name/Title of Person Filing Notice _____		Signature _____
FOR FAA USE ONLY <i>FAA will either return this form or issue a separate acknowledgement.</i>				
The Proposal: <input type="checkbox"/> Does not require a notice to FAA. <input type="checkbox"/> Is not identified as an obstruction under any standard of FAR, Part 77, Subpart C, and would not be a hazard to air navigation. <input type="checkbox"/> Is identified as an obstruction under the standards of FAR, Part 77, Subpart C, but would not be a hazard to air navigation. <input type="checkbox"/> Should be obstruction marked. <input type="checkbox"/> Lighted per FAA Advisory Circular 70/7480-1, Chapter(s) _____ <input type="checkbox"/> Obstruction marking and lighting are not necessary.				
Supplemental Notice of Construction FAA Form 7480-2 is required any time the project is abandoned, or <input type="checkbox"/> At least 48 hours before the start of construction. <input type="checkbox"/> Within five days after the construction reaches its greatest height. This determination expires on _____ unless: (a) extended, revised or terminated by the issuing office; (b) the construction is subject to the licensing authority of the Federal Communications Commission and an application for a construction permit is made to the FCC on or before the above expiration date, in such case the determination expires on the date prescribed by the FCC for completion of construction, or on the date the FCC denies the application. NOTE: Request for extension of the effective period of this determination must be postmarked or delivered to the issuing office at least 15 days prior to the expiration date. If the structure is subject to the licensing authority of the FCC, a copy of this determination will be sent to that Agency.				
Remarks: _____				
Issued In _____		Signature _____		Date _____

FAA Form 7480-1 (4-83) SUPERSEDES PREVIOUS EDITION

DO NOT REMOVE CARBONS

FAA FORM



ZONING MAP

MARK A. HIPES
Qualifications

Location of Office

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

Education

Southern Methodist University

* Bachelor of Business Administration - Quantitative Analysis

* Master of Business Administration - Finance

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

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

Appraisal Courses, Seminars

American Institute of Real Estate Appraisers

* Course IIa - Case Studies in Real Estate Valuation

* Course IIb - Valuation Analysis & Report Writing

Society of Real Estate Appraisers

* Course 101 - Principals of Real Estate Appraisal

* Course 201 - Income Property Valuation

* Course R2 - Report Writing

Standards of Professional Practice

Various Seminars on Valuation & Litigation

Experience

02/87 to Present

Hipes & Associates

Independent Real Estate Appraiser

03/79 to 02/87

Dallas County Department of Public Works

Eminent Domain Appraiser

09/71 to 03/79

Self Employed

Financial Analysis/Real Estate Analysis

Types of Properties Appraised

Regional Malls

Industrial/Manufacturing

Automobile Dealerships

Shopping Centers

Apartments

Hospitals

Office

Farms/Ranches

Railroads

Office/Warehouses

Proposed Developments

Churches

Service Stations

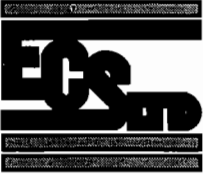
Educational Facilities

Airports

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

Extensive work in Eminent Domain & other forms of litigation valuation

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



ENGINEERING CONSULTING SERVICES, LTD.
Geotechnical • Construction Materials • Environmental

April 1, 2003

Mr. Luke Jalbert
Town of Addison
16801 Westgrove Drive
P.O. Box 9010
Addison, Texas 75001-9010

RE: Proposal for Phase I ESA and Pre-Demolition Asbestos Survey
Metro Brick Company, Inc.
15130 Addison Road
Addison, Texas
ECS Proposal No. 19-03-994

Dear Mr. Jalbert,

Based on your verbal request, Engineering Consulting Services, Ltd. (ECS) appreciates the opportunity to submit this proposal to perform a Phase I Environmental Site Assessment (ESA) and Pre-Demolition Asbestos Survey at the above-referenced property (site). We understand the site to consist of a single-story brick veneer, 1,400 ft² structure situated on an approximate 0.26 acre tract of land.

ECS will only survey this building identified as 'planned for demolition' for asbestos-containing materials (ACM). Our ESA will be prepared in general accordance with the ASTM E1527-00, Standard Practice for Phase I Environmental Site Assessments for Commercial Real Estate. Our Pre-Demolition Asbestos Survey will be conducted to satisfy the requirements of 40 CFR 61, Subpart M, National Standards for Hazardous Air Pollutants (NESHAP), which require that a building be thoroughly inspected for the presence of asbestos-containing materials prior to demolition or renovation. Detailed below is the proposed scope of work and cost estimate for these tasks.

SCOPE OF WORK

Phase I ESA

In general, the objective of the proposed ESA is to provide sufficient information regarding the environmental integrity of the site for a pending real estate transaction. As part of the ESA, ECS will provide the following:

- 1) An evaluation and estimation of the potential that the property under investigation may contain, or be adversely impacted from, substantial levels of contaminants in the soil, surface water, and/or groundwater from activities either on the subject site or from nearby off-site sources.
- 2) The report will address the findings of the ESA investigation. The report will include, at a minimum, the following topics:

- site history and use;
- current site conditions;
- an evaluation regarding potential on-site and off-site sources of contamination;
- recommendations for additional assessment efforts, including testing and sampling, if warranted; and,
- recommendations for response actions concerning potentially hazardous materials, if present.

The proper performance of "due diligence", in respect to environmental site assessments, requires both an on-site inspection and a careful review of reasonably available applicable local, state and federal public records. It should be noted that as part of this assessment, ECS will not collect samples at the subject property to evaluate lead-based paint or lead in drinking water.

Asbestos Survey

ECS will perform a comprehensive asbestos survey of the above-identified building. The survey will be conducted by a Texas Department of Health (TDH) licensed Asbestos Inspector or Individual Asbestos Consultant. Our scope of services will include the following:

- Identify suspect ACM located within the buildings to be demolished and/or renovated. Roofing materials will be sampled during this investigation. It should be noted that ECS will contract a roofing contractor to repair all areas that are impacted during the roof sampling activities.
- Specify the condition of the suspect ACM;
- Collect bulk samples of all identified suspect materials in accordance with 40 CFR 763.86;
- Submit the bulk samples to an accredited Asbestos Laboratory for analysis utilizing the Polarized Light Microscopy method.

Prepare a report of the results of the inspection detailing the results of the survey, results of the laboratory analyses, and a condition assessment of confirmed ACMs. The report will include a drawing identifying the location of all confirmed asbestos-containing materials on a floor plan (not to scale) of the building.

ESTIMATED PROJECT COSTS

The cost estimate is based on our experience evaluating sites within the area or under similar development scenarios. We propose to complete the proposed tasks on a lump sum basis and any changes to the scope will be verbally approved prior to commencement. Included in this estimate are analytical costs for a total of 30 samples. If additional samples are required, they will be billed at a rate of \$15 per sample additional sample collection time will be billed at our hourly rate of \$65 per hour. Client approval will be obtained prior to the analysis of additional samples. Three (3) copies of the ESA/Asbestos Survey report will be forwarded upon completion of the project for the quoted price. Additional photocopies requested will be provided at a cost of \$50/copy. Additional copies with color reproductions of photographs and/or figures will be provided at a cost of \$100/copy.

1. Phase I ESA	\$1,900.00
2. Pre-Demolition Asbestos Survey	\$ 950.00
Total:	<u>\$2,850.00</u>

Our proposal **does not** include a provision for a 50-year chain-of-title search. As part of our study, we will need to interview the property owner or owner's representative. If you could provide their name and telephone number it would also expedite matters.

Our proposed scope of work can be initiated immediately after we receive formal authorization to proceed, either by facsimile transmission or receipt of a hard copy of the signed letter. We anticipate that the proposed investigation for the subject site can be completed within three weeks of authorization to proceed. This proposal assumes that we will have immediate access to all portions of the site including mechanical rooms (if applicable).

PROPOSAL ACCEPTANCE

This proposal may be accepted by signing the attached Proposal Acceptance page and returning one copy to ECS prior to the commencement of work. This will indicate acceptance of the proposal and the attached General Conditions of Service. This Proposal for Services and the General Conditions of Service shall constitute the entire agreement between the Client and ECS.

Thank you for allowing ECS to offer our services on this project. ECS approaches all projects with their client's best interest foremost and will evaluate various solutions to each environmental issue. Please contact the undersigned if you have any questions or need additional information.

Sincerely yours,

ENGINEERING CONSULTING SERVICES, LTD.

Bruce A. Meek, I.A.C., P.E.
Environmental Department Manager

Attachments: Proposal Acceptance Form
General Conditions of Service

PROPOSAL ACCEPTANCE

**Phase I ESA/Pre-Demolition Asbestos Survey
Metro Brick Company, Inc.
15301 Addison Road
Addison, Texas
Proposal Number: 19-03-994**

Environmental Services: \$2,850.00 (Lump Sum)

Client Signature: *Steven Z. Chutchian*
Printed Name: STEVEN Z. CHUTCHIAN
Title/Firm: ASST. CITY ENGINEER / TOWN OF ADDISON
Date of Acceptance: 4/10/03

To indicate acceptance of this proposal and to initiate work on the above-referenced project, please sign above and return one complete copy of this proposal to ECS, Ltd. The Client's signature above indicates that he/she has the authority to bind, has read, and takes no exception to the accompanying General Conditions of Service and agrees to be bound by such General Conditions of Service.

BILLING INFORMATION

(Please Print or Type)

Party Responsible for Payment: TOWN OF ADDISON
STEVEN Z. CHUTCHIAN
Name of Contact Person/Title: _____
Billing Address: _____

Telephone Number: _____
Fax Number: _____
Client Project/Account Number _____
Special Conditions for Invoice _____

ENGINEERING CONSULTING SERVICES, LTD.
GENERAL CONDITIONS OF SERVICE

These General Conditions of Service, including any Supplemental Conditions of Service which are or may become applicable to the services to be provided in the Proposal, are incorporated by reference into the foregoing Proposal and shall be part of the Agreement under which services are to be performed by ECS for Client. For the purposes of these General Conditions, "Agreement" shall mean the Proposal, these General Conditions, Supplemental Conditions (if any) and Fee Schedule.

SECTION 1: SCOPE OF WORK

- a. The scope of work shall include all services provided by ECS, in its discretion, which are reasonably necessary and appropriate for the effective and prompt fulfillment of ECS's obligations under the Agreement, including these General Conditions and any supplemental conditions incorporated herein; it being expressly provided that all such services provided shall be invoiced and paid for in accordance with Section 3 below.
- b. It is understood that the scope of work and time schedule defined in the Proposal are based on the information provided by Client. If this information is incomplete or inaccurate, or if unexpected conditions are discovered, the scope of work may change, even as the work is in progress. If the Client requests additional services or when a change in the scope of work or time schedule is necessary, a written amendment to the Agreement shall be executed by the Client and ECS as soon as is practicable and consent to such amendments shall not be unreasonably withheld.

SECTION 2: CLIENT DISCLOSURES

- a. The Client shall notify ECS of any known or suspected hazardous substances which are or may be related to the services to be provided. Such hazardous substances shall include but not be limited to any substance which poses or may pose a present or potential hazard to human health or the environment whether contained in a product, material, by-product, waste or sample and whether it exists in a solid, liquid, semi-solid or gaseous form. This duty to notify ECS of any such hazardous substances shall also apply to any of the foregoing substances which ECS may be provided or obtain or which exist or may exist on or near any premises upon which services are to be performed by employees, agents or contractors of ECS. The Client shall notify ECS of all such hazardous substances of which it has knowledge or which it reasonably suspects exist upon entering into this Agreement. Thereafter, disclosure and notification to ECS shall be required immediately

upon discovery of any other hazardous substances or upon discovery of increased concentrations of previously disclosed substances where the increased concentration makes them hazardous.

- b. If all or any part of the scope of work is to be performed in the general vicinity of a facility or in an area where dust, fumes, gas, noise, vibrations or other particulate or nonparticulate matter is in the atmosphere where it raises a potential health hazard or nuisance to those working in the area of such conditions, Client shall notify ECS of such condition, potential health hazard or nuisance and thereafter ECS shall take all necessary and reasonable measures to protect its employees against such possible health hazards or nuisances. The reasonable direct cost of such measures shall be born by the Client.

SECTION 3: BILLINGS AND PAYMENTS

- a. Unless otherwise specifically provided in the Proposal or Agreement, billings will be based on actual units used at the standard rates shown on the attached fee schedules, travel cost and other expenses. Such billings shall not be limited by the estimates of total, incremental or phase project costs provided for information purposes in the Proposal. Client recognizes that time is of the essence with respect of payment of ECS's invoices, and that timely payment is a material part of the consideration of this Agreement. Client shall pay ECS for services performed in U.S. funds drawn upon U.S. banks and in accordance with the rates and charges set forth herein. Invoices will be submitted by ECS from time to time, but no more frequently than every two weeks, and shall be due and payable upon receipt. If Client objects to all or any portion of an invoice, Client shall nevertheless timely pay the full amount of such invoice and Client shall notify ECS within fourteen (14) calendar days of the invoice date of the cause of disagreement and the portion of the invoice in dispute. Thereafter, ECS and the Client shall make good faith effort to resolve such dispute.
- b. Client shall pay an additional charge of one-and-one-half (1.5) percent (or the maximum percentage allowed by law, whichever is lower) of the invoiced amount per month for any payment received by ECS more than thirty (30) calendar days from the date of the invoice, excepting any portion of the invoiced amount in dispute and resolved in favor of Client. Payment thereafter shall first be applied to accrued interest and then to the principal unpaid amount. Payment of invoices is in no case subject to unilateral discounting or set-offs by Client.
- c. Application of the percentage rate indicated above as a consequence of Client's late payments does not constitute any willingness on ECS's part to finance

Client's operation, and no such willingness should be inferred. If Client fails to pay invoiced amounts within thirty (30) calendar days of the date of the invoice, ECS may at any time, without waiving any other claim against Client and without thereby incurring any liability to Client, suspend or terminate this Agreement. Termination shall not relieve Client of its obligation to pay amounts incurred up to termination.

- d. The Client's obligation to pay for the services performed under this Agreement is in no way contingent upon Client's ability to obtain financing, zoning, approval of governmental or regulatory agencies, final adjudication of a lawsuit in which ECS is not involved, or upon Client's successful completion of the project. No deduction shall be made from any invoice on account of penalty, liquidated damages or other sums withheld from payments to ECS. It is agreed that all expenses incurred by ECS in enforcing the Agreement or in obtaining liens, obtaining judgments or collecting any delinquent amounts due, including reasonable attorney's fees shall be recoverable from the Client.
- e. The fees quoted in this contract shall remain valid for a period of twelve (12) months from the date of contract. Thereafter, they shall be adjusted in accordance with the Average Consumer Price Index (CPI) for the last twelve (12) months.

SECTION 4: RIGHT OF ENTRY

- a. Client hereby grants ECS and its subcontractors or agents the right to enter from time to time property owned by Client and/or other(s) in order for ECS to fulfill the scope of services included hereunder. Client understands that use of exploration equipment may cause some damage, the correction of which is not part of this Agreement. Client also understands that the discovery of certain hazardous conditions and/or taking preventive measures relative to these conditions may result in a reduction of the Property's value. Accordingly, Client waives any claim against ECS and its subcontractors or agents, and agrees to defend, indemnify and hold ECS harmless from any claim or liability for injury or loss allegedly arising from procedures associated with subsurface exploration activities or discovery of hazardous materials or suspected hazardous materials. In addition, Client agrees to compensate ECS for any time spent or expenses incurred by ECS in defense of any such claim with compensation to be based upon ECS's prevailing fee schedule and expense reimbursement policy.

SECTION 5: SAMPLES

- a. Soil, rock, water and/or other samples obtained from the Project site are the property of Client. ECS shall

preserve such samples for no longer than sixty (60) calendar days after the issuance of any document that includes the data obtained from them, unless other arrangements are mutually agreed upon in writing. Should any of these samples be contaminated by hazardous substances or suspected hazardous substances, it is Client's responsibility to select and arrange for lawful disposal procedures, that is, procedures which encompass removing the contaminated samples from ECS's custody and transporting them to a disposal site. Client is advised that, in all cases, prudence and good judgment should be applied in selecting and arranging for lawful disposal procedures.

SECTION 6: REPORTS, OWNERSHIP OF DOCUMENTS

- a. ECS shall furnish three (3) copies of each report to Client. Additional copies shall be furnished at the rates specified in the fee schedule. With the exception of ECS Reports to Client, all documents, including original boring logs, field data, field notes, laboratory test data, calculations and estimates are and remain the property of ECS. Client agrees that all reports and other work furnished to the Client not paid for in full will be returned to ECS upon demand and will not be used for design, construction, permits or licensing.

SECTION 7: STANDARD OF CARE

- a. Services performed by ECS under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the Engineering profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report, opinion, document or otherwise.
- b. Any exploration, testing, surveys and analysis associated with the work will be performed by ECS for the Client's sole use to fulfill the purpose of this Agreement and ECS is not responsible for interpretation by others of the information developed. The Client recognizes that subsurface conditions beneath the Project site may vary from those encountered in borings, surveys or explorations and the information and recommendations developed by ECS are based solely on the information available from such borings, surveys and explorations.

SECTION 8: LIMITATION OF PROFESSIONAL LIABILITY

- a. Client agrees to limit ECS's liability to Client arising from ECS's professional acts, errors or omissions in performing this Agreement, such that the total aggregate liability of ECS to all those named shall not exceed \$50,000 or total fee for the services rendered on this project, whichever is greater.

- b. Documents, including but not limited to, technical reports, original boring logs, field data, field notes, laboratory test data, calculations, and estimates furnished to the Client or its agents pursuant to this Agreement are not intended or represented to be suitable for reuse by the Client or others on extensions of the Project or on any other project. Any reuse without ECS's written consent will be at Client's sole risk and without liability to ECS or to ECS's contractor(s) and Client shall indemnify and hold harmless ECS and ECS's contractor(s) from all claims, damages, losses and expenses including attorney's fees arising out of or resulting therefrom.

SECTION 9: LIABILITY INSURANCE

- a. ECS represents that it and its agents, and consultants employed by it, is and are protected by Workers Compensation insurance and that ECS has coverage under liability insurance policies which ECS deems reasonable and adequate. ECS shall furnish certificates of insurance upon request. ECS shall not be responsible for bodily injury and property damage or losses arising directly or indirectly, in whole or in part, from acts by the Client, its employees, agents, staff, consultants or subcontractors employed by it or by any other person or combination of persons. The Client agrees to limit the liability of ECS to the limits of ECS's insurance. The Client is responsible for requesting specific inclusions or limits of coverage that are not present in ECS insurance, the cost of such inclusions or coverage increases, if available, to be at the expense of the Client.

SECTION 10: ARBITRATION OF DISPUTES

- a. All claims, disputes or controversies arising out of, or in relation to the interpretation, application or enforcement of this Agreement shall be decided through arbitration, as adopted and described by the then most current rules of the American Arbitration Association.

SECTION 11: TERMINATION

- a. Client or ECS may terminate this Agreement for breach of this Agreement, or for any other reasons which may arise. In the event of termination, the party effecting termination shall so notify the other party, and termination will become effective fourteen (14) calendar days after receipt of the termination notice. Irrespective of which party shall effect termination or the cause therefore, ECS shall promptly render to Client a final invoice and Client shall immediately remunerate ECS for services rendered and costs incurred, in accordance with ECS's prevailing fee schedule and expense reimbursement policy. Services shall include those rendered up to the time of termination, as well as those associated with

termination itself, such as demobilizing, modifying schedules and reassigning personnel. Upon such termination, Client and ECS shall deliver to each other all reports and documents pertaining to services performed up to termination.

SECTION 12: SEVERABILITY

- a. Any provision of this Agreement later held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force.

SECTION 13: TITLES

- a. The titles used in this Agreement are for general reference only and are not part of the Agreement. Parties to this Agreement are advised to read each provision and rely on the guidance of legal counsel as necessary to help assure a complete understanding of all provisions and the obligations imposed through acceptance.

SECTION 14: SURVIVAL

- a. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the Client and ECS shall survive the completion of services and the termination of this Agreement.

SECTION 15: ASSIGNS

- a. Neither the Client nor ECS may delegate, assign, sublet or transfer its duties, responsibilities or interests in this Agreement without the written consent of the other party.

SECTION 16: CHOICE OF LAW

- a. This Agreement shall be interpreted according to the laws of the State in which the Project is located (but not including its choice of law rules).

END OF GENERAL CONDITIONS