

610219

REAL ESTATE APPRAISAL OF

Midway Road at Lindberg Drive – Parcel 1

Southeast Corner of Midway Road and Lindberg Drive

Dallas County

Town of Addison, Texas 75244

PREPARED FOR:

Contract Land Staff, Inc.

Attention: Mr. Leon Boone

800 West Airport Freeway, Suite 420

Irving, Texas 75062



LOCAL EXPERTISE...NATIONALLY

EFFECTIVE DATE OF THE APPRAISAL:

October 31, 2000

INTEGRA REALTY RESOURCES DFW

FILE NUMBER: 2000C-0575F-Parcel 1

**DALLAS COUNTY
DEPARTMENT OF PUBLIC WORKS**

APPRAISAL REPORT

Project No: Midway Road at Lindberg Drive Parcel No.: 1
Location: SEC of Midway Rd and Lindberg Dr., Addison, TX Whole Acquisition Partial Acquisition
Property Owner: Gilford Joint Venture Address: 8411 Preston Rd, #650, Dallas, TX 75225-5523
Occupant's Name: Eagle Supply Address: 15200 Midway Road, Addison, TX

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to estimate the market value of the fee simple title encumbered by existing easements, if any, which are not to be extinguished in the purchase of the fee of the subject property.

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, 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.

AFFIDAVIT OF APPRAISER

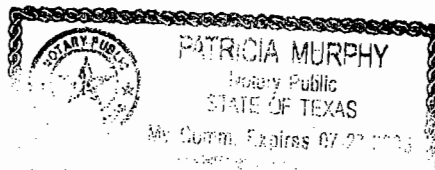
I have personally inspected the property herein appraised and to the best of my knowledge and belief the statements contained in the appraisal hereinabove set forth are true, and the information upon which the opinions expressed therein are based is correct.

I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised and 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 County, I will immediately notify the County of such interest or interests;

I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the County of Dallas until authorized by County 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.

My opinion of the fair market value of the acquisition plus damages, if any, as of the 31th day of October, 2000 is \$ 1,538 based upon my independent appraisal and the exercise of my professional judgment.

THE STATE OF TEXAS)
COUNTY OF DALLAS)



Donald J. Sherwood 2/16/01
Donald J. Sherwood, MAI Date

BEFORE ME, the undersigned authority, in and for Dallas County, Texas, on this day personally appeared DONALD J. SHERWOOD, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 16th day of February, 2000

Patricia Murphy
Notary Public, Dallas County, Texas
My Commission Expires

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SUMMARY & DETERMINATION OF COMPENSATION

Parcel #: 1 Project Name Midway Road at Lindberg Drive
 Location or Address SEC of Midway Road at Lindberg Drive, Addison, Dallas County, TX
 Character of Acquisition: Whole Bisection I
 Partial Bisection II
 Owner Gilford Joint Venture
 Address 8411 Preston Rd, #650, Dallas, TX 75225-5523 Telephone _____

WHOLE PROPERTY (from 3-1)	AREA ACQUIRED (from 4-1)
Area <u>3.26</u> Acres, <u>142,005</u> Square Feet Highest & Best Use <u>Commercial/Industrial</u> Value by Market Data <u>\$1,065,038</u> Value by Cost Approach <u>\$ N/A</u> Value by Income Approach <u>\$ N/A</u> FINAL VALUE CONCLUSION (Land Only) <u>\$1,065,038</u> <u>REMAINDER AFTER ACQUISITION (Page 6-1)</u> Area <u>3.256</u> Acres, <u>141,808</u> Square Feet Highest & Best Use <u>Commercial/Industrial</u> Value by Market Data <u>\$ 1,063,560</u> Value by Cost Approach <u>\$ N/A</u> Value by Income Approach <u>\$ N/A</u> (Land Only) FINAL VALUE CONCLUSION <u>\$ 1,063,560</u>	Area <u>197 SF (Fee)</u> Value from Information on Whole <input checked="" type="checkbox"/> Value Determined Independently <input type="checkbox"/> Highest & Best Use <u>As Part Of Whole</u> Improvements: Landscaping <u>\$ 60</u> _____ \$ _____ \$ TOTAL IMPROVEMENTS <u>\$ 60</u> Land Fee <u>\$ 1,478</u> Permanent Easement <u>\$ 0</u> Temporary Easement <u>\$ 0</u> TOTAL LAND <u>\$ 1,478</u> TOTAL ACQUISITION VALUE <u>\$1,538</u> <u>REMAINDER BEFORE ACQUISITION (CALC.)</u> Value of Whole <u>\$1,065,038</u> LAND Value of Area Acquired <u>\$ 1,478</u> LAND Value of Remainder <u>\$1,063,560</u>

DETERMINATION OF COMPENSATION	
Value of Area Acquired (Land only)-----	\$ 1,478
Value of Remainder Before Acquisition <u>\$1,063,560</u>	
Value of Remainder After Acquisition <u>\$1,063,560</u>	
Damages (or Enhancement)-----	\$ 0
Temporary Easement -----	\$ 0
Permanent Easement -----	\$ 0
Improvements within ACQUISITION AREA -----	\$ 60
TOTAL COMPENSATION-----	\$ 1,538

LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

The subject property is legally described as Lot 1 and part of Lot 2, Block D, Addison Airport Industrial District of the Town of Addison, Dallas County, Texas.

PROPERTY RIGHTS APPRAISED

The property rights being appraised consist of a fee simple estate and/or an easement in the subject property. Fee simple estate is defined in The Dictionary of Real Estate Appraisal, Third Edition, copyright 1993, page 140, by the Appraisal Institute as being:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

An easement is defined in The Dictionary of Real Estate Appraisal, Third Edition, copyright 1993, page 110, by the Appraisal Institute as being:

“An interest in property that conveys use, but not ownership of a portion of an owner’s property. Access or right-of-way easements may be acquired by private parties or public utilities.”

INTENDED USE OF THE REPORT

The intended use of this report is to provide an estimate of market value of the subject property and total compensation due to the owner. The intended user is Dallas County to assist in the acquisition of right-of-way for a public purpose. Any other use of this report is not authorized.

SCOPE OF THE APPRAISAL

The scope of the appraisal means the extent of the process of collecting, confirming and reporting data. An estimate of the total compensation due to the owner of the property as the result of a proposed acquisition from the property is prepared. This will require an appraisal of the Whole Property, the Area Acquired and the value of the Remainder Before and After the Acquisition. The process included collecting data and information concerning the subject property and an inspection of the property. The appraiser has examined public records including plat and map records such as zoning maps, ordinances, and flood plain data.

Upon determination of the subject’s Highest and Best Use, the appraiser has researched public records for recent sales of comparable properties. Factual data collected on the comparable sales included characteristics of the site and improvements, if any, consideration of the sale price given, extent of financing made available, if any, and dates of sale.

Where applicable, the appraiser has also examined and researched rental rates and expenses in the development of the Income Approach. Where applicable, the Cost Approach has been developed through the Marshall and Swift Cost Calculator Service, file data and/or interviews with developers/builders/contractors. This information has been analyzed and is presented in the following report.

JURISDICTIONAL EXCEPTION

This appraisal is intended to conform to the requirements of the USPAP. Jurisdictional exception provides for severability preserving the balance of USPAP if one or more parts of USPAP are contrary to law or public policy of a jurisdiction. According to USPAP, law means a body of rules with binding legal force established by controlling governmental authority. This includes federal and state constitutions, legislative and court made law, administrative rules, regulations and ordinances. As appraisals performed for eminent domain are subject to certain constraints based on statutory and case law regarding compensability, the issue of jurisdictional exception has been invoked in the preparation of this appraisal and report.

DATE OF VALUE ESTIMATE

The effective date of this appraisal is the date of the last inspection, October 31, 2000. The date of the report is the date of the signature on the first page of this report.

EXPOSURE PERIOD

A reasonable exposure period for the subject property is considered to be within twelve months, approaching a value, and highest and best use, as stated herein.

REPORT TYPE

Due to the jurisdictional exception granted to governmental agencies with the power of eminent domain, such as Dallas County, some of the traditional requirements of USPAP are not applicable. As required by Dallas County, standardized forms have been completed and are included herein, along with supplemental comments when appropriate.

In accordance with the USPAP, the appraisal of the subject property is reported in the following text as a summary appraisal report. As such, it represents a summary discussion of the data, reasoning and analyses that were utilized in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated previously. The appraiser is not responsible for unauthorized use of this report.

HISTORY OF SUBJECT PROPERTY

The Standards of Professional Appraisal Practice requires full disclosure of any sales or property transfers with the previous three years of the date of value. A review of public records indicates that ownership of the subject property is currently vested in Gilford Joint Venture. According to deed records, the ownership in the subject has been vested in Gilford Joint Venture for over three years. The appraisers are not aware of any existing contracts or pending sales on the subject property, nor does it appear to be listed for sale.

ENVIRONMENTAL DISCLAIMER

The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

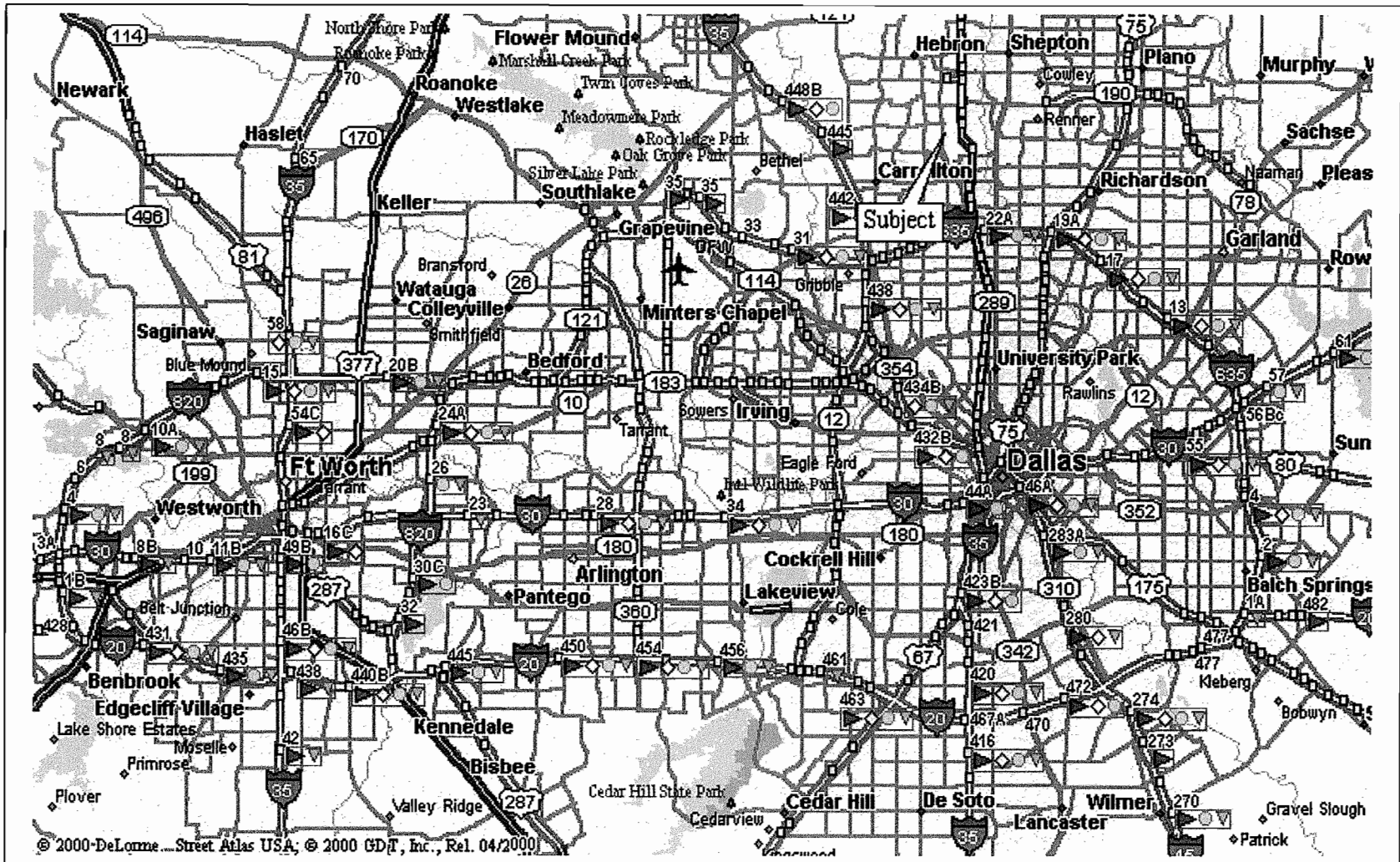
DEFINITION OF MARKET VALUE

Market Value is defined by City of Austin v. Cannizzo, 267 S.W. 2d 808 (Tex 1954) as being:

“The price the property would bring when offered for sale by one who desires to sell, but is not obliged to sell, and is bought by one who desires to buy, but is under no necessity of buying, 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.

INSPECTION INFORMATION

The subject property owner, Gilford Joint Venture was notified by certified mail on September 27, 2000. As of the effective date of this appraisal, the property owner has not contacted the appraisers. On Tuesday, October 31, 2000, Ted Brooks, MAI inspected the subject property. A prior inspection was conducted on October 16, 2000, by Donald J. Sherwood, MAI.



LOCATION MAP

AREA AND NEIGHBORHOOD ANALYSIS

LOCATION

The subject is located in the northwest portion of Dallas County, in a submarket area encompassing portions of the Cities of Farmers Branch, Carrollton, Addison and Dallas. It is part of an older, established mixed-use neighborhood, generally bound by Trinity Mills Road to the north, Dallas North Tollway to the east, IH-635 (LBJ Freeway) to the south, and Marsh Lane to the west. Stemmons Freeway (IH-35E) is located about two miles west of the subject neighborhood, and Central Expressway (US Highway 75) is situated approximately three miles to the east.

North:	Trinity Mills Road
East:	Dallas North Tollway
South:	IH-635 (LBJ Freeway)
West:	Marsh Lane

ACCESS

The subject neighborhood has excellent access provided by the bounding roadways as well as Alpha Road, Spring Valley Road, Belt Line Road, Inwood Road/Addison Road and a number of smaller collector streets and feeder streets. Arterials are typically concrete paved or asphalt paved, with concrete curb and gutters. Most streets are on a north-south/east-west axis. The subject has ingress/egress and exposure from Midway Road. Midway Road extends northerly from the Love Field Airport, through North Dallas and Plano to a point just south of SH-121 and the Frisco city limits. Keller Springs Road, a nearby traffic carrier, extends from Campbell Road in northern Dallas near Preston Road westward through Dallas, Addison, Carrollton, Coppell and Grapevine before ending at the Tarrant County/Dallas County line. Along the way, the street name changes from Keller Springs to Whitlock Lane in Carrollton to Sandy Lake Road in Coppell. In the subject locale, both of these streets are considered major thoroughfares bisecting the neighborhood. Dallas Area Rapid Transit, more commonly known as DART, fully services the subject neighborhood. The Addison Transit Center, located just south of Addison Airport at the corner of Quorum Drive and Arapaho Road, has recently been completed. This fully staffed transportation center has a 205-space parking lot and is an important link to 16 bus routes as well as numerous trolley and rail routes.

DEMOGRAPHIC FACTORS

For a more in depth perspective on the subject neighborhood, we consulted Market Profile Reports, prepared by Claritas Services. The Market Profile Report contains a comprehensive list of demographic information based on 1990 Census data updated to reflect 2000 estimates and

2005 projections. The Market Profile Report is categorized by three geographic areas, delineated, as follows:

- Area 1: 1 Mile radius from Belt Line Road/Midway Road
- Area 2: 2 Mile radius from Belt Line Road/Midway Road
- Area 3: 3 Mile radius from Belt Line Road/Midway Road

POPULATION AND HOUSEHOLDS			
	Area 1	Area 2	Area 3
2005 Population	6,437	127,850	158,921
2000 Population	5,678	116,941	141,222
1990 Population	3,864	96,335	114,523
% Growth 1990-2000	46.9%	21.4%	23.3%
2005 Households	3,601	61,887	158,921
2000 Households	3,154	55,887	141,222
1990 Households	2,139	45,205	114,523

As indicated, all areas are each projected to have a moderate population growth from 2000 to 2005. In addition to the above information, the Market Profile Report indicates that the median age of the population in the areas is 37.1, 35.8 and 35.7 years, respectively. About 17% of the population within Area 1 owns their housing, while about 75% represents rental occupied property. The indicated average household incomes for 2000 in the areas averages \$74,499, \$89,712, and \$97,738, respectively.

DEVELOPMENT

Developed properties within the defined area are primarily improved with a mix of residential, commercial and light industrial land uses. At the center of the subject neighborhood is the Addison Airport, a small regional facility which provides full service for both commercial and private use. It is the third largest general aviation airport in the US. Brookhaven College is located in the southwestern quadrant of the defined neighborhood. Along the eastern side of Dallas North Tollway, the specified eastern neighborhood boundary, lies both the Galleria shopping mall and the Prestonwood Town Center mall. Along the freeways which bound the eastern and southern portions of the neighborhood are numerous Class-A office buildings.

The neighborhood is presently approximately 90% built out. Improved properties are primarily commercial in nature, with pockets of residential in the western and southwestern portions. Public parks and athletic complexes are located throughout the neighborhood. In the area surrounding Brookhaven College are apartment complexes. Most major thoroughfare corridors are developed with service commercial and retail land uses. The areas nearest the Addison Airport contain a typically heavy concentration of industrial uses.

The subject area is characterized as being stable, with a modest supply of land available for future development. Recent construction includes development of the Addison Circle urban district, which is an office/retail/apartment development with over 400,000 square feet in commercial space and 3,500 housing units. The three-phase Millennium office development will contain 1,000,000 square feet when it is completed.

Predominate Age of Improvements	2 to 30 Years
Predominate Quality and Condition	Average to good
Approximate Percent Developed	90%
Percent Developed as Single-Family	25%
Prevailing Single-Family Price Range	\$100,000 to \$400,000
Life Cycle Stage	Stable
Infrastructure/Planning	Good
Predominate Location of Undeveloped Land	Intermittently throughout
Prevailing Direction of Growth	In-fill
Immediate Surrounding Land Use (Adjacent Neighborhood Characteristics)	North: Residential/Commercial South: Commercial/Residential East: Commercial West: Residential/Commercial

UTILITIES

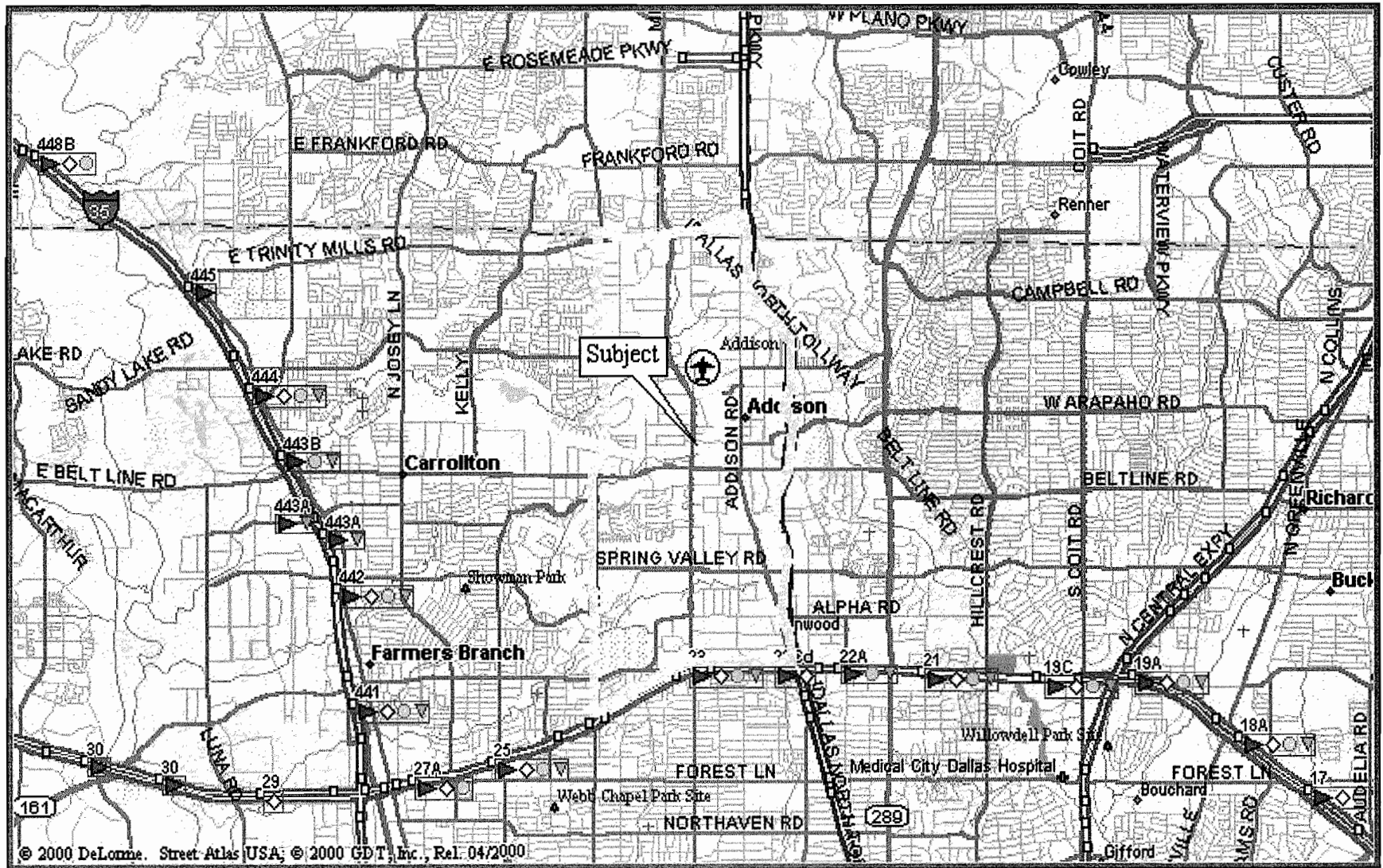
Electricity is supplied to area by TXU Electric, natural gas is supplied by TXU Gas Company, telephone service is provided by Southwestern Bell Telephone Company, and municipal water and sanitary sewer are provided by the Cities of Carrollton and Farmers Branch, and the Town of Addison. According to municipal offices, all utilities are available in sufficient quantity and quality to allow typical development of properties in the subject neighborhood.

EDUCATION

The Carrollton Farmers Branch Independent School District (CFB ISD) and the Dallas Independent School District (DISD) both serve the entire subject neighborhood, with students attending assigned campuses. Both are competitive school districts offering good quality public education in modern facilities. Within Dallas County, college education is available through Dallas Community College (including Brookhaven in the subject neighborhood), University of Texas at Dallas, University of Texas Southwest Medical Center and School, University of Dallas, Southern Methodist University, Dallas Baptist University, Paul Quinn College, Texas A&M University Research and Extension Center and Dallas Christian College. This network of education opportunities provides a rich pool of qualified employees for potential employers in the Dallas/Fort Worth Metroplex. Many relocation decisions by major manufacturers and employers have been based, in part, on the ample supply of qualified employees in the Dallas County area.

CONCLUSION

The subject neighborhood is a vital economic and business center, and is considerably more than a typical suburban bedroom community to the Greater Dallas area. This is evidenced by significant amount of office, and retail development along major thoroughfares, and the heavy concentration of industrial businesses around Addison Airport. Extensive new construction is taking place in the northeastern quadrant of the neighborhood and is expected to generate renewed interest throughout the greater North Dallas region.



NEIGHBORHOOD LOCATION MAP

PHOTOGRAPHS OF SUBJECT PROPERTY
Include Each Major Improvement

Parcel No.: 1 Local Address: SEC Midway & Lindberg Drive
Date Taken: 10/31/2000 Taken By: Fee Appraiser
1. Point from which taken: Midway Road Looking: Southeast at subject



2. Point from which taken: Lindberg Drive Looking: East along proposed property line



PHOTOGRAPHS OF SUBJECT PROPERTY
Include Each Major Improvement

Parcel No.: 1 Local Address: SEC Midway & Lindberg Drive
Date Taken: 10/31/2000 Taken By: Fee Appraiser
3. Point from which taken: Midway Road Looking: North along proposed property line



WHOLE SITE ANALYSIS

LOCATION

The subject site is located just north of Belt Line Road at the southeast corner of Midway Road and Lindberg Drive. The north property line fronts on Lindberg Drive and the west property line fronts on Midway Road. In addition, the south property line fronts on the DART rail line. The subject has a physical address of 15200 Midway Road, Addison, Texas 75001.

LEGAL DESCRIPTION

Lot 1 and part of Lot 2, Block D, Addison Airport Industrial District of the Town of Addison, Dallas County, Texas.

ACCESS

Access to the subject site is good via Midway Road, which is a primary north/south traffic artery leading from LBJ Freeway through the neighborhood. Lindberg Drive is considered to be a secondary roadway. Midway Road is an asphalt paved, four-lane street with curb and gutters. Lindberg Drive is a two lane, asphalt paved street that is considered to be a secondary access road.

PHYSICAL CHARACTERISTICS

Size	:	Approximately 3.260 Acres, or 142,005 square feet per Dallas County Appraisal District Records.
Shape	:	Near-rectangular characteristics.
Frontage	:	Approximately 445' along the east side of Midway Road Approximately 262' along the south side of Lindberg Drive
Topography	:	Basically level to sloping

A survey of the whole site was not provided. The dimensions were taken from a county plat map. The site's shape is functional with adequate frontage for access.

OVERALL ACCESS/EXPOSURE

The overall access/exposure of the subject is considered good. The frontage exhibited by the subject allows for adequate ingress/egress to and from the subject site.

FLOOD PLAIN STATUS

Drainage appears to be adequate, as the subject is slightly above street grade of the surrounding roads, which appear well drained by gutters along the frontage. According to FEMA map number 4801670015 F, revised June 4, 1996, the subject does not appear to be located within any flood zones.

It should be noted that the National Flood Insurance Program does not indicate whether or not a property will flood, instead it indicates possible effects a certain tributary has to a particular property. Other types of flooding could occur. It is recommended that a qualified engineer be consulted to determine the effects from any and all sources of flooding of the subject property should the reader or client deem necessary.

UTILITIES

- Electricity : TXU Electric
- Water : City of Addison
- Sewer : City of Addison
- Gas : TXU Gas
- Telephone : Southwestern Bell Telephone

ZONING

The subject is presently zoned "I-1", Industrial District. This district provides for industrial uses and includes most uses allowed in the commercial districts. Permitted uses include most industrial uses such as office/warehouses and office/tech buildings.

The following table summarizes basic requirements of the zoning classification:

Minimum Lot Area	N/A
Minimum lot Width	N/A
Minimum front yard	25 feet, except where variances or exceptions are granted
Minimum rear yard	10 feet if adjacent to residential, otherwise 0 feet.
Minimum side yard	25 feet for a corner lot.
Maximum building height	Six stories

SCHOOL DISTRICT

Dallas Independent School District.

EASEMENTS/ENCROACHMENTS

No survey of the whole site was provided. However, overhead utility lines are present along the frontage portions of the site. Markers for underground telephone lines and natural gas lines are also present in this area. These encumbrances are considered typical and do not hinder the use or development of the subject site. No other adverse easements or encroachments were noticeable.

SURROUNDING LAND USES

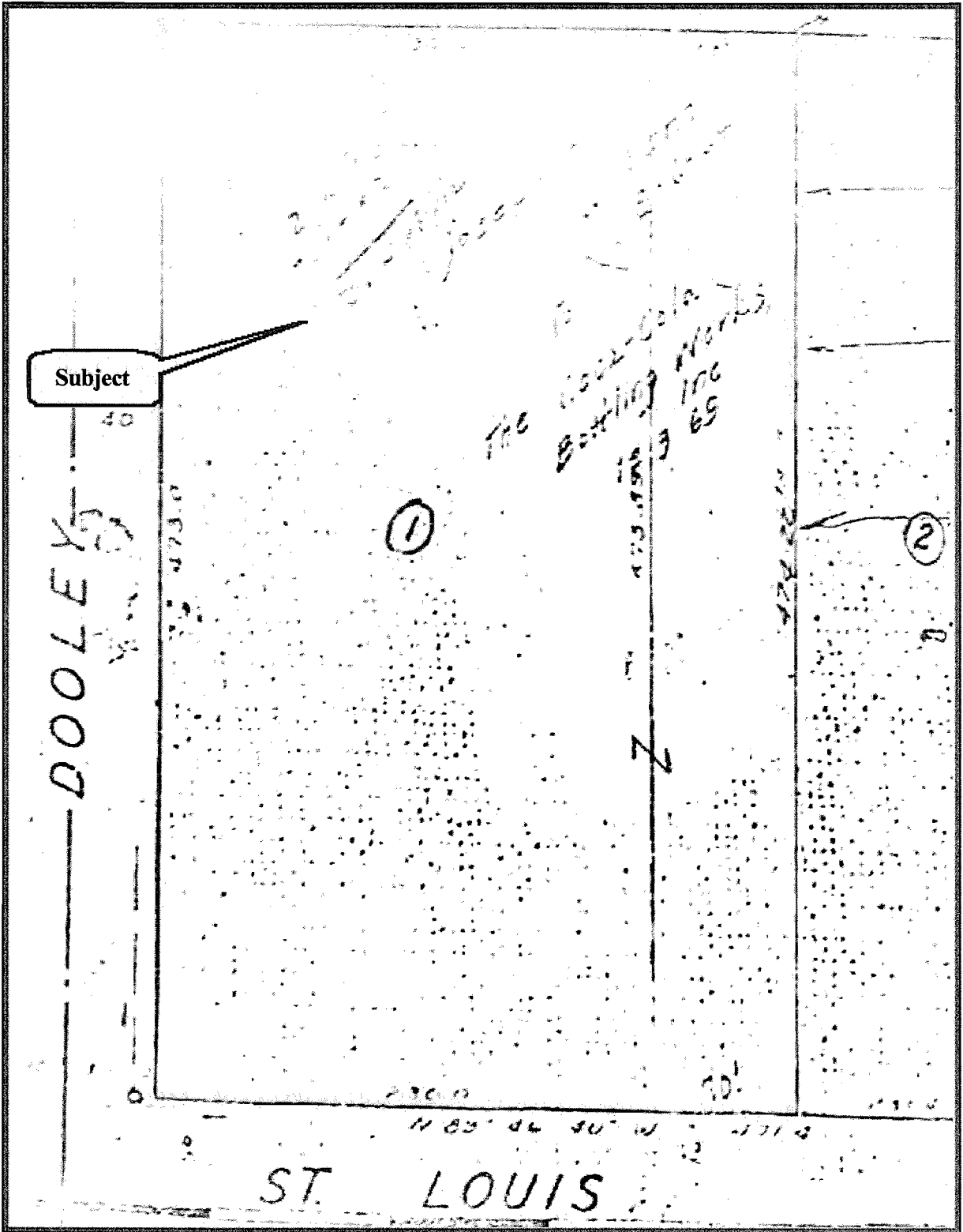
The surrounding area is generally comprised of mixed commercial or industrial uses. Specific uses surrounding the subject site include office/tech and industrial buildings on all sides

VEGETATION

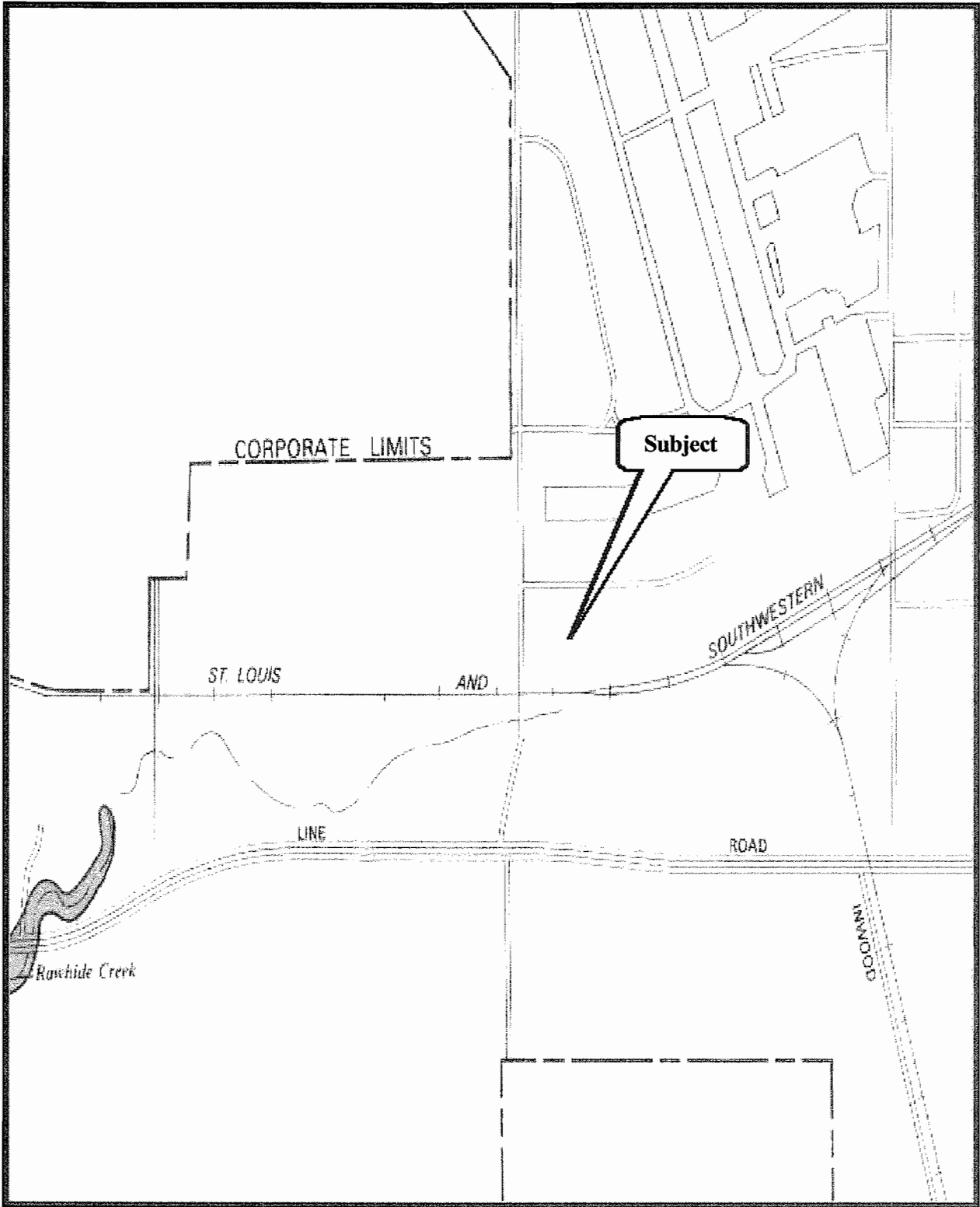
The subject property contains several trees and shrubs on the site. The unimproved area of the subject contains native grass vegetation.

SITE SUMMARY

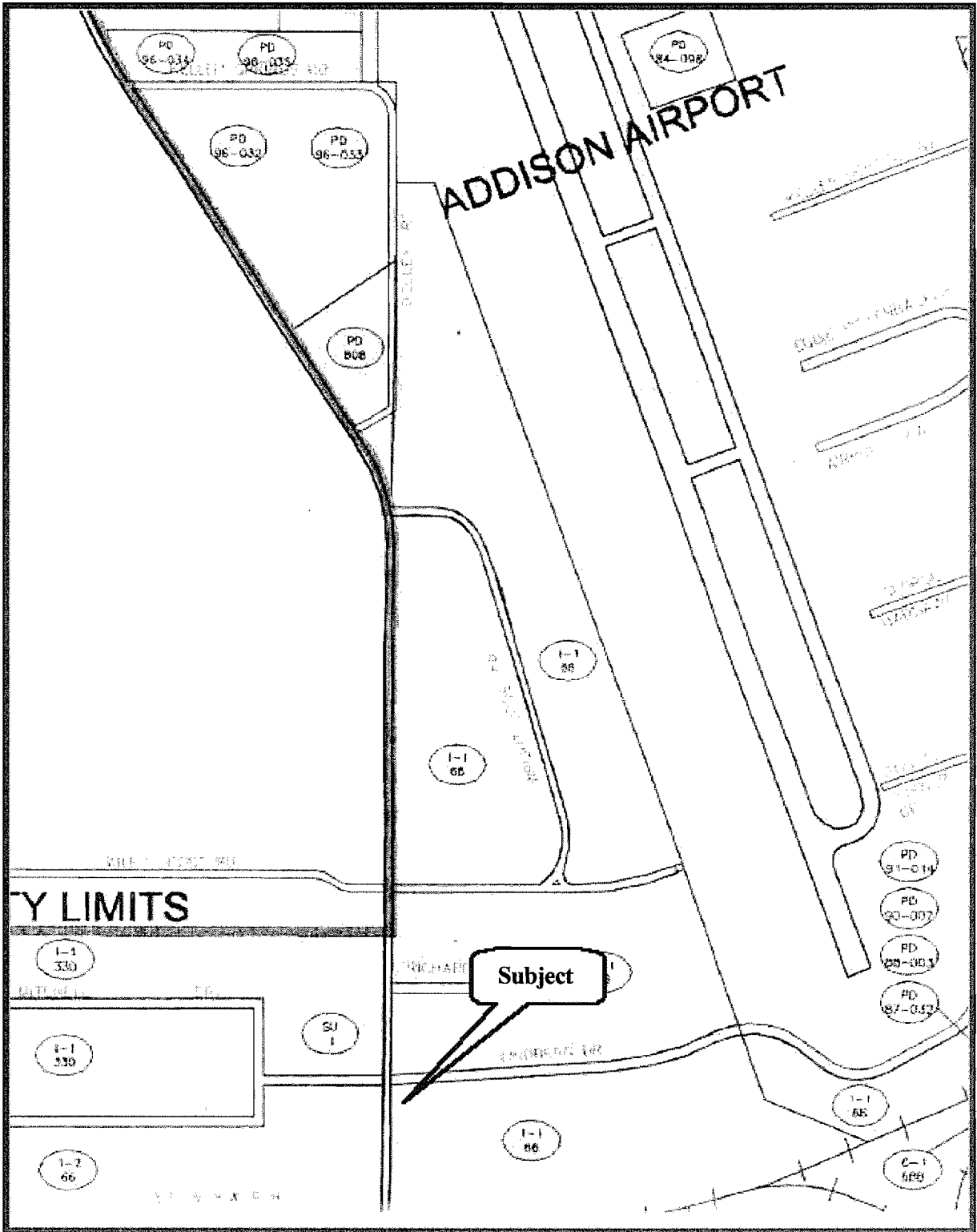
The subject site is a near rectangular shaped tract of land, located at the southeast corner of Midway Road and Lindberg Drive. The site contains approximately 142,005 square feet, or 3.260 acres. It has availability to municipal utilities and the access of the site is considered good. The topography of the site is generally level and is about grade level of Midway Road. According to current flood plain maps for the subject property, it does not appear to be located in a flood hazard area. Overall, the subject property is well suited for legally permissible development based on the size of the parcel and good physical features.



PLAT MAP



FLOOD PLAIN MAP



ZONING MAP

IMPROVEMENT ANALYSIS

The subject property is currently improved with an office/warehouse building that was originally constructed in 1971. The building contains approximately 30,240 square feet, with a brick veneer exterior, built up tar and gravel roof, and concrete slab foundation. Other site improvements include a concrete parking area and landscaped areas that include shrubs, trees, sprinkler system, signage, lighting and grassy areas. As per the client's request, the major building improvements have not been included in this analysis, therefore this report is considered to be a limited appraisal.

ASSESSMENT AND TAXES

The subject property is situated within the taxing jurisdictions of the Dallas Independent School District, the Town of Addison and Dallas County. According to Dallas County tax records, the following proposed 2000 assessments have been applied to the subject:

Account #	Address	Land SF	Improvement SF	2000 Assessment
10009096090000000	15200 Midway Rd.	142,005	30,240	\$990,710

The 2000 tax rates per \$100 of assessed value for the involved taxing jurisdictions are as follows:

Town of Addison	\$0.3846000
Dallas Independent School District	\$1.4605300
Dallas County	\$0.4476990
Total	\$2.2928290

Using the 2000 tax rate, the estimated liability for the year can be calculated as follows:

$$\$990,710 \times \$0.02292829 = \$22,715$$

The subjects tax records show that the 2000 assessment is slightly higher than the 1999 assessment. Prior to the present assessment, the subject had a total assessment \$834,400 in 1999.

According to the tax assessor's office, all real estate taxes are current and paid for the subject property as of the date of inspection.

HIGHEST AND BEST USE

Highest and best use may be defined as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value."¹ To have value, a site must have utility that is in demand by prospective purchasers, with utility being defined as net income or amenities derived from ownership of the property. The location of the tract, neighborhood characteristics and current market needs and demands set forth the site's highest and best use. Other considerations that must be weighed in the analysis are the existing zoning ordinances, deed restrictions, topography, shape and size of the tract. To estimate highest and best use, four elements are considered: Physically Possible Use, Legally Permissible Use, Financially Feasible Use and Maximally Productive Use.

ANALYSIS OF SITE "AS VACANT"

PHYSICALLY POSSIBLE

Many physical characteristics of a site can affect the uses to which it can be put. These characteristics can include size, location, shape, road frontage, topography, easements, utility availability, flood plain, and surrounding properties. The subject site consists of 3.260 acres or 142,005 square feet of land. Because of the limited land size, large-scale developments would be restricted.

As previously mentioned, an overhead utility and underground telephone easement is present along the frontage portion of the site. The location of the easements is typical and does not have an adverse affect on the utility of the site. According to the Flood Insurance Rate Maps, the subject property does not lie within any identified flood hazard areas.

LEGALLY PERMISSIBLE

Except for legally non-conforming property, the first step in determining what is legally permissible is to analyze private restrictions, zoning, building codes, historic district controls, and environmental regulations. The subject is located in the Town of Addison and is subject to zoning restrictions. The subject is presently zoned "I-1", Industrial District. Permitted uses include most industrial uses including office/warehouse, office/tech buildings and some commercial uses. Some form of industrial or commercial

¹ The Dictionary of Real Estate Appraisal, Third Edition, American Institute of Real Estate Appraisers, Chicago, Illinois, 1989, p. 171.

development would be legally permissible and would have the greatest possibility of being economically viable.

FINANCIALLY FEASIBLE

The uses that are physically possible and legally permissible must be analyzed further to determine those that are likely to produce some income or return greater than the combined income needed to satisfy operating expenses, financial expenses, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. As mentioned in the neighborhood analysis, the subject trade area is considered stable at present.

It has been recognized that the majority of existing structures in the subject neighborhood were constructed between the 1970's to 1990's. The recent construction boom experienced in other areas of the Dallas/Fort Worth Metroplex has eluded most of the immediate area, indicating a maturity of the market. Current rental rates for commercial properties in the subject neighborhood are generally found to be similar to rental rates paid in surrounding markets. This illustrates sufficient demand at the present time for the construction of new income-producing properties. The most recent developments in the subject vicinity have involved fast food restaurants, a self-storage facility, and several owner-occupied industrial buildings. The preponderance of financially feasible developments targeted for the subject market area are owner-occupant or build-to-suit type facilities.

MAXIMALLY PRODUCTIVE

Among financially feasible uses, the use that provides the highest rate of return or value (given a constant rate of return), is the highest and best use. Based upon the previous discussion regarding the physical, legal and financially feasible aspects of the subject site, it has been noted that uses of the subject neighborhood are predominately commercial and industrial. Given current development in the neighborhood and the present zoning, it would appear the most maximally productive use for the subject, as if vacant, would be for an industrial or commercial use with an owner-occupant type facility.

VALUE OF WHOLE PROPERTY

Correlation of Approaches to Value:

Income Approach.....	\$ <u>N/A</u>
Cost Approach.....	\$ <u>N/A</u>
Market Data Approach (Land Only).....	<u>\$1,065,038</u>

Discussion:

The Market Data Approach is considered the only appropriate method of valuation and indicates that the value of the subject site is \$7.50 per square foot which equates to \$1,065,038 for the 142,005 square foot Whole Property.

Estimated Land Value of the Whole Property \$1,065,038

BREAKDOWN FOR COMPUTATION PURPOSES:

Improvements:

_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$

Total Improvements \$ N/A

Land:

Fee 142,005 SF @ \$ 7.50/SF = \$1,065,038

Total Land Value, Whole Property \$1,065,038

COMPARABLE SALES SUMMARY

	LOCATION	SALE DATE	SALES PRICE	SIZE	ZONING
SUBJECT	SEC Midway & Lindberg Drive, Carrollton, TX	N/A	N/A	142,005 SF 3.26 Acres	LI
SALE 1	SEC Golden Bear & Belmeade, Carrollton, TX	04/00	\$ 5.39/SF	237,533 SF 5.453 Acres	I
SALE 2	16500 Midway Road, Addison, TX	01/00	\$ 8.05/SF	58,414 SF 1.341 Acres	I-3
SALE 3	NWC Chenault & Earhart Carrollton, TX	07/98	\$ 4.56/SF	93,175 SF 2.139 Acres	PD
SALE 4	E/S Addison Road, S of Arapaho, Addison, TX	07/98	\$10.01/SF	68,825 SF 1.58 Acres	PD

The adjustments, discussed on page 3-12 of this report, were made to compare each sale to the subject site and are summarized below.

VALUATION GRID

Representative Comparable Sales

	Subject	Comp No. 1	Comp No. 2	Comp No. 3	Comp No. 4
Grantor	-	Trinity Mills...	Maylar, LP	Gruen, Ronald..	Daryl Snadon
Grantee	-	Pacific Addax...	Sixteen Thous..	Today Keller...	Rail Hotels...
Date of Sale	-	4/3/2000	1/31/2000	7/30/1998	7/1/1998
Relative Location	15200 Midway Road	Golden Bear	16500 Midway	Chenault Drive	Addison Road
Unit Price	Per SF	\$5.39	\$8.05	\$4.56	\$10.01
Financing	Market				
Condition of Sale	Market				
Date of Sale	October 2000	0%	0%	+10%	+10%
Adjusted Price		\$5.39	\$8.05	\$5.02	\$11.01
Location		+15%		+15%	-10%
Physical Characters			+5%		+5%
Size	142,005 SF		-10%	-10%	-10%
Utilities	All available				
Zoning					
	Indicated Unit Value	\$6.20	\$7.65	\$5.27	\$9.36
Est. Unit Value - Fee	\$7.50/SF	142,005 SF		\$1,065,038

Estimated value per square foot for the subject site is \$7.50/SF or \$1,065,038 for the 142,005 square foot site.

ROW Account _____
Parcel No. 1
Highway Midway Road
County Dallas

COMPARABLE DATA SUPPLEMENT

Land Sale 01 Improved Sale _____ Rental Data _____

See Attached
PHOTOGRAPH
&
MAP

Grantor/Lessor Trinity Mills Midway Partners Grantee/Lessee Pacific Addax Company, Inc.
Date 4/3/2000 Recording Information DOC 2000065/6298 Key Map 4-J (Dallas)
Legal Description Lot 4, Block 4, Texas Highlands Addition, Carrollton, Dallas County, Texas
Confirmed Price \$ 1,280,000 Verified with Stewart Smith, Broker (972-713-4787)
Terms and Conditions of Sale Arm's length, Cash to seller
Rental Data N/A
Land Size 237,533 square feet or 5.453 acres Unit Price as Vacant \$ 5.39 per square foot
Type Street Golden Bear 2-lane, concrete paved Type Utilities Water, Sewer, Electric, Phone
Improvement(s) Description N/A
Improvement(s) Size N/A (GBA) N/A (NRA) Unit Price as Improved \$ N/A
Condition and Functional Design N/A
Current Use vacant land Highest & Best Use Commercial
Date of Inspection 11/10/2000 Zoning I Flood Plain Zone X
Attach Additional Information This parcel is located at the southeast corner of Golden Bear Court and Belmeade Drive. The site was purchased for future industrial development. This information was obtained from a broker involved in the transaction.

Appraiser Donald J. Sherwood 11/10/2000
(Typed, not signed) Date

ROW Account _____
Parcel No. 1
Highway Midway Road
County Dallas

COMPARABLE DATA SUPPLEMENT

Land Sale 02 Improved Sale _____ Rental Data _____

See Attached
PHOTOGRAPH
&
MAP

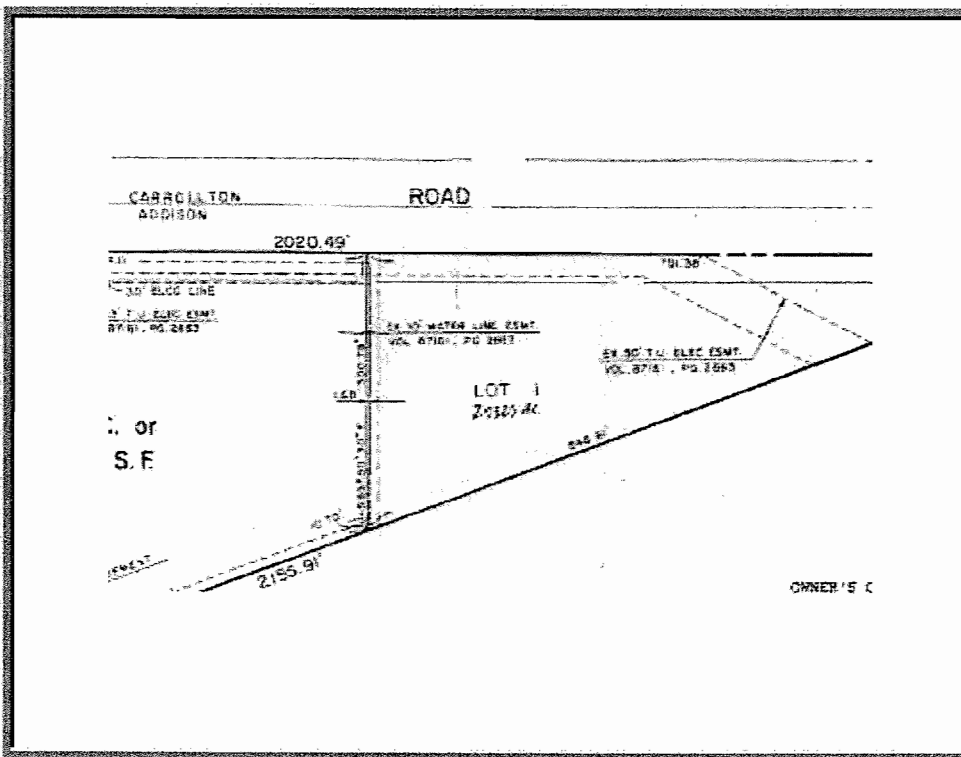
Grantor/Lessor Maylar, LP Grantee/Lessee Sixteen Thousand Five Hundred, Inc.
Date 1/31/2000 Recording Information DOC 2000020/2714 Key Map 4-P (Dallas)
Legal Description Part of Lot 1, Block A, Beltwood North-Airport Addition, Addison, Dallas County, Texas
Confirmed Price \$ 470,000 Verified with Bill Lokey, Broker (214-476-4053)
Terms and Conditions of Sale Arm's length, Cash to seller
Rental Data N/A
Land Size 58,414 square feet or 1.341 acres Unit Price as Vacant \$ 8.05 per square foot
Type Street Midway, 4-lane, concrete paved Type Utilities Water, Sewer, Electric, Phone
Improvement(s) Description N/A
Improvement(s) Size N/A (GBA) N/A (NRA) Unit Price as Improved \$ N/A
Condition and Functional Design N/A
Current Use vacant land Highest & Best Use Commercial
Date of Inspection 10/10/2000 Zoning I-3 Flood Plain Zone X
Attach Additional Information This parcel is located at 16500 Midway Road, on the east side of Midway Road, at Commander Drive. This site was purchased for future commercial or industrial development. Information concerning this sale was provided by a broker involved in the transaction.

Appraiser Donald J. Sherwood 10/10/2000
(Typed, not signed) Date



Land Sale 2
10/10/2000

Photograph



Land Sale 2
10/10/2000

Plat Map

ROW Account _____
Parcel No. 1
Highway Midway Road
County Dallas

COMPARABLE DATA SUPPLEMENT

Land Sale 03 Improved Sale _____ Rental Data _____

See Attached
PHOTOGRAPH
&
MAP

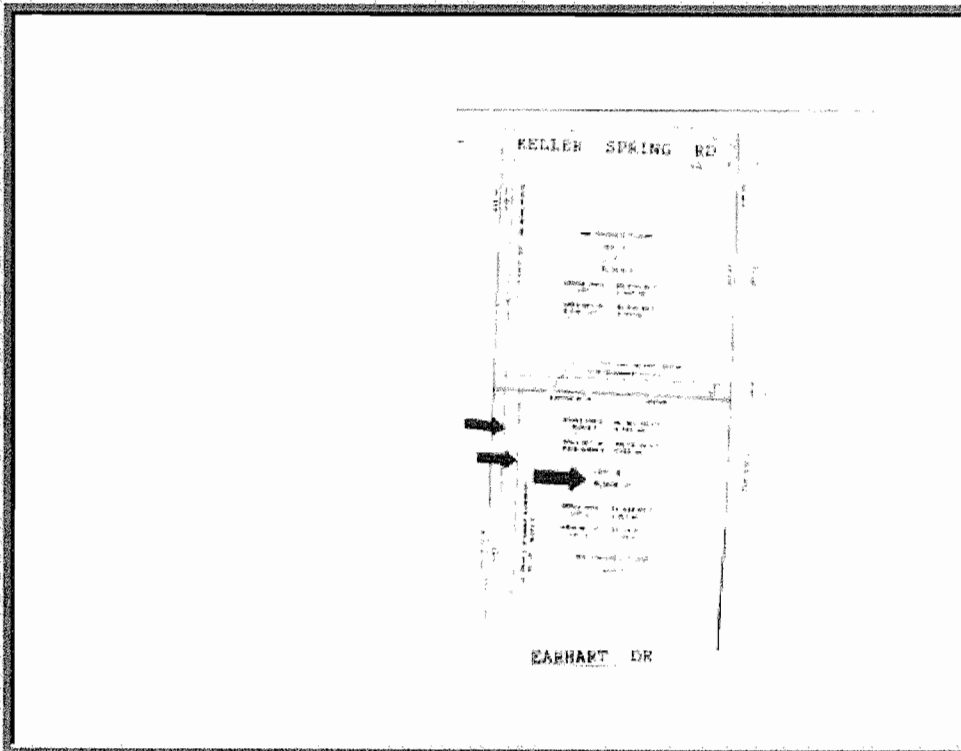
Grantor/Lessor Ronald and Ethel Gruen Grantee/Lessee Today Keller Springs, LP
Date 7/30/1998 Recording Information DOC 98148/7287 Key Map 4-X (Dallas)
Legal Description Lot 2, Block D, Beltwood North Midway Addition, Carrollton, Dallas County, Texas
Confirmed Price \$ 425,000 Verified with Becky Miller, Broker (214-637-1770)
Terms and Conditions of Sale Arm's length, Cash to seller
Rental Data N/A
Land Size 93,175 square feet or 2.139 acre Unit Price as Vacant \$ 4.56 per square foot
Type Street Chenault, 4-lane, concrete paved Type Utilities Water, Sewer, Electric, Phone
Improvement(s) Description N/A
Improvement(s) Size N/A (GBA) N/A (NRA) Unit Price as Improved \$ N/A
Condition and Functional Design N/A
Current Use Parking lot Highest & Best Use Commercial
Date of Inspection 11/10/2000 Zoning PD Flood Plain Zone X
Attach Additional Information This parcel is located at the northwest corner of Chenault Drive and Earhart Drive. This site was purchased to provide additional parking for an adjacent office/showroom building. Information concerning this sale was provided by a broker involved in the transaction.

Appraiser Donald J. Sherwood 11/10/2000
(Typed, not signed) Date



Land Sale 3
11/10/2000

Photograph



Land Sale 3
10/10/2000

Plat Map

ROW Account _____
Parcel No. 1
Highway Midway Road
County Dallas

COMPARABLE DATA SUPPLEMENT

Land Sale 04 Improved Sale _____ Rental Data _____

See Attached
PHOTOGRAPH
&
MAP

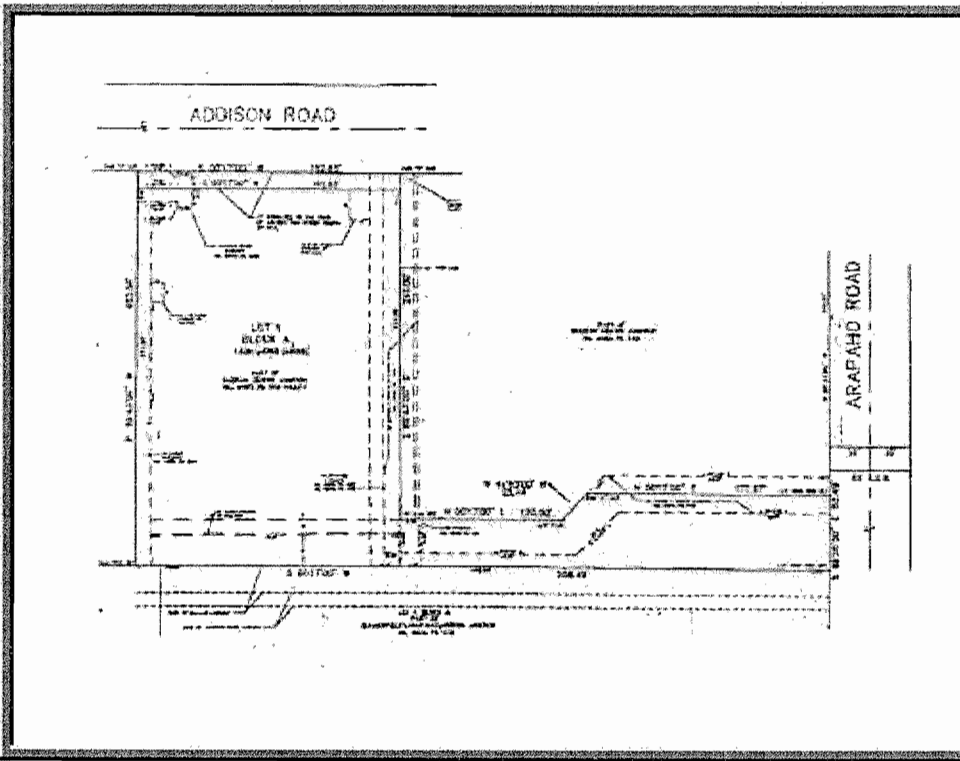
Grantor/Lessor Daryl N. Snadon Grantee/Lessee Rail Hotels Corporation
Date 7/1/1998 Recording Information DOC 98127/755 Key Map 14-C (Dallas)
Legal Description Lot 1, Block A, Quorum Centre Addition, Addison, Dallas County, Texas
Confirmed Price \$ 688,770 Verified with Jim Durbin, Grantor (972-661-1011)
Terms and Conditions of Sale Arm's length, Cash to seller
Rental Data N/A
Land Size 68,825 square feet or 1.58 acre Unit Price as Vacant \$ 10.01 per square foot
Type Street Addison, 4-lane, concrete paved Type Utilities Water, Sewer, Electric, Phone
Improvement(s) Description N/A
Improvement(s) Size N/A (GBA) N/A (NRA) Unit Price as Improved \$ N/A
Condition and Functional Design N/A
Current Use Motel Highest & Best Use Commercial
Date of Inspection 11/10/2000 Zoning PD Flood Plain Zone X
Attach Additional Information This parcel is located on the east side of Addison Road, just south of Arapaho Road. This site was purchased for the construction of a Main Stay Suites motel. This tract also has an access easement to Arapaho Road.

Appraiser Donald J. Sherwood 11/10/2000
(Typed, not signed) Date



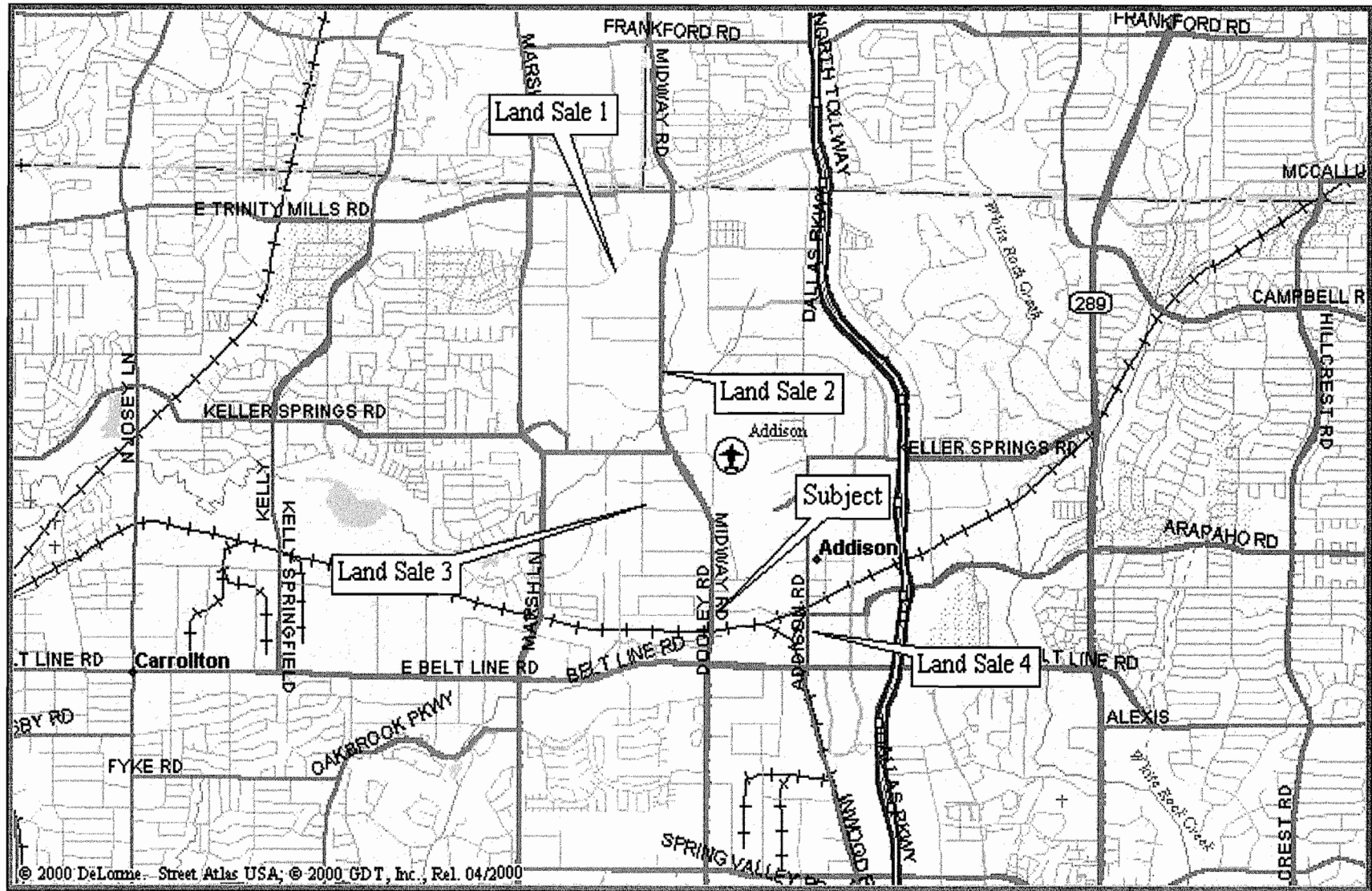
Land Sale 4
11/10/2000

Photograph



Land Sale 4
11/10/2000

Plat Map



LAND SALES LOCATION MAP

EXPLANATION OF ADJUSTMENTS

The adjustment process is typically applied through either quantitative or qualitative analysis. Quantitative adjustments are often developed as dollar or percentage amounts, while qualitative adjustments are simply expressed through relative comparison (i.e. significantly inferior). Quantitative adjustments are most applicable when the quality and quantity of data allows paired sales or statistical analysis. Given the availability of data and imperfect nature of the real estate market, participants most often rely on relative or qualitative comparisons.

Combining the benefits of both qualitative and quantitative analysis, a blended adjustment technique has been used. This is accomplished through pre-assigning quantitative adjustments for relative comparison. The following chart illustrates the blended adjustment technique.

BLENDED ADJUSTMENTS	
Relative Comparisons	Pre-Assigned Quantitative Adjustment
Slight Adjustment	5%
Moderate Adjustment	10%
Fair Adjustment	15%
Significant Adjustment	20%
Large Adjustment	25% plus

Market participants can often identify superior or inferior characteristics when comparing properties. Without paired sales or statistical information, applying quantitative adjustments to reflect the differences is often problematic or subjective. For this analysis, the above listed quantitative adjustments reflect the need for slight, moderate, fair, significant, or large adjustments.

EXPLANATION OF ADJUSTMENTS FOR WHOLE PROPERTY - LAND

The previous sales have all been analyzed and adjusted to provide a value indication for the subject property. The unadjusted unit sale prices range from \$4.56/SF to \$10.01/SF. The unit prices have been adjusted for the factors indicated in the previous table as follows:

FINANCING TERMS

This adjustment is generally applied to a property that transfers with atypical financing such as having assumed an existing mortgage at a favorable interest rate. Conversely, a property may be encumbered with an above-market mortgage, which has no prepayment clause or a very costly prepayment clause. Such atypical financing often plays a role in the negotiated sale price.

Each of the sales were cash equivalent to the seller and no adjustment was required.

CONDITIONS OF SALE

This category reflects extraordinary motivations of the buyer and seller to complete the sale. Examples include purchase for assemblage involving anticipated incremental value, or a quick sale for cash. This adjustment category may also reflect a distress-related sale, or significant buyer expenditures immediately after purchase. The sales were reported to involve normal conditions of sale. No adjustment was required.

DATE OF SALE

Market conditions in the subject neighborhood have been steadily improving with the current economic conditions of the region. Sales that occurred 12 months prior to the effective date of appraisal warrant an upward adjustment. Sales 3 and 4 are over 12 months old. Based on conversations with brokers in the market, a 10% upward adjustment was made to each sale.

If the previous adjustments are required, they are applied sequentially in the order indicated.

LOCATION

Sale No. 1 is located just north of the subject in an more industrial area. Its location is considered to be inferior to the subject due it being located on secondary roadways. Thus, this transaction was adjusted upward. Sale 2 is situated just north of the subject on Midway Road. Its location is considered similar to the subject and does not require adjustment. Sale 3 is situated just southwest of the subject on a secondary roadway. Its location is considered to inferior to the subject and was adjusted upward. Sale 4 is located on Addison Road, just north of Belt Line Road. Its proximity to Belt Line Road is considered to be superior to the subject and this transaction was adjusted downward.

PHYSICAL FEATURES

The subject is rated good with regard to shape, corner orientation, topography, soil characteristics and encumbrances. Sales 1 and 3 have frontage on two streets like the subject, and do not require adjustment. Sale 2 has frontage on one side and will be adjusted upward for this factor. Sale 4 does have an access easement to a second roadway, however it is not considered to be a true corner location and was adjusted upward for this factor.

SIZE

With respect to size, the market will generally indicate that parcels with a larger number of square feet or acres will command lower unit sale prices. This is due to the larger market of potential buyers available for the purchase of smaller parcels. Sale 1 was considered to be most similar in size to the subject and did not require an adjustment. The remaining transactions are smaller in size than the subject and were adjusted downward.

UTILITIES

The subject and the sales had access to all utilities, therefore no adjustments were required.

ZONING/USE

Each of the sales is considered to have reasonably similar commercial or industrial use potential based on the zoning of the sites. Each of the sales are situated in areas that include a mixture of industrial, office and other uses. No differences in prices paid could be extracted from the market data shown in this analysis. Therefore, no adjustments were required.

CONCLUSION

Before adjustment, the sales had a unit price ranging from \$4.56/SF to \$10.01/SF with a mean of \$7.00/SF. After adjustments, the unit sales price ranged from \$5.27/SF to \$9.36/SF with a mean of \$7.12/SF. Sale 2 is located on Midway Road and overall, is considered to be a good indicator of value for the subject.

Listings in the area with similar frontage in the area have also been considered. Currently, the majority of listings for similar sized parcels have asking prices generally around \$10.00 per square foot. Each of the listing brokers for these parcels indicated some activity in the market. Given the previous adjustments, plus the discussion of additional information above, it is our opinion that a unit value of \$7.50 per square foot is appropriate for the subject parcel, as of October 31, 2000.

This indicates a value of \$1,065,038 for the whole subject property land (142,005 SF x \$7.50/SF).

VALUE OF AREA ACQUIRED

Property Description

The proposed right-of-way acquisition is located at the northwest corner of the subject whole site. The proposed acquisition is irregular in shape being approximately 18 feet wide and approximately 50 feet long. The proposed area to be acquired contains approximately 197 square feet, or 0.0045 acres. The survey map and legal description of the part to be acquired is shown later in this report.

Land Value

It has been noted that the size of the take is too small to support any development by itself; however, there is no market evidence that suggest a unit value of a parcel smaller than the whole subject could command a higher unit value than the whole. For the valuation of the part to be acquired, it is the appraisers' opinion that the comparable land sales used to estimate the market value for the subject property whole land would be applicable to the part to be acquired. In the valuation of the whole, a unit value estimate of \$7.50 per square foot was indicated. Based on 197 square feet in fee ownership, the land value for the partial acquisition in fee is estimated at \$1,478 (197 Square Feet x \$7.50/SF).

Improvement Value

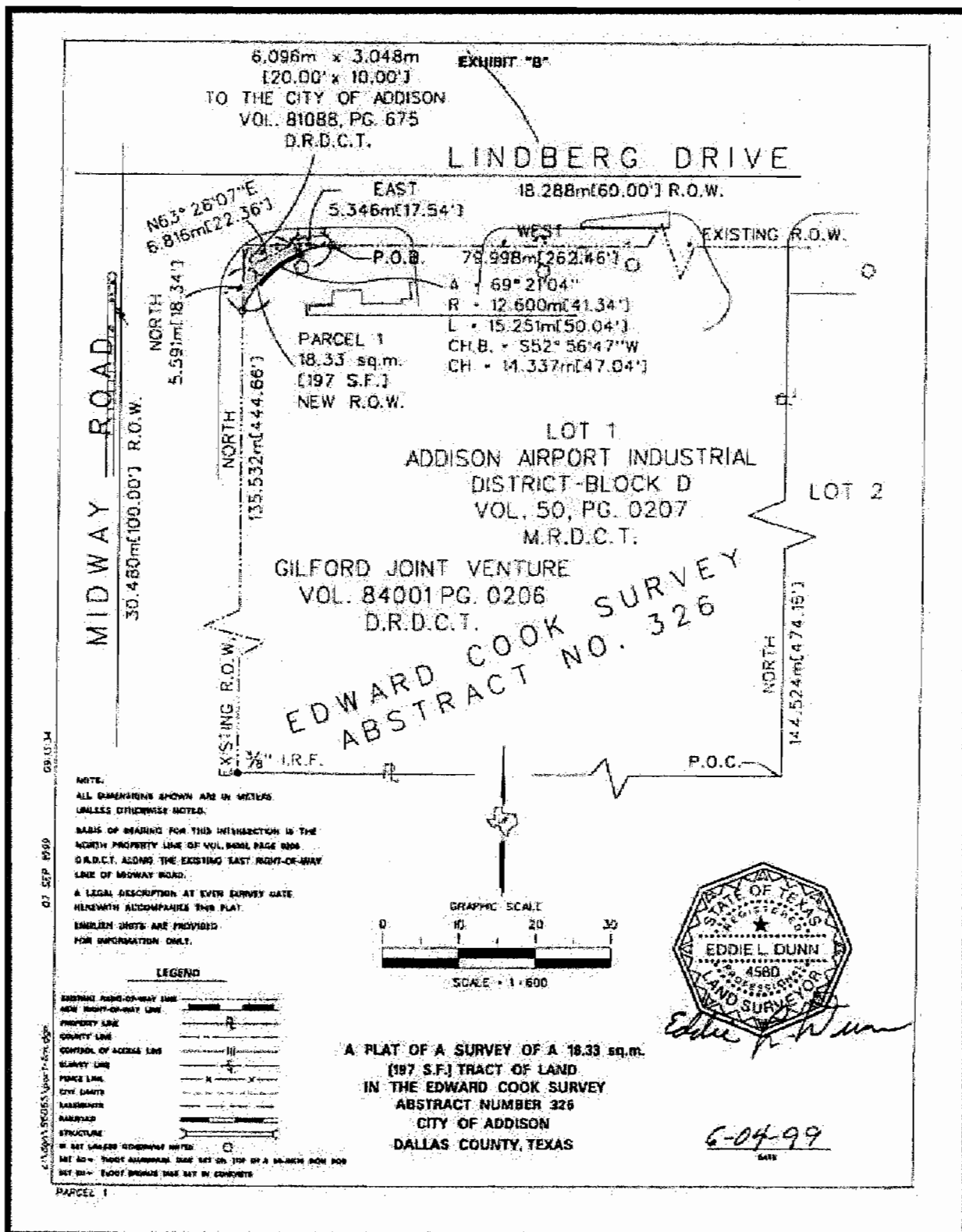
The subject property is currently improved with an office/warehouse building. The main improvements appear to be sufficiently setback from the front and sides of the site and are therefore unaffected by the proposed acquisition. Because the major improvements are unaffected by the proposed acquisition, no attempt to value these improvements was made. Therefore, this appraisal is limited in scope.

COSTS TO CURE/DAMAGES

The appraisers recognize that the proposed area to be acquired includes some landscaped area. In order to restore the affected site improvements, the subject was appraised as if it were restored to an operative level. Therefore, any damages or costs to cure any deficiencies must be estimated.

General Landscaping – The subject property has approximately 197 square feet of landscaped grass within the part to be acquired. According to the Marshall and Swift Valuation Service, the depreciated value of the general landscaping was estimated at \$0.30 per square foot. Therefore, the estimated value of the general landscaping in the part to be acquired is \$60.

Therefore, the total costs to cure and damages are estimated at \$60.



PARCEL 1 – SURVEY OF PART TO BE ACQUIRED

EXHIBIT "A"

County Dallas
Parcel 1
Highway Intersection of Lindberg Drive at Midway Road
CSJ:
Account:

Page 1 of 2
D-15-
June 4, 1999

Legal Land Description for Parcel 1

BEING 18.33 square meters [197 square feet] of land in the Edward Cook Survey, Abstract No. 326 in Dallas County, Texas and being a portion of that 1.31897 hectares [3.2593 acres] parcel of land conveyed to Gilford Joint Venture (Gilford tract) as recorded in Volume 84001, Page 0206 of the Deed Records of Dallas County Texas (D.R.D.C.T.), said Gilford tract being Lot 1 Block D of the Addison Airport Industrial District Addition as recorded in Volume 50, Page 0207 of the Map Records of Dallas County Texas (M.R.D.C.T.), said 18.33 square meters [197 square feet] of land, being more particularly described by metes and bounds as follows:

COMMENCING at the southeast corner of said Gilford tract, **THENCE**, North, along the east property line of said Gilford tract, for a distance of 144.524 meters [474.16 feet] to the northeast corner of said Gilford tract on the existing south right-of-way line of Lindberg Drive, **THENCE**, West, along the north property line of said Gilford tract and the existing south right-of-way line of Lindberg Drive, for a distance of 79.998 meters [262.46 feet] to a one half inch iron rod with cap marked AB&A set for corner on the new southerly right-of-way line of Lindberg Drive at the beginning of a curve to the left with a chord that bears South 52 degrees 56 minutes 47 seconds West, 14.337 meters [47.04 feet], having a radius of 12.600 meters [41.34 feet], said iron rod being the **Point of Beginning** of the tract of land herein described;

1. **THENCE**, Southerly, along the new southerly right-of-way line of Lindberg Drive and along said curve to the left through a central angle of 69 degrees 21 minutes 04 seconds, for an arc length of 15.251 meters [50.04 feet] to a one half inch iron rod with cap marked AB&A set for corner on the west property line of said Gilford tract and the existing east right-of-way line of Midway Road at the end of said curve;
2. **THENCE**, North, along the west property line of said Gilford tract and the existing east right-of-way line of Midway Road, for a distance of 5.591 meters [18.34 feet] to a point on the west property line of said Gilford tract and the existing east right-of-way line of Midway Road;
3. **THENCE**, North 63 degrees 26 minutes 07 seconds East, a distance of 6.816 meters [22.36 feet] to a point on the north property line of said Gilford tract and the existing south right-of-way line of Lindberg Drive;

PARCEL 1 – LEGAL DESCRIPTION OF PART TO BE ACQUIRED

EXHIBIT "A"

County Dallas
Parcel 1
Highway Intersection of Lindberg Drive at Midway Road
CSJ:
Account:

Page 2 of 2
D-15-
June 4, 1999

Legal Land Description for Parcel 1

4. **THENCE**, East, along the north property line of said Gilford tract and the existing south right-of-way line of Lindberg Drive, for a distance of 5.346 meters [17.54 feet] to the **Point of Beginning**.

The above described tract of land contains 18.33 square meters [197 square feet] of land more or less.

A plat of even survey date herewith accompanies this legal description.

The basis of bearings for this intersection is the north property line of Volume 84001, Page 0206 D.R.D.C.T. along the existing east right-of-way line of Midway Road.

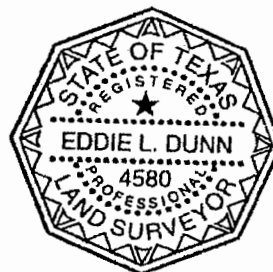
All dimensions are in meters unless otherwise noted.

English units are given for information only.

Company Name: Arredondo, Brunz & Associates, Inc.

By: Eddie L. Dunn

Date: 6-04-99
Surveyor's Name: Eddie L. Dunn R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 4580



PARCEL 1- LEGAL DESCRIPTION OF PART TO BE ACQUIRED

VALUE OF REMAINDER AFTER ACQUISITION

Property Description

The remainder of the whole site will contain approximately 141,808 square feet, or 3.256 acres. The remainder property will be similar in shape to that of the whole.

Highest and Best Use: Industrial/Commercial

Correlation of Approaches to Value:

Income Approach	()	\$ <u>N/A</u>
Cost Approach	()	\$ <u>N/A</u>
Market Data Approach	(X)	\$ <u>1,063,560</u>

Discussion of Damaging Influences and Method of Valuation:

The utility of the subject site will not be negatively affected after the acquisition and it is the appraiser's opinion that no damages will have occurred. The same comparable sales used to value the Whole Property were used to value the Remainder After the Acquisition.

Considering the use to which the area acquired is to be subjected, the market value of the remainder immediately after the acquisition \$ 1,063,560

BREAKDOWN FOR COMPUTATION PURPOSES:

Improvements:

_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$

Total Improvements \$ N/A

Land:

Fee 141,808 SF @ \$ 7.50/SF = \$1,063,560

Total Land \$1,063,560

ADDENDA

CERTIFICATION

We certify that, to the best of our knowledge and belief;

- 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 our personal, unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use if this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Ted Brooks, MAI and Donald J. Sherwood, MAI have made a personal inspection of the property that is the subject of this report.
- No one has provided significant professional assistance to the persons signing this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been developed in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and the Texas Real Estate License Act.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, we, Donald J. Sherwood, MAI and Ted Brooks, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.



Donald J. Sherwood, MAI
State of Texas Certification #TX-1320183-G



Ted Brooks, MAI
State of Texas Certification #TX-1320511-G

ASSUMPTIONS AND LIMITING CONDITIONS

For the purpose of this appraisal, the following assumptions and contingent conditions are made a part hereof:

1. This appraisal has been assigned to this appraiser with the expressed condition that an appraisal be made of the real property taken and the value of any improvements thereon which are materially affected by the proposed project. It is intended for the sole use of Dallas County. Others may receive a copy of this report due to legal requirements of disclosure, but the appraiser does not intend use of this report by entities other than Dallas County.
2. This appraisal is made for the express purpose of establishing just compensation to the landowner by Dallas County; such compensation being based on fair market value as defined elsewhere in this report.
3. Consideration is given to but no responsibility is assumed by the appraiser for matters of a legal character. The title is assumed to be marketable. The appraiser has not made a survey of the real estate and does not assume responsibility for accuracy thereof.
4. While it is believed the information, estimates and analysis contained herein are correct, the appraiser does not guarantee them and assumes no responsibility for errors in fact, analysis or judgment. Information furnished by others is believed reliable and has been verified where possible but it is not guaranteed to be accurate.
5. Information obtained from the flood prone maps prepared by the U. S. Corp. of Engineers or other appropriate entities is assumed to be accurate.
6. If condemnation proceedings become necessary, this appraiser will testify to an updated opinion reflecting the value of the part taken considered as severed land, the value of the entire remainder prior to the taking and the value of the entire remainder after the taking, reflecting any change in the size or character of the land and/or changes in number and/or conditions of the improvements located thereon.
7. The appraiser has no interest either real or implied in the subject property and his opinion of value was not prejudiced by any influence other than that exerted by the normal procedure of appraisal.
8. The values stated herein are estimates. The appraiser makes no guarantees written or implied, that the subject will sell for the value stated.
9. The supplied information indicates the size of the Whole Property, the Proposed Acquisition and the Remainder Property. The appraiser used this information, which is assumed to be correct, to value the subject property.
10. The appraiser has made no investigations into the presence or absence of hazardous materials. The appraiser is not qualified to detect hazardous material and assumes no liability in such regard. Environmental liability may greatly affect the value of the property and should be determined by a competent environmental professional.
11. The State of Texas does not have full disclosure laws regarding real estate transactions. Therefore the appraiser had to confirm all sales with brokers, property managers, mortgage brokers, grantors,

grantees and other parties familiar with the transaction. The appraiser's results are limited by the accuracy of the information supplied by the aforementioned individuals.

12. Appraisers for Dallas County are required to estimate values of fractional portions of ownership and establish compensation for property taken for public use. If any part of the Uniform Standards of Professional Appraisal Practice is contrary to the policy of Dallas County, the policy of Dallas County shall prevail, but only for that part of the USPAP that is directly affected under the Jurisdictional Exception clause.

**PROFESSIONAL QUALIFICATIONS
OF
DONALD J. SHERWOOD, MAI**

EXPERIENCE

Director of the Fort Worth office of Integra Realty Resources-DFW, a full service real estate consulting and appraisal firm. Mr. Sherwood has been an appraiser of all types of real property since December 1978. Mr. Sherwood has performed appraisals on various properties including, but not limited to, shopping centers, apartment complexes, industrial facilities, a nuclear bomb storage site, an air force base, automobile race track, raw and developed land, office complexes, motels, hotels, marinas, cemeteries, bowling alleys, amusement parks and mixed use developments. He is qualified in Federal and Texas State Courts as an expert on real estate values. He was appointed Special Commissioner for County District Court in 1980. He served as a member of the Tarrant Appraisal District Review Board from 1984 to 1986. As a graduate student, he spent one and a half years as a research assistant involved in real estate research for the Texas Real Estate Center at Texas A&M University. He was a staff appraiser with James K. Norwood, Inc. from 1978 to 1986. In 1986, he opened the firm of Sherwood & Associates. In 1996, Mr. Sherwood merged his firm with Loughry Appraisal Company, Inc. to form Appraisal/Data Services.

PROFESSIONAL ACTIVITIES

Member	:	Appraisal Institute – Designated MAI (Member of Appraisal Institute), Certificate No. 6791, President of Central Texas Chapter, 1989-1990
President	:	International Right-of-Way Association, President of Chapter 36, 1998
Vice President	:	Society of Texas A&M Real Estate Professionals, Vice President 1979, 1980
Licensed	:	Texas Real Estate Broker, License No. 214402
Member	:	Fort Worth Board of Realtors
Vice Chairman	:	Board of Zoning Adjustments – City of Mansfield, Texas
Adjunct Professor	:	Texas Christian University, Department of Finance
Member	:	Appraisal Institute, Member of National Faculty
Member	:	IRWA, Member of National Faculty

STATE LICENSE

Texas State Certified General Real Estate Appraiser, Certificate No. TX-1320183G

EDUCATION

Bachelor of Business Administration
Southwestern University, Georgetown, Texas 1976
Master of Agriculture, Specializing in Land Economics & Real Estate
Texas A&M University, College Station, Texas 1978

CERTIFICATION

Currently certified by the Appraisal Institute's program of continuing education for its designated members.



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

DONALD JAMES SHERWOOD

*HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED BY
THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,
ARTICLE 6573a.2, VERNON'S TEXAS CIVIL STATUTES,
IS AUTHORIZED TO USE THE TITLE*

**STATE CERTIFIED
GENERAL REAL ESTATE APPRAISER**

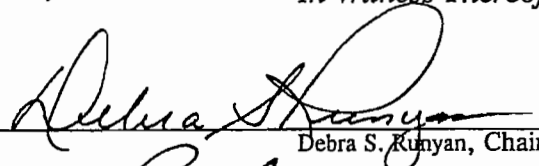
Number: TX-1320183-G


Date of Issue: January 23, 2001

Date of Expiration: March 31, 2003

In Witness Whereof




Debra S. Runyan, Chair


Renil C. Linér, Commissioner

Debra S. Runyan, Chair
Benjamin E. Barnett
L. W. (Wayne) Mayo

James M. Synatzske, Vice-Chair
Douglas Oldmixon
Robert A. Seale, Jr.

Jacqueline G. Humphrey, Secretary
Eduardo A. Lopez
Elroy Carson

**PROFESSIONAL QUALIFICATIONS
OF
TED BROOKS, MAI**

EXPERIENCE

Senior Analyst with the Fort Worth office of Integra Realty Resources-DFW, a full service real estate consulting and appraisal firm. Mr. Brooks has been an appraiser of all types of real property since January 1985. Mr. Brooks has performed appraisals on various properties including, but not limited to, shopping centers, apartment complexes, industrial facilities, a nuclear bomb storage site, an air force base, raw and developed land, office complexes, motels, hotels, marinas, bowling alleys, amusement parks and mixed use developments. He is qualified in Federal and Texas State Courts as an expert on real estate values. He was appointed as a Board Member of the City of Bedford Zoning Board of Adjustment in 1997. As a graduate student, he spent one year as a research/teaching assistant involved in real estate research for the Texas Real Estate Center at Texas A&M University. He was an appraisal office with Texas Commerce Bank, Inc. from 1985 to 1989. He was also a review appraiser with Guaranty Federal Bank from 1989 to 1990, and a senior appraiser with Noyd and O'Connell from 1990 to 1995. In 1995, he joined Loughry Appraisal Company, Inc., which is now part of Integra Realty Resources DFW.

PROFESSIONAL ACTIVITIES

Member	:	Appraisal Institute – Designated MAI (Member of Appraisal Institute), Certificate No. 8442
Treasurer	:	Society of Texas A&M Real Estate Professionals, 1988-1992
Licensed	:	Texas Real Estate Broker, License No. 0339193
Board Member	:	Zoning Board of Adjustments, Vice Chairman – City of Bedford, Texas
Board Member	:	Tarrant County Community Development Corporation

STATE LICENSE

Texas State Certified General Real Estate Appraiser, Certificate No. TX-1320511G

EDUCATION

Bachelor of Business Administration
Texas A&M University, College Station, Texas 1983
Master of Agriculture, Specializing in Land Economics & Real Estate
Texas A&M University, College Station, Texas 1984

CERTIFICATION

Currently certified by the Appraisal Institute's program of continuing education for its designated members.



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

TED DANIEL BROOKS

HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED BY
THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,
ARTICLE 6573a.2, VERNON'S TEXAS CIVIL STATUTES,
IS AUTHORIZED TO USE THE TITLE

STATE CERTIFIED
GENERAL REAL ESTATE APPRAISER

Number: TX-1320511-G

Date of Issue: February 18, 1999

Date of Expiration: April 30, 2001

In Witness Whereof

Handwritten signature of Benjamin E. Barnett in cursive script.

Benjamin E. Barnett, Chair

Handwritten signature of Renil C. Linér in cursive script.

Renil C. Linér, Commissioner



Benjamin E. Barnett, Chair
Leonel Garza, Jr.
Robert A. Seale, Jr.

Debra S. Runyan, Vice-Chair
David Gloier
James M. Synatzske

Jacqueline G. Humphrey, Secretary
Eduardo A. Lopez
Angie V. White