

RFP: ARAPAHO RD., PHASE III  
CONTRACTS

Oxford

NO. 753 1/3

Randy Lee

972-702-6823

MOTEL 6

~~LUKE~~  
PLEASE FILE }

**AN APPRAISAL REPORT OF**

MOTEL 6 OPERATING L.P. PROPERTY  
*ARAPAHO ROAD ACQUISITION*  
LOCATED AT  
4325 BELTLINE ROAD  
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**

NOVEMBER 13, 2002

**PREPARED BY**

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

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November 13, 2002

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

**Re: The Motel 6 Operating L.P. Property  
Arapaho Road Extension**

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 \$413,244.00 as of November 13, 2002 based upon my independent appraisal and the exercise of my professional judgement;

That on November 13, 2002, and various other dates, I personally inspected in the field the property herein appraised; that I did not afford 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 November 13, 2002, and various other dates;

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

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

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

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

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

Respectfully submitted,



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

13 Nov. 2002  
Date

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

SUMMARY OF SALIENT FACTS

**A Right-of-Way Acquisition adjacent to 4325 Beltline Road  
Motel 6 Operating, L.P. - Owner  
Addison, Texas**

Date of the Appraisal: November 13, 2002

Value Estimated: Market Value - Just Compensation

Property Rights Appraised: Fee Simple & Easement

Property Appraised: A ±216,990 SF tract improved with a 2 story motel and restaurant facility, located at 4325 Beltline Road, Addison, Texas.

Property Zoned: PD 549 with a Special Use Permit

Highest & Best Use:  
"As vacant": To be developed in conformity with adjacent land uses as demand warrants.  
"As improved": To be maintained as a motel facility.

**Estimates of Fee Simple Value:**

Whole Property

|                                |                    |
|--------------------------------|--------------------|
| Land Value (Sales Comparison): | \$2,998,730        |
| Cost Approach:                 | \$5,220,000        |
| Income Approach:               | \$4,936,000        |
| Sales Comparison Approach:     | \$5,029,000        |
| <b>Whole Property:</b>         | <b>\$4,936,000</b> |

Part Taken:

Right-of-Way Acquisition \$ 413,244

Remainder Before the Take: \$4,522,756

Remainder After the Take: \$4,936,000

*income doesn't change because of the taking*

**Final Value Estimate: JUST COMPENSATION \$ 413,244**

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### **Purpose of the Appraisal**

The purpose of this appraisal is to estimate the market value of the proposed parkway easement of the real property rights 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."

### **Definition of Easement**

An easement is a nonpossessing interest held by one person in the land of another person whereby the first person is accorded partial use of such land for a specific purpose. An easement restricts but does not abridge the rights of the fee owner to the use and enjoyment of the easement holder's rights.

### **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 and Easements* 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"; and easement as "a nonpossessing interest held by one person in the land of another person for a specific purpose. (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 November 13, 2002. The inspection date of the subject was November 13, 2002, and various other dates. The date of this report is November 13, 2002.

### **Identification of the Subject Property**

The property being appraised is a ±216,990 SF tract of land improved with a two story motel building and detached restaurant, located adjacent to the northeast corner of Beltline Road and Midway Road, in the Town of Addison, Dallas County, Texas. This is an area principally developed with commercial and retail uses. The local address is 4325 Beltline Road, Addison, Texas 75001.

The right-of-way acquisition of the subject property is comprised of a strip taking along the north side of the subject site abutting the DART railroad, containing ±28,008 SF adjacent to the existing DART railroad right-of-way. 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 all of the Roadway Inn Addition, and a part of the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, containing a total of ±216,990 SF of land area.* The subject is also listed as being 4.98 Acres, Abstract 326, Tract 6.

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, public information indicates that the current owner acquired the subject property on, or about, February 5, 1990, and recorded in V90024, P0779 of the Dallas County Deed Records. No previous ownership history is known.

### **Ad Valorem Tax Information**

The DCAD Acct. # for the subject is 10005340000000000. The DCAD appraised value for the subject is \$3,800,000; land value @ \$2,899,880 and improvement value @ \$900,120 for the year 2002.

### **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. A review of the historic data available for the sales of motel properties spanned a very wide range of marketing times, with no clearly discernable marketing time apparent. However, the Henry S. Miller Companies *Real Estate Investment TRENDS* mid-year 2002 surveyed reasonable exposure times and indicated a 13.1 month exposure time for "economy" class motels in the Dallas market area. In the absence of contradictory data, it is estimated that a reasonable marketing time for the subject property would be within the range of 12 to 15 months.

## 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%           |
| 1998 (est.)        | 11,722            | + 33%           |

The Town of Addison is primarily commercial in nature. Light industrial and flex warehouse space has developed in the areas east, north, and west of the Addison Airport. The Dallas North Tollroad corridor sparked heavy hotel and multi-story office building development during the 1980's. This extends from the west side of the freeway to the railroad tracks at Inwood road. The corridor along Midway Road from the Farmers Branch boundary continued the light industrial, office/flex development of the Midway Industrial Park that extends southward to LBJ Freeway. The corridor along Belt Line Road through the City has seen extensive development with restaurants, hotels, and 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 in the 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, Marsh 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. To the east of Addison Road is a mixture of office and multifamily development.

Quorum Drive, Addison Road, Midway Road, and Marsh Lane are the major north/south connectors within this portion of Addison and North Dallas. Beltline Road is the major east-west connector through this area. Arapaho Road currently terminates from the east at Addison Road. The bulk of the east-west connector streets within this area are not typically through-type streets. The predominant retail oriented commercial development is generally located adjacent to the aforementioned thoroughfares. The non-retail oriented commercial development is generally interior from these thoroughfares. 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 Town 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 rectangular in shape based on information provided in a site plan. Plats indicate approximately  $\pm 296'$  of boundary with the north right-of-way line of Beltline Road, to the east of its intersection with Midway Road. A portion of the site extends behind the adjacent property to the west. Total land area is  $\pm 216,990$  SF, or  $\pm 4.98$  acres, as shown on the survey provided by the Town of Addison. Beltline Road is a multi-lane divided thoroughfare, with a landscaped center median/turn lanes. The Dallas Appraisal District segregates the site into a 75,000 SF component for the restaurant and a 141,990 SF component for the motel. The restaurant component occupies the southwest corner of the subject site.

### 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 north and south and the drainage in Beltline Road and a drainage area adjacent to the DART rail line. 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 Beltline Road adjacent to the south, via two drive approaches. Additional access into the subject site is not considered probable.

### Size/Shape

The subject property contains  $\pm 4.98$  Acres, or  $\pm 216,990$  SF in a near-rectangular configuration. The site appears to be approximately  $2\frac{1}{2}$  times as deep as it is wide at Beltline Road. The site is of sufficient size and shape to support independent economic development, if it were vacant and available for development.

Zoning: The subject property is zoned "PD 549", with a special use permit. This is a commercial district use, providing specifically for the motel and detached restaurant development which was developed on the site approximately 23 years ago. Setback, landscape requirements, density, etc. are site specific and controlled by the special use permit. The Town does not have specific setback and density requirements for commercial development.

### 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 title policy. At the subject property boundary with the DART rail line, a 15' wide "water easement" is noted on the plats of the subject, which runs east-west across the entire north side of the subject property. Other than this noted

easement, 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. Typical utility easements are presumed to service the site.

#### Site Improvements

The subject property is improved with a two story masonry motel building with adjacent paved surface parking lots, an in-ground pool, and landscaping. Detached from the motel structure is a ±5,521 SF detached restaurant, which occupies the southwest corner of the subject site.

From the plans of the buildings' ground floor perimeter, indications of a gross building area of ±65,618 SF are made. This hotel has 166 units. (DCAD Tax data indicates 166; the site plan indicates 168; the motel/hotel survey indicates 148) The courtyard area contains a well landscaped pool and juczzi. This building was constructed in ±1980 (apparently by Roadway Inn) and is approximately 23 years old.

Surface parking spaces are provided on the north, east, and west sides of the motel. The parking areas provide security lighting. The detached restaurant has parking at it's south, east, and north perimeter.

The subject site is moderately landscaped with grass, ornamental ground cover, shrubs, and trees. This landscape design exhibits a good level of maintenance. The perimeter of the building displays a concrete walk for pedestrian traffic. To the north of the motel building and parking lot is a recreation area. A mixture of asphalt paths and concrete paths are available for jogging, as well as a fenced tennis court (2) and grass open area. There is a gravel play-ground area within the grass open area. The tennis courts are in relatively poor condition, as is the play-ground equipment and the open area to the northwest of the tennis court area. The wood privacy fencing noted along portions of the northern and eastern property boundaries is in good repair.

The primary entrance is located on the central south side of the building which passes through a common lobby area.

Typical hotel/motel finish-out is noted outside the common areas. The observed room appeared average for a motel of this class and age.

Overall, the subject improvements are in good condition and exhibit good quality maintenance. The site, landscaping, and parking areas are also in good condition and exhibit a comparable level of maintenance as does the main building.

## 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 may apply.

The subject property is located proximate to the 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.

### Physically Possible Uses

As previously described, the subject tract is of such size and shape as to be suitable to support independent economic development. The site is physically suitable for a wide variety of potential future uses.



### Legally Permissible Uses

The main constraints are those affected by the subject tract's zoning ordinance. The commercial type zoning ordinances which are prevalent in the subject area are presumed to allow not only for the existing development on the subject site, but also other retail oriented uses noted in the general area of the subject along Beltline Road. The character of the surrounding development and the subject's proximity to the Beltline Road/Midway Road controlled intersection, it is estimated that a retail oriented or office development would be the most appropriate for the site, if it were of vacant and available for 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 general classification.

### Financially Feasible

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

Retail oriented or office 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 generally zoned. These uses could include restaurant, fast-food, hotel or comparable high intensity/exposure traffic uses, as well as office or other lower density uses.

### 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 oriented or office, hotel, or restaurant site is substantiated.

### **Highest and Best Use As Vacant Land**

The estimate of the Highest and Best Use of the subject Whole Property would be for office/retail or hotel development which would take advantage of the Beltline Road influence. The general current zoning in the area allows for a wide variety of potential uses which could take advantage of the subject's near-corner location.

### **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.

*It should be noted, that since September 11, 2001, there has been a general depression in the hotel/motel market/industry as a whole. While it is unlikely that new hotel/motel development would not be considered appropriate for the subject site at this time, the existing improvements appear to be reasonably able to maintain a viable market share at the current time.*

## 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

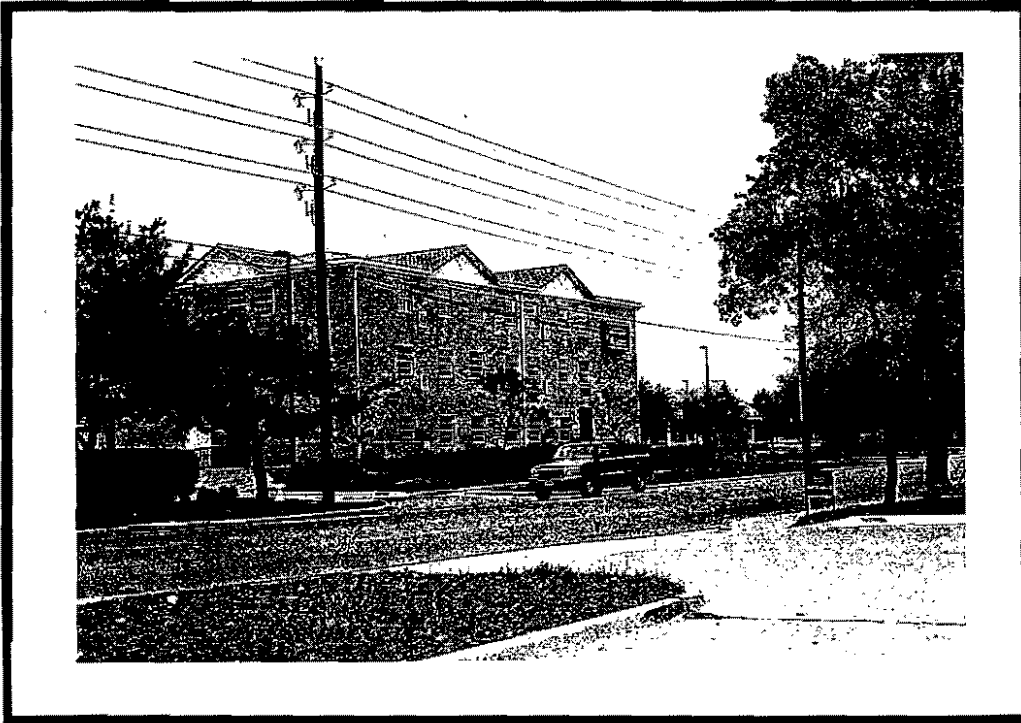
In this section of the report, the appraiser will present data and analysis leading to an estimate of market value as of the effective date of the appraisal for the subject site. Basically, this value is estimated by the comparison of sales of similar land tracts that are current or of recent date to 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.

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.

Comparable #1



**Location:** East side of Addison Rd, ±301' south of Arapaho Rd., also fronts south side of Arapaho Rd., Addison, TX

**Legal Description:** Abstract No. 482, Addison, Dallas County, TX

**Grantor:** Daryl N. Snadon

**Grantee:** Rail Hotels Corporation

**Date of Sale:** February 5, 1999

**Recorded:** 99024/1020

**Consideration:** \$10.00/SF (\$688,760)

**Terms of Sale:** Executed \$2,100,000 note to Ado Bank of Commerce (includes construction financing)

**Cash Equivalency:** \$10.00/SF

**Size:** ±68,877 SF; 1.5812 Acres

**Zoning:** C-1, commercial

**Comments:** This site wraps around the southeast corner of Arapaho & Addison Roads. A hotel has been built on this site.

**Verified By:** Jim Durbin - Broker 972.661.1011

**Mapsco #:** D-14C

## Land Sale Comparable #2



**Location:** 14000 Inwood Road, Farmers Branch, Texas  
**Legal Description:** Lot 1, Block B, Beltway/Champion No. 1, Farmers Branch, Texas  
**Grantor:** Woolley Hotel Company, Inc.  
**Grantee:** National Operating, LP  
**Date of Sale:** January 5, 2000  
**Recorded:** Volume 200005, Page 9743  
**Consideration:** \$205,000 (\$11.26/SF)  
**Terms of Sale:** All Cash to Seller  
**Cash Equivalency:** \$11.26/SF  
**Size:** 18,208 SF  
**Zoning:** Commercial (PD)

**Comments & Adjustments:** This sale is along the east side of Inwood Road, just to the south of it's intersection with Spring Valley. Inwood Road is a 6 lane divided concrete thoroughfare in front of the property. This street enjoys excellent traffic. While not a corner location, this site enjoys excellent exposure, similar to the subject remainder. This sale was to an adjacent property owner.

**Verified By:** Dan Allred - Broker

**Mapsco #:** D-14M

### Land Sale Comparable #3



**Location:** Southwest corner of Quorum & Edwin Lewis, Addison, Texas.  
**Legal Description:** Quorum Center Addition, Addison, TX

**Grantor:** Daryl Snadon  
**Grantee:** Springhill SMC Corporation

**Date of Sale:** January 5, 2001  
**Recorded:** 2001004/4624

**Consideration:** \$13.91/SF (\$2,750,000)  
**Terms of Sale:** All cash to seller  
**Cash Equivalency:** \$13.91/SF  
**Size:** ±197,762 SF; 4.54 Acres

**Zoning:** PD, planned development - commercial  
**Comments:** This is a corner tract. A proposed hotel and restaurant will be built on this site.

**Verified By:** Jim Durbin - Broker 972.661.1011  
**Mapsco #:** D-14D



| COMPARABLE LAND SALES SUMMARY |              |          |           |            |
|-------------------------------|--------------|----------|-----------|------------|
| Sale #                        | Date of Sale | Price/SF | Size (SF) | Zoning/Use |
| 1                             | 02/05/99     | \$10.00  | 68,877    | Commercial |
| 2                             | 01/05/00     | \$11.26  | 18,208    | Commercial |
| 3                             | 01/05/01     | \$13.91  | 197,762   | Commercial |
| Subject                       | 11/02        | N/A      | ±216,990  | Commercial |

**General**

The events subsequent to September 11, 2001 and the down turn in the technology and financial markets has resulted in a general slackening of commercial land sales in the market area of the subject property. This has necessitated using older sales which occurred during a more robust economy to evaluate the subject site. Fortunately, moderately recent sales in the general market area of the subject were available, two of which were for motel/hotel development. All of these sales were on "name" streets in the subject area.

**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. Upward Time/Market Conditions adjustments may be applied to the selected comparable sales to reflect adjustments to pre-9/11 conditions. While "time" is an important consideration in selecting comparable sales, location and utility were considered of paramount importance in this analysis. Sale #1 and #3 were selected because they are motel/hotel site sales. Sale #2, because of its "name" street influence. Sale #1 is 44 months old, Sale #2 is 35 months old, and Sale #3 is 22 months old. Sale #3 is not judged to require an adjustment for time. Sale #1 and #2 require an upward adjustment for time.

#### Location

In this portion of the adjustment process the appraiser considers locational aspects of the comparable sales as opposed to the subject. Such aspects as quality and quantity of surrounding development, adjacent land uses, and other perceived physical amenities are considered. Due to the lack of paired sales characteristics in the comparables, the adjustments are qualitative. Sale #1 and #2 are considered interior tracts like the subject, but are not on a street with the volume of the subject. These two sales require an upward adjustment to the subject. Sale #3 is a corner location and in an area of more recent high quality development. These two factors offset the volume component of the subject's volume street location. No location adjustment is made for Sale #3.

#### Zoning

The zoning of each of the Sales and the subject are considered to be comparable, requiring no adjustments.

#### 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. Each of the comparables and the subject are considered to have comparable utility for future development, apart from the adjustments made in other categories in this analysis.

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 and environs which are considered as a part of the "Location" category. The corner attributes of the subject site are discussed below under "Access/Frontage".

#### 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. The sight and view of the comparables and the subject are considered to be comparable, requiring no adjustment.

#### Access/Frontage

All of the sales and the subject have adequate access and frontage for their intended purposes. Minor perceived differences in quality are judged to be related to factors considered in the location adjustment. No adjustments are made for access/frontage..

#### Size

The subject property is ±216,990 SF in size, of which 141,990 SF is allocated for the motel site. Sale #1 is considered to be comparable, obviously, as it has had a motel constructed on the site. Similarly, Sale #3 has had a motel/hotel facility constructed on it and is considered comparable in size for this type of use. Sale #2 is a very small site and while smaller tracts tend to sell for a higher "per unit" price the overall size utility of this sale is considered inferior to that of the subject. Overall, these two factors still indicate that Sale #2 is to be adjusted slightly upward for this perceived inferior size utility.

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       | \$10.00 | \$11.26 | \$13.91 |
| Property Rights Adjustment        | -0-     | -0-     | -0-     |
| Adjusted Price \$/SF              | \$10.00 | \$11.26 | \$13.91 |
| Conditions of Sale Adjustment     | -0-     | -0-     | -0-     |
| Adjusted Price \$/SF              | \$10.00 | \$11.26 | \$13.91 |
| Time/Market Conditions Adjustment | +20%    | +10%    | -0-     |
| Adjusted Price \$/SF              | \$12.00 | \$12.39 | \$13.91 |
| Location Adjustment               | +10%    | +10%    | -0-     |
| Access/Frontage                   | -0-     | -0-     | -0-     |
| Zoning                            | -0-     | -0-     | -0-     |
| Size Adjustment                   | -0-     | + 5%    | -0-     |
| Sight/View                        | -0-     | -0-     | -0-     |
| Adjustment Factor                 | +10%    | +15%    | -0-     |
| Adjusted Price \$/SF              | \$13.20 | \$14.25 | \$13.91 |

**Market Value Estimate - Subject Site**

After adjustments, the comparable sales range from \$13.20/SF to \$14.25/SF. The average of the adjusted sales price is calculated at \$13.79/SF.

It is the appraiser's opinion that Comparable Sale #3 is the most nearly similar to the subject. It is the most recent of the sales, it has been developed for a use comparable to that of the subject, and it is most nearly the same size as the subject. Each comparable has its strengths and weaknesses as compared to the subject. While these comparables are not identical to the subject in terms of size, use, and 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.

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.

A portion of the subject property is encumbered by the previously discussed 15' "water easement". The nature of this easement restricts the use of the surface of the easement area. This 15' easement extends across the northern border of the subject property at the DART rail line. Due to the restrictive nature of this easement, it is estimated that the remaining underlying value in the bundle of rights associated with the easement area represents 50% of the fee simple estimate of site value.

Based on the aforementioned data and analysis, the Market Value of the subject site is estimated to be \$14.00 per square foot of the land area. The subject is estimated to contain ±216,990 SF of land area according to the documents provided (211,400 - fee; 5,590 SF - easement). Therefore:

| <u>Site Area</u>   | <u>Value Estimate</u> | <u>Total</u>       |
|--|-----------------------|--------------------|
| ±211,400 SF<br>(fee)                                       | \$14.00/SF            | \$2,959,600        |
| 5,590 SF<br>(easement)                                     | \$ 7.00/SF            | <u>\$ 39,130</u>   |
|  | Total                 | \$2,998,730        |
| <b>ESTIMATED MARKET VALUE - WHOLE PROPERTY "SITE", Say</b> |                       | <b>\$2,998,730</b> |

## 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 buildings are  $\pm 23$  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.

An abbreviated Cost Approach will be developed in this appraisal. Given the current slump in hotel/motel occupancies, coupled with the modest over-building of these facilities prior to the events of September 11, 2001 and the communications/high technology industry down-turn, it is not probable that new hotel/motel/restaurant construction would be initiated at this time. Additionally, in order to estimate the ensuing "economic obsolescence", the only data that is currently available in the market place would be based solely on the decline in occupancies from historically stable levels. Considering this anomaly, estimating economic obsolescence on new construction is not as perceived to be as reliable as data available in the other approaches to value. As sufficient historical data is available for estimating value through the sales comparison approach and the income approach, the perceived weakness in estimating economic obsolescence in the cost approach can be viewed primarily as auxiliary data in support of those value conclusions.

### **General**

Both the motel and the restaurant are of fairly standard design and construction. The cost approach data for both improvements is considered to be a reliable indicator of value under normal market conditions.

### **Direct Building Costs**

The source for current cost data is from the *Marshall and Swift Valuation Service* as adjusted for time and locational variances. It is the appraiser's opinion that this building has the characteristics of the "Very Good Class D" restaurant buildings as described by *Marshall and Swift*. In Section 13, Page 14, which describes this type of building, current estimated replacement costs are stated at \$119.54/SF for Class "D" Very Good and \$91.30/SF for Good construction. The motel has the characteristics of

the "Average Class C" motel buildings from the same source. From Section 12, Page 11, which describes this type of building, current estimated replacement costs are stated at \$56.52/SF for Average construction.

This amount must be adjusted by factors also prepared by *Marshall and Swift* for time lapse to the present from cost preparation date--1.02x--and adjustment for price differentials caused by different physical geographic locations--0.92x. Multiplying these two factors times the \$119.54/SF indicates a current estimated replacement cost for the restaurant at \$112.18/SF and \$53.04 for the motel.

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 landscape areas, the signage, the concrete lot paving, and developer's profit.

The estimated cost new of the signage is \$6,400. The estimated cost of the landscape on the site and adjacent to the building is \$24,000. 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 concrete paved parking, drives, and tennis court areas. It is estimated that there is approximately 71,000 SF of paving associated with the subject property (factor of the site size less building & landscape area). The concrete paving is estimated to be 2"- 4" at a current new cost estimate of \$3.50/SF (per *Marshall and Swift* estimates). This equates to \$248,500 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.

Entrepreneurial profit is estimated at -0- for the subject property. It is the appraiser's opinion that; 1) the restaurant market is slightly soft in this location at this time, and 2) that the motel improvements market is exceedingly soft at this time.

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 a good standard of ongoing repair and maintenance.

**Short-lived incurable physical depreciation** recognizes that, while the majority of the structural components will have a life equal to the economic life of the total building, some will have a shorter life and a deduction must be made to allow for their gradual deterioration and eventual replacement. This amount is calculated by multiplying the percentage derived by dividing effective age by total physical life times the estimated replacement cost of the short-lived component. **Long-lived physical incurable depreciation** takes into account the decline in value due to normal wear and tear on the basic building structure and any concurrent loss in economic use due to its age. This amount is typically calculated by dividing the effective age of the building by its estimated economic life and multiplying the percentage result times the total replacement cost new less physical curable depreciation and the replacement cost of short-lived items for which physical incurable depreciation is taken, then, deducting that figure from replacement cost-new.

#### **Functional Obsolescence**

Functional obsolescence is loss in value attributable to such factors as poor design, changes in technology and super-adequacies and/or deficiencies in the construction. **Incurable Functional Obsolescence** occurs where deficiencies or super-adequacies are involved and the cost to cure is greater than the anticipated increase in utility or benefits to be derived. This form of depreciation is usually measured by the capitalization (by the rate developed in the Income Approach) of the net income loss attributable to the deficiency or super-adequacy. **Curable Functional Obsolescence** is that for which the cost to cure provides equivalent or superior economic returns to the property.

As noted, the subject improvements are in conformity with development within the neighborhood. It is noted that the building appears to be of good functional design for a restaurant property. As such, it is the appraiser's opinion that there are no elements of curable or incurable functional obsolescence present in the subject property.

#### **Accrued Depreciation Estimate by Life Method**

This method of estimating total accrued depreciation is found by multiplying the percentage derived by dividing the effective age by the estimated total economic life of the building times the estimated replacement or reproduction costs of the improvements. The Marshall & Swift guidelines indicate a typical economic life for buildings of the type and construction quality of the subject to be  $\pm 50$  years. The buildings' actual age is approximately 23 years. Considering the observed physical deterioration, the building's effective age is judged to equal 23 years. The following table shows the calculation of physical Depreciation of All Items as described.

| Estimate of Incurable Depreciation<br>All Items                                    |                    |
|--|--------------------|
| Estimated Direct Building Replacement Cost New (Buildings)<br>(motel & restaurant) | \$4,099,725        |
| Times Ratio of Effective Age to Use Life (23/50)                                   | <u>    x0.46</u>   |
| Estimated Incurable Physical Depreciation, Long-Lived Items                        | <u>\$1,885,874</u> |

**Economic Obsolescence**

Economic obsolescence is a loss in value caused by detrimental influences outside the site. It is generally considered to be a loss of desirability or useful life by factors external to the property, such as economic forces or environment changes which affect supply/demand relationships. Economic loss is always incurable and it is measured by either capitalizing the rent loss attributable to the negative influence or by comparable sales. For the purpose of this approach in this appraisal, the economic obsolescence for the subject will be calculated solely on the ±10% occupancy loss brought on by recent economic and political events previously discussed.

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



## COST APPROACH SUMMARY

|   |                |                           |
|---|----------------|---------------------------|
| <b>Direct Costs</b>   |                |                           |
| 65,618 SF @ \$53.04/SF - Motel Building                     | \$3,480,379    |                           |
| 5,521 SF @ \$112.18/SF - Restaurant Building                | 619,346        |                           |
| Signage   | 6,400          |                           |
| Landscaping, etc.   | 24,000         |                           |
| Fencing   | 25,000         |                           |
| Concrete Paving   | <u>248,500</u> |                           |
| <b>Total Estimated Direct Costs</b>                         |                | <b>\$4,403,625</b>        |
| <b>Indirect Costs</b>                                       |                |                           |
| Entrepreneurial Profit @ 0%                                 | \$ -0-         |                           |
| Loan Fees (est.)  | <u>-0-</u>     |                           |
| <b>Total Estimated Indirect Costs</b>                       |                | <u>-0-</u>                |
| <b>Total Estimated Replacement Cost New</b>                 |                | <b>\$4,403,625</b>        |
| <b>Estimated Depreciation</b>                               |                |                           |
| Motel Building (.46 x \$3,480,379)                          | \$1,600,974    |                           |
| Restaurant Building (.46 x \$619,346)                       | 284,899        |                           |
| Paving (.30 x \$248,500)                                    | 74,550         |                           |
| Landscaping (.30 x \$24,000)                                | 7,200          |                           |
| Fencing (varies between 25% & 50%, depending on type)       | 8,380          |                           |
| Signage (.40 x \$6,400)                                     | <u>2,560</u>   |                           |
|   |                | <u>-1,978,563</u>         |
| <b>Depreciated Replacement Cost</b>                         |                | <b>\$2,425,062</b>        |
| <b>Economic Obsolescence</b>                                |                |                           |
| Estimated @ 10% of Depr. Value of Improvements              |                | <u>- 242,506</u>          |
| <b>Depreciated Replacement Cost w/Economic Obsolescence</b> |                | <b>\$2,182,556</b>        |
| <b>Add: Site Value Estimate by Market Comparison</b>        |                | <u>\$3,037,860</u>        |
| <b>Total Estimated Replacement Cost After Depreciation</b>  |                | <b><u>\$5,220,416</u></b> |
| <b>ESTIMATED MARKET VALUE BY COST APPROACH, Called</b>      |                | <b><u>\$5,220,000</u></b> |

## 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 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. Data presented in the Sales Comparison Approach for the property "as improved" presents income and expense figures which may be extrapolated to the subject's operation at a stabilized operating condition; i.e., negating current market aberrations due to external economic influences.

The subject property is currently an operating 166 unit motel facility. Primary parking for the building is located adjacent to the north, east, and west sides of the building.

As previously mentioned, the Sale Data included in this report provides a survey of occupancies, rental rates, and expenses for motel/hotel operations in comparable market areas of the subject property. That data is reflective of those operations at their sale dates.

The components that make up an operating motel property include the land, building, fixtures, equipment, inventory, and business. A brief description of these components is as follows:

**Real Estate** - The site and building improvements of the facility. These are typically owned by the motel operator.

**Furniture, Fixtures, Equipment** - These items include all of the room and common area furniture, any kitchen and bar equipment, special decor/fixtures, etc. A portion of the income generated by a motel operation is attributable to these items.

**Business Value** - Motels have some level of intangible value typically referred to as goodwill, or business value, which is present only if the property is in operation. The business profit is a portion of the income after all expenses of operation have been paid. The business portion can be treated as an expense in addition to the usual management expense, or included in the management expense.

**Inventory** - Consumables necessary to the operation of the business; food, beverages, supplies; usually a nominal expense in the overall budget.

### Market Room Rate Analysis

In order to analyze the subject property, an estimate for the subject property's income producing capacity is compared to comparable motel facilities in the general market area of the subject. From this comparison, it can be estimated if the subject property is competitive; i.e., can attract a competitive share of the market. All properties are unique with regard to age, design, location, size,

amenities, etc. While many dissimilarities exist between the subject and the surveyed properties, the dissimilarities in room rates are not as great as long as the quality of the improvements and locations are comparable.

Generally, the survey indicated that newer, better quality motels with a higher level of amenities commanded higher room rates within a given class of property. Upscale motels target convention and commercial patrons less concerned with economical rates, while suite and mid-scale motels market toward business travelers. The budget/economy motels target a mix of overnight business travelers and stop-in vacationers. In terms of age, motels peak in market acceptance in the three to six year range; stabilize and then begin to decline in the tenth to fifteenth year. This presumes no renovation. Age plays an important factor in room rates and occupancies.

The subject property had an "Average Daily Room Rate" (ADR) of \$36.30 as of the 2nd quarter of 2002, as reported by Source Strategies, Inc. Source Strategies, Inc. is a hotel/motel research firm that tracks the hotel/motel industry in Texas. The data provided by Source Strategies, Inc. was utilized for the estimate of an average daily room rate.

**Average Daily Room Rate (ADR)** describes an overall rate structure in a single number. It is the weighted average of rooms sold at the single rate, double rate, commercial rate, and so forth. For an existing facility, the average rate per occupied room is calculated by dividing the property's gross rooms revenue by the number of rooms occupied for a given period of time.

$$\text{ADR} = \text{Gross Room Revenue/Number of Rooms Occupied}$$

**Occupancy** is calculated by the total of all rooms sold or "room nights", divided by the property's available room nights per year.

$$\text{Occupancy} = \text{Total Room Nights/Number of Rooms} \times 365$$

*All statistical information will refer to ADR, not actual quoted room rates.*

The subject's ADR is compared to other area motels. Source Strategies, Inc. compiles statistics for the hotel/motel industry and provides statistics on gross revenues, room nights sold, occupancy, average daily room rates, taxable income, and other income. Their survey of the subject area was relied upon by the appraiser in estimating daily room rates and occupancy levels. The subject is categorized as a *budget* motel by Source Strategies and is included in their survey. The survey includes most motels within the 75244, 75006, 75234, 75240, 75248 zip codes. The data provides historical as well as current information; from the 1st quarter - 1997, through the 2nd quarter - 2002. This data is included in the addendum of this report.

From the survey data the subject's primary and secondary competition can be identified. The subject can then be analyzed from its position within the market. As previously mentioned, the subject property is considered in the category of budget motels. These properties cater to the overnight business traveler and the drop-in vacationer. The detached on-site restaurant supports this category. Price is a principal motivating factor in attracting customers, and these properties have fared well during the recent downturn in the motel/hotel economy.

For the previous year ending June 30, 2002, the ADRs on the budget and extended-stay motels range from \$27.80 to \$47.07 in the subject area. The estimated occupancies range from 21.2% to 71.4%. The subject's estimated occupancy of 56.2% is within the upper 1/3 of it's competition. ADRs and occupancies have taken a beating in many segments of the hotel/motel market due to the two-fold impact of the September 11, 2001 incident's affect on the travel industry generally, and the slow down in the telecom/tech economy. It is forecasted that current ADRs and vacancies will remain static in the near term, with possibilities of further decline due to extreme area competition and the number of available rooms.

The subject's ADR appears to fall within the upper 1/3 of the budget/extended stay range, which is within the market targeted by the subject. The estimated ADR of \$36.30 reported by Source Strategies, Inc. through 6/30/02 is estimated to remain stable for the subject.

**Stabilized Income** - The actual income for the subject was taken from the data provided by Source Strategies as reported through 06/02. The following data is extracted for the subject:

|                         |             |
|-------------------------|-------------|
| Guest Room Sales        | \$1,102,000 |
| Total Rooms in Motel*   | 148         |
| Total Rooms/Period**    | 54,020      |
| Occupancy               | 56.2%       |
| ADR                     | \$36.30     |
| Revenue/Available Rm*** | \$20.39     |

\*Reported number of rooms, per Source Strategies, Inc., from comptroller's records.

\*\*Number of Rooms (148) times 365 days.

\*\*\*Total tax and non-tax room revenue divided by total rooms/period (REVPAR).

As mentioned previously, the August, 2001 through June, 2002 ADR is estimated at \$36.30; the rate reported by Source Strategies, Inc. This estimate is supported by the comparable budget hotels in the area.

The potential gross income estimate for the subject would be \$1,960,926 (148 Rooms x \$36.30 x 365), while the effective gross income for the subject is \$1,102,000 which reflects an estimated occupancy of 56.2%. The subject is in it's 23rd year of operation and occupancy levels are predicted to be static over the next twelve months.

**Other Income** - For a motel operation, other income is derived from food sales, beverage sales, telephone fees, meeting room revenue, vending, television, etc. Because these categories are highly dependent upon management, occupancy levels, competition, and location, the most appropriate method for estimating this revenue is by historical operation levels as a percentage of total revenues or room revenues based on industry averages.

**Occupancy** - Based upon the statistical information provided by Source Strategies, Inc., and the historical occupancy rates experienced by the subject, a stabilized occupancy factor can be estimated. The subject experienced an occupancy rate of 56.2% over the previous four quarters, ending the second quarter of 2002. This rate is near the upper limit of the occupancies reported during the previous twelve months.

According to Source Strategies, Inc., the Dallas, Fort Worth/Arlington market were severely negative and include a 21.2% decline in revenues, reflecting declines of 12.6% in room nights sold, 9.8% in prices, and 15.9% in occupancies. The events of September 11, 2001, the troubles in the high-technology industries, and the dramatic growth of the number of new rooms made available through new construction prior to these events. Given the subject's location and the immediate competition in the area, an estimated stabilized occupancy reflecting it's current occupancy over a typical holding period is deemed appropriate.

## **EXPENSES**

The following expenses are typical of a motel's operation. The expense items are those typically found in the "Uniform System of Accounts for Hotels", a standard accounting procedure published by the Hotel Association of New York City. These categories are as follows:

**Room Expenses** - These items of expense are all of the items relating to the sale and maintenance of the guest rooms. These items include; salaries, wages, and employee benefits for all personnel related to the sale of housekeeping of the rooms.

**Food and Beverage Expense** - Food/Beverage items consist of expenses necessary for the operation of food, beverage, and banquet facilities. The subject motel does not maintain these facilities, so these items will not be considered.

**Telephone Expenses** - These items include telephone usage, equipment and other operating expenses related to telephone service. Most revenue from charges to the rooms is offset by the toll charges of the phone company.

**Administrative/General** - This includes all salaries, wages, and benefits of employees not related to a particular department. Included is credit card commissions, dues & subscriptions, office supplies, insurance, etc.

**Advertizing/Sales Promotion** - Includes all salaries, wages, and benefits of employees in this department, plus travel, entertainment, and items associated with advertizing, promotion, and marketing.

**Repairs/Maintenance** - Includes all wages, salaries, and benefits of employees in this department, plus all repair and maintenance items, landscaping, supplies, trash removal, repair of FF&E, and misc. items.

**Energy** - Gas, water, electrical, sewer expenses.

**Rent Expenses** - (1) Real estate rental include rental of land and buildings in addition of FF&E. Other rentals include any major items rented that would normally be purchased and capitalized as a fixed expense. Electronic data processing would also be included in this category.

**Ad Valorem Taxes** - Taxes on real and personal property.

**Insurance** - Cost of insuring the building and it's contents against typical loss hazards.

**Reserves for Replacement** - Furniture, fixtures, and equipment (FF&E) essential to the operation of the motel. Includes all non-real estate items that are normally capitalized (not expensed).

**Management Fee** - Sometimes included in Administrative/General expenses, but sometimes segregated when an outside management company is operating the property.

Without a current operating statement for the subject, the best gauges available for estimating future expenses for the subject are derived from reported expenses of local operating motel properties and national averages, such as those prepared and reported by Smith Travel in *The Host Report*, and expense and income ratios published by Pannel/Kurr/Foster in *Trends in the Hotel Industry*.

Based on the preceding data, a Pro-Forma Income Statement can be developed for the subject property to estimate a net income figure to be capitalized into a value estimate. The following pro-forma operating income statement is developed for the subject property, based on the survey data, reports to the State Comptroller's Office, and the extrapolations made therefrom.

**Pro-Forma Operating Income Statement  
4325 Beltline Road - Motel 6**

| <b>Revenues</b>  | <u>% of Total</u>  |                    |
|--|--------------------|--------------------|
| Rooms: 48 x \$36.30 x .562 x 365<br>(Rms x Rate x % Occup. x Days) | 95%                | \$1,102,000        |
| Telephone: Estimated from surveys                                  | 4%                 | 46,400             |
| Other: Estimated from surveys                                      | 1%                 | <u>11,600</u>      |
| <b>Total Revenues</b>  | <b>100%</b>        | <b>\$1,160,000</b> |
| <br><b>Department Costs/Expenses</b>                               |                    |                    |
| Rooms Depart.  | \$324,800 28%      |                    |
| Tele. Depart.  | <u>11,600</u> 1%   | <u>- 336,400</u>   |
| <b>Total Department Income</b>                                     |                    | <b>823,600</b>     |
| <br><b>Undistributed Operating Expenses</b>                        |                    |                    |
| Admin./General   | \$104,400 9%       |                    |
| Advertizing/Promotion  | 46,400 4%          |                    |
| Energy   | 58,000 5%          |                    |
| Repairs/Maintenance  | 58,000 5%          |                    |
| Management Fee   | 34,800 3%          |                    |
| Franchise Fee  | <u>17,400</u> 1.5% | <u>- 319,000</u>   |
| <b>Total Income Before Fixed Expenses</b>                          |                    | <b>504,600</b>     |
| <br><b>Fixed Expenses</b>  |                    |                    |
| Taxes  | 34,800 3%          |                    |
| Insurance  | 9,280 0.8%         |                    |
| Reserves/FFE Rent  | <u>29,000</u> 2.5% | <u>- 73,080</u>    |
| <b>Estimated Net Income to Property</b>                            |                    | <b>\$ 431,520</b>  |

## 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 properties similar to the subject from which to derive capitalization rates, the survey data compiled in the sales comparison approach was utilized to derive an overall rate estimate.

The survey data from sales of operating properties indicated a range of overall capitalization rates from 10.95% to 13.75%. As the subject property is evaluated "as if" in a typical market environment at stabilized occupancies and rates, an overall capitalization rate at the lower limit of those derived from the sales data will be utilized for the subject property. 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. The Henry S. Miller Companies *Real Estate Investment Trends* report for mid-year 2002 surveyed capitalization rates for hotel/motels and reported a range of stabilized capitalization rates of between 12% and 13%, with 12.7% as the reported average capitalization rate. Given that, in general, the subject budget motel is performing better than the Dallas/Fort Worth market, a capitalization rate should reward that performance. Analysis supports an  $R_o$  for the subject property of 11%. 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><math>R_o</math></u> |   | <u>Indicated Value</u> |
|---------------------|---|-------------------------|---|------------------------|
| \$431,520           | ÷ | 11%                     | = | \$3,922,909            |
|                     |   | Say,                    |   | \$3,923,000            |

### Income Approach, Restaurant

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 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 restaurant portion of the subject property is currently considered owner occupied. There is no operating income data available to the appraiser for the subject property. Furthermore, reliable rental income information was not available from sales in the market place. Typically, restaurant properties which are leased have a two tier lease format: base rate rent, usually on a per-square-foot basis; and additional rent based on a percentage of gross business sales. As the income approach has been developed for the motel portion of the subject, at least a generic estimate of value via the income approach to value for the restaurant is deemed appropriate, even though the proposed taking is substantially remote from the restaurant facilities.

Brokers familiar with the restaurant market were interviewed about the potential for the subject property. Generically speaking, "average" rental incomes for properties like the subject were estimated in the \$25.00/SF range. With a vacancy rate of 5% and typical lease expenses of 15%, this would equate to  $\pm$ \$20.19/SF. This in turn would point to a net operating income for a property such as the subject of  $\pm$ \$111,469 annually (5,521 SF x \$20.19/SF). Capitalization rates were "estimated" over a very wide range, with 11% near the lower end of those "estimates". Capitalizing this generic income data at 11% indicates a potential value of  $\pm$ \$1,013,355; remarkably close to the Sales Comparison Approach estimate.

Based on the lack of quality verifiable income and expense data on properties similar to the subject, the Income Approach will not be developed in depth for the restaurant portion of the subject property in this appraisal. The preceding data and analysis is provided for general market perception only.

**Conclusion**

To the estimate of market value via the Income Approach for the motel must be added the estimated value of the detached restaurant. General analysis presented in the Income Approach, as supported by the Sales Comparison Approach section derives, an estimated value for the detached restaurant of \$1,013,000 (rounded). Therefore, the estimated value of the motel, with the on-site detached restaurant would be calculated as follows:

| <u>Component</u>                           | <u>Value Estimate</u> |
|--|-----------------------|
| Motel                                      | \$3,923,000           |
| Restaurant                                 | <u>1,013,000</u>      |
| <b>Whole Property Value Estimate, Say,</b> | <b>\$4,936,000</b>    |



## SALES COMPARISON APPROACH TO VALUE (Motel)

An indication of value can be obtained by comparing the subject property with other hotel/motel properties which have sold in the marketplace. The reliability of this value indication will depend upon the similarities/dissimilarities between the subject and the properties which have sold. The basic units of comparison used by purchasers in the marketplace are the Price Per Unit and the Price per Square Foot of building area.

Since both restaurant and motel properties are complex and adjustments are more than likely difficult to support by market data, this approach is seldom given the most weight in the appraisal process. This approach does, however, provide a supported range of value for the Income Approach and Cost Approach. The subject motel is a medium size, budget, limited service, older motel in good condition. The restaurant is an older medium size chain facility, often associated with locations adjacent to budget and mid-price motel facilities. Sales of similar motel facilities in the market area were limited, as were sales of comparable restaurant facilities. However, several sales of both motel facilities and restaurant buildings that possessed some degree of comparability were analyzed.

The first section of this approach will present and analyze the motel sales. Following the estimate of value for the motel facility, data and analysis will be presented for the restaurant facility. At the end of the sales comparison approach section, these two derived values will be combined into a conclusion for an estimate of value for the property as a whole.

## Improved Sale Comparable #1

**Location:** 4150 Beltway Drive, Addison, Texas  
**Grantor:** PPJ Corporation  
**Grantee:** Windhaven Hospitality, LLC  
**Date of Sale:** March 5, 2001  
**Recorded:** 2001044/9849  
**Consideration:** \$1,820,000  
**Terms of Sale:** Assumed 1,520,000 notes; \$209,089 note to seller  
**Cash Equivalency:** \$1,820,000  
**Legal Description:** A-Motel Addn., Addison, Texas  
**Zoning:** SU 8, special use permit  
**Flood Plain:** No

### Improvement Data:

**Construction:** Masonary, 2-story hotel  
**Year of Construction:** ±1981  
**Condition & Appeal:** Good  
**Gross Building Area:** ±26,100 SF  
**Land Area:** ±78,582 SF  
**Land to Building Ratio:** 3.01:1  
**Meeting Facilities:** No  
**Restaurant:** No  
**Lounge:** No  
**Type of Parking:** Surface  
**Amenities:** Outdoor pool, fitness center  
**Average Daily Rate:** \$46.33 @ sale  
**Number of Rooms:** 71  
**Average Occupancy:** 49% @ sale

### Financial Data:

**Effective Gross Revenues** PRO-FORMA  
\$607,321  
**Expenses** \$273,294 (est)  
**Net Operating Income** \$334,027

### Indicators

**Overall Rate:** 18.35%  
**Sale Price per Room:** \$25,634  
**Sale Price per Square Foot:** \$69.73  
**Effective Gross Income Multiplier:** 3.00x

**Verified:** Grantee  
**Mapsco:** 14-F

Income information was estimated from Hotel Occupancy Tax Accounts. Expenses were estimated from statistical information on similar properties.

## Improved Sale Comparable #2

|                           |  |
|---------------------------|--|
| <b>Location:</b>          | 9801 Adleta Blvd., Dallas, Texas             |
| <b>Grantor:</b>           | PTR Homestead Village, LP                    |
| <b>Grantee:</b>           | Dhan-Laxmi, LLC                              |
| <b>Date of Sale:</b>      | December 15, 2000                            |
| <b>Recorded:</b>          | 2000243/5014                                 |
| <b>Consideration:</b>     | \$2,000,000                                  |
| <b>Terms of Sale:</b>     | Exec. \$975,000 and \$525,000 notes to banks |
| <b>Cash Equivalency:</b>  | \$2,000,000                                  |
| <b>Legal Description:</b> | Lot 1C, Block C/8069, Dallas, Texas          |
| <b>Zoning:</b>            | MU-3, Dallas                                 |
| <b>Flood Plain:</b>       | No   |

### Improvement Data:

|                         |                        |
|-------------------------|------------------------|
| Construction:           | Masonry, 2-story motel |
| Year of Construction:   | ±1992                  |
| Condition & Appeal:     | Good                   |
| Gross Building Area:    | ±38,750 SF             |
| Land Area:              | ±92,643 SF             |
| Land to Building Ratio: | 2.39:1                 |
| Meeting Facilities:     | No                     |
| Restaurant:             | No                     |
| Lounge:                 | No                     |
| Type of Parking:        | Surface                |
| Amenities:              | Pool                   |
| Number of Rooms:        | 132                    |
| Average Daily Rate:     | n/a                    |
| Average Occupancy:      | n/a                    |

### Financial Data:

|                          |                  |
|--------------------------|------------------|
|                          | <u>PRO-FORMA</u> |
| Effective Gross Revenues | n/a              |
| Expenses                 | n/a              |
| Net Operating Income     | n/a              |

### Indicators

|                                    |          |
|------------------------------------|----------|
| Overall Rate:                      | n/a      |
| Sale Price per Room:               | \$15,152 |
| Sale Price per Square Foot:        | \$51.61  |
| Effective Gross Income Multiplier: | n/a      |

|                  |        |
|------------------|--------|
| <b>Verified:</b> | Broker |
| <b>Mapsc0:</b>   | 27-D   |

Income information was estimated from Hotel Occupancy Tax Accounts. Expenses were estimated from statistical information on similar properties.

### Improved Sale Comparable #3

**Location:** 4705 Old Shepard Place, Plano, Texas  
**Grantor:** Promus Hotels Florida, Inc.  
**Grantee:** Apple Suite REIT  
**Date of Sale:** September 22, 1999  
**Recorded:** 99/118298  
**Consideration:** \$5,400,000  
**Terms of Sale:** All cash to grantor  
**Cash Equivalency:** \$5,400,000  
**Legal Description:** Lot 1, Block A, Homewood Suites Addn., Plano, TX  
**Zoning:** Commercial, Plano  
**Flood Plain:** No

#### Improvement Data:

**Construction:** Brick, 5-story hotel  
**Year of Construction:** ±1996  
**Condition & Appeal:** Good  
**Gross Building Area:** ±81,692 SF  
**Land Area:** ±115,874 SF  
**Land to Building Ratio:** 1.42:1  
**Meeting Facilities:** Yes  
**Restaurant:** No  
**Lounge:** No  
**Type of Parking:** Surface  
**Amenities:** Pool  
**Number of Rooms:** 131  
**Average Daily Rate:** \$62.48, est.  
**Average Occupancy:** 71%

#### Financial Data:

**Effective Gross Revenues** PRO-FORMA  
\$2,121,112  
**Expenses** 1,378,723  
**Net Operating Income** 742,389

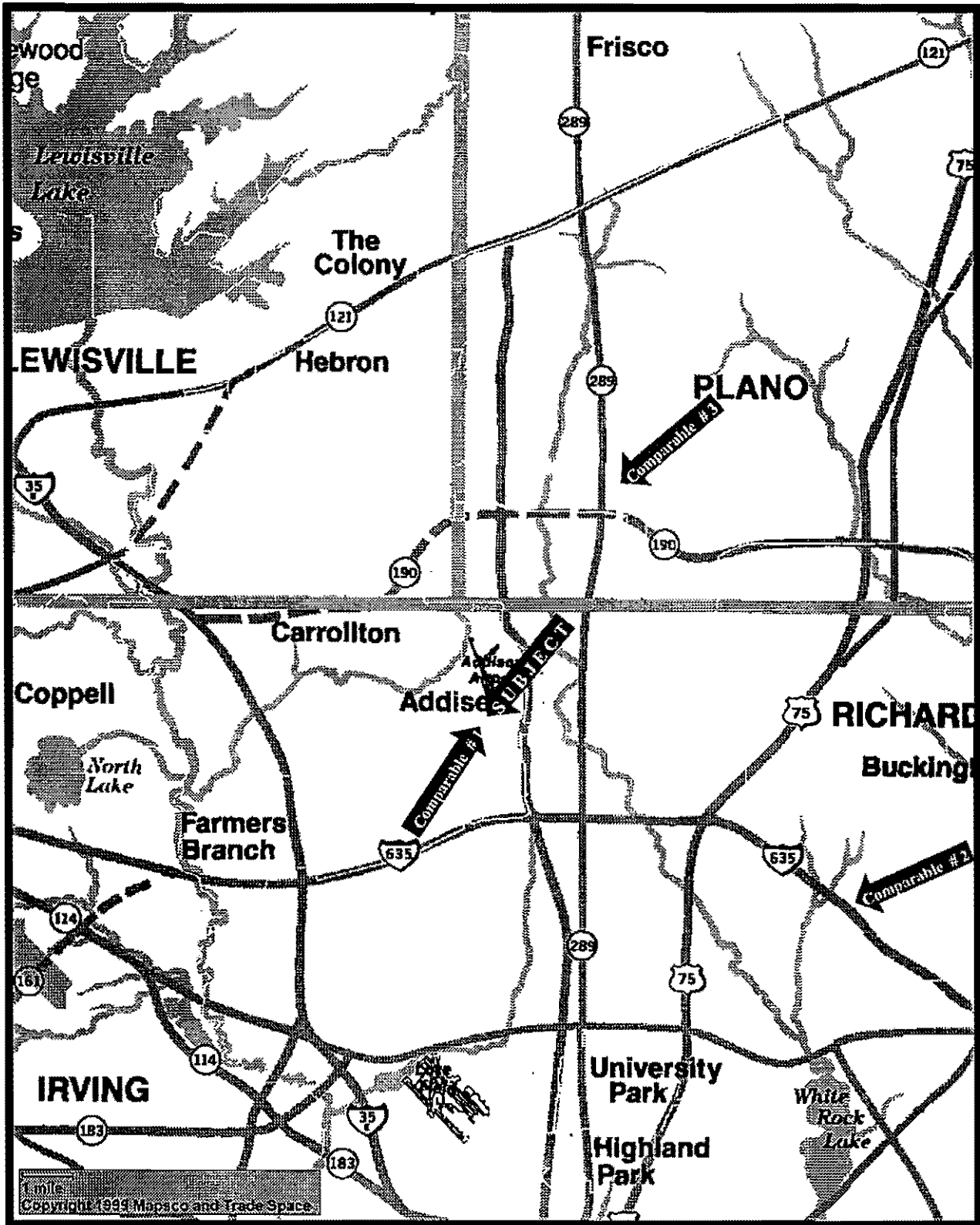
#### Indicators

**Overall Rate:** 13.75%  
**Sale Price per Room:** \$41,221.37  
**Sale Price per Square Foot:** \$66.10  
**Effective Gross Income Multiplier:** 2.55x

**Verified:** SEC Filings  
**Mapsco:** 656U

Income information was estimated from Hotel Occupancy Tax Accounts. Expenses were estimated from statistical information on similar properties.

# COMPARABLE MAP



| COMPARABLE BUILDING SALES SUMMARY |           |            |                    |                    |          |       |
|-----------------------------------|-----------|------------|--------------------|--------------------|----------|-------|
| Sale No.                          | Sale Date | Year Built | Building Area (SF) | Sale Price (\$/SF) |          |       |
|                                   |           |            |                    |                    | Price/RM | EGIM  |
| 1                                 | 05/01     | 1981       | 26,100             | \$69.73            | \$25,634 | 3.00x |
| 2                                 | 12/00     | 1992       | 38,750             | \$51.61            | \$15,152 | n/a   |
| 3                                 | 09/99     | 1996       | 81,692             | \$66.10            | \$41,221 | 2.55x |
| Subject                           | NA        | 1999       | 65,618             | NA                 | NA       | NA    |

**Analysis and Conclusions of Market Data**

All of the sales occurred from 1½ to three years prior to the date of valuation of the subject. Market conditions have deteriorated since that time, brought about by the events of September 11, 2001, the communications/technology market decline, and a significant increase in units just prior to these events in the Dallas market area. However, no adjustment will be made for this market decline at this time. While it is not clear how long it will take the travel market to recover to the levels enjoyed at these dates of sale, it is projected that recovery will occur gradually over the next eighteen to thirty-six months, barring any unforeseen catastrophic events.

The PPJ Corporation sale is located in the same market area as is the subject, but on a less well traveled street. An upward adjustment for location is indicated for this sale. The age and condition of this property are considered comparable to the subject and require no adjustment. This sale is smaller than the subject, indicating a downward adjustment in the "per unit" of comparison category; smaller properties typically selling for a higher "per unit" value than larger units.

The PTR Homestead Village is located in the Skillman/LBJ area, but not on a major thoroughfare. The subject's location is considered to be superior, indicating an upward adjustment to this sale for location. The age of this property is newer than the subject, requiring a downward adjustment to the subject. The overall condition of this property at the sale date was inferior to that of the subject and requires an upward adjustment for condition.

The Promus Hotels sale is located on a less well traveled street than is the subject, requiring an upward adjustment to this sale for location. The age of this property is ±6 years as compared to the ±23 year of the subject. This age difference requires a downward adjustment to the subject. Likewise, the condition of this sale is superior to that of the subject, requiring a downward adjustment to the subject. The size of this sale and the subject are considered comparable.

| BUILDING SALES ADJUSTMENT GRID |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|
|                                | 1                | 2                | 3                |
| Sales Price Per SF/RM          | \$69.73/\$25,634 | \$51.61/\$15,152 | \$66.10/\$41,221 |
| Property Rights Adjustment     | -0-              | -0-              | -0-              |
| Adjusted Sales Price/SF        | \$69.73/\$25,634 | \$51.61/\$15,152 | \$66.10/\$41,221 |
| Financing Terms Adjustment     | -0-              | -0-              | -0-              |
| Cash Equivalent Price/SF       | \$69.73/\$25,634 | \$51.61/\$15,152 | \$66.10/\$41,221 |
| Conditions of Sale Adjustment  | -0-              | -0-              | -0-              |
| Adjusted Price/SF              | \$69.73/\$25,634 | \$51.61/\$15,152 | \$66.10/\$41,221 |
| Time/Market Conditions         | -0-              | -0-              | -0-              |
| Adjusted Price/SF              | \$69.73/\$25,634 | \$51.61/\$15,152 | \$66.10/\$41,221 |
| Location Adjustment            | + 5%             | +10%             | + 5%             |
| Age                            | -0-              | - 5%             | -10%             |
| Condition Adjustment           | -0-              | +15%             | - 5%             |
| Size Adjustment                | -10%             | -0-              | -0-              |
| Net Physical Adjustment Factor | - 5%             | +20%             | -10%             |
| Adjusted Price Per SF/RM       | \$66.24/\$24,352 | \$61.93/\$18,182 | \$59.49/\$37,099 |

After adjustments, comparable building sales indicate a value range of the subject from \$59.49/SF to \$66.24/SF; the indicated value range on a per room basis ranged from \$18,182/RM to \$66.24/FM. Based on these sales, an estimated price per room of \$24,000 was estimated, and a price per square foot of \$61.00/SF was estimated. Therefore;

$$166 \text{ Rooms @ } \$24,000/\text{RM} = \$3,984,000$$

or

$$65,618 \text{ SF @ } \$61.00/\text{SF} = \$4,002,698$$

Based on an average of these two indications, the market value of the subject motel facility (land and improvements) is estimated at;

|   |                                    |
|---|------------------------------------|
| <b>Sales Comparison Approach Value Indication</b> | <b>\$3,994,000</b>                 |
|   | <b>(\$24,060/RM or \$69.87/SF)</b> |

## SALES COMPARISON APPROACH TO VALUE (Restaurant)

An indication of value can be obtained by comparing the subject property with other restaurant properties which have sold in the marketplace. The reliability of this value indication will depend upon the similarities/dissimilarities between the subject and the properties which have sold. The basic units of comparison used by purchasers in the marketplace are the Price Per Unit and the Price per Square Foot of building area.

The Gross Income Multiplier (GIM) is an application that is available when facilities sell with a known sale price and a determinable gross annual income figure. The multiplier is derived by dividing the sale price by gross potential income. It is an accurate gauge to weigh the investment opportunity of one operating property against a similar operating property as it automatically adjusts for any physical, functional, or economic deficiencies of a property as reflected by the action of the rental marketplace.

The GIM is closely related to market action and it is fairly easy to explain. The principal advantage of the technique is that the reflection of rental income is direct. Therefore, differences between properties which could involve adjustments based upon subjective estimates by the appraiser have typically been resolved by the free action of the local rental market. If Property A has some advantage over Property B in age, condition, accessibility, location, or other physical characteristics, the difference in actual rental income presumably reflects the extent of this advantage as viewed in the marketplace. Because some adjustments for relative desirability are thus inherent in the factor, a GIM is not subject to adjustment after having been computed.

The GIM will not be used in this analysis. Although a number of confirmed sales are available with which to compare the subject property, no income history is available for these sales through which a market GIM can be estimated.

The Price Per Square Foot method considers the amount of area contained within a facility. The unit for valuation is computed by taking the sale price of the property and dividing by the square footage. This methodology directly compares the price for which a property actually sold to other properties of a similar nature, design, construction, quality, size, age, finish-out, and underlying land value, etc. The Price Per Square Foot methodology requires that adjustments be made by the appraiser to compensate for physical, functional and/or economic deficiencies of the properties used for comparison with the subject. The Price per Square Foot methodology can be subjective and requires the expertise of the appraiser for adjustments.

The following pages detail sales of three restaurant properties in the Addison area. An analysis with what are considered the appropriate units of comparison follows leading to an estimate of Market Value of the fee simple estate by the Sales Comparison Approach.



## Improved Sale Comparable #1

**Location:** NW/c of Quorum & Beltline, Addison, TX  
**Grantor:** Placid Refining Co. & Hunt Petroleum Corp.  
**Grantee:** Beltline Ground Lease Investors, LP  
**Date of Sale:** July 21, 1999  
**Recorded:** 99141/4434  
**Consideration:** \$1,850,000 ( $\pm 181.28/\text{SF}$ )  
**Terms of Sale:** All cash to grantor  
**Cash Equivalency:** \$1,850,000  
**Legal Description:** Part of Lot 2, Beltline-Quorum Addn., Addison  
**Zoning:** LR, local retail  
**Flood Plain:** No

**Improvement Data:**  
Construction: Masonry, single story free-standing  
Year of Construction:  $\pm 1990$   
Condition & Appeal: Good  
Gross Building Area:  $\pm 10,205$  SF  
Land Area:  $\pm 82,764$  SF  
Land to Building Ratio: 8.11:1  
Type of Parking: Surface, concrete

**Comments:** Building was occupied at the sale date. Base rent reported to be \$10.40/SF triple net, with overage estimated to bring the total rental rate to \$26.80/SF. No expense data was reported (triple net rent). This is a high traffic corner location, one block west of the Dallas North Tollway.

**Verified:** Roddy Report

**Mapsc0:** 14-C

## Improved Sale Comparable #2

**Location:** 4350 Beltline Road, Addison, Texas  
**Grantor:** G M R I, Inc.  
**Grantee:** Ping Corporation  
**Date of Sale:** January 5, 1998  
**Recorded:** 98002/5906  
**Consideration:** \$1,600,000 ( $\pm$ \$178.03)  
**Terms of Sale:** Exec. \$1,350,000 note to Texas First National Bank, Houston, TX  
**Cash Equivalency:** \$1,600,000  
**Legal Description:** Lot 3, Beltway Office Park III-R1, Addison, TX  
**Zoning:** LR SU-1, Addison, TX  
**Flood Plain:** No

**Improvement Data:**  
Construction: Masonry, single story, free-standing  
Year of Construction:  $\pm$ 1992  
Condition & Appeal: Good  
Gross Building Area:  $\pm$ 8,987 SF  
Land Area:  $\pm$ 92,565 SF  
Land to Building Ratio: 10.3:1  
Type of Parking: Surface, concrete

**Comments:** This was previously a Red Lobster restaurant. It had been vacant for  $\pm$ 18 months prior to the sale date. There was approximately \$500,000 of equipment in the facility (seller's estimate), or \$50,000 of equipment (buyer's estimate). This property is located on the south side of Beltline Road  $\pm$  1/2 block east of Midway Road.

**Verified:** Muriel Hsiung, selling broker  
**Mapsco:** 14B

### Improved Sale Comparable #3

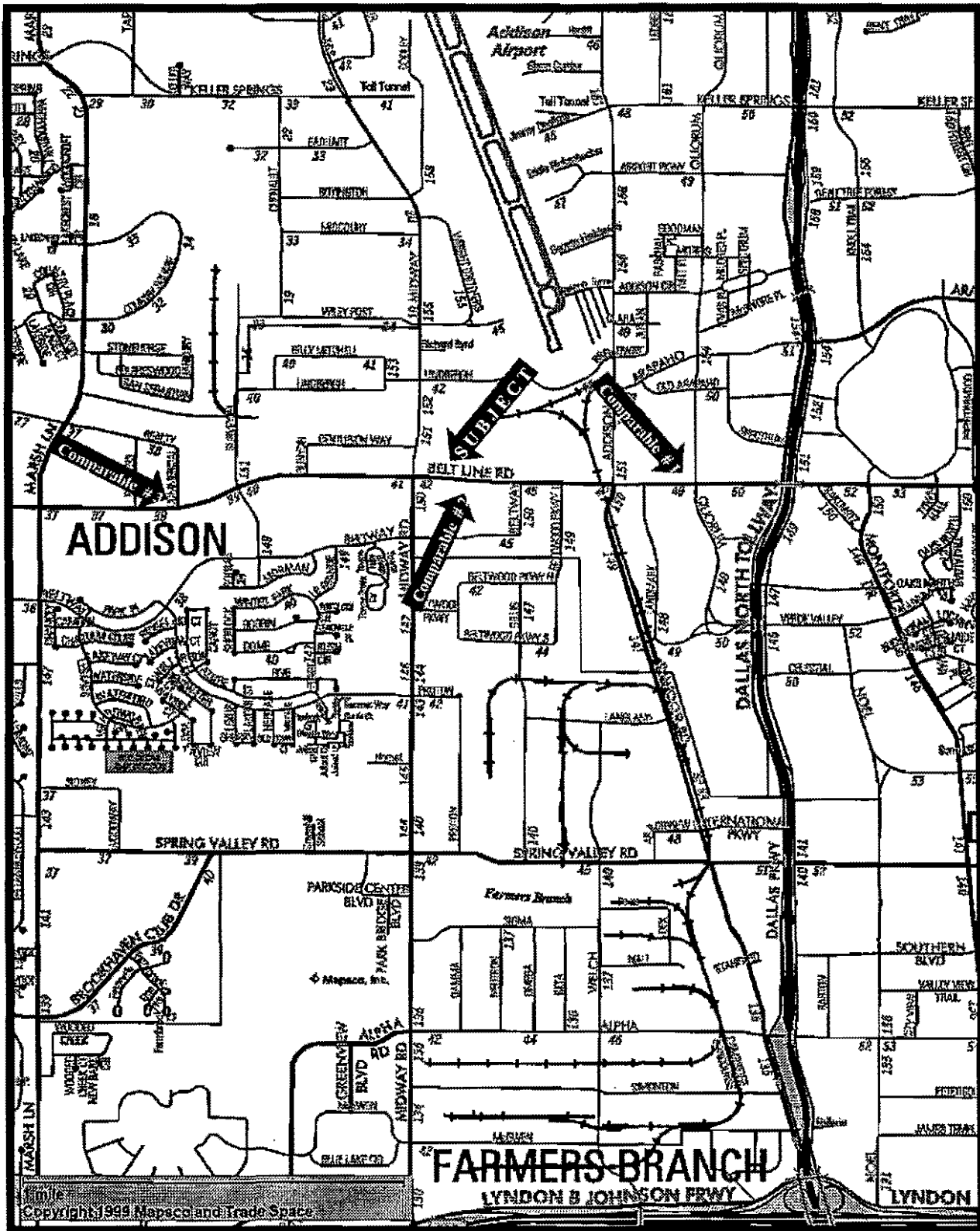
**Location:** 3885 Beltline Road, Addison, Texas  
**Grantor:** Red Robin International  
**Grantee:** The Flaming Grill, Inc.  
**Date of Sale:** July 19, 2000  
**Recorded:** 2000139/5273  
**Consideration:** \$1,550,000 ( $\pm$ \$187.04/SF)  
**Terms of Sale:** Exec. \$1,200,000 note to seller @ market rate  
**Cash Equivalency:** \$1,550,000  
**Legal Description:** Lot C, Block 3, Beltline Marsh Business Park Addn., Addison, Texas  
**Zoning:** PD-18, a local retail type zoning  
**Flood Plain:** No

**Improvement Data:**  
Construction: Masonry, single story, free-standing  
Year of Construction:  $\pm$ 1995  
Condition & Appeal: Good  
Gross Building Area:  $\pm$ 8,287 SF  
Land Area:  $\pm$ 84,419 SF  
Land to Building Ratio: 10.19:1  
Type of Parking: Surface, concrete

**Comments:** This restaurant was vacant at the date of sale. It is located on the north side of Beltline Road, where Commercial Drive intersects from the north. The purchaser reopened the facility as a restaurant and bar.

**Verified:** Kelly Hampton, broker  
**Mapsco:** 14A

# COMPARABLE MAP



| COMPARABLE BUILDING SALES SUMMARY |           |            |                    |                    |
|-----------------------------------|-----------|------------|--------------------|--------------------|
| Sale No.                          | Sale Date | Year Built | Building Area (SF) | Sale Price (\$/SF) |
| 1                                 | 07/99     | 1990       | 10,205             | \$181.28           |
| 2                                 | 01/98     | 1992       | 8,987              | \$178.03           |
| 3                                 | 07/00     | 1995       | 8,287              | \$187.04           |
| Subject                           | NA        | 1980       | 5,521              | NA                 |

Analysis and Conclusions of Market Data

From the available comparable sales, one unit of comparison is derived that is typically utilized in the Sales Comparison Approach to Value. This methodology is utilized by comparing the Sales Prices per Square Foot (SP/SF), taking into consideration and adjusting for physical, locational and market condition factors affecting each sale as compared to the subject property.

Sales Price per Square Foot Analysis

The reader is referred to the previous discussion of adjustment factors presented in the earlier Sales Comparison Approach utilized in estimating the current market value of the land tract. That discussion applies here with the exception of some changes in the physical comparisons. We continue to compare and adjust for Location and Size variations. The remaining two appropriate for improved properties are one for Construction and Design and one for building Age/Condition.

As all of the sales were purchased for typical restaurant operation, all sales are treated as "fee simple" transfers. No unusual financing or other motivating factors were discovered which would affect the "conditions of sale" for any of the sales included herein. A comparison of the sales based solely on the date-of-sale indicates approximately a 1% per year upward adjustment to the subject.

Location

All of the sales are proximate to major arterials, as is the subject. However, Sale #1 is a corner location and is judged to be superior to the interior location of the subject property. A downward adjustment for this factor will be applied to Sale #1. No adjustments are made to Sales #2 and #3 for location.

Size

The subject property is reported to be 5,521 SF in size. The comparables range in size from 8,287 SF to 10,205 SF. While no apparent size differential is noted among the sales, it is noted that the subject is less than one-half the size of any of the selected comparables. However, older sales of varying sizes did not reveal any price differential which could be ascribed to total improvement size either. Restaurant facilities of the same class do not appear to be price/size sensitive at this time in this general location. Therefore, no adjustment will be made for size in this analysis.

### Design/Construction

All of the sales are considered to be of the same general design and construction as the subject facility, even considering normal variations. The comparables, both those selected and older sales reviewed, do not appear to be overly sensitive as long as they are of the same general class.

### Age/Condition

The subject improvements were constructed  $\pm 10$  to  $\pm 15$  years prior to the comparable sales. The subject is judged to be equal in condition to Sale #1, which was operating at its sale date. As Sales #2 and #3 were vacant at their sale dates, it is presumed that they exhibited some deterioration that comes with vacancy, but not to an extent which would off-set their age differential with the subject improvements.

There follows an adjustment grid that sets forth the opinions of the percentage adjustments applicable to the comparable sales as discussed in the sales analysis and in the Comments and Adjustments paragraph of each of the sales previously presented.

| BUILDING SALES ADJUSTMENT GRID |          |          |          |
|--------------------------------|----------|----------|----------|
|                                | 1        | 2        | 3        |
| Sales Price/SF                 | \$181.28 | \$178.03 | \$187.04 |
| Property Rights Adjustment     | -0-      | -0-      | -0-      |
| Adjusted Sales Price/SF        | \$181.28 | \$178.03 | \$187.04 |
| Financing Terms Adjustment     | -0-      | -0-      | -0-      |
| Cash Equivalent Price/SF       | \$181.28 | \$178.03 | \$187.04 |
| Conditions of Sale Adjustment  | -0-      | -0-      | -0-      |
| Adjusted Price/SF              | \$181.28 | \$178.03 | \$187.04 |
| Time/Market Conditions         | + 3%     | + 4%     | + 2%     |
| Adjusted Price/SF              | \$186.72 | \$185.15 | \$190.78 |
| Location Adjustment            | - 5%     | -0-      | -0-      |
| Construction and Design        | -0-      | -0-      | -0-      |
| Age/Condition Adjustment       | -0-      | -0-      | -0-      |
| Size Adjustment                | -0-      | -0-      | -0-      |
| Net Physical Adjustment Factor | - 5%     | -0-      | -0-      |
| Adjusted Price/SF              | \$177.38 | \$185.15 | \$190.78 |

After adjustments, comparable building sales indicate a value range of the subject from \$177.38/SF to \$190.78/SF. The average of the adjusted prices is \$184.44/SF. Because both Sales #2 and #3 are not major corner locations, and because they are the smaller of the three sales, they are judged to be most nearly comparable to the attributes of the subject property at the present. An estimate of

value reflecting the mid-range of Sales #2 and #3, as adjusted, is deemed to be appropriate for the subject property. This would equate to approximately \$187.50/SF of improvement size. Therefore,

| <u>Improvement Size</u> |   | <u>Price/SF</u> |   | <u>Indicated Market Value</u> |
|-------------------------|---|-----------------|---|-------------------------------|
| 5,521 SF                | x | \$187.50/SF     | = | \$1,035,188                   |

Say:

**ESTIMATED MARKET VALUE BY SALES COMPARISON APPROACH, \$1,035,000  
(±\$187.47/SF)**

**Sales Comparison Approach, conclusion**

The estimated value of the subject property, as a whole, would equate to the combined estimates of market value for the motel and the restaurant as independent units. Both components of the whole property are judged to have independent economic merit apart from the other. Both could be segregated from one another and marketed independently. Both could have independent site sizes, exposure, access, and parking to support segregated uses.

Therefore, the estimated market value of the subject property, via the Sales Comparison Approach is represented as follows:

| <u>Component</u>                      | <u>Value Estimate</u>     |
|---------------------------------------|---------------------------|
| Motel Facility                        | \$3,994,000               |
| Restaurant Facility                   | <u>\$1,035,000</u>        |
| Total                                 | \$5,029,000               |
| <b>ESTIMATED MARKET VALUE, Called</b> | <b><u>\$5,029,000</u></b> |



## 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 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;

|  |                    |
|--|--------------------|
| <b>Sales Comparison Approach - Land:</b>     | <b>\$2,998,730</b> |
| <b>Cost Approach:</b>                        | <b>\$5,220,000</b> |
| <b>Income Approach:</b>                      | <b>\$4,936,000</b> |
| <b>Sales Comparison Approach - Improved:</b> | <b>\$5,029,000</b> |

The Income Approach to Value is selected as the most reliable indicator of probable market value for the subject Whole Property. The data for the motel in particular is based on very recently reported income information. While the Cost Approach and the Sales Comparison Approach strongly support the Income Approach, the quality of the data in these two approaches is not judged to be as reliable as the data in the Income Approach. Therefore;

|  |                    |
|--|--------------------|
| <b>WHOLE PROPERTY, say</b>                           | <b>\$4,936,000</b> |
| <u>Components of Value</u>                           |                    |
| Motel Building                                       | \$1,400,000        |
| Restaurant Building                                  | 328,270            |
| Fencing  | 16,600             |
| Landscaping/Sprinkler Sys., etc.                     | 14,400             |
| Signage  | 4,000              |
| Paving/Parking/Walks/Drives (includes asphalt walks) | <u>174,000</u>     |
| Improvement; Total Contributory Value                | 1,937,270          |
| Land Value   | <u>2,998,730</u>   |
| Total  | \$4,936,000        |

## PART TAKEN - VALUATION

This Taking is for the extension of Arapaho Road and is considered as a Partial Property acquisition. The Part Taken is considered as severed land with no self-sustaining economic value. A plat of the subject showing the Part Taken is included in the Addendum of this report. This right-of-way encompasses both the surface and subsurface use of the acquisition area. The use of this Taking is for the construction of the extension of Arapaho Road.

The Part Taken is properly valued as a proportionate or pro-rata portion of the value of the site area taken and the contributory value of the improvements situated thereon. The contributory value of the improvements located within the acquisition area is based on the depreciated value of those improvements.

The right-of-way "Part Taken" consists of a strip of land approximately 80' wide, along the north side of the subject from east to west, generally parallel and adjacent, to the existing improved DART railroad line; a length of roughly  $\pm 373'$ . The land area within the proposed acquisition contains  $\pm 28,008$  SF of site area. Of this 28,008 SF of land area,  $\pm 5,590$  SF is currently encumbered with a 15' wide water easement. There is insufficient land area for independent use consideration, and there is not sufficient utility of shape to support an independent economic use of the area encompassed by the proposed acquisition.

Within the acquisition area are portions of grass ground cover, asphalt and concrete paths, wood and chainlink fencing, concrete paving associated with a tennis court, and some playground fixtures. No other items of contributory value were noted within the acquisition area.

From the Land Valuation section of this report, the estimated fee simple value of the subject site is \$14.00 per square foot of land area for the "fee" area and \$7.00/SF for the "easement" area. The value of the property rights extinguished in the acquisition area are estimated to be 100% of the fee simple interest and/or easement interest.

Therefore, the estimated value of the right-of-way acquisition Part Taken is calculated on the following page:

**Part Taken**

| <b>Land Area:</b>        |                         |               |                  |
|--------------------------|-------------------------|---------------|------------------|
| 22,418 SF - fee          | \$14.00/SF              | \$313,852     |                  |
| 5,590 SF - easement      | \$ 7.00/SF              | <u>39,130</u> |                  |
|                          | <b>Total Land</b>       |               | 352,982          |
|                          | <b>Depr.</b>            |               |                  |
| <b>Improvements:</b>     | <b>Value</b>            |               |                  |
| ±262 LF 8' C/L Fence     | \$10.50/LF              | 2,751         |                  |
| ±290 LF 8' Wood Fence    | 10.00/LF                | 2,900         |                  |
| ±232 LF 10' C/L Fence    | 13.50/LF                | 3,132         |                  |
| ±1,840 SF C/C Walks      | 3.00/SF                 | 5,520         |                  |
| ±2,920 SF Asph. Walks    | 1.25/SF                 | 3,650         |                  |
| ±6,820 SF C/C Tennis Ct. | 3.00/SF                 | 20,460        |                  |
| ±81 LF 6' Wood Fence     | 8.75/LF                 | 709           |                  |
| Playground Equip.        | -0-                     | <u>-0-</u>    |                  |
|                          | <b>Total Improv.</b>    |               | 39,122           |
|                          | <b>Depr.</b>            |               |                  |
| <b>Residuals:*</b>       | <b>Value</b>            |               |                  |
| ±200 LF 10' C/L Fence    | \$13.50/LF              | 2,700         |                  |
| ±5,280 SF C/C Tennis Ct. | 3.00/SF                 | 15,840        |                  |
| ±20,80 SF Asph. Walks    | 1.25/SF                 | <u>2,600</u>  |                  |
|                          | <b>Total Residuals</b>  |               | <u>21,140</u>    |
|                          | <b>Total Part Taken</b> |               | <b>\$413,244</b> |

*\*Residuals refer to those improvements which have been severed within the Part Taken and are not judged to provide contributory value apart from their severed component; i.e., one-half of a paved tennis court, or a portion of a fence around a partial tennis court. These residual improvements which are judged to be of no contributory value apart from the Part Taken are included in the estimate of value for the Part Taken for the sake of clarity.*

## REMAINDER BEFORE THE TAKE - VALUATION

The value of the Remainder Before the Take is valued on the same basis as the Whole Property valuation, reflecting the loss of the land area and improvements in the easement area (Part Taken). In circumstances of partial property acquisitions, wherein the Part Taken is considered as severed land with no independent economic utility apart from the Whole Property, the sum of the values of the Part Taken and the Remainder Before the Take should equal the value of the Whole Property.

Technically, the value of the Remainder Before the Take should reflect the diminished property rights and the value of the improvements not replaced in the easement area.

The value of the Remainder Before the Take is valued as follows: (Refer to Page 32 for a breakdown of the contributory value of the individual components of the subject property value.)

| <u>Remainder Components</u> | <u>Unit Value</u> | <u>Component</u> |
|-----------------------------|-------------------|------------------|
| Land Area                   |                   |                  |
| 188,982 SF - Fee            | \$14.00/SF        | \$2,645,748      |
| Improvements                |                   |                  |
| Motel Bld.                  |                   | \$1,400,000      |
| Restaurant Bld.             |                   | 328,270          |
| Fencing                     | Various           | 4,408            |
| Landscaping, etc.           |                   | 14,400           |
| Signage                     |                   | 4,000            |
| Paving, walks, drives, etc. |                   | <u>125,930</u>   |
| Total                       |                   | \$4,522,756      |

(Whole Property - \$4,936,000 less R.O.W. - \$413,244 equals \$4,522,756)

The contributory value of all remaining improvements are based on the pro-rata share of those remaining improvements.

## REMAINDER AFTER THE TAKE - VALUATION

The Remainder After the Take is valued "as if" all of the public improvements are completed and in place. The Remainder After the Take is valued under the same guide lines and definitions as the Whole Property.

The size and shape of the Remainder site is sufficient for independent economic development. This remainder tract is 188,982 SF in size. Physically, the remaining improvements, parking lots, etc., are well setback from the new right-of-way. Additionally, the Town of Addison does not have rear yard setback requirements for this zoning classification.

The double tennis court which was taken in the right-of-way acquisition, may be able to be partially replaced. It is possible that a single tennis court could be laid-out perpendicular to the original tennis courts.

The budget class motel retains all of it's parking, drives, primary landscape, signage, etc. The restaurant is too far removed from the right-of-way acquisition to be affected by the taking. It's exposure, frontage, and parking are Beltline Road dependent. As room-pricing is the principal method by which this class of motel competes, and as the subject remainder retains all of the normal amenities among it's competitive peers, it is not likely that the presence or absence of a tennis court will have an impact on the remainder motel's ability to attract and hold income. The condition of the tennis courts was such that it is unlikely that they were in service prior to the date of taking.

The land sales, the cost, income, and market data utilized to estimate the value of the Whole Property are judged to be the best data with which to value the Remainder After the Take. All analysis and conclusions remain the same as for the Whole Property evaluation.

Basically, the Remainder After the Take is the original Whole Property with a reduced rear yard depth. There will be a divided concrete road separating the Remainder of the subject property from the DART railroad, while before the acquisition a similar width recreational area separated the rear parking on the subject from the DART railroad. No additional access will be available from the extended Arapaho Road right-of-way to the subject tract.

Neither the Income Approach, the principal approach for estimating the value of the subject, nor the Sales Comparison Approach will reflect any difference in the Value of the Whole Property and the Remainder After the Take. The Cost Approach for the Remainder After the Take would reflect a value more nearly in line with the value of the Whole Property via the Income and Sales Comparison approaches, due to the reduced land area in the site.

Based on the previously rendered Income Approach to Value and Sales Comparison Approach to Value, the estimated value of the Remainder After the Take is \$4,936,000.

## ESTIMATE OF JUST COMPENSATION

As the proposed acquisition represents a Partial Property acquisition, the estimate of Just Compensation is the sum of the estimates of 1) the value of the Part Taken and 2) any damages estimated between the value of the Remainder Before the Take and the value of the Remainder After the Take.

The values of the Remainder Before the Take and the Remainder After the Take indicate that enhancement occurs as a direct result of the improvement/extension of Arapaho Road.

|                           |                    |
|---------------------------|--------------------|
| Remainder Before the Take | \$4,522,756        |
| Remainder After the Take  | <u>\$4,936,000</u> |
| Total                     | (\$ 413,244)       |

A negative value indicates that enhancement arises; i.e., the Remainder is more valuable with the parkway easement in place, than the value of the lost property rights in the take area.

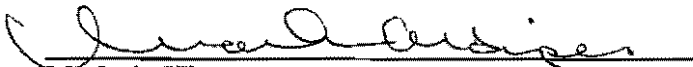
The previously derived estimate of value for the Part Taken also expresses the Estimate of Just Compensation. Therefore:

|                                      |                  |
|--------------------------------------|------------------|
| <b>ESTIMATE OF JUST COMPENSATION</b> | <b>\$413,244</b> |
|--------------------------------------|------------------|

## 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  
Motel Survey Data  
Survey  
Legal Description**

**Qualifications of Mark A. Hipes**



## 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 probably costs given current market conditions, available information and the Appraiser's expertise. Further

deferred maintenance affecting the Property is considered to be limited to only those items, if any specified in detail, in the Property section of this Appraisal.

17. That the existence of potentially hazardous materials used in the construction or maintenance of the Property such as urea-formaldehyde foam insulation, asbestos in any form, and/or other dangerous substances or materials on the Property, has not been considered, unless otherwise shown in the Appraisal. (The Appraiser is not qualified to detect such material or substances and it is the responsibility of the Beneficiary to retain an expert in this field, if desired.)
18. That the liability of the Appraiser and its officer, directors and employees, agents, attorneys and shareholders is limited to the fee collected for preparation of the Appraisal. (Appraiser has no accountability or liability to any third party, except as otherwise agreed in writing by Appraiser and such other party.)
19. That any projected potential gross income of the Property referred to in the Appraisal may be based on lease summaries provided by the Beneficiary, Owner or third parties and Appraiser has not reviewed lease documents and assumes no responsibility for the authenticity, accuracy or completeness of lease information provided by others. (Appraiser suggests that legal advice be obtained regarding the interpretation of the lease provisions and contractual rights of parties under Leases.)
20. That Beneficiary and any party entitled to read this report will consider the Appraisal as only one factor together with many others including its own independent investment considerations and underwriting criteria or other observations, concerns or parameters in formulating its overall investment or operating decision. In particular, Appraiser assumes that the Beneficiary has made/obtained, relied upon and approved the following, none of which was furnished by Appraiser unless otherwise agreed by Appraiser in writing, to wit:
  - a. current survey of the Property showing boundary, roads, flood plains, utilities, encroachments, easements, etc.;
  - b. current title report of the Property with legible copies of all exceptions to title;
  - c. any needed soil tests, engineer's reports and legal and other expert opinions;
  - d. abstract or other report of environmental conditions or hazards affecting the Property;
  - e. current visual inspection of the Property and adequate study of its use, occupancy, history, condition and fitness for the purpose 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.

# PHOTOGRAPHS

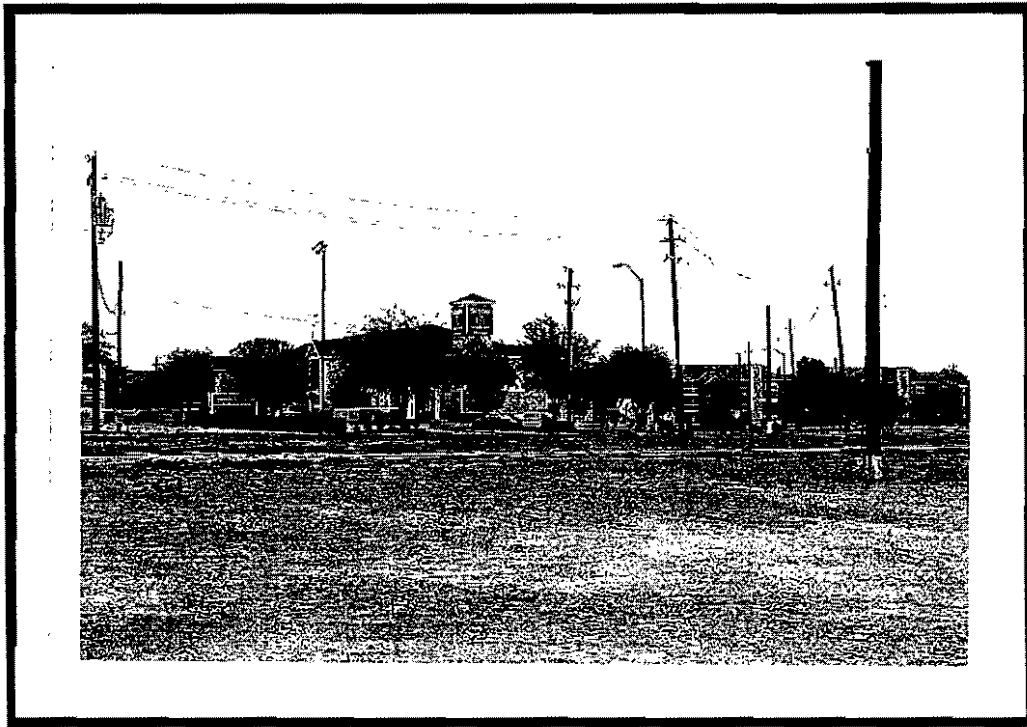


View of the subject from Beltline Road looking  $\pm$ north.



View of improved motel sale @ 4150 Beltway.

# PHOTOGRAPHS



View of improved motel sale @ 9801 Adleta Blvd.



View of improved motel sale @ 4705 Old Shepard Place.

# PHOTOGRAPHS



View of improved restaurant sale @ the NW/c of Beltline Rd. & Quorum.

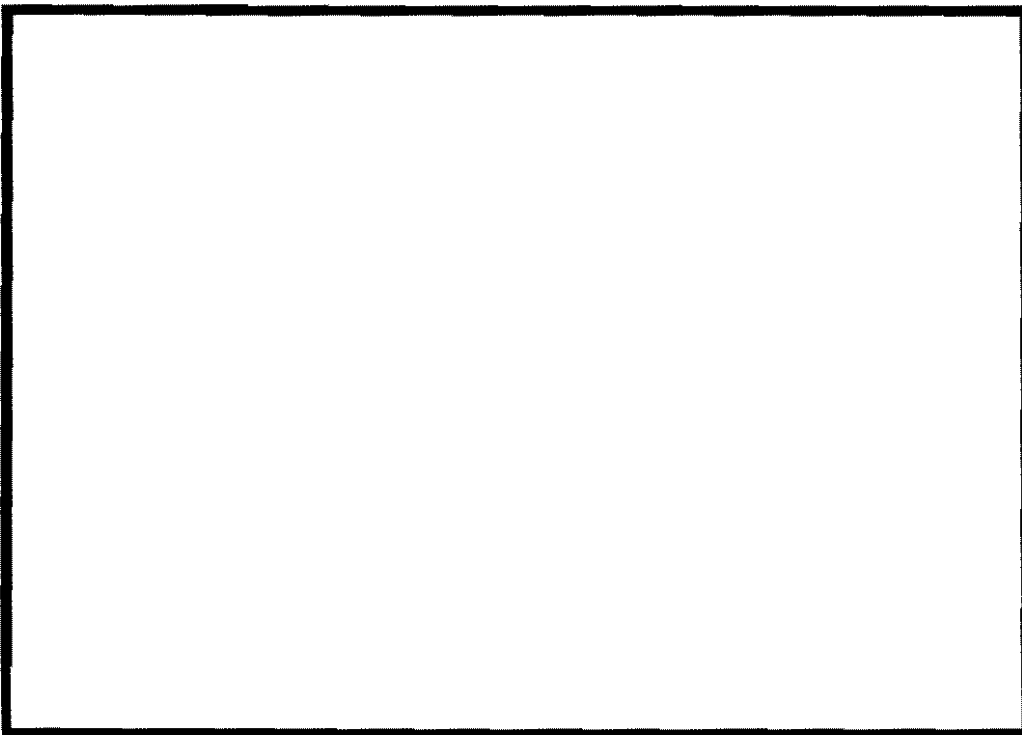


View of the improved restaurant sale @ 4350 Beltline Rd.

# PHOTOGRAPHS



View of the improved restaurant sale @ 3885 Beltline Road.





## LODGING MARKET: ZIPCODE 75244

| YRQ         | #<br>Hotels<br>Motels | #<br>ROOMS | RNIGHTS<br>SOLD 1<br>(000S) | \$ ROOMS<br>REVENUES<br>(000 S) | %<br>OCC2 | \$<br>Rate3 | \$<br>RPAR4 |
|-------------|-----------------------|------------|-----------------------------|---------------------------------|-----------|-------------|-------------|
| 971         | 9                     | 1,304      | 80.2                        | 6,440                           | 68.3      | 80.32       | 54.88       |
| 972         | 9                     | 1,302      | 83.3                        | 6,810                           | 70.3      | 81.75       | 57.48       |
| 973         | 9                     | 1,301      | 85.1                        | 7,199                           | 71.1      | 84.61       | 60.15       |
| 974         | 9                     | 1,347      | 84.6                        | 6,563                           | 68.3      | 77.59       | 52.96       |
| *TOTAL 1997 |                       |            | 333.2                       | 27,013                          | 69.5      | 81.08       | 56.34       |
| 981         | 9                     | 1,304      | 86.1                        | 7,271                           | 73.4      | 84.43       | 61.95       |
| 982         | 9                     | 1,294      | 83.7                        | 7,126                           | 71.1      | 85.13       | 60.52       |
| 983         | 9                     | 1,328      | 79.3                        | 6,717                           | 64.9      | 84.75       | 54.98       |
| 984         | 9                     | 1,284      | 78.1                        | 6,557                           | 66.1      | 83.98       | 55.51       |
| *TOTAL 1998 |                       |            | 327.2                       | 27,671                          | 68.8      | 84.58       | 58.20       |
| 991         | 10                    | 1,365      | 83.4                        | 7,344                           | 67.9      | 88.06       | 59.78       |
| 992         | 11                    | 1,470      | 84.5                        | 7,239                           | 63.2      | 85.64       | 54.11       |
| 993         | 11                    | 1,503      | 86.4                        | 7,090                           | 62.5      | 82.03       | 51.27       |
| 994         | 11                    | 1,449      | 83.3                        | 6,652                           | 62.5      | 79.84       | 49.90       |
| *TOTAL 1999 |                       |            | 337.7                       | 28,325                          | 63.9      | 83.88       | 53.62       |
| 001         | 11                    | 1,462      | 89.2                        | 8,003                           | 67.8      | 89.76       | 60.82       |
| 002         | 11                    | 1,450      | 84.9                        | 7,542                           | 64.3      | 88.84       | 57.16       |
| 003         | 11                    | 1,493      | 77.3                        | 6,570                           | 56.3      | 84.99       | 47.83       |
| 004         | 11                    | 1,449      | 76.9                        | 6,386                           | 57.7      | 83.03       | 47.91       |
| *TOTAL 2000 |                       |            | 328.3                       | 28,501                          | 61.4      | 86.83       | 53.35       |
| 011         | 11                    | 1,452      | 81.5                        | 7,180                           | 62.3      | 88.15       | 54.94       |
| 012         | 11                    | 1,450      | 74.3                        | 6,159                           | 56.3      | 82.94       | 46.68       |
| 013         | 10                    | 1,478      | 65.2                        | 5,450                           | 48.0      | 83.53       | 40.08       |
| 014         | 10                    | 1,434      | 61.4                        | 4,839                           | 46.5      | 78.84       | 36.68       |
| *TOTAL 2001 |                       |            | 282.3                       | 23,628                          | 53.2      | 83.69       | 44.54       |
| 021         | 10                    | 1,437      | 65.8                        | 5,580                           | 50.9      | 84.77       | 43.15       |
| 022         | 10                    | 1,435      | 68.2                        | 5,464                           | 52.2      | 80.08       | 41.84       |
| *TOTAL 2002 |                       |            | 134.1                       | 11,044                          | 51.6      | 82.38       | 42.49       |
| *TOTAL      |                       |            | 1,742.6                     | 146,182                         | 62.1      | 83.89       | 52.06       |

1. Roomnights sold (derived from est. rate and actual room revenues)
2. Occupancy: nights sold divided by nights available for sale(x 100)
3. Average price for each roomnight sold; from Directories and surveys
4. \$ Revenue per available room per day (room sales per day)

PERIOD: TWELVE MONTHS ENDING JUNE 30, 2002  
 LODGING MARKET: ZIPCODE 75244

| BRAND       | #*<br>HTL | *<br>RMS<br>000S | %<br>RMS | EST.<br>RNS<br>000S | %<br>RNS | \$<br>AMT.<br>000s | %<br>AMT | EST.<br>XOCC | \$<br>EST.<br>RATE | \$<br>RPAR |
|-------------|-----------|------------------|----------|---------------------|----------|--------------------|----------|--------------|--------------------|------------|
| CHAINS      |           |                  |          |                     |          |                    |          |              |                    |            |
| HILTON      | 1         | .3               | 21.4     | 58                  | 22.1     | 5,773              | 27.1     | 50.8         | 100.35             | 51.02      |
| RENAISSAN   | 1         | .3               | 20.0     | 54                  | 20.7     | 5,266              | 24.7     | 51.1         | 97.63              | 49.92      |
| TOT UPSCALE | 2         | .6               | 41.4     | 111                 | 42.8     | 11,039             | 51.7     | 51.0         | 99.03              | 50.49      |
| HOMEWOOD    | 1         | .1               | 8.3      | 27                  | 10.3     | 2,715              | 12.7     | 61.3         | 101.09             | 61.98      |
| TOT SUITES  | 1         | .1               | 8.3      | 27                  | 10.3     | 2,715              | 12.7     | 61.3         | 101.09             | 61.98      |
| COURTYARD   | 1         | .1               | 10.0     | 25                  | 9.6      | 2,289              | 10.7     | 47.4         | 91.76              | 43.53      |
| TOT MID/UPS | 1         | .1               | 10.0     | 25                  | 9.6      | 2,289              | 10.7     | 47.4         | 91.76              | 43.53      |
| QUAL STES   | 1         | .1               | 5.4      | 12                  | 4.6      | 784                | 3.7      | 42.1         | 65.34              | 27.52      |
| TOT MIN STE | 1         | .1               | 5.4      | 12                  | 4.6      | 784                | 3.7      | 42.1         | 65.34              | 27.52      |
| FAIRFIELD   | 1         | .1               | 7.4      | 23                  | 8.7      | 1,377              | 6.5      | 57.8         | 61.02              | 35.26      |
| HOLID EXP   | 1         | .1               | 8.0      | 21                  | 8.1      | 1,525              | 7.1      | 50.1         | 72.53              | 36.34      |
| TOT LTD SVE | 2         | .2               | 15.4     | 44                  | 16.7     | 2,902              | 13.6     | 53.8         | 66.57              | 35.82      |
| MOTEL 6     | 1         | .1               | 10.2     | 30                  | 11.6     | 1,102              | 5.2      | 56.2         | 36.30              | 20.39      |
| RAMAD LTD   | 1         | .1               | 5.0      | 6                   | 2.1      | 226                | 1.1      | 21.2         | 40.54              | 8.61       |
| SLEEP INN   | 1         | .1               | 4.4      | 6                   | 2.3      | 277                | 1.3      | 25.5         | 47.07              | 12.03      |
| TOT BUDGET  | 3         | .3               | 19.6     | 42                  | 16.0     | 1,604              | 7.5      | 40.5         | 38.38              | 15.53      |
| TOT CHAINS  | 10        | 1.4              | 100.0    | 261                 | 100.0    | 21,333             | ****     | 49.4         | 81.84              | 40.42      |
| TOT MARKET  | 10        | 1.4              | 100.0    | 261                 | 100.0    | 21,333             | 100      | 49.4         | 81.84              | 40.42      |

\* All figures annualized. Includes taxed and est non-tax room revenues.  
 INDEPENDENTS ARE CATEGORIZED L-LARGE (+\$100 AVERAGE DAILY RATE),  
 M-MEDIUM (\$60-\$99 ADR), AND S-SMALL (-\$60 ADR).

PERIOD: TWELVE MONTHS ENDING JUNE 30, 2001  
 LODGING MARKET: ZIPCODE 75244

| BRAND        | ** | * RMS |       | EST. RNS |       | \$ AMT. |      | EST. \$ |        | \$ RPAR |
|--------------|----|-------|-------|----------|-------|---------|------|---------|--------|---------|
|              |    | HTL   | 000S  | RMS      | 000S  | RNS     | 000s | % AMT   | % OCC  |         |
| CHAINS       |    |       |       |          |       |         |      |         |        |         |
| HILTON       | 1  | .3    | 21.2  | 64       | 20.7  | 6,760   | 25.7 | 56.6    | 105.51 | 59.74   |
| RENAISSAN    | 1  | .3    | 19.8  | 67       | 21.6  | 6,536   | 24.9 | 63.4    | 97.69  | 61.96   |
| TOT UPSCALE  | 2  | .6    | 41.0  | 131      | 42.3  | 13,295  | 50.6 | 59.9    | 101.51 | 60.81   |
|              |    |       |       |          |       |         |      |         |        |         |
| HOMWOOD      | 1  | .1    | 8.2   | 29       | 9.5   | 2,972   | 11.3 | 67.3    | 100.80 | 67.85   |
| TOT SUITES   | 1  | .1    | 8.2   | 29       | 9.5   | 2,972   | 11.3 | 67.3    | 100.80 | 67.85   |
|              |    |       |       |          |       |         |      |         |        |         |
| COURTYARD    | 1  | .1    | 9.9   | 31       | 10.1  | 3,142   | 11.9 | 59.6    | 100.25 | 59.74   |
| TOT MID/UPS  | 1  | .1    | 9.9   | 31       | 10.1  | 3,142   | 11.9 | 59.6    | 100.25 | 59.74   |
|              |    |       |       |          |       |         |      |         |        |         |
| QUAL STES    | 1  | .1    | 5.3   | 14       | 4.4   | 1,001   | 3.8  | 47.7    | 73.78  | 35.17   |
| TOT MIN STE  | 1  | .1    | 5.3   | 14       | 4.4   | 1,001   | 3.8  | 47.7    | 73.78  | 35.17   |
|              |    |       |       |          |       |         |      |         |        |         |
| FAIRFIELD    | 1  | .1    | 7.3   | 26       | 8.3   | 1,608   | 6.1  | 66.3    | 62.16  | 41.18   |
| HOLID EXP    | 1  | .1    | 7.9   | 24       | 7.7   | 1,869   | 7.1  | 56.7    | 78.55  | 44.54   |
| TOT LTD SVE  | 2  | .2    | 15.2  | 50       | 16.0  | 3,478   | 13.2 | 61.3    | 70.01  | 42.92   |
|              |    |       |       |          |       |         |      |         |        |         |
| MOTEL 6      | 1  | .1    | 10.1  | 32       | 10.5  | 1,272   | 4.8  | 60.1    | 39.21  | 23.55   |
| RAMAD LTD    | 1  | .1    | 4.9   | 11       | 3.5   | 493     | 1.9  | 41.2    | 45.56  | 18.77   |
| SLEEP INN    | 1  | .1    | 4.3   | 9        | 3.1   | 536     | 2.0  | 41.3    | 56.49  | 23.32   |
| TOT BUDGET   | 3  | .3    | 19.4  | 53       | 17.0  | 2,302   | 8.8  | 51.1    | 43.62  | 22.28   |
| TOT CHAINS   | 10 | 1.4   | 99.0  | 308      | 99.3  | 26,190  | 99.6 | 58.3    | 85.08  | 49.62   |
|              |    |       |       |          |       |         |      |         |        |         |
| INDEPENDENTS |    |       |       |          |       |         |      |         |        |         |
|              | 1  | .0    | 1.0   | 2        | .7    | 106     | .4   | 38.4    | 50.38  | 19.36   |
| TOT MARKET   | 11 | 1.5   | 100.0 | 310      | 100.0 | 26,295  | 100  | 58.1    | 84.85  | 49.31   |

\* All figures annualized. Includes taxed and est non-tax room revenues.  
 INDEPENDENTS ARE CATEGORIZED L-LARGE (\$100+ AVERAGE DAILY RATE),  
 M-MEDIUM (\$60-99 ADR), AND S-SMALL (UNDER \$60 ADR).

PERIOD: TWELVE MONTHS ENDING JUNE 30, 2000

4

LODGING MARKET: ZIPCODE 75244

| BRAND        | #*<br>HTL | # *<br>RMS<br>000S | %<br>RMS | EST.        |          | \$           |          | EST.         |        | \$<br>RPAR |
|--------------|-----------|--------------------|----------|-------------|----------|--------------|----------|--------------|--------|------------|
|              |           |                    |          | RNS<br>000S | %<br>RNS | AMT.<br>000s | %<br>AMT | XOCC<br>RATE | \$     |            |
| CHAINS       |           |                    |          |             |          |              |          |              |        |            |
| HILTON       | 1         | .3                 | 21.1     | 76          | 22.0     | 8,093        | 27.6     | 66.7         | 107.17 | 71.52      |
| RENAISSAN    | 1         | .3                 | 19.7     | 71          | 20.6     | 6,879        | 23.5     | 67.1         | 97.21  | 65.21      |
| TOT UPSCALE  | 2         | .6                 | 40.9     | 146         | 42.6     | 14,971       | 51.1     | 66.9         | 102.35 | 68.48      |
|              |           |                    |          |             |          |              |          |              |        |            |
| HOMEWOOD     | 1         | .1                 | 8.2      | 30          | 8.8      | 3,045        | 10.4     | 68.8         | 101.01 | 69.52      |
| TOT SUITES   | 1         | .1                 | 8.2      | 30          | 8.8      | 3,045        | 10.4     | 68.8         | 101.01 | 69.52      |
|              |           |                    |          |             |          |              |          |              |        |            |
| COURTYARD    | 1         | .1                 | 9.8      | 37          | 10.7     | 3,706        | 12.7     | 70.3         | 100.31 | 70.48      |
| TOT MID/UPS  | 1         | .1                 | 9.8      | 37          | 10.7     | 3,706        | 12.7     | 70.3         | 100.31 | 70.48      |
|              |           |                    |          |             |          |              |          |              |        |            |
| QUAL STES    | 1         | .1                 | 5.3      | 17          | 4.9      | 1,269        | 4.3      | 59.3         | 75.15  | 44.57      |
| TOT MIN STE  | 1         | .1                 | 5.3      | 17          | 4.9      | 1,269        | 4.3      | 59.3         | 75.15  | 44.57      |
|              |           |                    |          |             |          |              |          |              |        |            |
| FAIRFIELD    | 1         | .1                 | 7.3      | 26          | 7.4      | 1,561        | 5.3      | 65.4         | 61.14  | 39.97      |
| HOLID EXP    | 1         | .1                 | 7.8      | 26          | 7.5      | 2,009        | 6.9      | 61.1         | 78.33  | 47.85      |
| TOT LTD SVE  | 2         | .2                 | 15.1     | 51          | 14.9     | 3,570        | 12.2     | 63.2         | 69.75  | 44.05      |
|              |           |                    |          |             |          |              |          |              |        |            |
| MOTEL 6      | 1         | .1                 | 10.1     | 35          | 10.2     | 1,350        | 4.6      | 64.6         | 38.67  | 24.98      |
| RAMAD LTD    | 1         | .1                 | 4.9      | 14          | 4.2      | 642          | 2.2      | 54.7         | 44.68  | 24.43      |
| SLEEP INN    | 1         | .1                 | 4.3      | 11          | 3.2      | 625          | 2.1      | 47.2         | 57.57  | 27.16      |
| TOT BUDGET   | 3         | .3                 | 19.3     | 60          | 17.5     | 2,616        | 8.9      | 58.2         | 43.52  | 25.33      |
| TOT CHAINS   | 10        | 1.4                | 98.6     | 342         | 99.4     | 29,177       | 99.6     | 64.7         | 85.43  | 55.28      |
|              |           |                    |          |             |          |              |          |              |        |            |
| INDEPENDENTS |           |                    |          |             |          |              |          |              |        |            |
|              | 1         | .0                 | 1.4      | 2           | .6       | 109          | .4       | 30.5         | 49.27  | 15.01      |
| TOT MARKET   | 11        | 1.5                | 100.0    | 344         | 100.0    | 29,287       | 100      | 64.2         | 85.19  | 54.73      |

\* All figures annualized. Includes taxed and est non-tax rooms revenues.  
 INDEPENDENTS ARE CATEGORIZED L-LARGE (\$100+ AVERAGE DAILY RATE),  
 M-MEDIUM (\$60-99 ADR), AND S-SMALL (UNDER \$60 ADR).

PERIOD: TWELVE MONTHS ENDING JUNE 30, 1999

5

LODGING MARKET: ZIPCODE 75244

| BRAND        | #**  | *<br>RMS | %     | EST. |       | \$     |      | EST. |        | \$    |
|--------------|------|----------|-------|------|-------|--------|------|------|--------|-------|
|              |      |          |       | RMS  | 000S  | RNS    | %    | AMT. | %      |       |
| HTL          | 000S |          |       | 000S | RNS   | 000S   | AMT  | %OCC | RATE   | RPAR  |
| CHAINS       |      |          |       |      |       |        |      |      |        |       |
| HILTON       | 1    | .3       | 22.8  | 78   | 23.8  | 8,239  | 29.6 | 68.5 | 106.25 | 72.81 |
| RENAISSAN    | 1    | .3       | 21.2  | 72   | 22.0  | 6,364  | 22.8 | 68.0 | 88.78  | 60.33 |
| TOT UPSCALE  | 2    | .6       | 44.0  | 149  | 45.9  | 14,602 | 52.4 | 68.3 | 97.85  | 66.79 |
|              |      |          |       |      |       |        |      |      |        |       |
| HOMEWOOD     | 1    | .1       | 8.8   | 30   | 9.2   | 3,093  | 11.1 | 68.4 | 103.31 | 70.61 |
| COURTYARD    | 1    | .1       | 10.6  | 40   | 12.4  | 4,097  | 14.7 | 76.5 | 101.80 | 77.90 |
| QUAL STES    | 0    | .0       | 2.8   | 8    | 2.6   | 646    | 2.3  | 59.5 | 76.97  | 45.78 |
|              |      |          |       |      |       |        |      |      |        |       |
| FAIRFIELD    | 0    | .0       | 2.0   | 5    | 1.6   | 282    | 1.0  | 52.7 | 54.92  | 28.95 |
| HOLID EXP    | 1    | .1       | 8.4   | 28   | 8.5   | 2,211  | 7.9  | 66.0 | 79.84  | 52.66 |
| TOT LTD SVE  | 1    | .1       | 10.4  | 33   | 10.1  | 2,492  | 8.9  | 63.5 | 75.94  | 48.20 |
|              |      |          |       |      |       |        |      |      |        |       |
| MOTEL 6      | 1    | .1       | 10.9  | 39   | 11.9  | 1,515  | 5.4  | 71.4 | 39.29  | 28.04 |
| RAMAD LTD    | 1    | .1       | 5.3   | 10   | 2.9   | 430    | 1.5  | 36.3 | 45.07  | 16.36 |
| SLEEP INN    | 1    | .1       | 4.6   | 13   | 4.0   | 799    | 2.9  | 56.1 | 61.94  | 34.76 |
| TOT BUDGET   | 3    | .3       | 20.8  | 61   | 18.8  | 2,744  | 9.9  | 59.1 | 44.98  | 26.56 |
| TOT CHAINS   | 9    | 1.3      | 97.4  | 322  | 98.9  | 27,674 | 99.3 | 66.4 | 86.05  | 57.16 |
|              |      |          |       |      |       |        |      |      |        |       |
| INDEPENDENTS |      |          |       |      |       |        |      |      |        |       |
|              | 1    | .0       | 2.6   | 4    | 1.1   | 182    | .7   | 28.3 | 50.45  | 14.28 |
| TOT MARKET   | 10   | 1.4      | 100.0 | 325  | 100.0 | 27,857 | 100  | 65.5 | 85.65  | 56.06 |

\* All figures annualized. Included taxed and est non-tax rooms revenues.  
 INDEPENDENTS ARE CATEGORIZED L-LARGE (\$100+ AVERAGE DAILY RATE),  
 M=MEDIUM (\$60-99 ADR), AND S=SMALL (UNDER \$60 ADR).

PERIOD: TWELVE MONTHS ENDING JUNE 30, 1998

6

LODGING MARKET: ZIPCODE 75244

| BRAND        | #*<br>HTL | #<br>RMS<br>000S | %     | EST.        |          | \$           |          | EST. |            | \$<br>RPAR |
|--------------|-----------|------------------|-------|-------------|----------|--------------|----------|------|------------|------------|
|              |           |                  |       | RMS<br>000S | %<br>RMS | AMT.<br>000s | %<br>AMT | %OCC | \$<br>RATE |            |
| CHAINS       |           |                  |       |             |          |              |          |      |            |            |
| HILTON       | 1         | .3               | 23.6  | 88          | 25.9     | 8,919        | 31.7     | 77.6 | 101.55     | 78.83      |
| HOMEWOOD     | 1         | .1               | 9.6   | 33          | 9.7      | 3,381        | 12.0     | 71.4 | 102.99     | 73.51      |
| COURTYARD    | 1         | .1               | 11.0  | 40          | 11.9     | 3,828        | 13.6     | 76.3 | 95.04      | 72.54      |
| OTHER MUP    | 1         | .3               | 22.7  | 76          | 22.3     | 6,491        | 23.1     | 69.7 | 85.56      | 59.68      |
| TOT MID/UPS  | 2         | .4               | 33.7  | 116         | 34.2     | 10,319       | 36.6     | 71.9 | 88.85      | 63.88      |
| HOLID EXP    | 1         | .1               | 8.8   | 30          | 8.8      | 2,317        | 8.2      | 71.3 | 77.44      | 55.20      |
| MOTEL 6      | 1         | .1               | 11.3  | 44          | 12.9     | 1,666        | 5.9      | 80.9 | 38.13      | 30.84      |
| RAMAD LTD    | 1         | .1               | 5.5   | 11          | 3.1      | 445          | 1.6      | 40.6 | 41.67      | 16.92      |
| SLEEP INN    | 1         | .1               | 4.8   | 16          | 4.6      | 977          | 3.5      | 68.1 | 62.38      | 42.47      |
| TOT BUDGET   | 3         | .3               | 21.6  | 70          | 20.6     | 3,087        | 11.0     | 67.8 | 44.10      | 29.89      |
| TOT CHAINS   | 8         | 1.3              | 97.3  | 337         | 99.2     | 28,024       | 99.5     | 72.3 | 83.22      | 60.14      |
| INDEPENDENTS |           |                  |       |             |          |              |          |      |            |            |
|              | 1         | .0               | 2.7   | 3           | .8       | 136          | .5       | 21.5 | 49.57      | 10.64      |
| TOT MARKET   | 9         | 1.3              | 100.0 | 339         | 100.0    | 28,160       | 100      | 70.9 | 82.95      | 58.82      |

\* All figures annualized. Included taxed and est non-tax rooms revenues.  
 INDEPENDENTS ARE CATEGORIZED L=LARGE (\$100+ AVERAGE DAILY RATE),  
 M=MEDIUM (\$60-99 ADR), AND S=SMALL (UNDER \$60 ADR).

| CITY    | ADDR           | ZIP       | E 3             | YR          | AVG     |          |
|---------|----------------|-----------|-----------------|-------------|---------|----------|
| ---     | ---            | ---       | S EST 4         | OF          | ADJ 1   |          |
| ---     | ---            | ---       | T AVG. X        | ---         | ---     |          |
| #       | TAXABLE        | GROSS     | ADJ 1           | DAILY       | OCC     | \$ 5     |
| YRQ RMS | REVENUE        | REVENUE   | FACTOR          | RATE        | EST     | REVPAR   |
| ---     | ---            | ---       | ---             | ---         | ---     | ---      |
| ADDISON | 4165 PROTON DR | 75244     | COURTYARD       | BY MARRIOTT | 145     | 87 1.015 |
| 971 135 | COURT          | 825,407   | 849,752         | 1.029       | 90.46   | 77 69.94 |
| 972 133 | COURT          | 884,304   | 899,578         | 1.017       | 91.46   | 81 74.33 |
| 973 132 | COURT          | 863,717   | 876,673         | .000        | 93.19   | 77 72.19 |
| 974 178 | COURT          | 1,012,238 | 1,020,830       | 1.009       | 92.45   | 67 62.34 |
| 981 135 | COURT          | 967,332   | 981,842         | .000        | 96.97   | 83 80.81 |
| 982 133 | COURT          | 934,930   | 948,954         | .000        | 97.75   | 80 78.41 |
| 983 176 | COURT          | 1,213,402 | 1,333,692       | 1.015       | 102.19  | 81 82.37 |
| 984 132 | COURT          | 836,061   | 848,602         | .000        | 97.00   | 72 69.88 |
| 991 135 | COURT          | 976,323   | 990,968         | .000        | 105.34  | 77 81.56 |
| 992 133 | COURT          | 910,488   | 923,243         | 1.014       | 102.17  | 75 76.28 |
| 993 176 | COURT          | 1,146,708 | 1,160,627       | 1.033       | 1101.04 | 71 71.68 |
| 994 132 | COURT          | 781,326   | 787,634         | 1.008       | 95.68   | 68 64.86 |
| 001 135 | COURT          | 916,001   | 926,504         | 1.011       | 101.08  | 75 76.26 |
| 002 133 | COURT          | 822,158   | 831,489         | 1.011       | 103.10  | 67 68.70 |
| 003 176 | COURT          | 982,750   | 989,479         | 1.007       | 101.10  | 60 61.11 |
| 004 132 | COURT          | 682,887   | 692,481         | 1.014       | 99.40   | 57 57.02 |
| 011 135 | COURT          | 793,532   | 799,725         | 1.008       | 106.07  | 62 65.82 |
| 012 133 | COURT          | 650,098   | 659,849         | .000        | 93.64   | 58 54.52 |
| 013 176 | COURT          | 658,063   | 690,809         | 1.050       | 95.89   | 44 42.66 |
| 014 132 | COURT          | 455,430   | 460,814         | 1.012       | 85.69   | 44 37.95 |
| 021 135 | COURT          | 581,674   | 593,448         | 1.020       | 94.31   | 52 48.84 |
| 022 133 | COURT          | 535,856   | 543,894         | .000        | 89.55   | 50 44.94 |
|         | 4103 BELT LINE | 75244     | HOLIDAY EXPRESS | FMR ADDISO  | 84      | 1.083    |
| 971 115 | HIEXP          | 512,123   | 523,239         | 1.022       | 75.55   | 67 50.55 |
| 972 115 | HIEXP          | 569,181   | 578,739         | 1.017       | 78.40   | 71 55.30 |
| 973 115 | HIEXP          | 550,312   | 595,988         | .000        | 79.89   | 71 56.33 |
| 974 115 | HIEXP          | 485,388   | 499,550         | 1.029       | 73.30   | 64 47.22 |
| 981 115 | HIEXP          | 591,051   | 614,348         | 1.039       | 77.39   | 77 59.36 |
| 982 115 | HIEXP          | 585,238   | 607,143         | 1.037       | 78.78   | 74 58.02 |
| 983 115 | HIEXP          | 573,349   | 582,081         | 1.015       | 78.80   | 70 55.02 |
| 984 115 | HIEXP          | 505,369   | 522,622         | 1.034       | 77.32   | 64 49.40 |
| 991 115 | HIEXP          | 538,808   | 567,085         | 1.052       | 80.98   | 68 54.79 |
| 992 115 | HIEXP          | 504,259   | 538,749         | 1.068       | 82.36   | 63 51.48 |
| 993 115 | HIEXP          | 493,104   | 506,944         | 1.028       | 78.49   | 61 47.92 |
| 994 115 | HIEXP          | 470,996   | 477,009         | 1.013       | 75.42   | 60 45.09 |
| 001 115 | HIEXP          | 518,642   | 530,280         | 1.022       | 75.72   | 68 51.23 |
| 002 115 | HIEXP          | 478,394   | 494,366         | 1.033       | 84.37   | 56 47.24 |
| 003 115 | HIEXP          | 482,239   | 494,244         | 1.025       | 82.37   | 57 46.71 |
| 004 115 | HIEXP          | 446,621   | 459,619         | 1.029       | 79.61   | 55 43.44 |
| 011 115 | HIEXP          | 437,831   | 447,209         | 1.021       | 76.20   | 57 43.21 |
| 012 115 | HIEXP          | 451,823   | 468,295         | 1.036       | 76.04   | 59 44.75 |
| 013 115 | HIEXP          | 416,398   | 422,969         | 1.016       | 77.87   | 51 39.98 |
| 014 115 | HIEXP          | 306,859   | 319,151         | 1.040       | 68.82   | 44 30.17 |
| 021 115 | HIEXP          | 366,762   | 385,554         | 1.051       | 71.04   | 52 37.25 |
| 022 115 | HIEXP          | 384,023   | 397,519         | 1.035       | 71.83   | 53 37.99 |

| CITY    | ADDR            | ZIP     | E 3            | YR       | AVG 8    |
|---------|-----------------|---------|----------------|----------|----------|
| ---     | ---             | ---     | S EST 4        | OP       | ADJ 1    |
| #       | BRAND           | TAXABLE | T AVG. 2       | ---      | ---      |
| YRQ RMS |                 | REVENUE | DAILY          | OCG \$ 5 | REVPAR   |
| ---     | ---             | ---     | RATE           | EST      | ---      |
| ADDISON | 4451 BELTLINE R | 75244   | HOMWOOD SUITES | 90       | 1.160    |
| 971 128 | HOMEW           | 671,369 | 830,801 1.237  | 98.87    | 73 72.12 |
| 972 128 | HOMEW           | 761,670 | 897,928 1.179  | 101.98   | 76 77.09 |
| 973 128 | HOMEW           | 643,639 | 844,053 1.311  | 103.92   | 69 71.68 |
| 974 128 | HOMEW           | 623,844 | 764,338 1.225  | 100.11   | 65 64.91 |
| 981 128 | HOMEW           | 719,187 | 872,465 1.213  | 102.89   | 74 75.73 |
| 982 120 | HOMEW           | 696,938 | 900,128 1.292  | 104.74   | 79 82.43 |
| 983 120 | HOMEW           | 605,277 | 841,172 1.390  | 103.47   | 74 76.19 |
| 984 120 | HOMEW           | 609,533 | 743,252 1.219  | 102.00   | 66 67.32 |
| 991 120 | HOMEW           | 671,386 | 781,865 1.165  | 105.47   | 69 72.39 |
| 992 120 | HOMEW           | 592,391 | 726,520 1.226  | 102.18   | 65 66.53 |
| 993 120 | HOMEW           | 539,459 | 761,974 1.350  | 101.06   | 68 69.02 |
| 994 120 | HOMEW           | 423,631 | 705,313 1.665  | 98.66    | 65 63.89 |
| 001 120 | HOMEW           | 545,214 | 796,220 1.460  | 101.06   | 73 73.72 |
| 002 120 | HOMEW           | 544,613 | 781,496 1.435  | 103.08   | 69 71.57 |
| 003 120 | HOMEW           | 374,022 | 699,785 1.871  | 99.08    | 64 63.39 |
| 004 120 | HOMEW           | 531,158 | 695,703 1.310  | 99.38    | 63 63.02 |
| 011 120 | HOMEW           | 574,869 | 778,431 1.354  | 103.00   | 70 72.08 |
| 012 120 | HOMEW           | 517,093 | 797,781 1.543  | 101.46   | 72 73.06 |
| 013 120 | HOMEW           | 377,444 | 658,744 1.745  | 109.02   | 55 59.67 |
| 014 120 | HOMEW           | 386,036 | 641,982 1.663  | 93.59    | 62 58.15 |
| 021 120 | HOMEW           | 444,645 | 714,783 1.608  | 104.39   | 63 66.18 |
| 022 120 | HOMEW           | 484,202 | 699,205 1.444  | 98.37    | 65 64.03 |
|         | 4325 BELT LINE  | 75244   | MOTEL 6 #1125  | 81       | 1.030    |
| 971 148 | MTL 6           | 387,172 | 396,531 1.024  | 38.61    | 77 29.77 |
| 972 148 | MTL 6           | 428,091 | 442,661 1.034  | 39.03    | 84 32.87 |
| 973 148 | MTL 6           | 418,601 | 426,767 1.020  | 39.77    | 79 31.34 |
| 974 148 | MTL 6           | 389,823 | 396,396 1.017  | 35.71    | 82 29.11 |
| 981 148 | MTL 6           | 390,177 | 400,144 1.026  | 36.70    | 82 30.04 |
| 982 148 | MTL 6           | 430,588 | 442,734 .000   | 40.41    | 81 32.87 |
| 983 148 | MTL 6           | 423,762 | 434,602 1.026  | 39.92    | 80 31.92 |
| 984 148 | MTL 6           | 337,280 | 342,074 1.014  | 37.74    | 67 25.12 |
| 991 148 | MTL 6           | 360,086 | 366,582 1.018  | 39.33    | 70 27.52 |
| 992 148 | MTL 6           | 354,726 | 371,465 1.047  | 40.00    | 69 27.58 |
| 993 148 | MTL 6           | 372,234 | 378,173 1.016  | 39.56    | 70 27.77 |
| 994 148 | MTL 6           | 318,890 | 324,485 1.018  | 37.03    | 64 23.83 |
| 001 148 | MTL 6           | 311,072 | 316,571 1.018  | 37.18    | 64 23.77 |
| 002 148 | MTL 6           | 325,567 | 330,412 1.015  | 40.98    | 60 24.53 |
| 003 148 | MTL 6           | 320,631 | 328,388 1.024  | 40.98    | 59 24.12 |
| 004 148 | MTL 6           | 290,554 | 302,270 1.040  | 39.10    | 57 22.20 |
| 011 148 | MTL 6           | 308,249 | 312,549 1.014  | 38.71    | 61 23.46 |
| 012 148 | MTL 6           | 324,972 | 329,232 1.013  | 38.13    | 64 24.45 |
| 013 148 | MTL 6           | 322,948 | 332,636 .000   | 39.05    | 63 24.43 |
| 014 148 | MTL 6           | 246,474 | 253,868 .000   | 34.52    | 54 18.64 |
| 021 148 | MTL 6           | 236,628 | 243,727 .000   | 35.12    | 52 18.30 |
| 022 148 | MTL 6           | 263,394 | 271,296 .000   | 36.01    | 56 20.14 |



| CITY | ADDR  | ZIP     | E | 3     | YR  | AVG    | 9   |
|------|-------|---------|---|-------|-----|--------|-----|
| ---  | ---   | ---     | S | EST   | OP  | ADJ    | 1   |
| YRQ  | #     | TAXABLE | T | AVG,  | --- | ---    | --- |
| RMS  | BRAND | REVENUE | 2 | DAILY | OCC | \$     | 5   |
| ---  | ---   | ---     | 2 | RATE  | EST | REVPAR | --- |

| ADDISON |    | 4555  | BELT LINE | 75244   | QUALITY SUITES |       | 99 | .000  |
|---------|----|-------|-----------|---------|----------------|-------|----|-------|
| 991     | 78 | QUSTE | 332,574   | 346,997 | 1.043          | 77.55 | 64 | 49.43 |
| 992     | 78 | QUSTE | 280,467   | 299,356 | 1.067          | 76.27 | 55 | 42.17 |
| 993     | 78 | QUSTE | 265,166   | 320,835 | 1.210          | 74.44 | 60 | 44.71 |
| 994     | 78 | QUSTE | 253,646   | 281,634 | 1.110          | 73.40 | 53 | 39.25 |
| 001     | 78 | QUSTE | 282,036   | 331,476 | 1.175          | 74.70 | 63 | 47.22 |
| 002     | 78 | QUSTE | 295,163   | 334,932 | 1.135          | 77.82 | 61 | 47.19 |
| 003     | 78 | QUSTE | 233,241   | 248,988 | 1.068          | 74.82 | 46 | 34.70 |
| 004     | 78 | QUSTE | 266,079   | 275,775 | 1.036          | 75.43 | 51 | 38.43 |
| 011     | 78 | QUSTE | 260,362   | 266,610 | 1.024          | 74.17 | 51 | 37.98 |
| 012     | 78 | QUSTE | 186,335   | 209,900 | 1.126          | 70.10 | 42 | 29.57 |
| 013     | 78 | QUSTE | 169,848   | 173,153 | 1.019          | 66.67 | 36 | 24.13 |
| 014     | 78 | QUSTE | 147,266   | 151,677 | 1.030          | 61.73 | 34 | 21.14 |
| 021     | 78 | QUSTE | 191,525   | 207,954 | 1.086          | 66.13 | 45 | 29.62 |
| 022     | 78 | QUSTE | 225,843   | 250,795 | 1.110          | 66.10 | 53 | 35.33 |

|     |    | 4150  | BELTWAY DR | 75244   | RAMADA LIMITED |       | 80 | 1.175 |
|-----|----|-------|------------|---------|----------------|-------|----|-------|
| 971 | 72 | RALTD | 96,886     | 113,841 | .000           | 46.72 | 38 | 17.57 |
| 972 | 72 | RALTD | 78,968     | 92,787  | .000           | 47.23 | 30 | 14.16 |
| 973 | 72 | RALTD | 82,423     | 96,847  | .000           | 45.07 | 32 | 14.62 |
| 974 | 72 | RALTD | 89,298     | 104,925 | .000           | 39.75 | 40 | 15.84 |
| 981 | 72 | RALTD | 89,298     | 104,925 | .000           | 40.86 | 40 | 16.19 |
| 982 | 72 | RALTD | 117,374    | 137,914 | .000           | 41.60 | 51 | 21.05 |
| 983 | 72 | RALTD | 85,384     | 100,326 | .000           | 44.46 | 34 | 15.15 |
| 984 | 72 | RALTD | 89,005     | 104,581 | .000           | 45.35 | 35 | 15.79 |
| 991 | 72 | RALTD | 91,529     | 107,547 | .000           | 45.86 | 36 | 16.60 |
| 992 | 72 | RALTD | 100,000    | 117,500 | .000           | 44.61 | 40 | 17.93 |
| 993 | 72 | RALTD | 101,754    | 150,222 | 1.480          | 43.13 | 53 | 22.68 |
| 994 | 72 | RALTD | 104,307    | 152,707 | 1.464          | 43.38 | 53 | 23.05 |
| 001 | 72 | RALTD | 143,977    | 161,905 | 1.125          | 45.56 | 55 | 24.99 |
| 002 | 72 | RALTD | 119,374    | 177,118 | 1.484          | 46.46 | 58 | 27.03 |
| 003 | 72 | RALTD | 91,758     | 128,818 | 1.404          | 46.46 | 42 | 19.45 |
| 004 | 72 | RALTD | 118,706    | 139,480 | .000           | 45.60 | 46 | 21.06 |
| 011 | 72 | RALTD | 133,392    | 147,265 | 1.104          | 46.33 | 49 | 22.73 |
| 012 | 72 | RALTD | 73,910     | 77,715  | 1.050          | 42.68 | 28 | 11.86 |
| 013 | 72 | RALTD | 68,000     | 73,254  | .000           | 43.70 | 25 | 11.06 |
| 014 | 72 | RALTD | 42,000     | 46,712  | .000           | 39.04 | 18 | 7.05  |
| 021 | 72 | RALTD | 52,541     | 54,823  | .000           | 39.79 | 21 | 8.46  |
| 022 | 72 | RALTD | 50,019     | 51,455  | 1.150          | 38.61 | 20 | 7.85  |

|     |    | 4005  | BELT LINE | 75244   | SLEEP INN |       | .96 | .000  |
|-----|----|-------|-----------|---------|-----------|-------|-----|-------|
| 971 | 63 | SLEEP | 204,007   | 226,856 | .000      | 58.99 | 68  | 40.01 |
| 972 | 63 | SLEEP | 247,795   | 275,548 | .000      | 63.68 | 75  | 48.06 |
| 973 | 63 | SLEEP | 217,526   | 241,889 | .000      | 61.14 | 68  | 41.73 |
| 974 | 63 | SLEEP | 217,099   | 241,414 | .000      | 60.65 | 69  | 41.65 |
| 981 | 63 | SLEEP | 219,451   | 244,030 | .000      | 62.34 | 69  | 43.04 |
| 982 | 63 | SLEEP | 224,169   | 249,276 | .000      | 65.50 | 66  | 43.48 |

| CITY    | ADDR            | ZIP             | E S T                | 4     | YR    | AVG    | 10             |
|---------|-----------------|-----------------|----------------------|-------|-------|--------|----------------|
| ---     | ----            | ---             | T                    | AVG.  | CP    | ADJ    | 1              |
| #       | TAXABLE         | GROSS           | ADJ                  | DAILY | OCC   | \$     | 5              |
| YRQ     | REVENUE         | REVENUE         | FACTOR               | RATE  | EST   | REVPAR |                |
| RMS     | BRAND           |                 |                      |       |       |        |                |
| ADDISON | 4005 BELT LINE  | 75244           | SLEEP INN            |       |       |        | 96 .000        |
| 983     | 63 SLEEP        | 198,390         | .000                 | 61.74 | 62    | 38.06  |                |
| 984     | 63 SLEEP        | 171,641         | .000                 | 61.20 | 54    | 32.93  |                |
| 991     | 63 SLEEP        | 188,139         | .000                 | 64.31 | 57    | 36.90  |                |
| 992     | 63 SLEEP        | 160,659         | .000                 | 60.32 | 52    | 31.16  |                |
| 993     | 63 SLEEP        | 149,106         | .000                 | 58.67 | 49    | 28.61  |                |
| 994     | 63 SLEEP        | 135,158         | .000                 | 57.85 | 45    | 25.93  |                |
| 001     | 63 SLEEP        | 129,277         | .000                 | 55.22 | 46    | 25.35  |                |
| 002     | 63 SLEEP        | 148,171         | .000                 | 58.36 | 49    | 28.74  |                |
| 003     | 63 SLEEP        | 133,141         | .000                 | 58.36 | 44    | 25.54  |                |
| 004     | 63 SLEEP        | 144,651         | .000                 | 58.54 | 47    | 27.75  |                |
| 011     | 63 SLEEP        | 105,650         | .000                 | 55.88 | 37    | 20.72  |                |
| 012     | 63 SLEEP        | 98,727          | .000                 | 52.09 | 37    | 19.15  |                |
| 013     | 63 SLEEP        | 84,979          | .000                 | 51.29 | 32    | 16.30  |                |
| 014     | 63 SLEEP        | 57,877          | .000                 | 45.60 | 24    | 11.10  |                |
| 021     | 63 SLEEP        | 57,425          | .000                 | 46.45 | 24    | 11.26  |                |
| 022     | 63 SLEEP        | 48,425          | .000                 | 43.12 | 22    | 9.39   |                |
| DALLAS  | 13619 INWOOD RD | 75244           | CORPORATE LODGING    |       |       |        | 93 1.500       |
| 971     | 35              | 36,455          | .000                 | 49.68 | 35    | 17.36  |                |
| 972     | 35              | 29,701          | .000                 | 50.23 | 28    | 13.99  |                |
| 973     | 35              | 20,666          | .000                 | 49.15 | 20    | 9.63   |                |
| 974     | 35              | 33,246          | .000                 | 48.76 | 32    | 15.49  |                |
| 981     | 35              | 22,329          | .000                 | 50.11 | 21    | 10.63  |                |
| 982     | 35              | 14,342          | .000                 | 51.01 | 13    | 6.75   |                |
| 983     | 35              | 23,779          | .000                 | 50.40 | 22    | 11.08  |                |
| 984     | 35              | 29,871          | .000                 | 51.41 | 27    | 13.92  |                |
| 991     | 35              | 36,228          | .000                 | 50.00 | 34    | 17.25  |                |
| 992     | 35              | 31,752          | .000                 | 50.00 | 30    | 14.95  |                |
| 993     | 25              | 22,752          | .000                 | 49.45 | 30    | 14.84  |                |
| 994     | 15              | 16,747          | .000                 | 48.76 | 37    | 18.20  |                |
| 001     | 25              | 19,499          | .000                 | 48.96 | 27    | 13.00  |                |
| 002     | 15              | 13,986          | .000                 | 49.94 | 31    | 15.37  |                |
| 003     | 15              | 14,489          | .000                 | 49.94 | 32    | 15.75  |                |
| 004     | 15              | 17,647          | .000                 | 50.09 | 38    | 19.18  |                |
| 011     | 15              | 24,835          | .000                 | 50.89 | 54    | 27.59  |                |
| 012     | 15              | 13,690          | .000                 | 50.13 | 30    | 15.04  |                |
|         | 4099 VALLEY VIE | 75244           | RENAISSANCE N DALLAS |       |       |        | FMR M 80 1.075 |
| 971     | 298             | MEDAL 1,248,489 | 1,351,916            | 1.083 | 78.57 | 64     | 50.41          |
| 972     | 298             | MEDAL 1,279,184 | 1,375,123            | .000  | 79.43 | 64     | 50.71          |
| 973     | 298             | MEDAL 1,876,976 | 2,053,989            | 1.094 | 97.24 | 77     | 74.92          |
| 974     | 298             | MEDAL 1,215,082 | 1,335,189            | 1.099 | 75.63 | 64     | 48.70          |
| 981     | 298             | RENAS 1,405,279 | 1,587,100            | 1.129 | 83.89 | 71     | 59.18          |
| 982     | 298             | RENAS 1,277,957 | 1,514,802            | 1.185 | 83.36 | 67     | 55.86          |
| 983     | 289             | RENAS 1,050,217 | 1,179,183            | 1.123 | 85.35 | 52     | 44.35          |
| 984     | 289             | RENAS 1,467,737 | 1,605,255            | 1.094 | 87.06 | 69     | 60.38          |
| 991     | 289             | RENAS 1,670,978 | 1,796,583            | 1.075 | 90.02 | 77     | 69.07          |

| CITY         | ADDR            | ZIP             | E 3                  | S EST 4      | YR         | AVG 11  |             |
|--------------|-----------------|-----------------|----------------------|--------------|------------|---------|-------------|
| -----        | -----           | ---             | T AVG.               | %            | OP         | ADJ 1   |             |
| YRQ RMS      | BRAND           | TAXABLE REVENUE | GROSS REVENUE        | ADJ 1 FACTOR | DAILY RATE | OCC EST | \$ 5 REVPAR |
| -----        | -----           | -----           | -----                | -----        | -----      | -----   | -----       |
| DALLAS       | 4099 VALLEY VIE | 75244           | RENAISSANCE N DALLAS | FMR M        | 80         | 1.075   |             |
| 992 289      | RENAS           | 1,665,945       | 1,782,596            | 1.070        | 91.55      | 74      | 67.78       |
| 993 289      | RENAS           | 1,261,045       | 1,499,364            | 1.189        | 86.59      | 65      | 56.39       |
| 994 289      | RENAS           | 1,396,307       | 1,523,833            | 1.091        | 86.36      | 66      | 57.31       |
| 001 289      | RENAS           | 1,850,651       | 2,020,765            | 1.092        | 111.81     | 69      | 77.69       |
| 002 289      | RENAS           | 1,708,724       | 1,834,655            | 1.074        | 103.48     | 67      | 69.76       |
| 003 289      | RENAS           | 1,398,512       | 1,508,041            | 1.078        | 95.48      | 59      | 56.72       |
| 004 289      | RENAS           | 1,549,925       | 1,643,814            | 1.061        | 95.77      | 65      | 61.83       |
| 011 289      | RENAS           | 1,685,117       | 1,919,226            | 1.139        | 100.35     | 74      | 73.79       |
| 012 289      | RENAS           | 1,245,438       | 1,464,651            | 1.176        | 98.84      | 56      | 55.69       |
| 013 289      | RENAS           | 1,133,066       | 1,374,876            | 1.213        | 101.22     | 51      | 51.71       |
| 014 289      | RENAS           | 1,166,705       | 1,292,816            | 1.108        | 96.75      | 50      | 48.62       |
| 021 289      | RENAS           | 1,165,294       | 1,317,042            | 1.130        | 98.45      | 51      | 50.64       |
| 022 289      | RENAS           | 1,192,029       | 1,281,431            | .000         | 94.10      | 52      | 48.73       |
| FARMERS BRAN | 13900 PARKSIDE  | 75244           | FAIRFIELD INN        | CHG          | 99         | 1.025   |             |
| 992 107      | FAIRF           | 271,874         | 281,874              | 1.037        | 54.92      | 53      | 28.95       |
| 993 107      | FAIRF           | 306,233         | 313,889              | .000         | 56.29      | 57      | 31.89       |
| 994 107      | FAIRF           | 346,131         | 367,408              | 1.061        | 57.47      | 65      | 37.32       |
| 001 107      | FAIRF           | 426,086         | 433,216              | 1.017        | 63.72      | 71      | 44.99       |
| 002 107      | FAIRF           | 433,932         | 446,451              | 1.029        | 66.00      | 69      | 45.85       |
| 003 107      | FAIRF           | 409,208         | 419,689              | 1.026        | 63.00      | 68      | 42.63       |
| 004 107      | FAIRF           | 374,913         | 401,668              | 1.071        | 59.18      | 69      | 40.80       |
| 011 107      | FAIRF           | 406,917         | 421,138              | 1.035        | 65.21      | 67      | 43.73       |
| 012 107      | FAIRF           | 336,123         | 365,940              | 1.089        | 61.28      | 61      | 37.58       |
| 013 107      | FAIRF           | 342,384         | 354,592              | 1.036        | 62.76      | 57      | 36.02       |
| 014 107      | FAIRF           | 323,616         | 331,106              | 1.023        | 59.69      | 56      | 33.64       |
| 021 107      | FAIRF           | 325,473         | 338,440              | 1.040        | 61.75      | 57      | 35.14       |
| 022 107      | FAIRF           | 332,126         | 352,882              | 1.062        | 59.91      | 60      | 36.24       |
|              | 4801 LYNDON B J | 75244           | PARKWAY HILTON       |              |            | 79      | 1.040       |
| 971 310      | HILTO           | 2,012,254       | 2,092,744            | .000         | 101.61     | 74      | 75.01       |
| 972 310      | HILTO           | 2,140,514       | 2,202,837            | 1.029        | 102.73     | 76      | 78.09       |
| 973 310      | HILTO           | 1,997,979       | 2,032,091            | 1.017        | 94.49      | 75      | 71.25       |
| 974 310      | HILTO           | 2,068,020       | 2,150,741            | .000         | 94.73      | 80      | 75.41       |
| 981 310      | HILTO           | 2,339,047       | 2,432,609            | .000         | 107.63     | 81      | 87.19       |
| 982 310      | HILTO           | 2,256,998       | 2,303,810            | 1.021        | 109.57     | 75      | 81.67       |
| 983 310      | HILTO           | 1,943,820       | 1,989,612            | 1.024        | 102.31     | 68      | 69.76       |
| 984 310      | HILTO           | 2,110,335       | 2,154,859            | 1.021        | 100.28     | 75      | 75.56       |
| 991 310      | HILTO           | 2,079,783       | 2,123,018            | 1.021        | 110.93     | 69      | 76.09       |
| 992 310      | HILTO           | 1,902,731       | 1,971,201            | 1.036        | 112.82     | 62      | 69.88       |
| 993 310      | HILTO           | 1,763,685       | 1,797,717            | 1.019        | 104.66     | 60      | 63.03       |
| 994 310      | HILTO           | 1,833,139       | 1,856,652            | 1.013        | 101.22     | 64      | 65.10       |
| 001 310      | HILTO           | 2,268,719       | 2,313,224            | 1.020        | 112.67     | 74      | 82.91       |
| 002 310      | HILTO           | 2,073,535       | 2,125,034            | 1.025        | 109.16     | 69      | 75.33       |
| 003 310      | HILTO           | 1,569,406       | 1,582,944            | 1.009        | 106.16     | 52      | 55.50       |
| 004 310      | HILTO           | 1,559,956       | 1,588,091            | 1.018        | 102.47     | 54      | 55.68       |
| 011 310      | HILTO           | 1,911,252       | 1,932,908            | 1.011        | 112.24     | 62      | 69.28       |

| CITY    | ADDR | ZIP             | E 3             | S EST 4       | T AVG. %     | DAILY OCC \$ 5 | YR OP   | AVG ADJ 1 | 12 |
|---------|------|-----------------|-----------------|---------------|--------------|----------------|---------|-----------|----|
| YRQ     | RMS  | BRAND           | TAXABLE REVENUE | GROSS REVENUE | ADJ 1 FACTOR | DAILY RATE     | OCC EST | \$ REVPAR |    |
| FARMERS | BRAN | 4801 LYNDON B J | 75244           | PARKWAY       | HILTON       |                | 79      | 1.040     |    |
| 012     | 310  | HILTO           | 1,613,249       | 1,655,628     | 1.026        | 100.71         | 58      | 58.69     |    |
| 013     | 310  | HILTO           | 1,211,436       | 1,274,770     | 1.052        | 100.36         | 45      | 44.70     |    |
| 014     | 310  | HILTO           | 1,252,749       | 1,276,512     | 1.019        | 96.88          | 46      | 44.76     |    |
| 021     | 310  | HILTO           | 1,635,149       | 1,660,687     | 1.016        | 106.71         | 56      | 59.52     |    |
| 022     | 310  | HILTO           | 1,501,141       | 1,561,187     | .000         | 97.01          | 57      | 55.34     |    |

ENDNOTES:

1. Factor used to adjust taxable to gross revenues. Area factor used if property data not available. Taxable equals 89% of gross Statewide.
  2. A number or a 'Y' indicates quarter's revenues were estimated.
  3. Estimated Average Daily Rate (e.g. 60-85% of 'rack single');
  4. Occupancy derived from calculated roomnights sold (gross room revenues divided by Average Daily Rate), divided by roomnights available.
  5. Total REVENUES Per Available Room per day, or 'REVPAR';
- Prepared from State Comptroller, chain directories and private records.  
INCLUDES ALL QUARTERLY REPORTS EXCEEDING \$16,500 (OTHERWISE OMITTED).

## LODGING MARKET: SELECTED DALLAS ZIPCODES

| YRQ         | #      |        | RNIGHTS | \$ ROOMS |       | %      | \$    | \$  |
|-------------|--------|--------|---------|----------|-------|--------|-------|-----|
|             | Hotels | Motels | SOLD 1  | REVENUES | Rate3 |        |       |     |
| ---         | ---    | ---    | (000S)  | (000 S)  | OCC2  | ---    | ---   | --- |
| 971         | 20     | 4,107  | 260.8   | 27,070   | 70.6  | 103.80 | 73.24 |     |
| 972         | 22     | 4,251  | 283.9   | 28,996   | 73.4  | 102.12 | 74.96 |     |
| 973         | 23     | 4,571  | 291.3   | 29,393   | 69.3  | 100.90 | 69.89 |     |
| 974         | 22     | 4,511  | 300.9   | 30,304   | 72.5  | 100.72 | 73.02 |     |
| *TOTAL 1997 |        |        | 1,136.9 | 115,762  | 71.4  | 101.82 | 72.71 |     |
| 981         | 23     | 4,627  | 300.5   | 32,026   | 72.2  | 106.58 | 76.91 |     |
| 982         | 23     | 4,621  | 299.1   | 31,635   | 71.1  | 105.77 | 75.23 |     |
| 983         | 24     | 4,865  | 298.9   | 30,382   | 66.8  | 101.64 | 67.88 |     |
| 984         | 25     | 4,836  | 301.0   | 31,079   | 67.6  | 103.27 | 69.85 |     |
| *TOTAL 1998 |        |        | 1,199.4 | 125,121  | 69.4  | 104.32 | 72.35 |     |
| 991         | 27     | 4,989  | 311.5   | 33,081   | 69.4  | 106.19 | 73.67 |     |
| 992         | 26     | 5,064  | 300.9   | 31,983   | 65.3  | 106.28 | 69.40 |     |
| 993         | 26     | 5,269  | 300.2   | 29,635   | 61.9  | 98.71  | 61.14 |     |
| 994         | 26     | 5,053  | 311.3   | 32,096   | 67.0  | 103.10 | 69.04 |     |
| *TOTAL 1999 |        |        | 1,224.0 | 126,796  | 65.8  | 103.59 | 68.19 |     |
| 001         | 27     | 5,078  | 326.4   | 34,728   | 71.4  | 106.39 | 75.99 |     |
| 002         | 28     | 5,567  | 336.6   | 35,074   | 66.4  | 104.20 | 69.23 |     |
| 003         | 28     | 5,824  | 333.4   | 32,561   | 62.2  | 97.65  | 60.77 |     |
| 004         | 29     | 5,599  | 334.0   | 34,350   | 64.8  | 102.86 | 66.69 |     |
| *TOTAL 2000 |        |        | 1,330.4 | 136,714  | 66.0  | 102.76 | 67.86 |     |
| 011         | 29     | 5,607  | 330.6   | 34,712   | 65.5  | 104.99 | 68.79 |     |
| 012         | 29     | 5,649  | 323.1   | 30,387   | 62.9  | 94.04  | 59.11 |     |
| 013         | 29     | 5,906  | 286.1   | 25,527   | 52.7  | 89.22  | 46.98 |     |
| 014         | 30     | 5,760  | 275.0   | 23,149   | 51.9  | 84.17  | 43.68 |     |
| *TOTAL 2001 |        |        | 1,214.9 | 113,776  | 58.1  | 93.65  | 54.39 |     |
| 021         | 30     | 5,778  | 281.3   | 27,641   | 54.1  | 98.26  | 53.15 |     |
| 022         | 30     | 5,770  | 280.5   | 25,271   | 53.4  | 90.11  | 48.13 |     |
| *TOTAL 2002 |        |        | 561.8   | 52,912   | 53.8  | 94.19  | 50.63 |     |
| *TOTAL      |        |        | 6,667.4 | 671,081  | 64.5  | 100.65 | 64.95 |     |

1. Roomnights sold (derived from est. rate and actual room revenues)
2. Occupancy: nights sold divided by nights available for sale(x 100)
3. Average price for each roomnight sold;from Directories and surveys
4. \$ Revenue per available room per day (room sales per day)

PERIOD: TWELVE MONTHS ENDING JUNE 30, 2002

3

LODGING MARKET: SELECTED DALLAS ZIPCODES

| BRAND               | #* HTL | # RMS 000S | % RMS | EST. RNS 000S | % RNS | \$ AMT. 000s | % AMT | EST. %OCC | EST. \$ RATE | \$ RPAR |
|---------------------|--------|------------|-------|---------------|-------|--------------|-------|-----------|--------------|---------|
| <b>CHAINS</b>       |        |            |       |               |       |              |       |           |              |         |
| WESTIN              | 1      | .4         | 7.4   | 90            | 8.0   | 16,373       | 16.1  | 56.9      | 182.88       | 104.08  |
| DOUBLTREE           | 1      | .5         | 8.8   | 95            | 8.5   | 11,176       | 11.0  | 51.2      | 117.50       | 60.16   |
| INT-C               | 1      | .5         | 9.1   | 98            | 8.8   | 11,560       | 11.4  | 50.9      | 117.60       | 59.87   |
| MARRIOTT            | 1      | .5         | 9.4   | 113           | 10.1  | 13,370       | 13.2  | 56.7      | 118.20       | 67.05   |
| TOT UPSCALE         | 3      | 1.6        | 27.3  | 307           | 27.3  | 36,106       | 35.5  | 53.0      | 117.79       | 62.44   |
| <b>SUITES</b>       |        |            |       |               |       |              |       |           |              |         |
| EMBASSY             | 1      | .2         | 2.6   | 35            | 3.1   | 4,524        | 4.5   | 63.2      | 130.64       | 82.63   |
| OTH SUITE           | 2      | .4         | 7.4   | 84            | 7.5   | 8,442        | 8.3   | 53.7      | 100.87       | 54.16   |
| RESIDENCE           | 2      | .2         | 3.8   | 39            | 3.5   | 3,799        | 3.7   | 49.2      | 96.61        | 47.57   |
| TOT SUITES          | 5      | .8         | 13.7  | 158           | 14.0  | 16,765       | 16.5  | 54.3      | 106.35       | 57.71   |
| <b>MID/UPS</b>      |        |            |       |               |       |              |       |           |              |         |
| COURTYARD           | 1      | .2         | 3.0   | 43            | 3.9   | 3,725        | 3.7   | 68.0      | 85.73        | 58.29   |
| CROWNPLZA           | 1      | .4         | 7.4   | 83            | 7.4   | 6,336        | 6.2   | 53.2      | 76.10        | 40.46   |
| HILT GARD           | 1      | .1         | 1.7   | 20            | 1.8   | 1,792        | 1.8   | 57.6      | 88.74        | 51.15   |
| TOT MID/UPS         | 3      | .7         | 12.1  | 147           | 13.1  | 11,854       | 11.7  | 57.5      | 80.69        | 46.39   |
| <b>MIN STE</b>      |        |            |       |               |       |              |       |           |              |         |
| AMERI STS           | 1      | .1         | 2.2   | 22            | 2.0   | 1,579        | 1.6   | 48.1      | 71.90        | 34.61   |
| BRADFORD            | 1      | .1         | 2.3   | 26            | 2.3   | 1,630        | 1.6   | 55.1      | 61.86        | 34.08   |
| CANDLWOOD           | 1      | .1         | 2.3   | 27            | 2.4   | 1,480        | 1.5   | 55.9      | 54.18        | 30.27   |
| MAINSTAY            | 1      | .1         | 1.2   | 10            | .9    | 510          | .5    | 37.5      | 53.32        | 19.97   |
| TOT MIN STE         | 4      | .5         | 7.9   | 85            | 7.6   | 5,199        | 5.1   | 50.7      | 61.03        | 30.97   |
| <b>LTD SVE</b>      |        |            |       |               |       |              |       |           |              |         |
| CNTRY INN           | 1      | .1         | 1.8   | 18            | 1.6   | 1,345        | 1.3   | 48.4      | 74.66        | 36.13   |
| COMFO INN           | 1      | .1         | 1.5   | 13            | 1.1   | 718          | .7    | 40.9      | 55.89        | 22.88   |
| HAMPTON             | 1      | .2         | 2.7   | 29            | 2.5   | 1,819        | 1.8   | 49.2      | 63.71        | 31.34   |
| LA QUINTA           | 1      | .2         | 2.6   | 25            | 2.2   | 1,770        | 1.7   | 44.8      | 71.28        | 31.90   |
| WINGATE             | 1      | .1         | 1.7   | 19            | 1.7   | 1,101        | 1.1   | 50.8      | 58.81        | 29.86   |
| TOT LTD SVE         | 5      | .6         | 10.3  | 103           | 9.2   | 6,753        | 6.6   | 47.0      | 65.58        | 30.84   |
| <b>EXT STA</b>      |        |            |       |               |       |              |       |           |              |         |
| BUDG STES           | 1      | .3         | 5.9   | 75            | 6.7   | 2,254        | 2.2   | 59.7      | 30.09        | 17.95   |
| SUBUR LDG           | 1      | .1         | 2.4   | 26            | 2.3   | 760          | .7    | 51.8      | 29.10        | 15.08   |
| X. EXT              | 1      | .1         | 1.6   | 24            | 2.1   | 655          | .6    | 71.4      | 27.80        | 19.84   |
| TOT EXT STA         | 3      | .6         | 9.9   | 125           | 11.1  | 3,669        | 3.6   | 59.6      | 29.45        | 17.56   |
| <b>RED ROOF</b>     |        |            |       |               |       |              |       |           |              |         |
| RED ROOF            | 1      | .1         | 2.4   | 22            | 2.0   | 901          | .9    | 44.8      | 40.27        | 18.03   |
| TOT CHAINS          | 25     | 5.3        | 91.0  | 1,036         | 92.2  | 97,620       | 96.1  | 53.7      | 94.25        | 50.65   |
| <b>INDEPENDENTS</b> |        |            |       |               |       |              |       |           |              |         |
| MEDIUM              | 1      | .1         | 2.2   | 22            | 2.0   | 1,541        | 1.5   | 47.9      | 69.38        | 33.25   |
| SMALL               | 4      | .4         | 6.8   | 65            | 5.8   | 2,427        | 2.4   | 44.9      | 37.39        | 16.79   |
| TOTAL INDEP         | 5      | .5         | 9.0   | 87            | 7.8   | 3,968        | 3.9   | 45.6      | 45.55        | 20.79   |
| TOT MARKET          | 30     | 5.8        | 100.0 | 1,123         | 100.0 | 101,588      | 100   | 53.0      | 90.47        | 47.96   |

\* All figures annualized. Includes taxed and est non-tax room revenues.  
 INDEPENDENTS ARE CATEGORIZED L=LARGE (+\$100 AVERAGE DAILY RATE),  
 M=MEDIUM (\$60-\$99 ADR), AND S=SMALL (-\$60 ADR).

PERIOD: TWELVE MONTHS ENDING JUNE 30, 2001  
 LODGING MARKET: SELECTED DALLAS ZIPCODES

4

| BRAND        | #* HTL | * RMS OOS | % RMS | EST. RNS OOS | % RNS | \$ AMT. OOSs | % AMT | EST. %OCC | EST. \$ RATE | \$ RPAR |
|--------------|--------|-----------|-------|--------------|-------|--------------|-------|-----------|--------------|---------|
| CHAINS       |        |           |       |              |       |              |       |           |              |         |
| WESTIN       | 1      | .4        | 7.6   | 111          | 8.4   | 21,832       | 16.5  | 70.6      | 196.63       | 138.78  |
| DOUBLTREE    | 1      | .5        | 9.0   | 128          | 9.7   | 15,802       | 12.0  | 68.8      | 123.59       | 85.05   |
| INT-C        | 1      | .5        | 9.3   | 120          | 9.1   | 15,277       | 11.6  | 62.0      | 127.59       | 79.12   |
| MARRIOTT     | 1      | .5        | 9.6   | 138          | 10.4  | 17,500       | 13.3  | 69.1      | 126.99       | 87.76   |
| TOT UPSCALE  | 3      | 1.6       | 27.9  | 385          | 29.2  | 48,578       | 36.8  | 66.6      | 126.05       | 84.01   |
| EMBASSY      | 1      | .2        | 2.6   | 41           | 3.1   | 5,438        | 4.1   | 74.2      | 133.89       | 99.32   |
| OTH SUITE    | 3      | .5        | 8.4   | 104          | 7.9   | 10,823       | 8.2   | 59.8      | 104.01       | 62.19   |
| RESIDENCE    | 2      | .2        | 3.9   | 56           | 4.2   | 5,709        | 4.3   | 70.0      | 102.02       | 71.39   |
| TOT SUITES   | 6      | .8        | 14.9  | 201          | 15.2  | 21,970       | 16.6  | 65.0      | 109.50       | 71.16   |
| COURTYARD    | 1      | .2        | 3.1   | 51           | 3.8   | 4,631        | 3.5   | 79.0      | 91.59        | 72.36   |
| CROWNPLZA    | 1      | .4        | 7.6   | 107          | 8.1   | 8,844        | 6.7   | 68.0      | 83.00        | 56.48   |
| HILT GARD    | 1      | .1        | 1.7   | 23           | 1.8   | 2,185        | 1.7   | 66.7      | 93.53        | 62.36   |
| TOT MID/UPS  | 3      | .7        | 12.4  | 180          | 13.7  | 15,661       | 11.9  | 70.6      | 86.77        | 61.27   |
| AMERI STS    | 1      | .1        | 2.2   | 27           | 2.0   | 2,102        | 1.6   | 58.6      | 78.68        | 46.08   |
| BRADFORD     | 1      | .1        | 2.3   | 32           | 2.4   | 2,109        | 1.6   | 67.5      | 65.37        | 44.10   |
| CANDLWOOD    | 1      | .1        | 2.4   | 30           | 2.3   | 1,664        | 1.3   | 62.2      | 54.70        | 34.02   |
| MAINSTAY     | 0      | .0        | .3    | 3            | .2    | 149          | .1    | 42.5      | 55.08        | 23.39   |
| TOT MIN STE  | 3      | .4        | 7.2   | 92           | 7.0   | 6,024        | 4.6   | 61.9      | 65.41        | 40.50   |
| CNTRY INN    | 1      | .1        | 1.8   | 22           | 1.7   | 1,722        | 1.3   | 59.3      | 78.00        | 46.25   |
| COMFO INN    | 1      | .1        | 1.5   | 20           | 1.5   | 1,228        | .9    | 63.9      | 61.22        | 39.12   |
| HAMPTON      | 1      | .2        | 2.8   | 31           | 2.3   | 2,153        | 1.6   | 53.5      | 69.39        | 37.10   |
| LA QUINTA    | 1      | .2        | 2.7   | 35           | 2.7   | 2,754        | 2.1   | 63.1      | 78.65        | 49.64   |
| WINGATE      | 1      | .1        | 1.1   | 11           | .9    | 701          | .5    | 52.3      | 61.00        | 31.91   |
| TOT LTD SVE  | 5      | .6        | 9.9   | 120          | 9.1   | 8,558        | 6.5   | 58.6      | 71.51        | 41.93   |
| BUDG STES    | 1      | .3        | 6.1   | 66           | 5.0   | 2,031        | 1.5   | 52.5      | 30.82        | 16.18   |
| SUBUR LDG    | 1      | .1        | 2.4   | 38           | 2.9   | 1,187        | .9    | 75.3      | 31.30        | 23.56   |
| TOT EXT STA  | 2      | .5        | 8.5   | 104          | 7.9   | 3,218        | 2.4   | 59.0      | 31.00        | 18.29   |
| OTHER BUD    | 1      | .1        | 2.3   | 21           | 1.6   | 795          | .6    | 44.7      | 37.20        | 16.63   |
| RED ROOF     | 1      | .1        | 2.4   | 25           | 1.9   | 1,057        | .8    | 49.8      | 42.43        | 21.15   |
| TOT BUDGET   | 2      | .3        | 4.7   | 46           | 3.5   | 1,852        | 1.4   | 47.3      | 40.02        | 18.94   |
| TOT CHAINS   | 25     | 5.3       | 93.1  | 1,239        | 93.8  | 127,693      | 96.7  | 64.3      | 103.03       | 66.28   |
| INDEPENDENTS |        |           |       |              |       |              |       |           |              |         |
| MEDIUM       | 1      | .1        | 2.2   | 32           | 2.4   | 2,256        | 1.7   | 68.1      | 71.43        | 48.67   |
| SMALL        | 3      | .3        | 4.7   | 50           | 3.8   | 2,061        | 1.6   | 51.8      | 41.14        | 21.31   |
| TOTAL INDEP  | 4      | .4        | 6.9   | 82           | 6.2   | 4,317        | 3.3   | 57.1      | 52.85        | 30.17   |
| TOT MARKET   | 29     | 5.7       | 100.0 | 1,321        | 100.0 | 132,011      | 100   | 63.8      | 99.92        | 63.79   |

\* All figures annualized. Includes taxed and est non-tax room revenues.  
 INDEPENDENTS ARE CATEGORIZED L=LARGE (\$100+ AVERAGE DAILY RATE),  
 M=MEDIUM (\$60-99 ADR), AND S=SMALL (UNDER \$60 ADR).

PERIOD: TWELVE MONTHS ENDING JUNE 30, 2000  
 LODGING MARKET: SELECTED DALLAS ZIPCODES

5

| BRAND               | #* HTL | * RMS 000S | % RMS | EST. RNS 000S | % RNS | \$ AMT. 000s | % AMT | EST. %OCC | \$ EST. RATE | \$ RPAR |
|---------------------|--------|------------|-------|---------------|-------|--------------|-------|-----------|--------------|---------|
| <b>CHAINS</b>       |        |            |       |               |       |              |       |           |              |         |
| WESTIN              | 1      | .4         | 8.2   | 116           | 9.1   | 22,277       | 16.9  | 73.9      | 191.28       | 141.36  |
| DOUBLTREE           | 1      | .5         | 9.7   | 122           | 9.5   | 14,651       | 11.1  | 65.4      | 120.49       | 78.86   |
| INT-C               | 1      | .5         | 10.1  | 134           | 10.5  | 16,998       | 12.9  | 69.2      | 127.25       | 88.03   |
| MARRIOTT            | 1      | .5         | 10.4  | 137           | 10.8  | 19,060       | 14.5  | 68.9      | 138.67       | 95.59   |
| TOT UPSCALE         | 3      | 1.6        | 30.2  | 393           | 30.8  | 50,708       | 38.6  | 67.9      | 129.15       | 87.69   |
| EMBASSY             | 1      | .2         | 2.9   | 45            | 3.5   | 5,122        | 3.9   | 82.3      | 113.66       | 93.55   |
| OTH SUITE           | 3      | .5         | 9.8   | 115           | 9.0   | 11,887       | 9.0   | 61.1      | 103.26       | 63.11   |
| RESIDENCE           | 2      | .2         | 4.2   | 57            | 4.5   | 5,658        | 4.3   | 71.9      | 98.54        | 70.84   |
| TOT SUITES          | 6      | .9         | 16.9  | 218           | 17.1  | 22,667       | 17.2  | 67.4      | 104.17       | 70.18   |
| COURTYARD           | 0      | .0         | .8    | 13            | 1.0   | 1,109        | .8    | 81.7      | 86.31        | 70.51   |
| CROWNPLZA           | 1      | .4         | 8.2   | 117           | 9.1   | 9,682        | 7.4   | 74.4      | 83.06        | 61.83   |
| HILT GARD           | 1      | .1         | 1.8   | 23            | 1.8   | 2,146        | 1.6   | 64.9      | 94.40        | 61.23   |
| TOT MID/UPS         | 2      | .6         | 10.8  | 152           | 11.9  | 12,937       | 9.8   | 73.4      | 85.02        | 62.39   |
| BRADFORD            | 1      | .1         | 2.5   | 36            | 2.8   | 2,348        | 1.8   | 75.1      | 65.40        | 49.11   |
| CANDLWOOD           | 1      | .1         | 2.6   | 32            | 2.5   | 1,796        | 1.4   | 65.4      | 56.15        | 36.72   |
| SUMNER              | 1      | .1         | 2.4   | 31            | 2.5   | 2,649        | 2.0   | 68.9      | 84.27        | 58.06   |
| TOT MIN STE         | 3      | .4         | 7.4   | 99            | 7.8   | 6,793        | 5.2   | 69.8      | 68.39        | 47.72   |
| CNTRY INN           | 1      | .1         | 1.9   | 23            | 1.8   | 1,846        | 1.4   | 61.8      | 80.20        | 49.58   |
| COMFO INN           | 1      | .1         | 1.6   | 21            | 1.7   | 1,262        | 1.0   | 67.8      | 59.30        | 40.19   |
| HAMPTON             | 1      | .2         | 3.0   | 32            | 2.5   | 2,316        | 1.8   | 55.3      | 72.16        | 39.90   |
| LA QUINTA           | 1      | .2         | 2.9   | 37            | 2.9   | 2,872        | 2.2   | 66.0      | 78.38        | 51.76   |
| TOT LTD SVE         | 4      | .5         | 9.5   | 113           | 8.9   | 8,295        | 6.3   | 62.1      | 73.39        | 45.54   |
| BUDG STES           | 0      | .1         | 1.6   | 10            | .7    | 311          | .2    | 30.5      | 32.64        | 9.94    |
| SUBUR LDG           | 1      | .1         | 2.6   | 39            | 3.1   | 1,176        | .9    | 77.7      | 30.05        | 23.35   |
| TOT EXT STA         | 1      | .2         | 4.3   | 49            | 3.8   | 1,487        | 1.1   | 59.6      | 30.55        | 18.21   |
| RED ROOF            | 1      | .1         | 2.6   | 30            | 2.3   | 1,229        | .9    | 59.6      | 41.20        | 24.57   |
| TOT BUDGET          | 1      | .1         | 2.6   | 30            | 2.3   | 1,229        | .9    | 59.6      | 41.20        | 24.57   |
| TOT CHAINS          | 22     | 4.7        | 90.0  | 1,170         | 91.8  | 126,394      | 96.1  | 67.9      | 108.06       | 73.38   |
| <b>INDEPENDENTS</b> |        |            |       |               |       |              |       |           |              |         |
| MEDIUM              | 1      | .1         | 2.4   | 32            | 2.5   | 2,296        | 1.7   | 68.9      | 71.90        | 49.52   |
| SMALL               | 4      | .4         | 7.6   | 73            | 5.7   | 2,845        | 2.2   | 50.4      | 39.02        | 19.68   |
| TOTAL INDEP         | 5      | .5         | 10.0  | 105           | 8.2   | 5,141        | 3.9   | 54.9      | 49.04        | 26.93   |
| TOT MARKET          | 27     | 5.2        | 100.0 | 1,275         | 100.0 | 131,534      | 100   | 66.6      | 103.20       | 68.75   |

\* All figures annualized. Includes taxed and est non-tax rooms revenues.  
 INDEPENDENTS ARE CATEGORIZED L=LARGE (\$100+ AVERAGE DAILY RATE),  
 M=MEDIUM (\$60-99 ADR), AND S=SMALL (UNDER \$60 ADR).



PERIOD: TWELVE MONTHS ENDING JUNE 30, 1999  
 LODGING MARKET: SELECTED DALLAS ZIPCODES

| BRAND               | #* HTL | * RMS 000S | % RMS | EST. RNS 000S | % RNS | \$ AMT. 000s | % AMT | EST. %OCC | EST. \$ RATE | \$ RPAR |
|---------------------|--------|------------|-------|---------------|-------|--------------|-------|-----------|--------------|---------|
| <b>CHAINS</b>       |        |            |       |               |       |              |       |           |              |         |
| WESTIN              | 1      | .4         | 8.8   | 118           | 9.7   | 21,328       | 16.9  | 74.4      | 181.06       | 134.64  |
| DOUBLTREE           | 1      | .5         | 10.3  | 132           | 10.9  | 15,856       | 12.5  | 70.8      | 120.52       | 85.34   |
| INT-C               | 1      | .5         | 10.7  | 135           | 11.1  | 17,364       | 13.7  | 70.0      | 128.51       | 89.93   |
| MARRIOTT            | 1      | .5         | 11.1  | 143           | 11.8  | 19,725       | 15.6  | 71.9      | 137.55       | 98.92   |
| TOT UPSCALE         | 3      | 1.6        | 32.1  | 410           | 33.8  | 52,944       | 41.8  | 70.9      | 129.11       | 91.56   |
| EMBASSY             | 1      | .2         | 3.0   | 41            | 3.4   | 4,685        | 3.7   | 75.2      | 113.82       | 85.57   |
| OTH SUITE           | 3      | .5         | 10.4  | 113           | 9.3   | 11,643       | 9.2   | 59.8      | 103.37       | 61.82   |
| RESIDENCE           | 2      | .2         | 4.4   | 59            | 4.9   | 5,892        | 4.7   | 73.9      | 99.85        | 73.76   |
| TOT SUITES          | 6      | .9         | 17.9  | 213           | 17.6  | 22,220       | 17.6  | 65.9      | 104.42       | 68.80   |
| CROWNPLZA           | 1      | .4         | 8.7   | 108           | 8.9   | 8,683        | 6.9   | 69.1      | 80.29        | 55.45   |
| HILT GARD           | 0      | .0         | .8    | 8             | .7    | 709          | .6    | 59.3      | 87.29        | 51.78   |
| TOT MID/UPS         | 1      | .5         | 9.4   | 116           | 9.6   | 9,392        | 7.4   | 68.3      | 80.78        | 55.16   |
| BRADFORD            | 1      | .1         | 2.7   | 38            | 3.2   | 2,311        | 1.8   | 80.3      | 60.23        | 48.34   |
| CANDLWOOD           | 1      | .1         | 1.7   | 21            | 1.8   | 1,031        | .8    | 69.3      | 48.48        | 33.60   |
| SUMNER              | 1      | .1         | 2.5   | 32            | 2.6   | 2,659        | 2.1   | 70.4      | 82.80        | 58.28   |
| TOT MIN STE         | 3      | .3         | 6.9   | 92            | 7.6   | 6,002        | 4.7   | 73.9      | 65.41        | 48.35   |
| CNTRY INN           | 0      | .0         | .7    | 5             | .4    | 447          | .4    | 40.5      | 85.60        | 34.67   |
| COMFO INN           | 1      | .1         | 1.7   | 21            | 1.8   | 1,267        | 1.0   | 67.9      | 59.44        | 40.37   |
| HAMPTON             | 1      | .2         | 3.2   | 35            | 2.9   | 2,535        | 2.0   | 59.5      | 73.35        | 43.67   |
| LA QUINTA           | 1      | .2         | 3.1   | 42            | 3.4   | 3,286        | 2.6   | 75.2      | 78.72        | 59.23   |
| TOT LTD SVE         | 3      | .4         | 8.8   | 103           | 8.5   | 7,534        | 6.0   | 65.2      | 73.27        | 47.75   |
| SUBUR LDG           | 1      | .1         | 2.2   | 29            | 2.4   | 815          | .6    | 72.1      | 28.46        | 20.52   |
| TOT EXT STA         | 1      | .1         | 2.2   | 29            | 2.4   | 815          | .6    | 72.1      | 28.46        | 20.52   |
| HO JO               | 1      | .1         | 2.2   | 13            | 1.1   | 477          | .4    | 33.5      | 35.44        | 11.88   |
| RED ROOF            | 1      | .1         | 2.8   | 29            | 2.4   | 1,185        | .9    | 57.1      | 41.46        | 23.69   |
| TOT BUDGET          | 2      | .2         | 5.0   | 42            | 3.5   | 1,661        | 1.3   | 46.6      | 39.53        | 18.43   |
| TOT CHAINS          | 21     | 4.5        | 91.1  | 1,122         | 92.6  | 121,896      | 96.3  | 68.4      | 108.63       | 74.25   |
| <b>INDEPENDENTS</b> |        |            |       |               |       |              |       |           |              |         |
| MEDIUM              | 1      | .1         | 2.6   | 31            | 2.6   | 2,266        | 1.8   | 67.7      | 72.23        | 48.88   |
| SMALL               | 4      | .3         | 6.3   | 59            | 4.8   | 2,363        | 1.9   | 51.4      | 40.23        | 20.67   |
| TOTAL INDEP         | 5      | .4         | 8.9   | 90            | 7.4   | 4,628        | 3.7   | 56.1      | 51.37        | 28.81   |
| TOT MARKET          | 25     | 4.9        | 100.0 | 1,212         | 100.0 | 126,524      | 100   | 67.3      | 104.37       | 70.20   |

\* All figures annualized. Included taxed and est non-tax rooms revenues.  
 INDEPENDENTS ARE CATEGORIZED L=LARGE (\$100+ AVERAGE DAILY RATE),  
 M=MEDIUM (\$60-99 ADR), AND S=SMALL (UNDER \$60 ADR).

PERIOD: TWELVE MONTHS ENDING JUNE 30, 1998  
 LODGING MARKET: SELECTED DALLAS ZIPCODES

7

| BRAND        | #* HTL | * RMS 000S | % RMS | EST. RNS 000S | % RNS | \$ AMT. 000s | % AMT | EST. %OCC | EST. \$ RATE | \$ RPAR |
|--------------|--------|------------|-------|---------------|-------|--------------|-------|-----------|--------------|---------|
| CHAINS       |        |            |       |               |       |              |       |           |              |         |
| WESTIN       | 1      | .4         | 9.5   | 114           | 9.6   | 21,043       | 17.1  | 72.0      | 184.54       | 132.84  |
| DOUBLTREE    | 1      | .5         | 11.1  | 148           | 12.4  | 17,387       | 14.1  | 79.6      | 117.61       | 93.59   |
| MARRIOTT     | 1      | .5         | 11.9  | 154           | 12.9  | 20,995       | 17.0  | 77.0      | 136.76       | 105.29  |
| TOT UPSCALE  | 2      | 1.1        | 23.0  | 301           | 25.3  | 38,382       | 31.1  | 78.2      | 127.36       | 99.65   |
| EMBASSY      | 0      | .1         | 1.6   | 17            | 1.5   | 1,732        | 1.4   | 63.7      | 100.14       | 63.79   |
| OTH SUITE    | 3      | .5         | 11.3  | 129           | 10.8  | 12,750       | 10.3  | 68.3      | 99.15        | 67.69   |
| RESIDENCE    | 2      | .2         | 4.8   | 61            | 5.1   | 5,879        | 4.8   | 75.9      | 96.76        | 73.44   |
| TOT SUITES   | 5      | .8         | 17.7  | 207           | 17.3  | 20,361       | 16.5  | 69.9      | 98.53        | 68.89   |
| OTHER MUP    | 1      | .4         | 9.4   | 98            | 8.2   | 7,614        | 6.2   | 62.7      | 77.55        | 48.63   |
| BRADFORD     | 1      | .1         | 2.9   | 40            | 3.4   | 2,279        | 1.8   | 83.6      | 56.99        | 47.65   |
| SUMNER       | 1      | .1         | 2.7   | 33            | 2.8   | 2,694        | 2.2   | 72.5      | 81.47        | 59.04   |
| TOT MIN STE  | 2      | .3         | 5.6   | 73            | 6.1   | 4,972        | 4.0   | 78.2      | 68.07        | 53.21   |
| COMFO INN    | 1      | .1         | 1.9   | 23            | 1.9   | 1,380        | 1.1   | 72.8      | 60.42        | 43.96   |
| HAMPTON      | 1      | .2         | 3.5   | 41            | 3.4   | 2,904        | 2.4   | 70.6      | 70.87        | 50.04   |
| LA QUINTA    | 1      | .2         | 3.3   | 43            | 3.6   | 3,246        | 2.6   | 78.1      | 74.93        | 58.50   |
| TOT LTD SVE  | 3      | .4         | 8.7   | 107           | 9.0   | 7,530        | 6.1   | 73.9      | 70.28        | 51.96   |
| RED ROOF     | 1      | .1         | 3.0   | 32            | 2.7   | 1,296        | 1.1   | 64.1      | 40.42        | 25.92   |
| TOT BUDGET   | 1      | .1         | 3.0   | 32            | 2.7   | 1,296        | 1.1   | 64.1      | 40.42        | 25.92   |
| TOT CHAINS   | 15     | 3.5        | 76.8  | 932           | 78.2  | 101,199      | 82.0  | 72.6      | 108.53       | 78.81   |
| INDEPENDENTS |        |            |       |               |       |              |       |           |              |         |
| LARGE        | 1      | .5         | 11.5  | 141           | 11.8  | 16,783       | 13.6  | 72.9      | 119.30       | 86.92   |
| MEDIUM       | 1      | .1         | 2.4   | 31            | 2.6   | 2,113        | 1.7   | 75.1      | 68.76        | 51.63   |
| SMALL        | 5      | .4         | 9.2   | 88            | 7.4   | 3,262        | 2.6   | 56.9      | 37.16        | 21.13   |
| TOTAL INDEP  | 7      | 1.1        | 23.2  | 259           | 21.8  | 22,158       | 18.0  | 66.7      | 85.49        | 57.05   |
| TOT MARKET   | 23     | 4.6        | 100.0 | 1,192         | 100.0 | 123,357      | 100   | 71.3      | 103.52       | 73.76   |

\* All figures annualized. Included taxed and est non-tax rooms revenues.  
 INDEPENDENTS ARE CATEGORIZED L=LARGE (\$100+ AVERAGE DAILY RATE),  
 M=MEDIUM (\$60-99 ADR), AND S=SMALL (UNDER \$60 ADR).

LODGING MARKET: SELECTED DALLAS ZIPCODES

| CITY    | ADDR            | ZIP       | E S T                 | 3 4               | YR OP | AVG ADJ 1 |
|---------|-----------------|-----------|-----------------------|-------------------|-------|-----------|
| #       | TAXABLE         | GROSS     | ADJ 1                 | DAILY             | OCC   | \$ 5      |
| YRQ RMS | REVENUE         | REVENUE   | FACTOR                | RATE              | EST   | REVPAR    |
| -----   | -----           | -----     | -----                 | -----             | ----- | -----     |
| ADDISON | BELTLINE RD & M | 75001     | BUDGET                | SUITES OF AMERICA | 00    | 5.000     |
| 002 344 | BUDST 185,340   | 311,253   | 1.679                 | 32.64 30          | 9.94  |           |
| 003 344 | BUDST 157,521   | 433,287   | 2.751                 | 31.64 43          | 13.69 |           |
| 004 344 | BUDST 168,265   | 423,554   | 2.517                 | 31.73 42          | 13.38 |           |
| 011 344 | BUDST 191,697   | 528,682   | 2.758                 | 30.48 56          | 17.08 |           |
| 012 344 | BUDST 227,377   | 645,903   | 2.841                 | 30.02 69          | 20.63 |           |
| 013 344 | BUDST 186,661   | 678,373   | 3.634                 | 30.74 70          | 21.43 |           |
| 014 344 | BUDST 85,676    | 598,448   | 6.985                 | 29.55 64          | 18.91 |           |
| 021 344 | BUDST 83,331    | 406,761   | 4.881                 | 30.53 43          | 13.14 |           |
| 022 344 | BUDST 166,352   | 570,421   | 3.429                 | 29.62 62          | 18.22 |           |
|         | 4355 BELTWAY DR | 75001     | COUNTRY INN & SUITES  |                   | 99    | 1.030     |
| 991 40  | CTRYI 115,510   | 119,137   | 1.031                 | 85.54 39          | 33.09 |           |
| 992 102 | CTRYI 324,865   | 327,509   | 1.008                 | 85.59 41          | 35.28 |           |
| 993 102 | CTRYI 389,077   | 394,352   | 1.014                 | 79.90 53          | 42.02 |           |
| 994 102 | CTRYI 386,091   | 397,674   | .000                  | 78.78 54          | 42.38 |           |
| 001 102 | CTRYI 534,228   | 540,809   | 1.012                 | 81.96 72          | 58.91 |           |
| 002 102 | CTRYI 488,014   | 513,180   | 1.052                 | 79.70 69          | 55.29 |           |
| 003 102 | CTRYI 435,928   | 455,104   | 1.044                 | 77.80 62          | 48.50 |           |
| 004 102 | CTRYI 461,161   | 477,139   | 1.035                 | 78.03 65          | 50.85 |           |
| 011 102 | CTRYI 437,148   | 449,591   | 1.028                 | 81.31 60          | 48.98 |           |
| 012 102 | CTRYI 333,790   | 340,154   | 1.019                 | 74.18 49          | 36.65 |           |
| 013 102 | CTRYI 316,832   | 330,191   | 1.042                 | 73.91 48          | 35.19 |           |
| 014 102 | CTRYI 292,100   | 307,557   | 1.053                 | 70.83 46          | 32.77 |           |
| 021 102 | CTRYI 368,387   | 392,020   | 1.064                 | 80.21 53          | 42.70 |           |
| 022 102 | CTRYI 289,325   | 315,474   | 1.090                 | 72.96 47          | 33.99 |           |
|         | 15160 QUORUM DR | 75001     | COURTYARD QUORUM      | 176 UNITS         | 00    | .000      |
| 001 11  | COURT 54,617    | 59,696    | .000                  | 80.00 75          | 60.30 |           |
| 002 162 | COURT 960,318   | 1,049,628 | .000                  | 86.69 82          | 71.20 |           |
| 003 214 | COURT 1,330,784 | 1,340,467 | 1.007                 | 86.69 79          | 68.09 |           |
| 004 161 | COURT 924,692   | 936,044   | 1.012                 | 85.25 74          | 63.19 |           |
| 011 164 | COURT 1,124,007 | 1,228,540 | .000                  | 99.79 83          | 83.23 |           |
| 012 162 | COURT 1,030,588 | 1,126,433 | .000                  | 95.34 80          | 76.41 |           |
| 013 214 | COURT 1,128,955 | 1,233,948 | .000                  | 85.35 73          | 62.68 |           |
| 014 160 | COURT 676,712   | 689,161   | 1.018                 | 80.19 58          | 46.82 |           |
| 021 164 | COURT 892,206   | 896,785   | 1.005                 | 87.70 69          | 60.76 |           |
| 022 162 | COURT 886,667   | 905,549   | 1.021                 | 88.96 69          | 61.43 |           |
|         | 14315 MIDWAY RD | 75001     | CROWNE PLAZA N DALLAS | ADDI              | 85    | 1.185     |
| 971 429 | HARVE 1,761,841 | 2,148,400 | 1.219                 | 77.67 72          | 55.64 |           |
| 972 429 | HARVE 1,677,744 | 2,255,480 | 1.344                 | 75.82 76          | 57.78 |           |
| 973 429 | HARVE 1,541,209 | 2,109,650 | 1.369                 | 76.42 70          | 53.45 |           |
| 974 429 | HARVE 1,406,288 | 2,045,550 | 1.455                 | 75.81 68          | 51.83 |           |
| 981 429 | HARVE 1,195,536 | 1,710,585 | 1.431                 | 79.13 56          | 44.30 |           |
| 982 429 | HARVE 1,516,983 | 1,748,491 | 1.153                 | 79.54 56          | 44.79 |           |
| 983 429 | CROWN 1,802,897 | 2,059,049 | 1.429                 | 75.61 69          | 52.17 |           |

| CITY    | ADDR            | ZIP       | E 3       | YR             | AVG 9    |          |
|---------|-----------------|-----------|-----------|----------------|----------|----------|
|         |                 |           | S EST 4   | OP             | ADJ 1    |          |
|         |                 |           | T AVG. %  |                |          |          |
| #       | TAXABLE         | GROSS     | ADJ 1     | DAILY          | OCC      | \$ 5     |
| YRQ RMS | REVENUE         | REVENUE   | FACTOR    | 2 RATE         | EST      | REVPAR   |
|         | BRAND           |           |           |                |          |          |
| ADDISON | 14315 MIDWAY RD | 75001     | CROWNE    | PLAZA N DALLAS | ADDI     | 85 1.185 |
| 984 429 | CROWN           | 1,812,749 | 2,041,549 | 1.126          | 80.18 65 | 51.73    |
| 991 429 | CROWN           | 2,126,295 | 2,277,283 | 1.071          | 82.91 71 | 58.98    |
| 992 429 | CROWN           | 2,033,856 | 2,305,133 | 1.133          | 82.38 72 | 59.05    |
| 993 429 | CROWN           | 1,983,002 | 2,236,722 | 1.128          | 79.50 71 | 56.67    |
| 994 429 | CROWN           | 1,751,584 | 2,291,624 | 1.308          | 77.40 75 | 58.06    |
| 001 429 | CROWN           | 2,248,574 | 2,643,786 | 1.176          | 89.76 76 | 68.47    |
| 002 429 | CROWN           | 2,051,674 | 2,509,992 | 1.223          | 85.43 75 | 64.29    |
| 003 429 | CROWN           | 1,894,453 | 2,176,030 | 1.149          | 83.43 66 | 55.13    |
| 004 429 | CROWN           | 2,181,938 | 2,329,424 | 1.068          | 82.67 71 | 59.02    |
| 011 429 | CROWN           | 1,951,937 | 2,292,090 | 1.174          | 86.02 69 | 59.37    |
| 012 429 | CROWN           | 1,646,167 | 2,046,877 | 1.243          | 79.80 66 | 52.43    |
| 013 429 | CROWN           | 992,282   | 1,520,203 | 1.532          | 76.81 50 | 38.52    |
| 014 429 | CROWN           | 1,299,169 | 1,435,779 | 1.105          | 73.69 49 | 36.38    |
| 021 429 | CROWN           | 1,462,021 | 1,693,759 | 1.159          | 78.03 56 | 43.87    |
| 022 429 | CROWN           | 1,261,458 | 1,686,136 | 1.337          | 75.70 57 | 43.19    |
|         | 4555 BELTWAY DR | 75001     | HAMPTON   | INN #6131      |          | 85 .000  |
| 971 159 | HAMPT           | 706,384   | 734,577   | 1.040          | 68.65 75 | 51.33    |
| 972 159 | HAMPT           | 671,635   | 698,518   | 1.040          | 69.41 70 | 48.28    |
| 973 159 | HAMPT           | 714,158   | 728,171   | 1.020          | 70.73 70 | 49.78    |
| 974 159 | HAMPT           | 660,961   | 676,330   | 1.023          | 69.17 67 | 46.24    |
| 981 159 | HAMPT           | 725,389   | 737,335   | 1.016          | 71.09 72 | 51.53    |
| 982 159 | HAMPT           | 749,620   | 762,147   | 1.017          | 72.37 73 | 52.67    |
| 983 159 | HAMPT           | 640,349   | 650,082   | 1.015          | 71.49 62 | 44.44    |
| 984 159 | HAMPT           | 636,861   | 648,269   | 1.018          | 72.92 61 | 44.32    |
| 991 159 | HAMPT           | 661,144   | 680,487   | 1.029          | 75.40 63 | 47.55    |
| 992 159 | HAMPT           | 549,558   | 555,812   | 1.011          | 73.63 52 | 38.41    |
| 993 159 | HAMPT           | 539,389   | 548,182   | 1.016          | 69.23 54 | 37.47    |
| 994 159 | HAMPT           | 503,436   | 513,231   | 1.019          | 68.26 51 | 35.09    |
| 001 159 | HAMPT           | 627,365   | 640,657   | 1.021          | 75.56 59 | 44.77    |
| 002 159 | HAMPT           | 599,051   | 613,687   | 1.024          | 75.03 57 | 42.41    |
| 003 159 | HAMPT           | 485,392   | 492,964   | 1.016          | 72.03 47 | 33.70    |
| 004 159 | HAMPT           | 521,279   | 527,849   | 1.013          | 68.23 53 | 36.08    |
| 011 159 | HAMPT           | 574,465   | 594,570   | 1.035          | 69.32 60 | 41.55    |
| 012 159 | HAMPT           | 526,680   | 537,570   | 1.021          | 68.28 54 | 37.15    |
| 013 159 | HAMPT           | 451,016   | 459,544   | 1.019          | 66.86 47 | 31.42    |
| 014 159 | HAMPT           | 382,617   | 386,959   | 1.011          | 60.93 43 | 26.45    |
| 021 159 | HAMPT           | 474,125   | 493,476   | 1.041          | 62.00 56 | 34.48    |
| 022 159 | HAMPT           | 446,138   | 478,916   | 1.073          | 64.99 51 | 33.10    |
|         | 4090 BELT LINE  | 75001     | HILTON    | GARDEN INN     |          | 99 1.010 |
| 991 55  | HILTG           | 235,081   | 237,438   | 1.010          | 82.99 58 | 47.97    |
| 992 96  | HILTG           | 466,623   | 471,289   | .000           | 89.62 60 | 53.95    |
| 993 96  | HILTG           | 517,175   | 522,347   | .000           | 94.72 62 | 59.14    |
| 994 96  | HILTG           | 478,090   | 482,257   | 1.009          | 93.39 58 | 54.60    |
| 001 96  | HILTG           | 577,755   | 581,972   | 1.010          | 93.76 72 | 67.36    |
| 002 96  | HILTG           | 554,279   | 559,009   | 1.009          | 95.63 67 | 63.99    |

| CITY    | ADDR            | ZIP       | E 3         | YR         | AVG   | 10     |
|---------|-----------------|-----------|-------------|------------|-------|--------|
| ---     | ---             | ---       | S EST 4     | OP         | ADJ 1 |        |
|         |                 |           | T AVG. %    |            |       |        |
| #       | TAXABLE         | GROSS     | ADJ 1       | DAILY      | OCC   | \$ 5   |
| YRQ RMS | REVENUE         | REVENUE   | FACTOR      | RATE       | EST   | REVPAR |
| ---     | ---             | ---       | ---         | ---        | ---   | ---    |
| ADDISON | 4090 BELT LINE  | 75001     | HILTON      | GARDEN INN | 99    | 1.010  |
| 003 96  | HILTG 534,860   | 545,891   | 1.021       | 94.63      | 65    | 61.81  |
| 004 96  | HILTG 497,388   | 513,551   | 1.032       | 92.91      | 63    | 58.15  |
| 011 96  | HILTG 581,051   | 586,862   | .000        | 96.43      | 70    | 67.92  |
| 012 96  | HILTG 533,089   | 538,859   | 1.011       | 90.06      | 68    | 61.68  |
| 013 96  | HILTG 461,348   | 462,228   | 1.001       | 87.11      | 60    | 52.34  |
| 014 96  | HILTG 368,868   | 371,468   | 1.007       | 81.86      | 51    | 42.06  |
| 021 96  | HILTG 468,320   | 486,742   | 1.039       | 95.50      | 59    | 56.34  |
| 022 96  | HILTG 467,137   | 471,808   | .000        | 89.74      | 60    | 54.01  |
|         | 15200 ADDISON R | 75001     | MAINSTAY    | SUITES     | 01    | .000   |
| 012 70  | MAINS 125,906   | 148,988   | 1.183       | 55.07      | 42    | 23.39  |
| 013 70  | MAINS 76,161    | 144,014   | 1.891       | 56.39      | 40    | 22.36  |
| 014 70  | MAINS 90,236    | 135,060   | 1.497       | 55.55      | 38    | 20.97  |
| 021 70  | MAINS 103,790   | 121,655   | 1.172       | 51.63      | 37    | 19.31  |
| 022 70  | MAINS 97,909    | 109,468   | 1.118       | 49.11      | 35    | 17.18  |
|         | 4900 EDWIN LEWI | 75001     | SUMMERFIELD | SUITES     | 96    | 1.057  |
| 971 132 | X.STE 814,881   | 861,329   | .000        | 104.07     | 70    | 72.50  |
| 972 132 | X.STE 849,405   | 897,821   | .000        | 105.21     | 71    | 74.74  |
| 973 132 | X.STE 641,049   | 677,589   | .000        | 107.21     | 52    | 55.80  |
| 974 132 | X.STE 953,238   | 1,156,444 | 1.213       | 116.35     | 82    | 95.23  |
| 981 132 | X.STE 853,689   | 933,039   | 1.093       | 111.35     | 71    | 78.54  |
| 982 132 | X.STE 924,441   | 1,056,046 | 1.142       | 113.35     | 78    | 87.92  |
| 983 132 | X.STE 913,184   | 1,123,500 | 1.230       | 113.95     | 81    | 92.51  |
| 984 132 | X.STE 783,522   | 913,450   | 1.166       | 116.23     | 65    | 75.22  |
| 991 132 | X.STE 881,905   | 964,266   | 1.093       | 120.18     | 68    | 81.17  |
| 992 132 | X.STE 691,936   | 839,142   | 1.079       | 122.22     | 57    | 69.86  |
| 993 132 | X.STE 692,730   | 921,784   | 1.331       | 116.92     | 65    | 75.90  |
| 994 132 | X.STE 681,108   | 895,382   | 1.315       | 114.30     | 65    | 73.73  |
| 001 132 | X.STE 681,108   | 895,382   | 1.315       | 120.78     | 62    | 75.37  |
| 002 132 | X.STE 800,463   | 1,020,410 | 1.206       | 117.03     | 73    | 84.95  |
| 003 132 | X.STE 794,379   | 952,428   | 1.333       | 117.03     | 67    | 78.43  |
| 004 132 | X.STE 701,779   | 880,443   | 1.255       | 117.38     | 62    | 72.50  |
| 011 132 | X.STE 643,570   | 897,907   | 1.395       | 117.23     | 64    | 75.58  |
| 012 132 | X.STE 710,439   | 1,021,264 | 1.438       | 110.55     | 77    | 85.02  |
| 013 132 | X.STE 610,400   | 929,871   | 1.523       | 117.31     | 65    | 76.57  |
| 014 132 | X.STE 476,379   | 694,409   | 1.458       | 103.73     | 55    | 57.18  |
| 021 132 | X.STE 544,965   | 673,879   | 1.237       | 112.66     | 50    | 56.72  |
| 022 132 | X.STE 477,379   | 639,976   | 1.341       | 104.45     | 51    | 53.28  |
|         | 4960 ARAPAHO RD | 75001     | WINGATE     | INN NORTH  | 00    | .000   |
| 004 40  | WINGT 120,601   | 124,523   | 1.033       | 60.18      | 56    | 33.84  |
| 011 101 | WINGT 252,186   | 258,279   | 1.024       | 61.14      | 46    | 28.41  |
| 012 101 | WINGT 306,071   | 317,992   | 1.039       | 61.21      | 57    | 34.60  |
| 013 101 | WINGT 279,379   | 284,933   | 1.020       | 59.61      | 51    | 30.66  |
| 014 101 | WINGT 241,799   | 246,715   | 1.020       | 56.75      | 47    | 26.55  |
| 021 101 | WINGT 231,415   | 257,333   | .000        | 59.78      | 47    | 28.31  |

## HOTEL MARKET: DALLAS PMSA

| YRQ         | #<br>Hotels<br>Motels | #<br>Rooms | Rnights<br>sold 1<br>(000s) | \$ Rooms<br>Revenues<br>(000 s) | %<br>OCC2 | \$<br>Rate3 | \$<br>RPAR4 |
|-------------|-----------------------|------------|-----------------------------|---------------------------------|-----------|-------------|-------------|
| 971         | 367                   | 46,155     | 2,681.1                     | 209,256                         | 64.5      | 78.05       | 50.38       |
| 972         | 379                   | 47,161     | 2,880.0                     | 224,686                         | 67.1      | 78.02       | 52.35       |
| 973         | 383                   | 47,873     | 2,850.5                     | 219,679                         | 64.7      | 77.07       | 49.88       |
| 974         | 385                   | 48,998     | 2,921.0                     | 225,562                         | 64.8      | 77.22       | 50.04       |
| *TOTAL 1997 |                       |            | 11,332.6                    | 879,182                         | 65.3      | 77.58       | 50.65       |
| 981         | 399                   | 49,757     | 3,005.0                     | 246,613                         | 67.1      | 82.07       | 55.07       |
| 982         | 408                   | 50,663     | 3,080.0                     | 251,889                         | 66.8      | 81.78       | 54.64       |
| 983         | 419                   | 52,191     | 3,052.3                     | 236,829                         | 63.6      | 77.59       | 49.32       |
| 984         | 432                   | 54,278     | 3,123.4                     | 245,917                         | 62.5      | 78.73       | 49.25       |
| *TOTAL 1998 |                       |            | 12,260.7                    | 981,248                         | 64.9      | 80.03       | 51.96       |
| 991         | 447                   | 56,868     | 3,219.3                     | 269,802                         | 62.9      | 83.81       | 52.72       |
| 992         | 462                   | 58,053     | 3,321.6                     | 279,187                         | 62.9      | 84.05       | 52.85       |
| 993         | 468                   | 60,162     | 3,352.3                     | 256,865                         | 60.6      | 76.62       | 46.41       |
| 994         | 468                   | 59,591     | 3,279.8                     | 250,783                         | 59.8      | 76.46       | 45.74       |
| *TOTAL 1999 |                       |            | 13,172.9                    | 1,056,637                       | 61.5      | 80.21       | 49.33       |
| 001         | 471                   | 59,892     | 3,500.0                     | 292,918                         | 64.9      | 83.69       | 54.34       |
| 002         | 482                   | 61,423     | 3,560.0                     | 297,211                         | 63.7      | 83.49       | 53.17       |
| 003         | 490                   | 62,761     | 3,513.7                     | 279,761                         | 60.9      | 79.62       | 48.45       |
| 004         | 498                   | 62,793     | 3,473.6                     | 277,863                         | 60.1      | 79.99       | 48.10       |
| *TOTAL 2000 |                       |            | 14,047.3                    | 1,147,752                       | 62.3      | 81.71       | 50.94       |
| 011         | 500                   | 63,424     | 3,519.4                     | 302,349                         | 61.7      | 85.91       | 52.97       |
| 012         | 508                   | 64,210     | 3,396.6                     | 266,300                         | 58.1      | 78.40       | 45.58       |
| 013         | 511                   | 65,552     | 3,130.2                     | 236,815                         | 51.9      | 75.65       | 39.27       |
| 014         | 515                   | 64,680     | 2,949.0                     | 212,106                         | 49.6      | 71.93       | 35.64       |
| *TOTAL 2001 |                       |            | 12,995.2                    | 1,017,570                       | 55.2      | 78.30       | 43.24       |
| 021         | 521                   | 64,984     | 3,104.0                     | 256,860                         | 53.1      | 82.75       | 43.92       |
| 022         | 528                   | 65,665     | 3,294.7                     | 252,307                         | 55.1      | 76.58       | 42.22       |
| *TOTAL 2002 |                       |            | 6,398.7                     | 509,168                         | 54.1      | 79.57       | 43.06       |
| *TOTAL      |                       |            | 70,207.5                    | 5,591,557                       | 60.8      | 79.64       | 48.39       |

1. Roomnights sold (derived from est. rate and actual room revenues)
2. Occupancy: nights sold divided by nights available for sale(x 100)
3. Average price for each roomnight sold;from Directories and surveys
4. \$ Revenue per available room per day (room sales per day)

| CITY    | ADDR  | ZIP            | E 3             | S EST 4       | T AVG. %     | YR OP      | AVG ADJ 1 | 11          |
|---------|-------|----------------|-----------------|---------------|--------------|------------|-----------|-------------|
| YRQ     | # RMS | BRAND          | TAXABLE REVENUE | GROSS REVENUE | ADJ 1 FACTOR | DAILY RATE | OCC EST   | \$ 5 REVPAR |
| ADDISON | 4960  | ARAPAHO RD     | 75001           | WINGATE       | INN NORTH    | 00         | .000      |             |
| 022     | 101   | WINGT          | 305,777         | 311,976       | 1.020        | 58.96      | 58        | 33.94       |
|         |       | 14975 LANDMARK | 75240           | COMFORT       | INN          | 95         | 1.060     |             |
| 971     | 86    | COMFO          | 210,936         | 223,592       | .000         | 48.69      | 59        | 28.89       |
| 972     | 86    | COMFO          | 227,655         | 241,314       | .000         | 49.22      | 63        | 30.83       |
| 973     | 86    | COMFO          | 274,692         | 291,174       | .000         | 56.37      | 65        | 36.80       |
| 974     | 86    | COMFO          | 302,216         | 305,541       | 1.011        | 55.91      | 69        | 38.62       |
| 981     | 86    | COMFO          | 369,060         | 391,204       | .000         | 63.57      | 79        | 50.54       |
| 982     | 86    | COMFO          | 369,897         | 392,091       | .000         | 64.71      | 77        | 50.10       |
| 983     | 86    | COMFO          | 326,636         | 346,234       | .000         | 57.02      | 77        | 43.76       |
| 984     | 86    | COMFO          | 300,187         | 318,198       | .000         | 58.16      | 69        | 40.22       |
| 991     | 86    | COMFO          | 304,276         | 322,533       | .000         | 61.17      | 68        | 41.67       |
| 992     | 86    | COMFO          | 264,496         | 280,366       | .000         | 62.21      | 58        | 35.82       |
| 993     | 86    | COMFO          | 291,928         | 309,444       | .000         | 61.53      | 64        | 39.11       |
| 994     | 86    | COMFO          | 271,850         | 288,161       | .000         | 56.72      | 64        | 36.42       |
| 001     | 86    | COMFO          | 311,868         | 330,580       | .000         | 56.95      | 75        | 42.71       |
| 002     | 86    | COMFO          | 314,580         | 333,455       | .000         | 62.16      | 69        | 42.61       |
| 003     | 86    | COMFO          | 316,006         | 334,966       | .000         | 62.16      | 68        | 42.34       |
| 004     | 86    | COMFO          | 311,615         | 330,312       | .000         | 62.35      | 67        | 41.75       |
| 011     | 86    | COMFO          | 293,591         | 311,206       | .000         | 60.45      | 67        | 40.21       |
| 012     | 86    | COMFO          | 237,376         | 251,619       | .000         | 59.54      | 54        | 32.15       |
| 013     | 86    | COMFO          | 189,170         | 200,520       | .000         | 56.88      | 45        | 25.34       |
| 014     | 86    | COMFO          | 149,380         | 158,343       | .000         | 50.12      | 40        | 20.01       |
| 021     | 86    | COMFO          | 173,703         | 184,125       | .000         | 60.15      | 40        | 23.79       |
| 022     | 86    | COMFO          | 165,324         | 175,243       | .000         | 56.42      | 40        | 22.39       |
|         |       | 14925 LANDMARK | 75240           | LA QUINTA     | INN #938     | 96         | .000      |             |
| 971     | 152   | LAQUN          | 661,296         | 676,997       | 1.024        | 69.86      | 71        | 49.49       |
| 972     | 152   | LAQUN          | 744,811         | 779,265       | 1.046        | 74.67      | 75        | 56.34       |
| 973     | 152   | LAQUN          | 737,546         | 765,184       | 1.037        | 76.09      | 72        | 54.72       |
| 974     | 152   | LAQUN          | 707,540         | 723,516       | 1.023        | 67.10      | 77        | 51.74       |
| 981     | 152   | LAQUN          | 844,020         | 859,503       | 1.018        | 75.90      | 83        | 62.83       |
| 982     | 152   | LAQUN          | 869,982         | 897,620       | .000         | 80.44      | 81        | 64.89       |
| 983     | 152   | LAQUN          | 853,967         | 872,215       | 1.030        | 79.46      | 78        | 62.37       |
| 984     | 152   | LAQUN          | 759,258         | 775,938       | 1.022        | 73.18      | 76        | 55.49       |
| 991     | 152   | LAQUN          | 836,403         | 849,351       | 1.015        | 79.65      | 78        | 62.09       |
| 992     | 152   | LAQUN          | 769,607         | 788,337       | 1.024        | 82.97      | 69        | 56.99       |
| 993     | 152   | LAQUN          | 708,119         | 718,466       | 1.015        | 77.29      | 66        | 51.38       |
| 994     | 152   | LAQUN          | 633,703         | 643,617       | 1.016        | 72.26      | 64        | 46.03       |
| 001     | 152   | LAQUN          | 730,641         | 742,115       | 1.016        | 79.58      | 68        | 54.25       |
| 002     | 152   | LAQUN          | 747,830         | 767,395       | 1.026        | 84.22      | 66        | 55.48       |
| 003     | 152   | LAQUN          | 719,499         | 747,850       | 1.039        | 80.22      | 67        | 53.48       |
| 004     | 152   | LAQUN          | 702,746         | 711,927       | 1.013        | 78.45      | 65        | 50.91       |
| 011     | 152   | LAQUN          | 678,326         | 691,733       | 1.020        | 79.71      | 63        | 50.57       |
| 012     | 152   | LAQUN          | 590,477         | 602,420       | 1.020        | 75.85      | 57        | 43.55       |
| 013     | 152   | LAQUN          | 435,353         | 445,310       | 1.023        | 75.78      | 42        | 31.84       |
| 014     | 152   | LAQUN          | 438,534         | 455,933       | 1.040        | 68.95      | 47        | 32.60       |

| CITY    | ADDR            | ZIP       | E                       | 3        | YR       | AVG    | 12       |
|---------|-----------------|-----------|-------------------------|----------|----------|--------|----------|
|         |                 |           | S                       | EST      | 4        | OP     | ADJ 1    |
|         |                 |           | T                       | AVG.     | %        |        |          |
| #       | TAXABLE         | GROSS     | ADJ 1                   | DAILY    | OCC      | \$     | 5        |
| YRQ RMS | REVENUE         | REVENUE   | FACTOR                  | RATE     | EST      | REVPAR |          |
|         | BRAND           |           |                         |          |          |        |          |
| ADDISON | 14925 LANDMARK  | 75240     | LA QUINTA               | INN #938 |          |        | 96 .000  |
| 021 152 | LAQUN           | 468,023   |                         | 74.23    | 47       | 34.92  |          |
| 022 152 | LAQUN           | 355,402   |                         | 66.19    | 43       | 28.26  |          |
|         | 14975 QUORUM DR | 75240     | RESIDENCE               | INN 150  | UNITS MI |        | 96 1.600 |
| 971 139 | RESID           | 596,620   |                         | 93.40    | 77       | 71.88  |          |
| 972 138 | RESID           | 638,072   |                         | 94.43    | 79       | 74.42  |          |
| 973 136 | RESID           | 503,607   |                         | 93.38    | 79       | 73.64  |          |
| 974 184 | RESID           | 852,024   |                         | 99.23    | 71       | 70.32  |          |
| 981 139 | RESID           | 687,117   |                         | 98.08    | 84       | 82.14  |          |
| 982 138 | RESID           | 755,086   |                         | 99.84    | 83       | 82.43  |          |
| 983 182 | RESID           | 739,928   |                         | 105.19   | 76       | 79.66  |          |
| 984 136 | RESID           | 586,427   |                         | 103.42   | 72       | 74.89  |          |
| 991 139 | RESID           | 641,160   |                         | 102.02   | 82       | 83.28  |          |
| 992 138 | RESID           | 699,698   |                         | 104.72   | 75       | 78.40  |          |
| 993 182 | RESID           | 699,699   |                         | 103.57   | 57       | 58.80  |          |
| 994 136 | RESID           | 600,640   |                         | 101.13   | 72       | 72.84  |          |
| 001 139 | RESID           | 682,934   |                         | 102.54   | 81       | 82.64  |          |
| 002 138 | RESID           | 629,141   |                         | 100.32   | 83       | 83.55  |          |
| 003 182 | RESID           | 902,094   |                         | 103.32   | 76       | 78.64  |          |
| 004 137 | RESID           | 673,967   |                         | 103.63   | 71       | 73.66  |          |
| 011 139 | RESID           | 737,829   |                         | 108.34   | 71       | 76.86  |          |
| 012 138 | RESID           | 568,064   |                         | 106.71   | 65       | 68.85  |          |
| 013 182 | RESID           | 645,397   |                         | 99.03    | 57       | 56.65  |          |
| 014 136 | RESID           | 438,840   |                         | 93.60    | 53       | 49.87  |          |
| 021 139 | RESID           | 573,048   |                         | 106.82   | 56       | 59.42  |          |
| 022 138 | RESID           | 553,794   |                         | 101.69   | 63       | 64.33  |          |
|         | 15201 DALLAS PK | 75248     | HOTEL INTER-CONTINENTAL | FM       |          |        | 83 1.037 |
| 971 529 |                 | 4,097,453 |                         | 117.12   | 76       | 88.97  |          |
| 972 529 |                 | 4,179,990 |                         | 115.38   | 79       | 91.65  |          |
| 973 529 |                 | 3,404,562 |                         | 112.48   | 71       | 79.94  |          |
| 974 529 | INT-C           | 3,802,801 |                         | 111.58   | 74       | 82.60  |          |
| 981 529 | INT-C           | 4,561,109 |                         | 128.46   | 76       | 97.85  |          |
| 982 529 | INT-C           | 4,014,810 |                         | 124.66   | 70       | 87.52  |          |
| 983 529 | INT-C           | 3,324,087 |                         | 115.25   | 67       | 76.68  |          |
| 984 529 | INT-C           | 4,276,854 |                         | 122.65   | 76       | 92.95  |          |
| 991 529 | INT-C           | 4,165,453 |                         | 137.16   | 70       | 96.05  |          |
| 992 529 | INT-C           | 4,253,484 |                         | 139.49   | 68       | 94.22  |          |
| 993 529 | INT-C           | 3,728,397 |                         | 128.07   | 66       | 85.10  |          |
| 994 529 | INT-C           | 3,722,439 |                         | 123.32   | 68       | 84.36  |          |
| 001 529 | INT-C           | 4,207,340 |                         | 130.84   | 71       | 92.46  |          |
| 002 529 | INT-C           | 4,175,276 |                         | 126.77   | 71       | 90.33  |          |
| 003 529 | INT-C           | 3,428,390 |                         | 126.77   | 62       | 78.32  |          |
| 004 529 | INT-C           | 3,604,087 |                         | 123.37   | 62       | 76.99  |          |
| 011 529 | INT-C           | 4,273,370 |                         | 135.50   | 69       | 92.88  |          |
| 012 529 | INT-C           | 3,086,683 |                         | 123.62   | 55       | 68.47  |          |
| 013 529 | INT-C           | 2,056,673 |                         | 118.40   | 46       | 53.90  |          |



| CITY       | ADDR            | ZIP       | E 3            | S EST 4           | T AVG. % | YR OP  | AVG ADJ 1 | 13    |
|------------|-----------------|-----------|----------------|-------------------|----------|--------|-----------|-------|
| #          | TAXABLE         | GROSS     | ADJ 1          | DAILY             | OCC      | \$ 5   |           |       |
| YRQ RMS    | REVENUE         | REVENUE   | FACTOR         | RATE              | EST      | REVPAR |           |       |
| -----      | -----           | -----     | -----          | -----             | -----    | -----  | -----     | ----- |
| ADDISON    | 15201 DALLAS PK | 75248     | HOTEL          | INTER-CONTINENTAL | FM       | 83     | 1.037     |       |
| 014 529    | INT-C 1,962,554 | 2,198,410 | 1.120          | 103.82            | 44       | 45.17  |           |       |
| 021 529    | INT-C 3,589,196 | 3,737,412 | 1.041          | 128.02            | 61       | 78.50  |           |       |
| 022 529    | INT-C 2,929,987 | 3,001,037 | 1.024          | 116.43            | 54       | 62.34  |           |       |
| CARROLLTON | 1885 N STEMMONS | 75006     | DELUX INN      |                   |          | 83     | 2.000     |       |
| 971 60     | 47,688          | 74,258    | 1.557          | 20.76             | 66       | 13.75  |           |       |
| 972 60     | 59,772          | 99,672    | 1.668          | 20.99             | 87       | 18.25  |           |       |
| 973 60     | 60,943          | 115,343   | 1.893          | 21.38             | 98       | 20.90  |           |       |
| 974 60     | 52,259          | 95,719    | 1.832          | 21.21             | 82       | 17.34  |           |       |
| 981 60     | 63,373          | 105,543   | 1.665          | 21.79             | 90       | 19.55  |           |       |
| 982 60     | 78,451          | 123,801   | 1.578          | 25.90             | 88       | 22.67  |           |       |
| 983 60     | 75,247          | 120,347   | 1.599          | 26.82             | 81       | 21.80  |           |       |
| 984 58     | 40,792          | 83,442    | 2.046          | 23.28             | 67       | 15.64  |           |       |
| 991 58     | 36,909          | 85,309    | 2.311          | 24.07             | 68       | 16.34  |           |       |
| 992 58     | 46,185          | 99,435    | 2.153          | 26.51             | 71       | 18.84  |           |       |
| 993 58     | 35,383          | 88,383    | 2.498          | 26.22             | 63       | 16.56  |           |       |
| 994 58     | 37,898          | 87,598    | 2.311          | 23.88             | 69       | 16.42  |           |       |
| 001 58     | 42,731          | 94,056    | 2.201          | 23.98             | 75       | 18.02  |           |       |
| 002 58     | 54,121          | 105,321   | 1.946          | 26.09             | 76       | 19.95  |           |       |
| 003 58     | 38,653          | 88,403    | 2.287          | 26.09             | 63       | 16.57  |           |       |
| 004 58     | 33,980          | 95,534    | 2.811          | 27.17             | 66       | 17.90  |           |       |
| 011 58     | 31,918          | 81,118    | 2.541          | 27.60             | 56       | 15.54  |           |       |
| 012 58     | 37,870          | 88,070    | 2.326          | 27.19             | 61       | 16.69  |           |       |
| 013 58     | 34,132          | 72,766    | 2.132          | 27.84             | 49       | 13.64  |           |       |
| 014 58     | 26,408          | 65,158    | 2.467          | 27.42             | 45       | 12.21  |           |       |
| 021 58     | 24,611          | 57,161    | 2.323          | 27.90             | 39       | 10.95  |           |       |
| 022 58     | 28,146          | 70,696    | 2.512          | 27.06             | 49       | 13.39  |           |       |
|            | 1751 HWY 35 EAS | 75006     | FMR TRAVELODGE | FMR GUEST I       |          | 75     | 1.400     |       |
| 971 114    | 103,384         | 132,651   | 1.283          | 38.38             | 34       | 12.93  |           |       |
| 972 114    | 122,562         | 163,674   | 1.335          | 37.79             | 42       | 15.78  |           |       |
| 973 114    | 132,933         | 219,908   | 1.654          | 38.51             | 54       | 20.97  |           |       |
| 974 114    | 107,777         | 205,166   | 1.904          | 35.71             | 55       | 19.56  |           |       |
| 981 114    | 116,789         | 216,441   | 1.853          | 37.73             | 56       | 21.10  |           |       |
| 982 114    | 137,403         | 207,629   | 1.511          | 38.41             | 52       | 20.01  |           |       |
| 983 131    | 152,691         | 244,063   | 1.598          | 37.94             | 53       | 20.25  |           |       |
| 984 131    | 103,993         | 178,944   | 1.721          | 37.68             | 39       | 14.85  |           |       |
| 991 131    | 100,163         | 188,352   | 1.880          | 38.26             | 42       | 15.98  |           |       |
| 992 131    | 118,397         | 210,906   | 1.781          | 38.91             | 45       | 17.69  |           |       |
| 993 131    | 116,994         | 211,526   | 1.808          | 37.49             | 47       | 17.55  |           |       |
| 994 131    | 115,540         | 196,831   | 1.704          | 36.97             | 44       | 16.33  |           |       |
| 001 131    | TRAVL 116,272   | 197,211   | 1.696          | 38.12             | 44       | 16.73  |           |       |
| 002 131    | TRAVL 112,514   | 214,564   | 1.907          | 37.86             | 48       | 18.00  |           |       |
| 003 131    | TRAVL 112,885   | 216,173   | 1.915          | 37.86             | 47       | 17.94  |           |       |
| 004 131    | TRAVL 101,737   | 201,543   | 1.981          | 36.97             | 45       | 16.72  |           |       |
| 011 131    | TRAVL 93,324    | 186,677   | 2.000          | 38.61             | 41       | 15.83  |           |       |
| 012 131    | TRAVL 100,607   | 190,641   | 1.895          | 35.46             | 45       | 15.99  |           |       |

| CITY       | ADDR            | ZIP             | E 3               | YR           | AVG        | 14      |             |
|------------|-----------------|-----------------|-------------------|--------------|------------|---------|-------------|
| ---        | ---             | ---             | S EST 4           | OP           | ADJ 1      |         |             |
|            |                 |                 | T AVG. %          |              |            |         |             |
| YRQ        | # RMS           | TAXABLE REVENUE | GROSS REVENUE     | ADJ 1 FACTOR | DAILY RATE | OCC EST | \$ 5 REVPAR |
| ---        | ---             | ---             | ---               | ---          | ---        | ---     | ---         |
| CARROLLTON | 1751 HWY 35 EAS | 75006           | FMR TRAVELODGE    | FMR GUEST I  | 75         | 1.400   |             |
| 013        | 131             | 87,759          | 184,449           | 2.102        | 33.24      | 46      | 15.30       |
| 014        | 131             | 90,442          | 173,705           | 1.921        | 31.76      | 45      | 14.41       |
| 021        | 131             | 90,479          | 179,823           | 1.987        | 32.31      | 47      | 15.25       |
| 022        | 131             | 90,796          | 169,429           | 1.866        | 31.34      | 45      | 14.21       |
|            | 1240 W TRINITY  | 75006           | INTOWN SUITES     |              | 01         | .000    |             |
| 014        | 121 INTOW       | 120,351         | 222,060           | 1.845        | 26.59      | 75      | 19.95       |
| 021        | 121 INTOW       | 98,863          | 221,230           | 2.238        | 27.47      | 74      | 20.31       |
| 022        | 121 INTOW       | 78,900          | 212,000           | 2.687        | 29.56      | 65      | 19.25       |
|            | 2661 WESTGROVE  | 75006           | INTOWN SUITES FMR | SUBURBAN     | 98         | 1.900   |             |
| 983        | 22 SUBUR        | 29,522          | 45,000            | 1.524        | 28.00      | 79      | 22.23       |
| 984        | 138 SUBUR       | 129,072         | 232,200           | 1.799        | 28.00      | 65      | 18.29       |
| 991        | 138 SUBUR       | 114,027         | 260,198           | 2.282        | 28.46      | 74      | 20.95       |
| 992        | 138 SUBUR       | 118,602         | 277,143           | 2.337        | 28.94      | 76      | 22.07       |
| 993        | 138 SUBUR       | 145,067         | 282,204           | 1.945        | 28.62      | 78      | 22.23       |
| 994        | 138 SUBUR       | 119,348         | 277,754           | 2.327        | 27.61      | 79      | 21.88       |
| 001        | 138 SUBUR       | 108,396         | 311,341           | 2.872        | 31.74      | 79      | 25.07       |
| 002        | 138 SUBUR       | 107,316         | 304,770           | 2.840        | 32.37      | 75      | 24.27       |
| 003        | 138 SUBUR       | 118,820         | 294,319           | 2.477        | 32.37      | 72      | 23.18       |
| 004        | 138 SUBUR       | 93,417          | 278,405           | 2.980        | 30.46      | 72      | 21.93       |
| 011        | 138 SUBUR       | 105,073         | 313,495           | 2.984        | 30.95      | 82      | 25.24       |
| 012        | 138 SUBUR       | 99,251          | 300,506           | 3.028        | 31.47      | 76      | 23.93       |
| 013        | 138 SUBUR       | 90,718          | 257,539           | 2.839        | 32.23      | 63      | 20.29       |
| 014        | 138 SUBUR       | 39,765          | 157,703           | 3.966        | 28.57      | 43      | 12.42       |
| 021        | 138 SUBUR       | 73,438          | 170,243           | 2.318        | 28.05      | 49      | 13.71       |
| 022        | 138 INTOW       | 72,112          | 174,023           | 2.500        | 26.68      | 52      | 13.86       |
|            | 1720 S BROADWAY | 75006           | RED ROOF INN #147 |              | 86         | 1.035   |             |
| 971        | 137 REDRF       | 260,813         | 269,941           | .000         | 37.87      | 58      | 21.89       |
| 972        | 137 REDRF       | 285,104         | 294,216           | 1.032        | 40.44      | 58      | 23.60       |
| 973        | 137 REDRF       | 299,817         | 310,311           | .000         | 41.21      | 60      | 24.62       |
| 974        | 137 REDRF       | 320,146         | 330,075           | 1.031        | 38.90      | 67      | 26.19       |
| 981        | 137 REDRF       | 315,761         | 324,639           | 1.028        | 39.98      | 66      | 26.33       |
| 982        | 137 REDRF       | 318,889         | 331,230           | 1.039        | 41.72      | 64      | 26.57       |
| 983        | 137 REDRF       | 280,340         | 292,365           | 1.043        | 40.23      | 58      | 23.20       |
| 984        | 137 REDRF       | 247,734         | 273,644           | 1.105        | 40.01      | 54      | 21.71       |
| 991        | 137 REDRF       | 283,247         | 309,245           | 1.092        | 42.40      | 59      | 25.08       |
| 992        | 137 REDRF       | 283,079         | 309,287           | 1.093        | 43.12      | 58      | 24.81       |
| 993        | 137 REDRF       | 293,208         | 318,650           | 1.087        | 39.68      | 64      | 25.28       |
| 994        | 137 REDRF       | 273,712         | 303,320           | 1.108        | 39.12      | 62      | 24.07       |
| 001        | 137 REDRF       | 280,315         | 300,001           | 1.070        | 42.29      | 58      | 24.33       |
| 002        | 137 REDRF       | 286,220         | 306,854           | 1.072        | 44.15      | 56      | 24.61       |
| 003        | 137 REDRF       | 254,048         | 261,111           | 1.028        | 42.15      | 49      | 20.72       |
| 004        | 137 REDRF       | 240,000         | 250,000           | 1.042        | 42.28      | 47      | 19.83       |
| 011        | 137 REDRF       | 262,107         | 268,858           | 1.026        | 42.96      | 51      | 21.81       |
| 012        | 137 REDRF       | 264,789         | 277,485           | 1.048        | 42.32      | 53      | 22.26       |

| CITY       | ADDR            | ZIP     | E 3         | S EST 4           | T AVG. % | YR OP  | AVG ADJ 1 | 15    |
|------------|-----------------|---------|-------------|-------------------|----------|--------|-----------|-------|
| #          | TAXABLE         | GROSS   | ADJ 1       | DAILY             | OCC      | \$ 5   |           |       |
| YRQ RMS    | REVENUE         | REVENUE | FACTOR      | RATE              | EST      | REVPAR |           |       |
| ---        | ---             | ---     | ---         | ---               | ---      | ---    | ---       | ---   |
| CARROLLTON | 1720 S BROADWAY | 75006   | RED ROOF    | INN #147          |          |        | 86        | 1.035 |
| 013 137    | REDRF           | 241,775 | 259,944     | 1.075             | 43.34    | 48     | 20.62     |       |
| 014 137    | REDRF           | 196,312 | 208,340     | 1.061             | 37.76    | 44     | 16.53     |       |
| 021 137    | REDRF           | 206,385 | 212,432     | 1.029             | 40.46    | 43     | 17.23     |       |
| 022 137    | REDRF           | 213,227 | 220,690     | .000              | 39.25    | 45     | 17.70     |       |
|            | 1735 S I35      | 75006   | ROYAL INN   | FMR HOJO/CARROLLT |          |        | 67        | 1.250 |
| 971 110    |                 | 24,498  | 134,543     | 5.492             | 25.77    | 53     | 13.59     |       |
| 972 110    |                 | 32,140  | 140,000     | 4.356             | 1 26.05  | 54     | 13.99     |       |
| 973 110    |                 | 30,000  | 130,000     | 5.333             | 2 26.54  | 48     | 12.85     |       |
| 974 110    |                 | 20,000  | 125,000     | 6.250             | 3 26.33  | 47     | 12.35     |       |
| 981 110    | HO JO           | 20,000  | 125,000     | 6.250             | 4 37.06  | 34     | 12.63     |       |
| 982 110    | HO JO           | 27,052  | 125,000     | 4.621             | 37.73    | 33     | 12.49     |       |
| 983 110    | HO JO           | 30,000  | 125,000     | 4.167             | 1 37.27  | 33     | 12.35     |       |
| 984 110    | HO JO           | 61,167  | 81,622      | 1.334             | 34.96    | 23     | 8.07      |       |
| 991 110    | HO JO           | 55,794  | 122,776     | 2.201             | 31.02    | 40     | 12.40     |       |
| 992 110    |                 | 50,816  | 147,498     | 2.903             | 38.67    | 38     | 14.74     |       |
| 993 110    |                 | 45,846  | 141,346     | 3.083             | 36.27    | 39     | 13.97     |       |
| 994 110    |                 | 42,904  | 129,956     | 3.029             | 33.10    | 39     | 12.84     |       |
| 001 110    |                 | 44,860  | 132,131     | 2.945             | 31.22    | 43     | 13.35     |       |
| 002 110    |                 | 48,728  | 140,876     | 2.891             | 38.98    | 36     | 14.07     |       |
| 003 110    |                 | 49,826  | 147,572     | 2.962             | 36.98    | 39     | 14.58     |       |
| 004 110    |                 | 46,464  | 143,364     | 3.085             | 35.08    | 40     | 14.17     |       |
| 011 110    |                 | 46,727  | 131,008     | 2.804             | 35.64    | 37     | 13.23     |       |
| 012 110    |                 | 54,707  | 144,575     | 2.643             | 35.11    | 41     | 14.44     |       |
| 013 110    |                 | 48,103  | 141,577     | 2.943             | 34.93    | 40     | 13.99     |       |
| 014 110    |                 | 45,909  | 142,902     | 3.113             | 34.41    | 41     | 14.12     |       |
| 021 110    |                 | 49,976  | 144,167     | 2.885             | 35.01    | 42     | 14.56     |       |
| 022 110    |                 | 53,139  | 131,417     | 2.473             | 32.99    | 40     | 13.13     |       |
| DALLAS     | 5229 SPRING VAL | 75240   | AMERISUITES | NORTH FMR         | SUMN     |        | 96        | .000  |
| 972 90     | SUMNE           | 493,794 | 549,099     | .000              | 85.93    | 78     | 67.05     |       |
| 973 125    | SUMNE           | 586,856 | 652,584     | .000              | 85.60    | 66     | 56.75     |       |
| 974 125    | SUMNE           | 623,267 | 651,220     | 1.045             | 75.00    | 75     | 56.63     |       |
| 981 125    | SUMNE           | 671,775 | 697,748     | 1.039             | 82.21    | 75     | 62.02     |       |
| 982 125    | SUMNE           | 661,816 | 692,165     | 1.046             | 83.69    | 73     | 60.85     |       |
| 983 125    | SUMNE           | 632,827 | 642,257     | 1.015             | 82.68    | 68     | 55.85     |       |
| 984 125    | SUMNE           | 610,389 | 678,753     | .000              | 80.25    | 74     | 59.02     |       |
| 991 125    | SUMNE           | 594,149 | 660,694     | .000              | 82.98    | 71     | 58.73     |       |
| 992 125    | SUMNE           | 609,156 | 677,381     | .000              | 85.41    | 70     | 59.55     |       |
| 993 125    | SUMNE           | 552,549 | 614,434     | .000              | 82.49    | 65     | 53.43     |       |
| 994 125    | SUMNE           | 523,552 | 582,190     | .000              | 79.36    | 64     | 50.63     |       |
| 001 125    | SUMNE           | 697,220 | 775,309     | .000              | 87.71    | 79     | 68.92     |       |
| 002 125    | SUMNE           | 608,861 | 677,053     | .000              | 86.69    | 69     | 59.52     |       |
| 003 125    | AMSTE           | 499,058 | 517,034     | 1.036             | 82.00    | 55     | 44.96     |       |
| 004 125    | AMSTE           | 514,870 | 521,711     | 1.013             | 79.24    | 57     | 45.37     |       |
| 011 125    | AMSTE           | 500,593 | 539,571     | 1.078             | 78.48    | 61     | 47.96     |       |
| 012 125    | AMSTE           | 516,171 | 524,005     | 1.015             | 75.33    | 61     | 46.07     |       |

| CITY    | ADDR            | ZIP             | E 3                       | S EST 4      | YR OP   | AVG 16          |
|---------|-----------------|-----------------|---------------------------|--------------|---------|-----------------|
| ---     | ---             | ---             | T AVG.                    | DAILY OCC %  | ---     | ADJ 1           |
| YRQ #   | BRAND           | TAXABLE REVENUE | GROSS REVENUE             | ADJ 1 FACTOR | 2 RATE  | \$ 5 EST REVPAR |
| ---     | ---             | ---             | ---                       | ---          | ---     | ---             |
| DALLAS  | 5229 SPRING VAL | 75240           | AMERISUITES NORTH         | FMR          | SUMN    | 96 .000         |
| 013 125 | AMSTE           | 386,377         | 403,685                   | 1.045        | 75.10   | 47 35.10        |
| 014 125 | AMSTE           | 367,134         | 372,338                   | 1.014        | 71.02   | 46 32.38        |
| 021 125 | AMSTE           | 418,064         | 432,322                   | 1.034        | 72.26   | 53 38.43        |
| 022 125 | AMSTE           | 363,142         | 370,790                   | 1.021        | 69.13   | 47 32.60        |
|         | 7880 ALPHA RD   | 75240           | BRISTOL HOUSE RESIDENTIAL |              |         | 97 1.150        |
| 973 55  |                 | 135,228         | 169,187                   | 1.251        | 60.00   | 56 33.44        |
| 974 127 |                 | 437,799         | 575,272                   | 1.314        | 64.48   | 76 49.24        |
| 981 127 |                 | 592,123         | 651,370                   | 1.100        | 70.38   | 81 56.99        |
| 982 127 |                 | 593,619         | 680,812                   | 1.147        | 74.56   | 79 58.91        |
| 983 127 |                 | 477,235         | 651,868                   | 1.366        | 73.66   | 76 55.79        |
| 984 127 |                 | 321,444         | 340,646                   | 1.060        | 69.36   | 42 29.15        |
| 991 127 |                 | 408,272         | 652,922                   | 1.599        | 71.72   | 80 57.12        |
| 992 127 |                 | 553,666         | 620,170                   | 1.120        | 72.94   | 74 53.66        |
| 993 127 |                 | 495,427         | 503,520                   | 1.016        | 69.17   | 62 43.09        |
| 994 127 |                 | 515,348         | 519,703                   | 1.008        | 68.20   | 65 44.48        |
| 001 127 |                 | 658,491         | 666,662                   | 1.012        | 74.50   | 78 58.33        |
| 002 127 |                 | 598,849         | 605,656                   | 1.011        | 74.96   | 70 52.41        |
| 003 127 |                 | 509,170         | 556,503                   | 1.093        | 70.96   | 67 47.63        |
| 004 127 |                 | 504,682         | 565,848                   | 1.121        | 71.17   | 68 48.43        |
| 011 127 |                 | 449,999         | 585,408                   | 1.301        | 72.31   | 71 51.22        |
| 012 127 |                 | 392,282         | 548,554                   | 1.398        | 71.23   | 67 47.47        |
| 013 127 |                 | 397,604         | 457,245                   | .000         | 71.92   | 54 39.13        |
| 014 127 |                 | 250,778         | 407,784                   | 1.626        | 66.00   | 53 34.90        |
| 021 127 |                 | 259,768         | 385,842                   | 1.485        | 71.22   | 47 33.76        |
| 022 127 |                 | 193,334         | 290,460                   | 1.502        | 68.12   | 37 25.13        |
|         | 6104 LBJ FRWY   | 75240           | BW PRESTON SUITES         | CONVERTE     |         | 86 1.350        |
| 971 89  | X.STE           | 290,621         | 336,077                   | 1.156        | 81.16   | 52 41.96        |
| 972 89  | X.STE           | 359,715         | 426,537                   | 1.186        | 82.05   | 64 52.67        |
| 973 89  | X.STE           | 298,230         | 343,464                   | 1.152        | 68.47   | 61 41.95        |
| 974 89  | X.STE           | 326,320         | 374,931                   | 1.149        | 67.92   | 67 45.79        |
| 981 89  | X.STE           | 301,394         | 314,054                   | 1.042        | 65.51   | 60 39.21        |
| 982 89  | X.STE           | 375,740         | 410,712                   | 1.093        | 66.69   | 76 50.71        |
| 983 89  | X.STE           | 276,374         | 301,249                   | 1.090        | 62.53   | 59 36.79        |
| 984 89  | X.STE           | 217,225         | 244,671                   | 1.126        | 62.04   | 48 29.88        |
| 991 89  | X.STE           | 177,614         | 183,306                   | 1.032        | 65.03   | 35 22.88        |
| 992 89  | X.STE           | 194,270         | 200,847                   | 1.034        | 66.14   | 37 24.80        |
| 993 89  | X.STE           | 163,890         | 221,252                   | .000         | 63.43   | 43 27.02        |
| 994 89  | X.STE           | 160,000         | 200,000                   | 1.250        | 1 62.54 | 39 24.43        |
| 001 89  | X.STE           | 175,000         | 185,000                   | 1.057        | 2 62.79 | 37 23.10        |
| 002 89  | X.STE           | 100,196         | 135,265                   | .000         | 64.04   | 26 16.70        |
| 003 89  | X.STE           | 143,704         | 194,000                   | .000         | 63.04   | 38 23.69        |
| 004 89  | X.STE           | 110,984         | 149,828                   | .000         | 59.22   | 31 18.30        |
| 011 20  | X.STE           | 23,895          | 32,258                    | .000         | 60.17   | 30 17.92        |
|         | 13939 NOEL RD   | 75240           | CANDLEWOOD HOTEL          |              |         | 98 1.400        |
| 984 70  | CANDL           | 152,799         | 181,744                   | 1.189        | 45.98   | 61 28.22        |

| CITY   | ADDR          | ZIP             | E 3                       | S EST 4      | YR         | AVG 17  |             |
|--------|---------------|-----------------|---------------------------|--------------|------------|---------|-------------|
| ---    | ---           | ---             | T AVG.                    | %            | OP         | ADJ 1   |             |
| YRQ    | # RMS         | TAXABLE REVENUE | GROSS REVENUE             | ADJ 1 FACTOR | DAILY RATE | OCC EST | \$ 5 REVPAR |
| ---    | ---           | ---             | ---                       | ---          | ---        | ---     | ---         |
| DALLAS | 13939 NOEL RD | 75240           | CANDLEWOOD HOTEL          |              | 98         | 1.400   |             |
| 991    | 134 CANDL     | 250,759         | 427,407                   | 1.704        | 47.68      | 74      | 35.44       |
| 992    | 134 CANDL     | 282,026         | 422,061                   | 1.497        | 50.52      | 69      | 34.61       |
| 993    | 134 CANDL     | 290,393         | 373,078                   | 1.285        | 49.96      | 61      | 30.26       |
| 994    | 134 CANDL     | 245,917         | 487,339                   | 1.982        | 53.20      | 74      | 39.53       |
| 001    | 134 CANDL     | 295,634         | 572,594                   | 1.937        | 60.44      | 79      | 47.48       |
| 002    | 134 CANDL     | 174,398         | 363,134                   | 2.082        | 61.64      | 48      | 29.78       |
| 003    | 134 CANDL     | 219,950         | 389,802                   | 1.772        | 53.64      | 59      | 31.62       |
| 004    | 134 CANDL     | 282,082         | 432,020                   | 1.532        | 53.80      | 65      | 35.04       |
| 011    | 134 CANDL     | 214,033         | 435,745                   | 2.036        | 54.66      | 66      | 36.13       |
| 012    | 134 CANDL     | 268,640         | 406,232                   | 1.512        | 56.80      | 59      | 33.31       |
| 013    | 134 CANDL     | 184,008         | 342,453                   | 1.861        | 55.30      | 50      | 27.78       |
| 014    | 134 CANDL     | 198,669         | 351,877                   | 1.771        | 51.71      | 55      | 28.54       |
| 021    | 134 CANDL     | 269,079         | 404,232                   | 1.502        | 55.67      | 60      | 33.52       |
| 022    | 134 CANDL     | 261,193         | 381,901                   | .000         | 54.01      | 58      | 31.32       |
|        | 7800 ALPHA RD | 75240           | CROWNE PLAZA SUITES FMR B |              | 88         | 1.070   |             |
| 971    | 295 X.STE     | 2,114,553       | 2,233,280                 | 1.056        | 106.04     | 79      | 84.12       |
| 972    | 295 X.STE     | 2,080,645       | 2,146,747                 | 1.032        | 107.21     | 75      | 79.97       |
| 973    | 295 X.STE     | 1,727,364       | 1,833,994                 | 1.062        | 99.06      | 68      | 67.58       |
| 974    | 295 X.STE     | 1,760,658       | 1,835,732                 | 1.043        | 98.27      | 69      | 67.64       |
| 981    | 295 X.STE     | 1,745,388       | 1,871,571                 | 1.072        | 105.11     | 67      | 70.49       |
| 982    | 295 X.STE     | 1,806,072       | 1,942,090                 | 1.075        | 107.00     | 68      | 72.34       |
| 983    | 295 X.STE     | 1,173,584       | 1,350,653                 | 1.151        | 105.70     | 47      | 49.77       |
| 984    | 295 X.STE     | 1,685,100       | 1,807,542                 | 1.073        | 102.00     | 65      | 66.60       |
| 991    | 295 X.STE     | 1,527,857       | 1,807,344                 | 1.181        | 105.47     | 65      | 68.07       |
| 992    | 295 X.STE     | 1,711,491       | 1,907,389                 | 1.111        | 107.26     | 66      | 71.05       |
| 993    | 295 X.STE     | 1,453,523       | 1,709,728                 | 1.170        | 102.12     | 62      | 63.00       |
| 994    | 295 X.STE     | 1,509,332       | 1,588,577                 | 1.053        | 100.69     | 58      | 58.53       |
| 001    | 295 X.STE     | 1,917,384       | 2,097,368                 | 1.094        | 107.12     | 74      | 79.00       |
| 002    | 295 X.STE     | 1,809,540       | 2,016,609                 | 1.114        | 103.79     | 72      | 75.12       |
| 003    | 295 X.STE     | 1,534,787       | 1,850,333                 | 1.206        | 102.00     | 67      | 68.18       |
| 004    | 295 X.STE     | 1,519,276       | 1,698,256                 | 1.118        | 102.31     | 61      | 62.57       |
| 011    | 295 X.STE     | 1,119,848       | 1,571,381                 | 1.403        | 103.95     | 57      | 59.19       |
| 012    | 295 X.STE     | 1,378,075       | 1,575,047                 | 1.143        | 101.46     | 58      | 58.67       |
| 013    | 295 X.STE     | 1,103,869       | 1,350,641                 | 1.224        | 98.78      | 50      | 49.77       |
| 014    | 295 X.STE     | 1,069,725       | 1,241,937                 | 1.161        | 89.64      | 51      | 45.76       |
| 021    | 295 X.STE     | 1,305,325       | 1,500,285                 | 1.149        | 100.38     | 56      | 56.51       |
| 022    | 295 X.STE     | 1,191,677       | 1,410,673                 | 1.184        | 97.38      | 54      | 52.55       |
|        | 14021 NOEL RD | 75240           | EMBASSY SUITES            |              | 97         | .000    |             |
| 981    | 150 EMBAS     | 609,103         | 665,750                   | .000         | 90.43      | 55      | 49.31       |
| 982    | 150 EMBAS     | 975,409         | 1,066,122                 | .000         | 107.33     | 73      | 78.10       |
| 983    | 150 EMBAS     | 876,953         | 888,327                   | 1.013        | 100.10     | 64      | 64.37       |
| 984    | 150 EMBAS     | 1,218,730       | 1,284,705                 | 1.054        | 114.34     | 81      | 93.09       |
| 991    | 150 EMBAS     | 1,244,014       | 1,289,383                 | 1.036        | 124.43     | 77      | 95.51       |
| 992    | 150 EMBAS     | 1,160,505       | 1,222,630                 | 1.054        | 114.34     | 78      | 89.57       |
| 993    | 150 EMBAS     | 1,034,042       | 1,137,233                 | 1.100        | 105.17     | 78      | 82.41       |

| CITY  | ADDR  | ZIP             | E 3           | S EST 4      | T AVG. %   | YR OP   | AVG ADJ 1   | 18     |
|---|-------|-----------------|---------------|--------------|------------|---------|-------------|--------|
| YRQ RMS   | BRAND | TAXABLE REVENUE | GROSS REVENUE | ADJ 1 FACTOR | DAILY RATE | OCC EST | \$ 5 REVPAR |        |
| DALLAS 14021 NOEL RD 75240 EMBASSY SUITES 97 .000         |       |                 |               |              |            |         |             |        |
| 994   | 150   | EMBAS           | 1,152,717     | 1,198,965    | 1.040      | 108.63  | 80          | 86.88  |
| 001   | 150   | EMBAS           | 1,315,759     | 1,383,366    | 1.051      | 116.09  | 88          | 102.47 |
| 002   | 150   | EMBAS           | 1,337,639     | 1,402,524    | 1.049      | 124.11  | 83          | 102.75 |
| 003   | 150   | EMBAS           | 1,282,364     | 1,325,263    | 1.033      | 124.11  | 77          | 96.03  |
| 004   | 150   | EMBAS           | 1,382,264     | 1,409,933    | 1.020      | 135.49  | 75          | 102.17 |
| 011   | 150   | EMBAS           | 1,395,798     | 1,438,379    | 1.031      | 142.74  | 75          | 106.55 |
| 012   | 150   | EMBAS           | 1,183,339     | 1,264,056    | 1.068      | 133.70  | 69          | 92.60  |
| 013   | 150   | EMBAS           | 1,038,169     | 1,095,944    | 1.056      | 126.67  | 63          | 79.42  |
| 014   | 150   | EMBAS           | 1,014,689     | 1,072,574    | 1.057      | 123.78  | 63          | 77.72  |
| 021   | 150   | EMBAS           | 1,191,198     | 1,286,464    | 1.080      | 142.23  | 67          | 95.29  |
| 022   | 150   | EMBAS           | 999,167       | 1,068,789    | 1.070      | 129.25  | 61          | 78.30  |
| 13636 GOLDMARK 75240 GOLDMARK INN FMR RESID 82 1.250      |       |                 |               |              |            |         |             |        |
| 971   | 70    | RESID           | 348,962       | 418,854      | 1.200      | 91.78   | 72          | 66.48  |
| 972   | 70    | RESID           | 383,081       | 495,350      | 1.293      | 92.79   | 84          | 77.76  |
| 973   | 70    | RESID           | 300,481       | 417,186      | 1.388      | 91.65   | 71          | 64.78  |
| 974   | 70    | RESID           | 286,902       | 374,204      | 1.304      | 90.91   | 64          | 58.11  |
| 981   | 70    | RESID           | 364,361       | 423,976      | 1.164      | 96.36   | 70          | 67.30  |
| 982   | 70    | RESID           | 340,702       | 489,402      | 1.436      | 98.10   | 78          | 76.83  |
| 983   | 70    | RESID           | 357,076       | 425,315      | 1.191      | 85.60   | 77          | 66.04  |
| 984   | 70    | RESID           | 288,415       | 386,196      | 1.339      | 89.58   | 67          | 59.97  |
| 991   | 70    | RESID           | 328,369       | 354,041      | 1.078      | 92.63   | 61          | 56.20  |
| 992   | 70    | RESID           | 396,093       | 428,932      | 1.083      | 94.21   | 71          | 67.34  |
| 993   | 70    | RESID           | 356,775       | 419,544      | 1.176      | 93.17   | 70          | 65.15  |
| 994   | 70    | RESID           | 334,004       | 377,525      | 1.130      | 87.92   | 67          | 58.62  |
| 001   | 70    | RESID           | 375,900       | 425,061      | 1.131      | 88.27   | 76          | 67.47  |
| 002   | 70    | RESID           | 398,159       | 457,077      | 1.148      | 96.14   | 75          | 71.75  |
| 003   | 70    | RESID           | 323,387       | 398,550      | 1.232      | 94.14   | 66          | 61.89  |
| 004   | 70    | RESID           | 333,776       | 439,828      | 1.318      | 94.42   | 72          | 68.30  |
| 011   | 70    | RESID           | 342,391       | 438,941      | 1.282      | 95.93   | 73          | 69.67  |
| 012   | 70    | RESID           | 261,002       | 360,297      | 1.380      | 94.49   | 60          | 56.56  |
| 013   | 70    | RESID           | 189,002       | 263,180      | 1.392      | 90.12   | 45          | 40.87  |
| 014   | 70    | RESID           | 179,349       | 237,936      | 1.327      | 85.81   | 43          | 36.95  |
| 021   | 70    |                 | 63,303        | 101,388      | 1.602      | 87.31   | 18          | 16.09  |
| 022   | 70    |                 | 38,252        | 73,044       | 1.909      | 55.06   | 21          | 11.47  |
| 14901 DALLAS PK 75240 QUORUM MARRIOTT 548 RMS MI 82 1.030 |       |                 |               |              |            |         |             |        |
| 971   | 511   | MARRT           | 4,658,203     | 4,797,949    | .000       | 134.33  | 78          | 104.33 |
| 972   | 506   | MARRT           | 4,517,733     | 4,577,781    | 1.013      | 125.70  | 79          | 99.42  |
| 973   | 667   | MARRT           | 5,803,859     | 5,926,186    | 1.020      | 134.09  | 72          | 96.57  |
| 974   | 500   | MARRT           | 5,381,697     | 5,535,070    | 1.028      | 146.01  | 82          | 120.33 |
| 981   | 511   | MARRT           | 4,844,775     | 4,912,360    | 1.010      | 133.61  | 80          | 106.81 |
| 982   | 506   | MARRT           | 4,518,890     | 4,621,163    | 1.023      | 133.36  | 75          | 100.36 |
| 983   | 667   | MARRT           | 5,730,233     | 5,785,409    | 1.010      | 138.66  | 68          | 94.28  |
| 984   | 500   | MARRT           | 4,261,349     | 4,389,189    | .000       | 133.27  | 72          | 95.42  |
| 991   | 511   | MARRT           | 4,842,702     | 4,913,382    | 1.015      | 137.80  | 78          | 106.84 |
| 992   | 506   | MARRT           | 4,500,268     | 4,636,799    | 1.030      | 140.14  | 72          | 100.70 |

| CITY   | ADDR            | ZIP             | E S T                 | 3 4          | YR OP      | AVG ADJ | 19          |
|--------|-----------------|-----------------|-----------------------|--------------|------------|---------|-------------|
| ---    | ---             | ---             | T                     | AVG. %       | --         | -----   |             |
| YRQ    | # RMS           | TAXABLE REVENUE | GROSS REVENUE         | ADJ 1 FACTOR | DAILY RATE | OCC EST | \$ 5 REVPAR |
| ---    | ---             | ---             | ---                   | ---          | ---        | ---     | ---         |
| DALLAS | 14901 DALLAS    | PK 75240        | QUORUM                | MARRIOTT     | 548 RMS MI | 82      | 1.030       |
| 993    | 667 MARRT       | 3,847,368       | 4,009,654             | 1.042        | 120.60     | 54      | 65.34       |
| 994    | 500 MARRT       | 5,473,431       | 5,648,864             | 1.032        | 150.70     | 81      | 122.80      |
| 001    | 511 MARRT       | 4,593,729       | 4,798,504             | 1.045        | 139.56     | 75      | 104.34      |
| 002    | 506 MARRT       | 4,391,539       | 4,602,826             | 1.048        | 142.34     | 70      | 99.96       |
| 003    | 667 MARRT       | 3,746,193       | 3,942,540             | 1.052        | 110.34     | 58      | 64.25       |
| 004    | 500 MARRT       | 5,139,734       | 5,435,268             | 1.057        | 150.76     | 78      | 118.16      |
| 011    | 511 MARRT       | 4,136,739       | 4,359,724             | 1.054        | 143.01     | 66      | 94.80       |
| 012    | 506 MARRT       | 3,414,250       | 3,762,180             | 1.102        | 105.86     | 77      | 81.70       |
| 013    | 667 MARRT       | 3,618,913       | 4,014,592             | 1.109        | 108.41     | 60      | 65.42       |
| 014    | 500 MARRT       | 2,551,072       | 2,961,910             | 1.161        | 106.78     | 60      | 64.39       |
| 021    | 511 MARRT       | 3,098,622       | 3,568,227             | 1.152        | 141.21     | 55      | 77.59       |
| 022    | 506 MARRT       | 2,742,950       | 2,825,239             | .000         | 122.43     | 50      | 61.36       |
|        | 6101 LYNDON B J | 75240           | TERRA COTTA INN       |              |            | 76      | 1.050       |
| 971    | 97              | 248,056         | 255,510               | 1.030        | 51.18      | 57      | 29.27       |
| 972    | 97              | 249,392         | 256,056               | 1.027        | 51.74      | 56      | 29.01       |
| 973    | 97              | 259,876         | 268,361               | 1.033        | 52.72      | 57      | 30.07       |
| 974    | 97              | 272,781         | 283,608               | 1.040        | 52.30      | 61      | 31.78       |
| 981    | 97              | 273,506         | 285,633               | 1.044        | 53.76      | 61      | 32.72       |
| 982    | 97              | 258,642         | 266,311               | 1.030        | 54.73      | 55      | 30.17       |
| 983    | 97              | 228,396         | 234,773               | 1.028        | 51.37      | 51      | 26.31       |
| 984    | 97              | 245,219         | 251,004               | 1.024        | 54.44      | 52      | 28.13       |
| 991    | 97              | 240,737         | 246,792               | 1.025        | 56.29      | 50      | 28.27       |
| 992    | 97              | 236,744         | 246,933               | 1.043        | 57.25      | 49      | 27.97       |
| 993    | 97              | 251,684         | 260,255               | 1.034        | 50.69      | 58      | 29.16       |
| 994    | 97              | 245,634         | 249,962               | 1.018        | 50.97      | 55      | 28.01       |
| 001    | 97              | 290,413         | 304,934               | .000         | 56.19      | 62      | 34.93       |
| 002    | 97              | 284,408         | 290,233               | 1.025        | 58.33      | 56      | 32.88       |
| 003    | 97              | 259,571         | 263,820               | 1.016        | 53.33      | 55      | 29.56       |
| 004    | 97              | 296,548         | 303,243               | 1.023        | 54.49      | 62      | 33.98       |
| 011    | 97              | 293,234         | 298,678               | 1.019        | 55.36      | 62      | 34.21       |
| 012    | 97              | 266,525         | 275,716               | 1.034        | 52.56      | 59      | 31.24       |
| 013    | 97              | 208,403         | 213,205               | 1.023        | 53.82      | 44      | 23.89       |
| 014    | 97              | 236,561         | 241,021               | 1.019        | 53.01      | 51      | 27.01       |
| 021    | 97              | 220,865         | 229,971               | 1.041        | 53.93      | 49      | 26.34       |
| 022    | 97              | 203,619         | 209,466               | 1.029        | 49.99      | 47      | 23.73       |
|        | 5410 LYNDON B J | 75240           | THE DOUBLETREE HOTEL. |              |            | 82      | 1.056       |
| 971    | 509 DOUBL       | 3,946,999       | 4,148,078             | 1.051        | 114.20     | 79      | 90.55       |
| 972    | 509 DOUBL       | 4,051,517       | 4,096,661             | 1.011        | 115.46     | 77      | 88.44       |
| 973    | 509 DOUBL       | 3,794,915       | 4,007,430             | .000         | 109.50     | 78      | 85.58       |
| 974    | 509 DOUBL       | 3,835,008       | 3,955,457             | 1.031        | 108.62     | 78      | 84.47       |
| 981    | 509 DOUBL       | 4,587,425       | 4,844,321             | .000         | 127.32     | 83      | 105.75      |
| 982    | 509 DOUBL       | 4,337,312       | 4,580,201             | .000         | 124.52     | 79      | 98.88       |
| 983    | 509 DOUBL       | 3,538,636       | 3,644,835             | 1.030        | 111.16     | 70      | 77.83       |
| 984    | 509 DOUBL       | 4,167,870       | 4,293,005             | 1.030        | 117.46     | 78      | 91.68       |
| 991    | 509 DOUBL       | 4,096,820       | 4,294,644             | 1.048        | 127.66     | 73      | 93.75       |

| CITY   | ADDR  | ZIP             | E 3             | S EST 4                   | T AVG. %     | YR OP      | AVG ADJ 1 | 20          |
|--------|-------|-----------------|-----------------|---------------------------|--------------|------------|-----------|-------------|
| YRQ    | # RMS | BRAND           | TAXABLE REVENUE | GROSS REVENUE             | ADJ 1 FACTOR | DAILY RATE | OGC EST   | \$ 5 REVPAR |
| DALLAS |       | 5410 LYNDON B J | 75240           | THE DOUBLETREE HOTEL      |              |            | 82        | 1.056       |
| 992    | 509   | DOUBL           | 3,364,406       | 3,623,154                 | 1.077        | 126.78     | 62        | 78.22       |
| 993    | 509   | DOUBL           | 3,017,578       | 3,065,305                 | 1.016        | 109.56     | 60        | 65.46       |
| 994    | 509   | DOUBL           | 3,357,831       | 3,450,182                 | 1.028        | 115.91     | 64        | 73.68       |
| 001    | 509   | DOUBL           | 3,983,606       | 4,121,857                 | 1.035        | 129.43     | 70        | 89.98       |
| 002    | 509   | DOUBL           | 3,925,191       | 4,013,202                 | 1.022        | 125.41     | 69        | 86.64       |
| 003    | 509   | DOUBL           | 3,517,325       | 3,623,156                 | 1.030        | 115.41     | 67        | 77.37       |
| 004    | 509   | DOUBL           | 3,885,754       | 4,103,356                 | .000         | 119.77     | 73        | 87.63       |
| 011    | 509   | DOUBL           | 4,246,407       | 4,484,206                 | .000         | 134.89     | 73        | 97.89       |
| 012    | 509   | DOUBL           | 3,474,583       | 3,590,818                 | 1.033        | 124.00     | 63        | 77.52       |
| 013    | 509   | DOUBL           | 2,082,715       | 2,310,470                 | 1.109        | 113.67     | 43        | 49.34       |
| 014    | 509   | DOUBL           | 2,429,209       | 2,555,943                 | 1.052        | 106.05     | 51        | 54.58       |
| 021    | 509   | DOUBL           | 2,994,234       | 3,308,831                 | 1.105        | 130.30     | 55        | 72.23       |
| 022    | 509   | DOUBL           | 2,896,590       | 3,001,192                 | 1.036        | 118.64     | 55        | 64.79       |
|        |       | 13340 DALLAS PK | 75240           | THE WESTIN HOTEL GALLERIA |              |            | 83        | 1.025       |
| 971    | 434   | WESTN           | 4,244,331       | 4,350,439                 | .000         | 175.14     | 64        | 111.38      |
| 972    | 434   | WESTN           | 5,002,458       | 5,127,519                 | .000         | 177.07     | 73        | 129.83      |
| 973    | 434   | WESTN           | 4,837,272       | 4,958,204                 | .000         | 180.43     | 69        | 124.18      |
| 974    | 434   | WESTN           | 5,092,892       | 5,220,214                 | .000         | 178.99     | 73        | 130.74      |
| 981    | 434   | WESTN           | 5,438,597       | 5,604,910                 | 1.031        | 190.13     | 75        | 143.49      |
| 982    | 434   | WESTN           | 5,153,755       | 5,260,032                 | 1.021        | 188.46     | 71        | 133.19      |
| 983    | 434   | WESTN           | 4,747,522       | 4,866,210                 | .000         | 168.39     | 72        | 121.87      |
| 984    | 434   | WESTN           | 5,509,694       | 5,588,175                 | 1.014        | 178.90     | 78        | 139.96      |
| 991    | 434   | WESTN           | 5,488,685       | 5,577,125                 | 1.016        | 187.05     | 76        | 142.78      |
| 992    | 434   | WESTN           | 5,208,115       | 5,296,062                 | 1.017        | 190.23     | 70        | 134.10      |
| 993    | 434   | WESTN           | 4,849,767       | 4,944,720                 | 1.020        | 188.14     | 66        | 123.84      |
| 994    | 431   | WESTN           | 5,659,790       | 5,717,592                 | 1.010        | 190.44     | 76        | 144.19      |
| 001    | 431   | WESTN           | 5,726,576       | 5,869,740                 | .000         | 191.20     | 79        | 151.32      |
| 002    | 431   | WESTN           | 5,640,115       | 5,744,844                 | 1.019        | 195.01     | 75        | 146.47      |
| 003    | 431   | WESTN           | 5,163,435       | 5,292,521                 | .000         | 195.01     | 68        | 133.47      |
| 004    | 431   | WESTN           | 5,542,461       | 5,849,787                 | 1.055        | 195.60     | 75        | 147.53      |
| 011    | 431   | WESTN           | 5,716,221       | 5,830,798                 | 1.020        | 200.76     | 75        | 150.32      |
| 012    | 431   | WESTN           | 4,740,583       | 4,859,098                 | .000         | 194.79     | 64        | 123.89      |
| 013    | 431   | WESTN           | 3,410,585       | 3,487,846                 | 1.023        | 177.98     | 49        | 87.96       |
| 014    | 431   | WESTN           | 4,085,908       | 4,107,788                 | 1.005        | 175.31     | 59        | 103.60      |
| 021    | 431   | WESTN           | 4,436,983       | 4,460,950                 | 1.005        | 191.61     | 60        | 115.00      |
| 022    | 431   | WESTN           | 4,210,794       | 4,316,064                 | .000         | 185.89     | 59        | 110.04      |
|        |       | 17200 WESTGROVE | 75248           | ACCOMMODATIONS UNLIMITED  |              |            | 95        | 2.000       |
| 971    | 42    |                 | 42,219          | 84,438                    | .000         | 41.19      | 54        | 22.34       |
| 972    | 42    |                 | 40,888          | 81,776                    | .000         | 40.63      | 53        | 21.40       |
| 973    | 42    |                 | 34,368          | 68,736                    | .000         | 41.40      | 43        | 17.79       |
| 974    | 42    |                 | 36,737          | 73,474                    | .000         | 41.07      | 46        | 19.02       |
| 981    | 42    |                 | 47,481          | 94,962                    | 2.930        | 42.21      | 59        | 25.12       |
| 982    | 42    |                 | 82,591          | 126,802                   | 1.535        | 42.97      | 77        | 33.18       |
| 983    | 42    |                 | 22,503          | 45,006                    | .000         | 42.44      | 27        | 11.65       |
| 984    | 42    |                 | 41,731          | 83,462                    | .000         | 43.29      | 50        | 21.60       |



| CITY   | ADDR  | ZIP             | E 3             | S EST 4                  | T AVG. %     | YR OP      | AVG ADJ 1 | 21          |
|--------|-------|-----------------|-----------------|--------------------------|--------------|------------|-----------|-------------|
| ---    | ---   | ---             | ---             | ---                      | ---          | ---        | ---       | ---         |
| YRQ    | # RMS | BRAND           | TAXABLE REVENUE | GROSS REVENUE            | ADJ 1 FACTOR | DAILY RATE | OCC EST % | \$ 5 REVPAR |
| ---    | ---   | ---             | ---             | ---                      | ---          | ---        | ---       | ---         |
| DALLAS |       | 17200 WESTGROVE | 75248           | ACCOMMODATIONS UNLIMITED |              |            |           | 95 2.000    |
| 991    | 22    |                 | 21,980          | 43,960                   | .000         | 44.76      | 50        | 22.20       |
|        |       | 16060 DALLAS PK | 75248           | BRADFORD HOMESUITES      |              |            |           | 97 1.250    |
| 972    | 60    | BRADF           | 196,384         | 279,005                  | 1.421        | 57.00      | 90        | 51.10       |
| 973    | 131   | BRADF           | 309,391         | 551,659                  | 1.783        | 56.74      | 81        | 45.77       |
| 974    | 131   | BRADF           | 295,506         | 550,530                  | 1.863        | 56.29      | 81        | 45.68       |
| 981    | 131   | BRADF           | 339,899         | 569,931                  | 1.677        | 57.84      | 84        | 48.34       |
| 982    | 131   | BRADF           | 307,418         | 606,495                  | 1.973        | 57.05      | 89        | 50.88       |
| 983    | 131   | BRADF           | 276,965         | 602,427                  | 2.175        | 58.14      | 86        | 49.99       |
| 984    | 131   | BRADF           | 287,662         | 541,413                  | 1.882        | 59.30      | 76        | 44.92       |
| 991    | 131   | BRADF           | 360,474         | 598,662                  | 1.661        | 61.32      | 83        | 50.78       |
| 992    | 131   | BRADF           | 344,458         | 568,955                  | 1.652        | 62.36      | 77        | 47.73       |
| 993    | 131   | BRADF           | 386,025         | 557,101                  | 1.443        | 65.63      | 70        | 46.22       |
| 994    | 131   | BRADF           | 407,140         | 550,895                  | 1.353        | 64.71      | 71        | 45.71       |
| 001    | 131   | BRADF           | 408,754         | 622,536                  | 1.523        | 64.97      | 81        | 52.80       |
| 002    | 131   | BRADF           | 432,769         | 617,456                  | 1.427        | 66.26      | 78        | 51.80       |
| 003    | 131   | BRADF           | 422,715         | 592,827                  | 1.402        | 66.26      | 74        | 49.19       |
| 004    | 131   | BRADF           | 388,881         | 541,988                  | 1.394        | 66.46      | 68        | 44.97       |
| 011    | 131   | BRADF           | 371,587         | 493,067                  | 1.327        | 64.48      | 65        | 41.82       |
| 012    | 131   | BRADF           | 378,776         | 480,851                  | 1.269        | 64.03      | 63        | 40.34       |
| 013    | 131   | BRADF           | 310,788         | 410,748                  | 1.322        | 63.52      | 54        | 34.08       |
| 014    | 131   | BRADF           | 267,249         | 326,119                  | 1.220        | 57.64      | 47        | 27.06       |
| 021    | 131   | BRADF           | 336,257         | 412,782                  | 1.228        | 61.70      | 57        | 35.01       |
| 022    | 131   | BRADF           | 367,392         | 479,876                  | 1.306        | 63.74      | 63        | 40.25       |
|        |       | 16500 LAUDER LN | 75248           | LIVING SUITES I LTD      |              |            |           | 96 .000     |
| 971    | 13    |                 | 45,197          | 53,830                   | .000         | 54.04      | 85        | 46.01       |
| 972    | 13    |                 | 36,180          | 43,090                   | .000         | 59.14      | 62        | 36.42       |
| 973    | 13    |                 | 9,108           | 36,267                   | 3.982        | 60.27      | 50        | 30.32       |

ENDNOTES:

1. Factor used to adjust taxable to gross revenues. Area factor used if property data not available. Taxable equals 89% of gross Statewide.
  2. A number or a 'Y' indicates quarter's revenues were estimated.
  3. Estimated Average Daily Rate (e.g. 60-85% of 'rack single');
  4. Occupancy derived from calculated roomnights sold (gross room revenues divided by Average Daily Rate), divided by roomnights available.
  5. Total REVENUES Per Available Room per day, or 'REVPAR';
- Prepared from State Comptroller, chain directories and private records.  
INCLUDES ALL QUARTERLY REPORTS EXCEEDING \$16,500 (OTHERWISE OMITTED).

Parcel 6  
Field Note Description  
Arapaho Road Project  
Town of Addison  
Dallas County, Texas

BEING a description of a 0.6430 acre (28,008 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, and being a portion of a called 4.9814 acre tract of land as conveyed to Motel 6 Operating L.P. on February 1, 1990 and recorded in Volume 90024, Page 0779 of the Deed Records of Dallas County, Texas, said called 4.9814 tract being all of the Rodeway Inn, an addition to the Town of Addison, as evidenced by the plat dated January 16, 1981 and recorded in Volume 81052, Page 0775 of said Deed Records, said 0.6430 acre tract of land being more particularly described by metes and bounds as follows;

**BEGINNING** at a 1/2 inch iron rod found in the proposed North right of way of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northwest corners of said called 4.9814 acre tract and said Rodeway Inn and Northeast corner of a called 3.334 acre tract of land as conveyed to Addison, R.E. on September 15, 1995 and recorded in Volume 95181, Page 03931 of said Deed Records, said called 3.334 acre tract being all of the Iceoplex Addition, an addition to the Town of Addison, as evidenced by the plat dated on September 20, 1995 and recorded in Volume 95210, Page 03012 of said Deed Records;

THENCE, SOUTH 89°58'49" EAST, along the common proposed North right of way line of Arapaho Road, North line of said called 4.9814 acre tract and South right of way line of said DART railroad, a distance of 268.11 feet (said line being called South 88°51'59" East - 76.23 feet and South 89°11'14" East - 216.99 feet) to a 5/8 inch iron rod set for the beginning of a tangent curve to the left;

PARCEL 6 - ARAPAHO ROAD PROJECT

THENCE, EASTERLY, continuing along said common line and along the arc of said curve to the left having a radius of 2,914.79 feet, a central angle of  $2^{\circ}03'16''$ , a chord bearing North  $88^{\circ}59'33''$  East for 104.51 feet, for an arc distance of 104.52 feet (said curve being called North  $84^{\circ}35'23''$  East - 79.73 feet) to a 5/8 inch iron rod set for the common Northeast corner of said called 4.9814 acre tract and Northwest corner of a called 4.1525 acre tract of land as conveyed to Heritage Inn Number XIII on January 24, 1997 and recorded in Volume 97018, Page 00073 of said Deed Records, said called 4.1525 acre tract being a portion of Addison Restaurant Park, a addition to the Town of Addison, dated March 9, 1988 and recorded in Volume 88066, Page 4219 of said Deed Records;

THENCE, SOUTH  $00^{\circ}24'10''$  EAST (called South  $00^{\circ}27'09''$  East), departing said common line and along the common East line of said called 4.9814 acre tract and West line of said called 4.1525 acre tract, a distance of 80.83 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, NORTH  $89^{\circ}58'49''$  WEST, departing said common line and along the proposed South right of way of Arapaho Road, a distance of 296.05 feet to a 5/8 inch iron rod set in the common West line of said called 4.9814 acre tract and East line of said called 3.334 acre tract;

THENCE, NORTH  $00^{\circ}31'18''$  WEST (called North  $00^{\circ}28'23''$  West), departing said line and along the said common West line of said called 4.9814 acre tract and East line of said called 3.334 acre tract, a distance of 19.13 feet to a 1/2 inch iron rod found for a common interior ell corner of said called 4.9814 acre tract and the most Easterly Northeast corner of said called 3.334 acre tract;

THENCE, SOUTH  $89^{\circ}55'39''$  WEST (called North  $88^{\circ}51'59''$  West), along a South line of said called 4.9814 acre tract and a North line of said called 3.334 acre tract, a distance of 75.91 feet (called 75.60 feet) to a 1/2 inch iron rod found for the common most Westerly Southwest corner of said called 4.9814 acre tract and an interior ell corner of said called 3.334 acre tract;

THENCE, NORTH  $00^{\circ}59'43''$  WEST (called North  $01^{\circ}04'54''$  West), along the common West line of said called 4.9814 acre tract and East line of said called 3.334 acre tract, a distance of 59.96 feet (called 60.10 feet) to the **POINT OF BEGINNING**;

PARCEL 6 - ARAPAHO ROAD PROJECT

CONTAINING an area of 0.6430 acres or 28,008 square feet of land within the metes recited.

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

A plat of even survey date herewith accompanies this description.

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

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

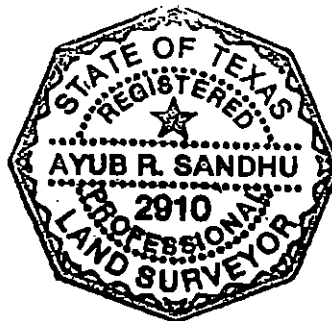


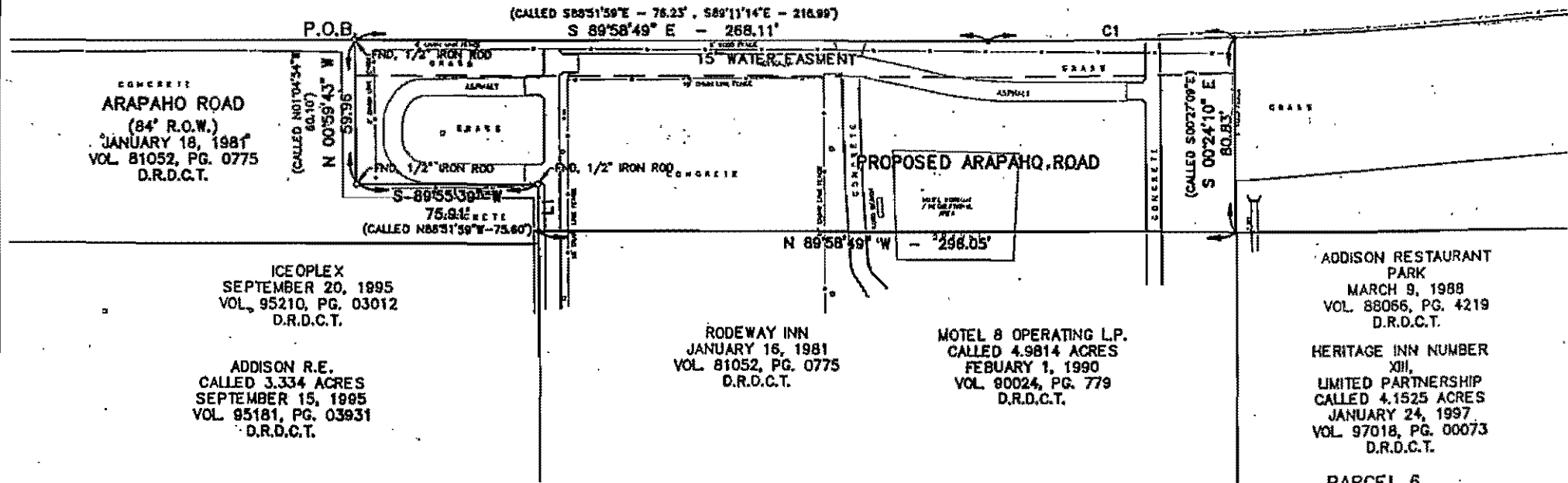
EXHIBIT "B"

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

EDWARD COOK SURVEY  
A-326

| LINE TABLE |               |            |        |        |
|------------|---------------|------------|--------|--------|
| LINE       | BEARING       | CALLED     | DIST   | CALLED |
| L1         | N 00°31'18" W | N0028'23"W | 19.13' | -      |

| CURVE TABLE |           |          |         |                         |
|-------------|-----------|----------|---------|-------------------------|
| CURVE       | DELTA     | RADIUS   | LENGTH  | CHORD                   |
| C1          | 02°03'18" | 2914.79' | 104.52' | N 88°59'33" E - 104.51' |



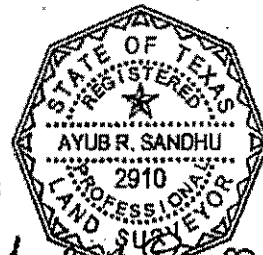
NOTES:

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

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

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

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



*Ayub R. Sandhu*  
11-12-90



GRAPHIC SCALE  
1 INCH = 50 FT.

**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

# EVALUATION ASSOCIATES

RIGHT OF WAY LAND RIGHTS ANALYSIS • APPRAISAL • ACQUISITION • SOLUTIONS

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## SUMMARY OF SALIENT FACTS AND CONCLUSIONS ARAPAHO ROAD PROJECT

**Property Owner: Motel 6 Operating LP.  
Parcel No. 6**

**Valuation Conclusion:**

|                                  |             |
|----------------------------------|-------------|
| Whole Property (Land Only)       | \$2,170,000 |
| Proposed Acquisition             | \$ 280,080  |
| Remainder Before Acquisition     | \$1,889,920 |
| Remainder After Acquisition      | \$1,889,920 |
| Loss in Value of Remainder After | \$ -0-      |

**Determination of Compensation:**

|   |            |
|---|------------|
| Permanent Right of Way                                | \$ 280,080 |
| Compensation for Improvements (tennis court, fencing) | \$ 52,715  |
| Landscaping (None - Replacement)                      | \$ -0-     |

**Total Compensation \$ 332,795**

**Date of Appraisal: October 5, 2001**

**Location: 4301 Belt Line Road, Town of Addison, Texas**

**Legal Description: Roadway Inn Addition, Town of Addison, Dallas County, Texas**

**Land Size: Whole Property (per DCAD records) 4.97934 Acres  
Right of way Area 0.6430 Acres**

**Zoning: SU, Special Use Permit, Planned Development District**

**Highest and Best Use:**

**As if Vacant BEFORE: Commercial use  
As if Vacant AFTER: Commercial use**

# EVALUATION ASSOCIATES

RIGHT OF WAY LAND RIGHTS ANALYSIS • APPRAISAL • ACQUISITION • SOLUTIONS

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October 5, 2001

Mr. Steve Chutchian, P.E.  
Assistant City Engineer  
Town of Addison  
16801 Westgrove  
Addison, Texas 75001-9010

Re: **ARAPAHO ROAD PROJECT - Parcel No. 6**  
**Property Owner: Motel 6 Operating LP.**

An appraisal of a 0.6430 acre proposed permanent right of way acquisition (ROW) out of an approximate 4.97934 Acre tract of land situated on the north side of Belt Line Road, east of Midway Road (known locally as 4301 Belt Line Road). The parent tract is legally described as Roadway Inn Addition, Town of Addison, Dallas County, Texas

Dear Mr. Chutchian:

At your request, we have conducted the analysis and investigations necessary to derive the value of the whole property (Land Only) and proposed acquisition areas based on the economic conditions which prevailed on the current valuation date of October 5, 2001. It is understood that the function of the appraisal, and of this summary of data and analysis employed in that appraisal process, will be used as a basis for establishing *just compensation* due to the property owner concerning the intent of the Town of Addison to acquire the referenced right of way for the widening, realignment and improvement of Arapaho Road.

This appraisal was prepared in accordance with valuation principles which conform with the State of Texas condemnation laws and subsequent legal precedents based on, but not limited to, *State v Carpenter, 89 SW 2nd, 1936*. Further, this report addresses appraisal guidelines of the International Right of Way Association, the Appraisal Institute, and is classified as a *limited summary* report format under the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Foundation. The methods of valuation and reporting are also consistent with an acceptable process relevant to the nature of the whole property and the proposed acquisition area. All herein mentioned value estimates are market oriented and based on the principle of Value in Exchange rather than Value in Use to a specified owner. These value terms, along with other appraisal terminology, are defined in the addendum section of this report.

## **Owner Contact**

The subject property was inspected from various points of reference on several dates from May 2001 to October 2001, with the date of our last inspection being October 5, 2001, also the valuation date. The enclosed photographs were personally taken by the undersigned appraiser



Mr. Steve Chutchian  
October 5, 2001

during the same time frame. Based on our research, the current owner has held title for more than five (5) years. There are no known contracts or offers for sale on the subject whole property.

Based on a review of engineering design and construction plans provided by the Town of Addison, and an inspection of the subject whole property, after the acquisition the site should have the same access and superior exposure when compared with the before condition. Related analysis is described in more detail in the Analysis and Valuation of the Proposed Acquisition Section later in this report. It will also be explained how and why there is no loss of marketability and utility of the property after the acquisition. The appraisers have analyzed the subject property both **before and after** the proposed acquisition and found no diminution in value beyond the portion of the property within the proposed right of way, which is to be compensated.

### **Subject Site Description**

According to investigation of Dallas County Plat Maps, field review by Evaluation Associates, and information provided by Town of Addison, the subject whole property fronts approximately 700 feet along the north side of Belt Line Road. The generally rectangular shaped tract contains 4.97934 acres. All public utilities are available to the subject property. Topographical features include generally even, yet sloping terrain, which falls toward the north.

There were no noted or observed easements, encroachments or other special hazards that might effect the marketability or utility of the subject parent tract. The subject site is similar to other commercial sites found within this market area. The site is improved with a two story motel. Open surface parking surrounds the improvements. Tennis courts, walking path and exercise/recreation area are located at the rear of the site.

*Acquisition of the recreational land area and amenities has been evaluated, and the analysis indicated that there will be no loss in value to the remainder.*

These improvements are situated within the proposed acquisition area. Analysis indicates the loss of the recreational amenities within the acquisition area will not result in loss to the remainder property. This is discussed in detail in the Acquisition section of the report.

### **Zoning**

Based on our review of the Town of Addison Zoning Map, the subject whole property is zoned SU-PD, Special Use Permit, Planned Development District. The subject site is improved with a motel. It appears that the subject property is a legal conforming use both before and after the proposed acquisition. The City requires and maintains certain building and site requirements in this district, a copy of which has been retained in the file.

### **Highest and Best Use**

The highest and best use is that use which will provide the greatest net return to the owner of the land within applicable physical, legal and financial market acceptance constraints. These criteria are usually considered and tested sequentially; i.e., a use may be financially feasible, but this is irrelevant if it is physically impossible or legally prohibited. Highest and Best Use is defined in *The Appraisal of Real Estate*, 11th Edition, published by the Appraisal Institute as being:

Mr. Steve Chutchian  
October 5, 2001

*"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*

Physical factors include physical characteristics of the site such as shape, size, topography, ingress and egress. The subject property encompasses 4.97934 Acres. The tract has adequate size, shape, ingress and egress. Visibility and exposure is to Belt Line Road, a major east-west thoroughfare. All utility services are available in the site. The physical influences indicate the subject site could support a variety of uses.

The legal limits to Highest and Best Use in this case are determined by the zoning ordinance. As previously discussed, the subject property is designated for industrial uses. Analysis of the physical and legal factors suggest that the highest and best use of the subject whole property is for commercial uses. All other uses are eliminated as the legal constraints prohibit such uses.

An analysis of financial factors would include determining uses which produce a market accepted rate of return based on the risks involved. The area surrounding the subject property is developed as a variety of uses - restaurants, professional offices, motels/hotels. There are few vacant tracts available for development. Likewise, there are few vacant commercial zoned tracts of land.

#### **Highest and Best Use Conclusion**

The highest and best use of the whole subject property is for a commercial use, as currently improved.

#### **Valuation Approach**

Analysis indicates that the existing motel building is unaffected by the proposed acquisition. Since it is not necessary to value these unaffected improvements, only the value of the land (subject site) has been estimated. The most realistic approach to value vacant land is through the direct comparison of land sales. Several sale transactions were analyzed and adjustments were made to compensate for differing influences on value. A detailed summary of those sales considered most representative of the current market, and the conclusions derived from our analysis, have been included in this report.

*The existing motel building is unaffected by the proposed acquisition*

Based on information supplied and investigations made by Evaluation Associates personnel, it appears that after the completion of the thoroughfare widening and improvement project, there should be no negative impact on the remainder resulting from the proposed acquisition. Access and visibility should be similar both *before* and *after* the proposed acquisition. The site is not adversely affected by the proposed acquisition and the subject property is valued on a land only basis. Additional detail and discussion in support of this conclusion can be found in the Analysis and Valuation of the Proposed Acquisition Area section.

Mr. Steve Chutchian  
October 5, 2001

**Conclusion**

Our research has included an investigation of market and neighborhood trends which are believed to influence the value of the subject whole property (Land Only). Specific attention and consideration was given to the value of the subject property, both **before and after** the proposed right of way acquisition area. Based upon our analyses and interpretation of the data, the Market Value of the proposed acquisition area as of October 5, 2001, is estimated to be:

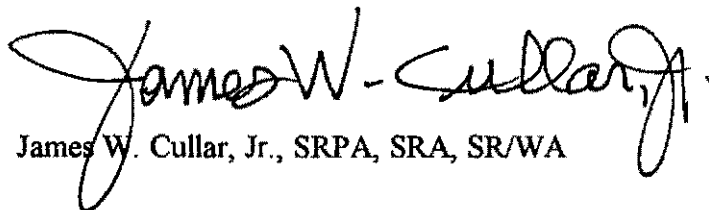
**THREE HUNDRED THIRTY TWO THOUSAND  
SEVEN HUNDRED NINETY FIVE DOLLARS  
(\$332,795)**

The following narrative report sets forth a description of the subject property along with maps, photographs and other exhibits. The report has been prepared in accordance with the Code of Ethics and Professional Conduct promulgated by the Appraisal Institute and the International Right of Way Association. The report is subject to the Assumptions and Limiting Conditions included in the Addendum.

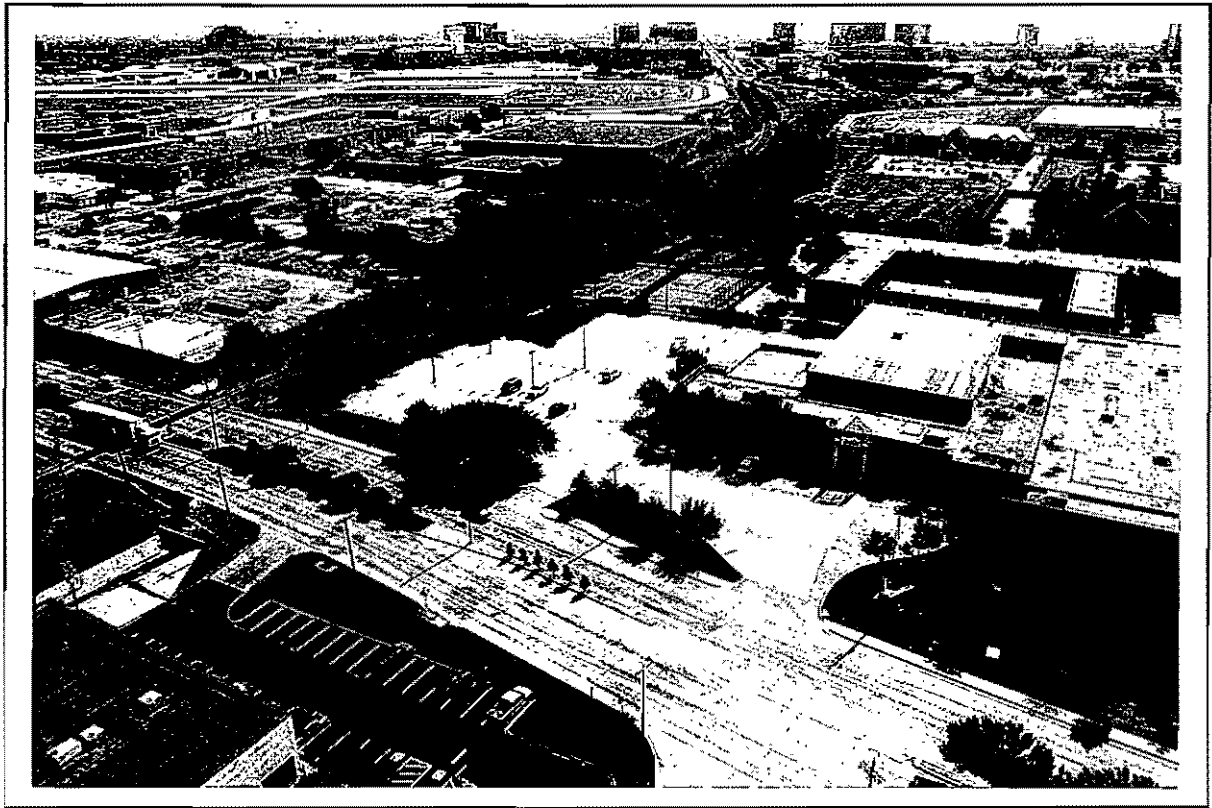
This report was prepared by James W. Cullar, Jr. and Richard N. Baker, both representing the firm Evaluation Associates, and deriving the analysis and value estimate conclusion. The undersigned assumes responsibility for any required testimony.

If you have any questions, please call us.

Respectfully submitted,  
EVALUATION ASSOCIATES

  
James W. Cullar, Jr., SRPA, SRA, SR/WA

PHOTOGRAPHS OF SUBJECT PROPERTY



Aerial photograph of the subject property

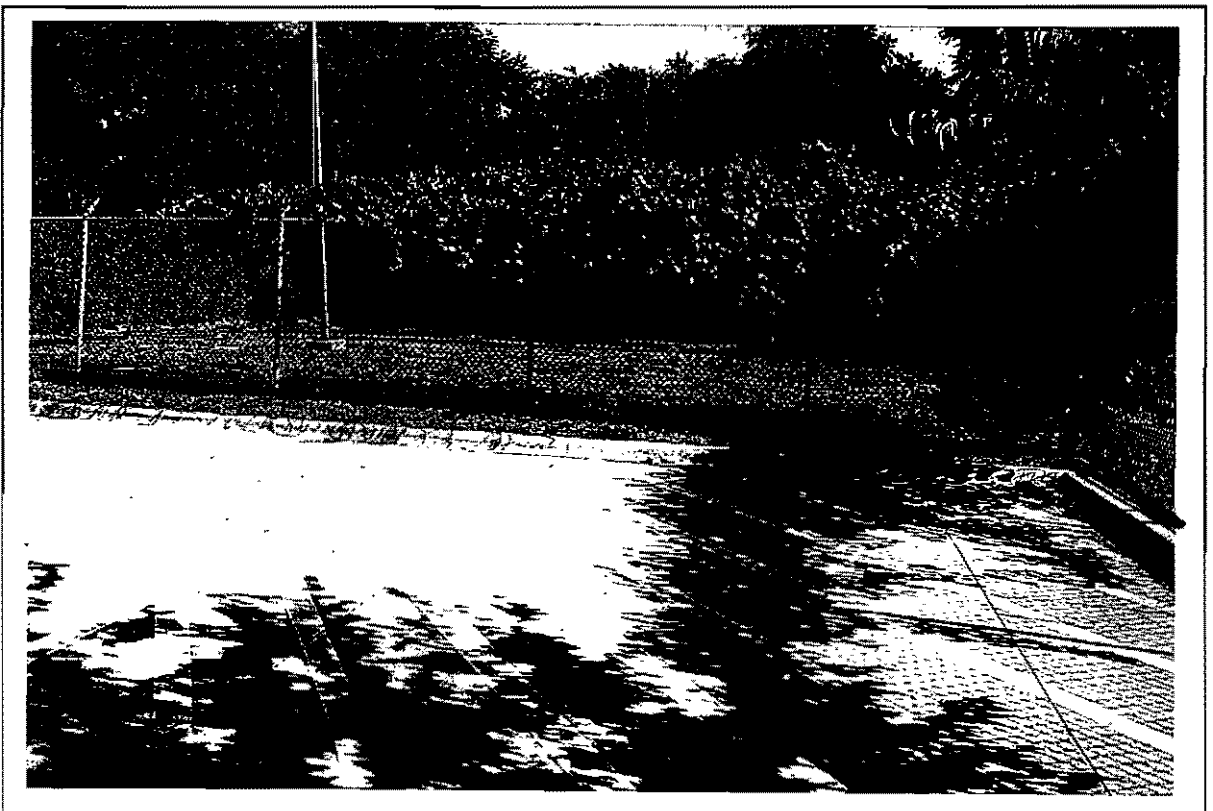


View of the proposed acquisition area

PHOTOGRAPHS OF SUBJECT PROPERTY



Views of the proposed acquisition area



PHOTOGRAPHS OF SUBJECT PROPERTY



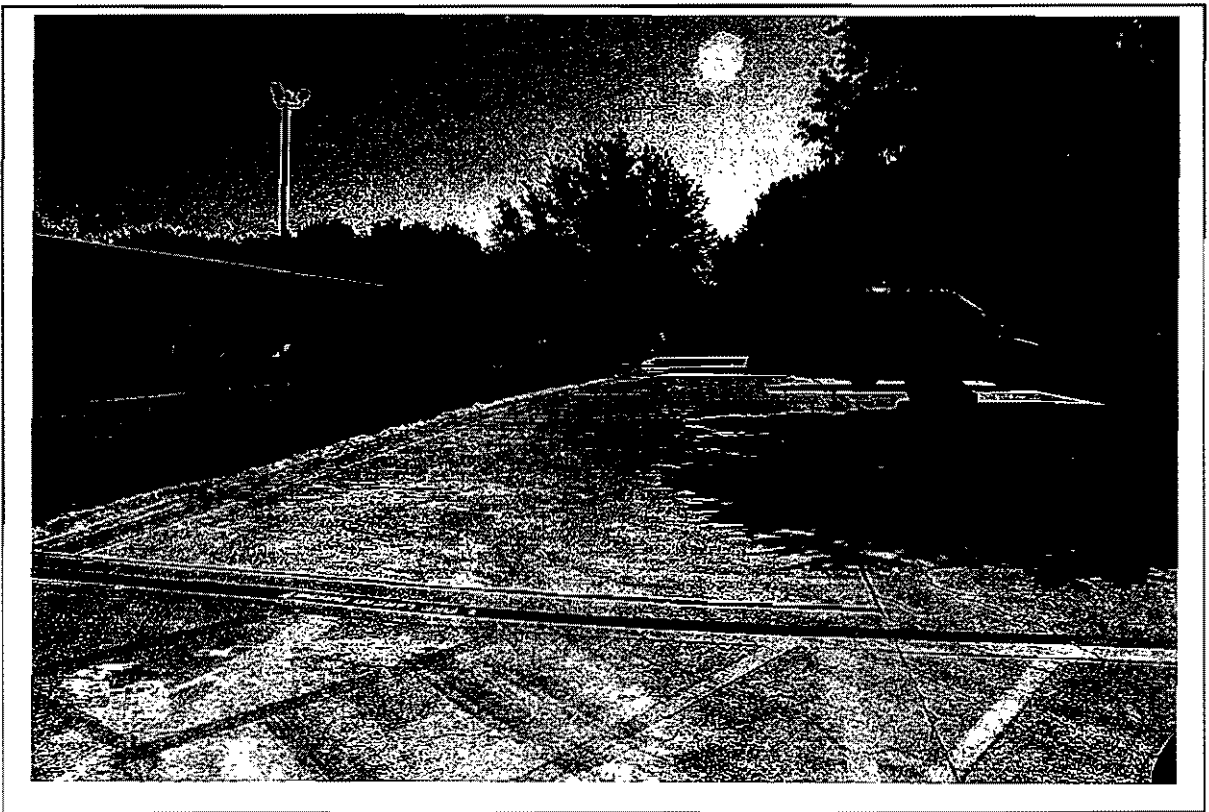
Views of the proposed acquisition area



PHOTOGRAPHS OF SUBJECT PROPERTY



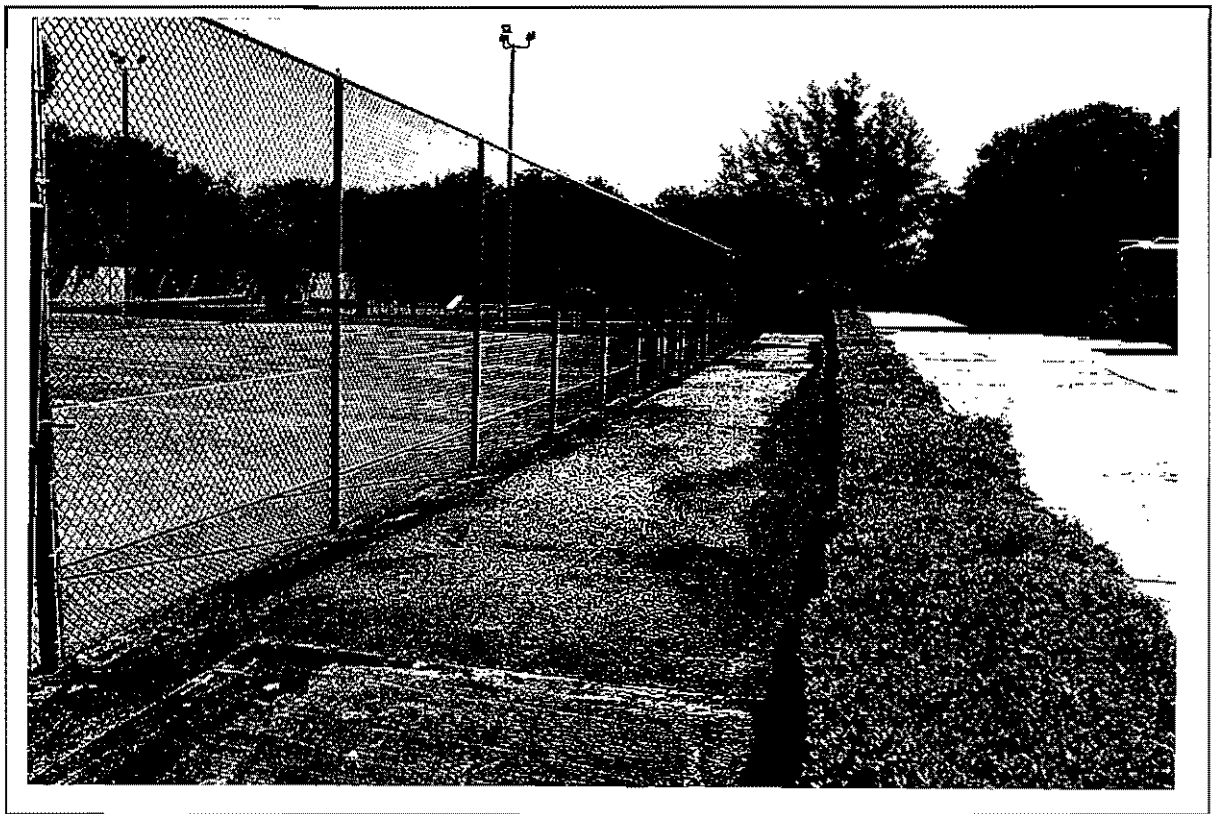
Views of the proposed acquisition area



PHOTOGRAPHS OF SUBJECT PROPERTY

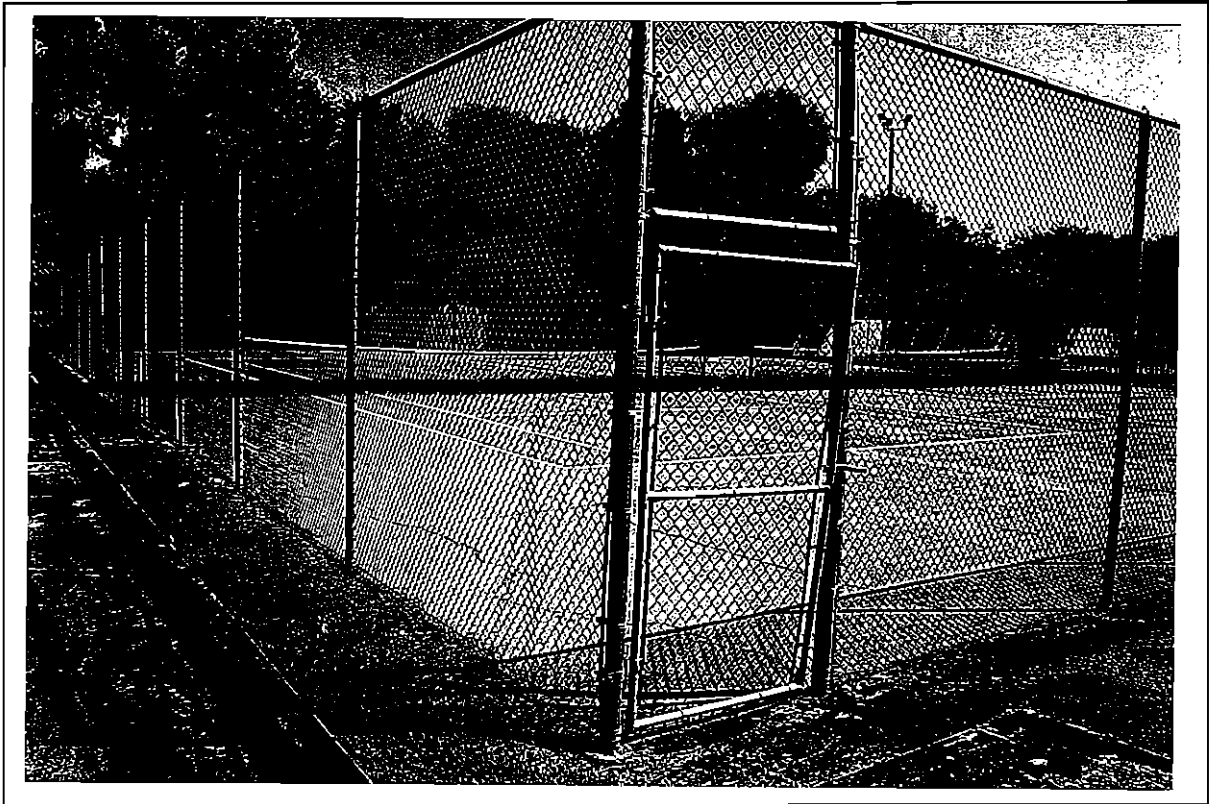


Views of the proposed acquisition area

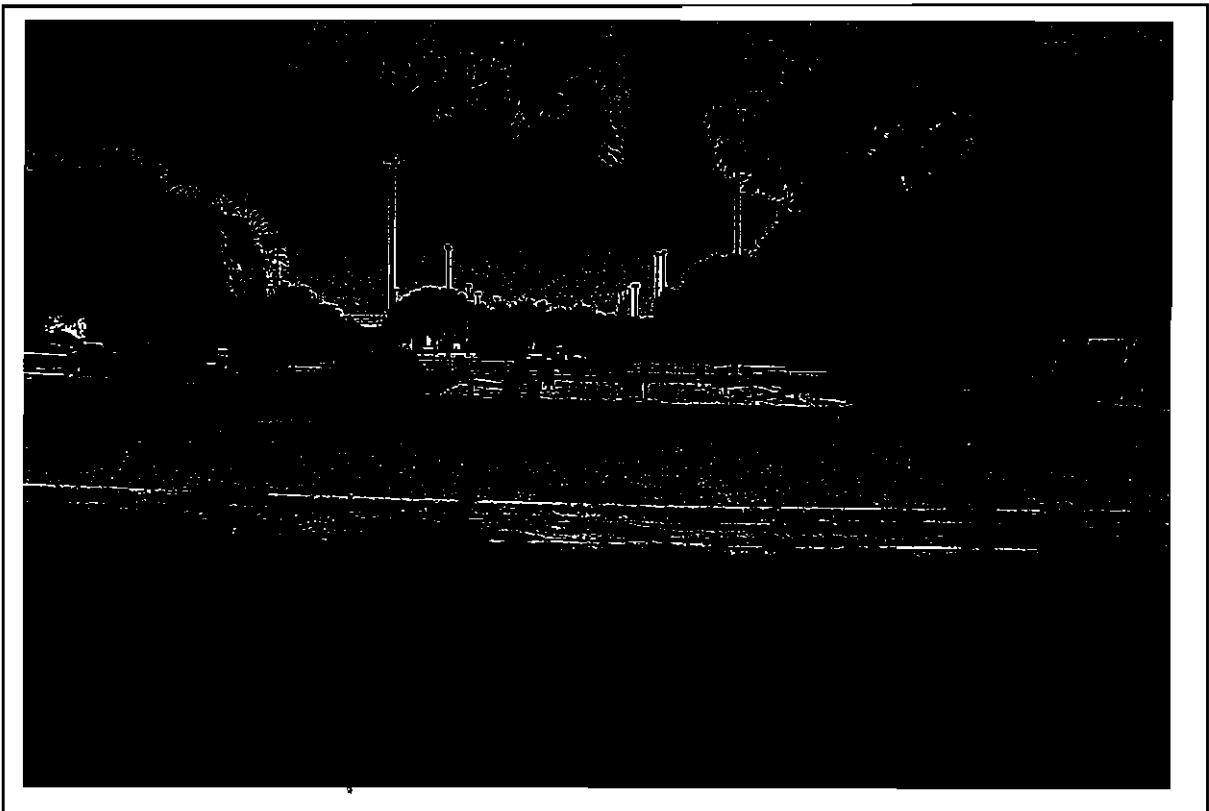




PHOTOGRAPHS OF SUBJECT PROPERTY



Views of the proposed acquisition area



## **APPRAISAL PROCEDURE**

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The estimation of Market Value of a property that is being appraised is accomplished by the comparison and analysis of as many techniques as are appropriate. Three approaches are generally used to produce value indications for improved properties while only one (the Sales Comparison Approach) is normally employed in analyzing an unimproved property such as the subject site.

**COST APPROACH** The value indication by this approach is accomplished by determining the Reproduction (or Replacement) Cost New of the improvements less accrued depreciation from all causes to which the value of the land (estimated by comparison) is added.

**SALES COMPARISON APPROACH** The comparison of similar properties that have sold in the marketplace is used to produce an indication of value. The comparison may either be direct or indirect by commonly accepted units or elements of comparison.

**INCOME APPROACH** This approach to value is applicable to properties capable of producing a net income stream. The net income is translated into a value indication through capitalization.

The strengths and weaknesses of each approach employed are weighed in the final analysis. The approach or approaches offering the greatest quantity and quality of supporting data are typically given most consideration and the final value is then correlated.

In this appraisal situation, wherein only the land valuation was required, only the Sales Comparison Approach was employed.

## LAND VALUATION

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A reliable value indication for the subject land is provided by an analysis and comparison of other tracts that have sold in the marketplace. Many factors influence the price of vacant land. The selected sales are analyzed with respect to real property rights conveyed, financing terms, conditions of sale, market conditions, location and physical characteristics.

- A transaction price is always predicated on the real property interest conveyed. The revenue generating potential of a property can be limited by the terms of existing leases.
- The purchase price can be influenced by financing terms. Non-market financing terms must be considered to determine the cash equivalent price.
- Adjustments for conditions of sale usually reflect the motivations of the buyer(s) and the seller(s). Circumstances such as assemblage sales are considered in this analysis.
- Market conditions sometimes change over time and past sales must be analyzed to determine the direction and velocity of change between the sale date and the appraisal date.
- The analysis of location includes the comparison of trade or market area, proximity and accessibility to major thoroughfares and exposure and accessibility to traffic.
- The analysis of physical characteristics would include zoning, topography, frontage, depth, shape, proximity to public utilities and other factors influencing the utility or use.

# COMPETITIVE LAND SALE



**Land Sale No. 1**

**Mapsco # 14-C**

Location: SWC of Edwin Lewis Drive and Quorum Drive, Addison  
Grantor: Daryl N. Snadon  
Grantee: Addison SHS, LLC

Legal Description: Quorum Centre Addition

Date of Sale: January 5, 2001

Volume/Page: 2001004/4624

**Site Data:**

Size: 4.54 Acres  
Zoning: Commercial  
Utilities: All available  
Frontage: Edwin Lewis Drive and Quorum Drive  
Shape: Functional  
Topography: Level  
Easements: None reported detrimental  
Improvements: None  
Intended Use: Limited service hotel

Consideration: \$2,700,000 or \$13.65/SF

Financing: All cash to seller

Comments: Hotel is under construction.

# COMPETITIVE LAND SALE



**Land Sale No. 2**

**Mapsco # 14-A**

**Location:** N/s of Belt Line Road, 15 ft E. of Business Avenue, Addison  
**Grantor:** Business/Beltline, LP  
**Grantee:** Burger King Corporation

**Legal Description:** Lot A, Block 3, Beltline Marsh Business Park

**Date of Sale:** October 1, 1999

**Volume/Page:** 99192/6903

**Site Data:**

**Size:** 1,571 Acres  
**Zoning:** Commercial  
**Utilities:** All available  
**Frontage:** 158 feet on Belt Line Road  
**Shape:** Functional  
**Topography:** Level  
**Easements:** None reported detrimental  
**Improvements:** None  
**Intended Use:** Investment

**Consideration:** \$785,000 or \$11.47/SF

**Financing:** All cash to seller

**Comments:** Property is vacant.

## COMPETITIVE LAND SALE



**Land Sale No. 3**

**Mapsc0 # 4-B**

**Location:** W/s of Business Avenue, approximately 255 ft N. of Beltline Road, also fronts 34 ft on Beltline Road and 156 ft on E/s of Marsh Lane, Addison  
**Grantor:** Beltline/Marsh JV  
**Grantee:** Budget Suites of America

**Legal Description:** Part of Beltline-Marsh Addition

**Date of Sale:** May 13, 1999 **Volume/Page:** 99093/38

**Site Data:**

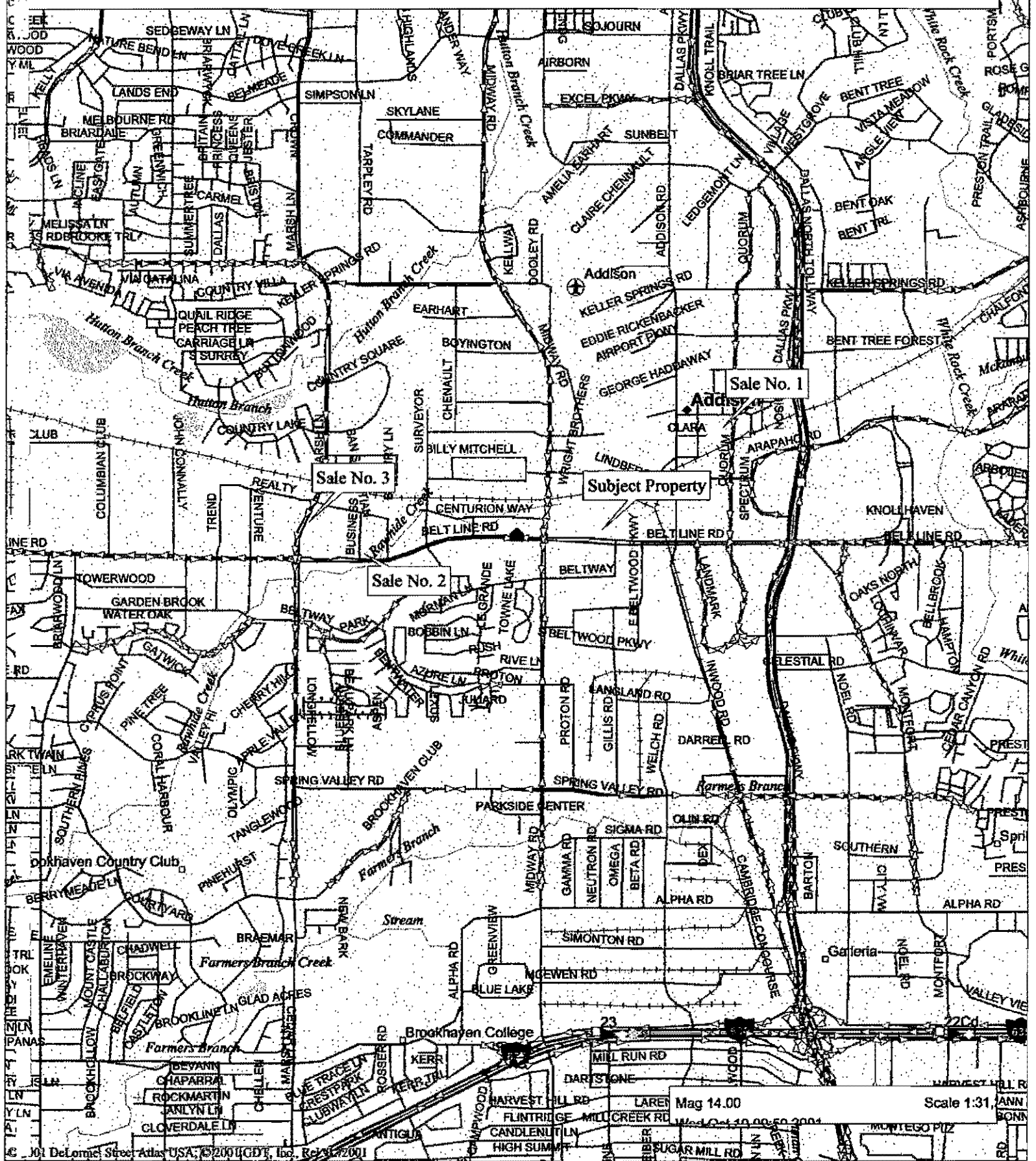
**Size:** 6.552 Acres  
**Zoning:** I, Industrial District  
**Utilities:** All available  
**Frontage:** 156 ft on Marsh; 250 ft on Business  
**Shape:** Functional  
**Topography:** Level  
**Easements:** None reported detrimental  
**Improvements:** None  
**Intended Use:** Extended stay hotel - 300 units

**Consideration:** \$2,283,232 or \$8.00/SF

**Financing:** All cash to seller

**Comments:** Hotel has been constructed.

# Land Sale Map



Mag 14.00

Scale 1:31,000

## LAND VALUATION SUMMARY

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The subject property is located in Addison. The area is largely developed, thus other competing neighborhoods were researched for sales data. The following sales are very similar to the subject whole property in many respects, however there are some differences. Such differences make it necessary to apply adjustments to the sale properties in order to reconcile the affect of these features on Market Value.

### RECAPITULATION OF SALES DATA

| Sale No. | Date  | Size (Ac) | Zoning  | SP/SF   |
|----------|-------|-----------|---------|---------|
| 1        | 1/01  | 4.54      | C       | \$13.65 |
| 2        | 10/99 | 1.571     | C       | \$11.47 |
| 3        | 5/99  | 6.552     | I       | \$8.00  |
| SUBJECT  | 9/01  | 4.97934   | SU - PD | ----    |

The above table capsulizes the data presented on the preceding pages. The chart that follows after this section, uses the sales price per square foot as a unit of comparison. The sales are analyzed and compared with the subject tract for similarities and differences. The elements considered to be inferior to the subject property are adjusted upward while the superior qualities of the competitive sales are adjusted downward. Adjustments have been based on the appraisers observations of physically and economically oriented differences in each competitive sale. The amount of adjustment is determined by the extent to which the sale varies from the subject property. The adjustment process compensates for the difference between the competitive sale and subject and provides an indication of value for the subject property.

### ANALYSIS AND CORRELATION

The preceding summary chart displays three land sales for comparison to the subject whole property/parent tract. A reliable value indication for the subject land is provided by an analysis and comparison to other vacant land that has recently sold in the marketplace. This market derived sales data has been used to abstract and analyze property features that affect sales price. Rights conveyed, financing terms, conditions of sale, location, market conditions and physical characteristics were factors considered to determine which influences price in the subject market area.



**Rights Conveyed**

The market value fee simple interest in the subject whole property is being sought in this analysis. During the sales verification process, it was determined that there were no existing leases on any of the sale properties, thus indicating that fee simple interest was transferred in each transaction. Therefore, no adjustment is applied to any of the sales for this factor.

**Financing Terms**

The adjustment for financing considers the effect that seller financing has on the purchase price of a property. Below market interest rates are typically reflected in higher prices per unit. The adjustment for financing is estimated by comparing the financing terms with the terms readily available, as of the sale date, from disinterested parties. All of the sales were reported as cash transactions, thus no adjustment was appropriate for financing terms.

**Conditions of Sale**

Adjustments for conditions of sale usually reflect the motivations of the buyer and seller or any unusual concessions by either party to the transaction. The sales were purchased for owner use and/or speculative investment purposes. No adjustment for this factor is applied.

**Market Conditions**

The sales occurred over an approximate 2 year period prior to the valuation date (October 2001). The sales did provide substantive evidence on which to base a time/market conditions adjustment. Sale Nos. 2 - 3 are adjusted upward to reflect current market conditions. There is no supporting evidence to indicate property values have continued to appreciate since Sale No. 1 transpired. It is known that hotel occupancy rates have declined significantly within the past few weeks as travel plans have been cancelled or, at least, delayed. The short and long term impact this occurrence has on land values is not known at this time. If this trend continues indefinitely, the impact is likely to be a severe decline in the number of transactions and a decrease in land values. Until there is more market data to analyze, the impact cannot be quantified and there is no adjustment applied to Sale No. 1.

**Location**

The influence of location is a composite of numerous attributes such as access, exposure, visibility, quality and consistency of surrounding development, proximity to major roadways and location within the perceived growth pattern as evidenced by existing and planned development.

Sale Nos. 2 and 3 front Beltline Road, a major traffic artery. Land uses fronting Beltline are typically those requiring exposure to high traffic counts. Such uses include restaurants, retail and the like. These sales are rated similar to the subject property in terms of location and no adjustment is applied. Sale No. 1 is located in the Addison Circle development. Although this property does not front a major traffic artery, like Belt Line Road, this location is rated slightly superior to the subject location and a downward adjustment is made.

**Physical Characteristics**

The analysis of physical characteristics considers such factors as shape, depth, frontage, zoning, topography and the availability of public utility services. The shape of the subject property is generally rectangular. It has average ingress/egress, and access to the site is considered good. All of the sale properties compare favorably with the subject with regard to physical features.

**Size**

The market for real estate is comparable to that for other commodities in that price is sometimes influenced by volume (quantity or scarcity). It can generally be demonstrated that as volume decreases, the price per unit will likely rise. In contrast, unit price typically declines when volume increases. If all other attributes are equal the site may sell for more on a unit basis than a larger one due to reduced holding costs and less risk. However, larger parcels which have potential for various uses, even though additional development and an extended period prior to sale, are adaptable to larger scale intended uses and sometimes sell for a premium. Therefore, in real estate, the aspect of quantity discounting should not be assumed because it is not an economic principle, but rather an inconsistent market reaction. It should be supported by market transactions if available. The subject site contains approximately 4.97934 acres. The sales range in size from 1.571 to 6.5 acres. A comparison of the sale properties supports a size adjustment. The following exhibit presents a reconciliation of the adjustment process.

*Land Valuation Summary (continued)*

| Elements of Comparison | Sale No. 1 | Sale No. 2       | Sale No. 3 |
|------------------------|------------|------------------|------------|
| SP/SF                  | \$13.65    | \$11.47          | \$8.00     |
| Rights Conveyed        | Fee Simple | Fee simple       | Fee simple |
| Financing              | Cash       | Cash             | Cash       |
| Conditions of Sale     | Market     | Market           | Market     |
| Market Conditions      | Similar    | Inferior         | Inferior   |
| Adjusted Price         | \$13.65    | \$12.61          | \$8.80     |
| Location               | Superior   | Similar          | Similar    |
| Physical features      | Similar    | Similar          | Similar    |
| Size                   | Similar    | Superior<br>-20% | Similar    |
| Net Adjustment         | -25%       | -20%             | 0%         |
| Indicated Value        | \$10.24    | \$10.09          | \$8.80     |

The sale prices ranged from \$8.00/SF to \$13.65/SF before the analysis. After the analysis, the adjusted values ranged between \$8.80/SF and \$10.24/SF. After adjustments were made to the sale properties, this approach produced a relatively narrow range of indicators. In view of these indicators, the Market Value of the subject land is estimated to be:

$$4.97934 \text{ Acres} \times 43,560 \text{ SF/ Ac} = 216,900 \text{ SF Rd}$$

$$216,900 \text{ SF} \times \$10.00/\text{SF} = \$2,169,000$$

**Rounded to: \$2,170,000**

## **CORRELATION AND CONCLUSION**

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The subject property is valued as an unimproved tract of land as the existing improvements are unaffected by the proposed acquisition. Therefore it was not necessary to separately evaluate any buildings. There was no construction cost or accrued depreciation to analyze. In this appraisal situation, the Cost Approach was not considered applicable.

Also, since there is no trend toward land leases in the area and there is no existing or feasible activity to generate reliable and consistent rental or lease income attributable to the land, the Income Approach to estimate value was not utilized.

The Sales Comparison Approach analyzes trends of buyers and sellers from the analysis of competitive land sales. Rights conveyed, financing terms, conditions of sale, location, market conditions and physical characteristics were factors analyzed to determine the influence on price in this market area. Each sale was inspected, analyzed and compared with the subject property. Adjustments were made to each to reconcile differences in locational attributes, changing market conditions and physical differences (size)

The Sales Comparison Approach produced the only reliable and supportable indication of market value for the subject property. Therefore, the Market Value of the fee simple interest in the subject whole property (Land Only), as of October 5, 2001, is estimated to be:

**TWO MILLION ONE HUNDRED SEVENTY THOUSAND DOLLARS**

**\$2,170,000**

EXHIBIT "B"

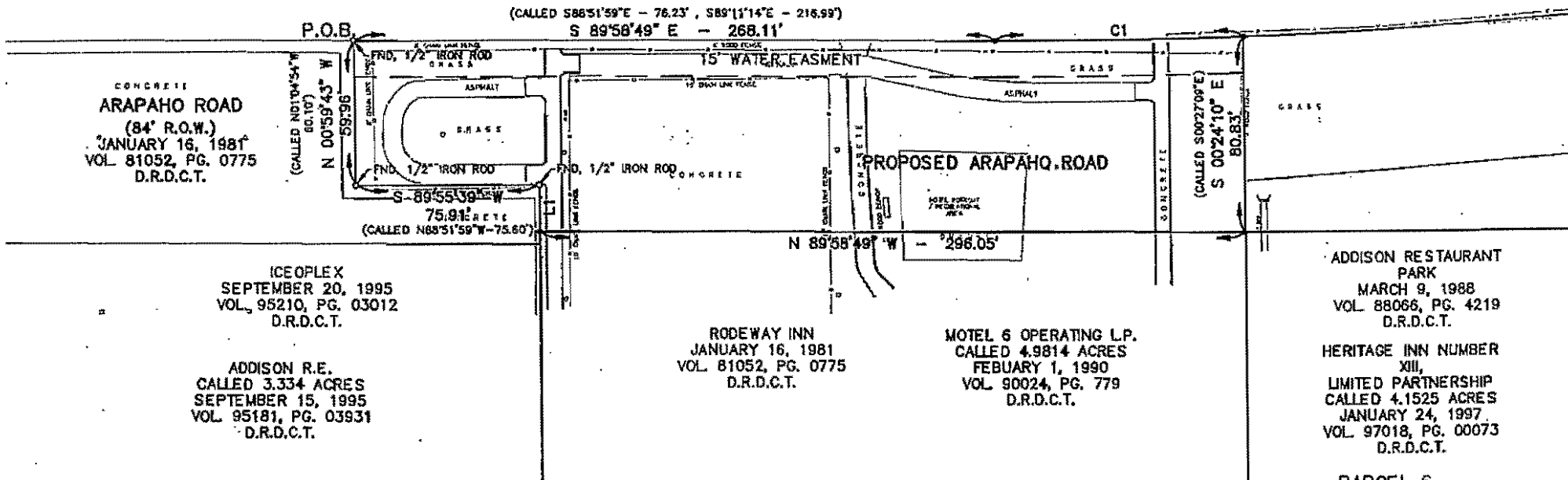
DALLAS AREA RAPID TRANSIT  
PROPERTY ACQUISITION CORPORATION  
(100' R.O.W.)

DECEMBER 27, 1990  
VOL. 91008, PG. 1390  
D.R.D.C.T.

EDWARD COOK SURVEY  
A-326

| LINE TABLE |               |             |        |        |
|------------|---------------|-------------|--------|--------|
| LINE       | BEARING       | CALLED      | DIST   | CALLED |
| L1         | N 00°31'18" W | N00°28'23"W | 19.13' | -      |

| CURVE TABLE |           |          |         |                         |
|-------------|-----------|----------|---------|-------------------------|
| CURVE       | DELTA     | RADIUS   | LENGTH  | CHORD                   |
| C1          | 02°03'16" | 2914.79' | 104.52' | N 88°59'33" E - 104.51' |



CONCRETE  
ARAPAHO ROAD  
(84' R.O.W.)  
JANUARY 16, 1981  
VOL. 81052, PG. 0775  
D.R.D.C.T.

ICEOPLEX  
SEPTEMBER 20, 1995  
VOL. 95210, PG. 03012  
D.R.D.C.T.

ADDISON R.E.  
CALLED 3.334 ACRES  
SEPTEMBER 15, 1995  
VOL. 95181, PG. 03931  
D.R.D.C.T.

RODEWAY INN  
JANUARY 16, 1981  
VOL. 81052, PG. 0775  
D.R.D.C.T.

MOTEL 6 OPERATING L.P.  
CALLED 4.9814 ACRES  
FEBRUARY 1, 1990  
VOL. 90024, PG. 779  
D.R.D.C.T.

ADDISON RESTAURANT  
PARK  
MARCH 9, 1988  
VOL. 88066, PG. 4219  
D.R.D.C.T.

HERITAGE INN NUMBER  
XIII,  
LIMITED PARTNERSHIP  
CALLED 4.1525 ACRES  
JANUARY 24, 1997  
VOL. 97018, PG. 00073  
D.R.D.C.T.

PARCEL 6  
A PLAT OF A  
0.6430 ACRE (28,008 SQ. FT.)  
TRACT OF LAND  
IN THE EDWARD COOK SURVEY  
ABSTRACT NO. 326  
TOWN OF ADDISON  
DALLAS COUNTY, TEXAS

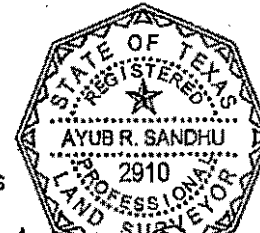
NOTES:

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

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

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

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

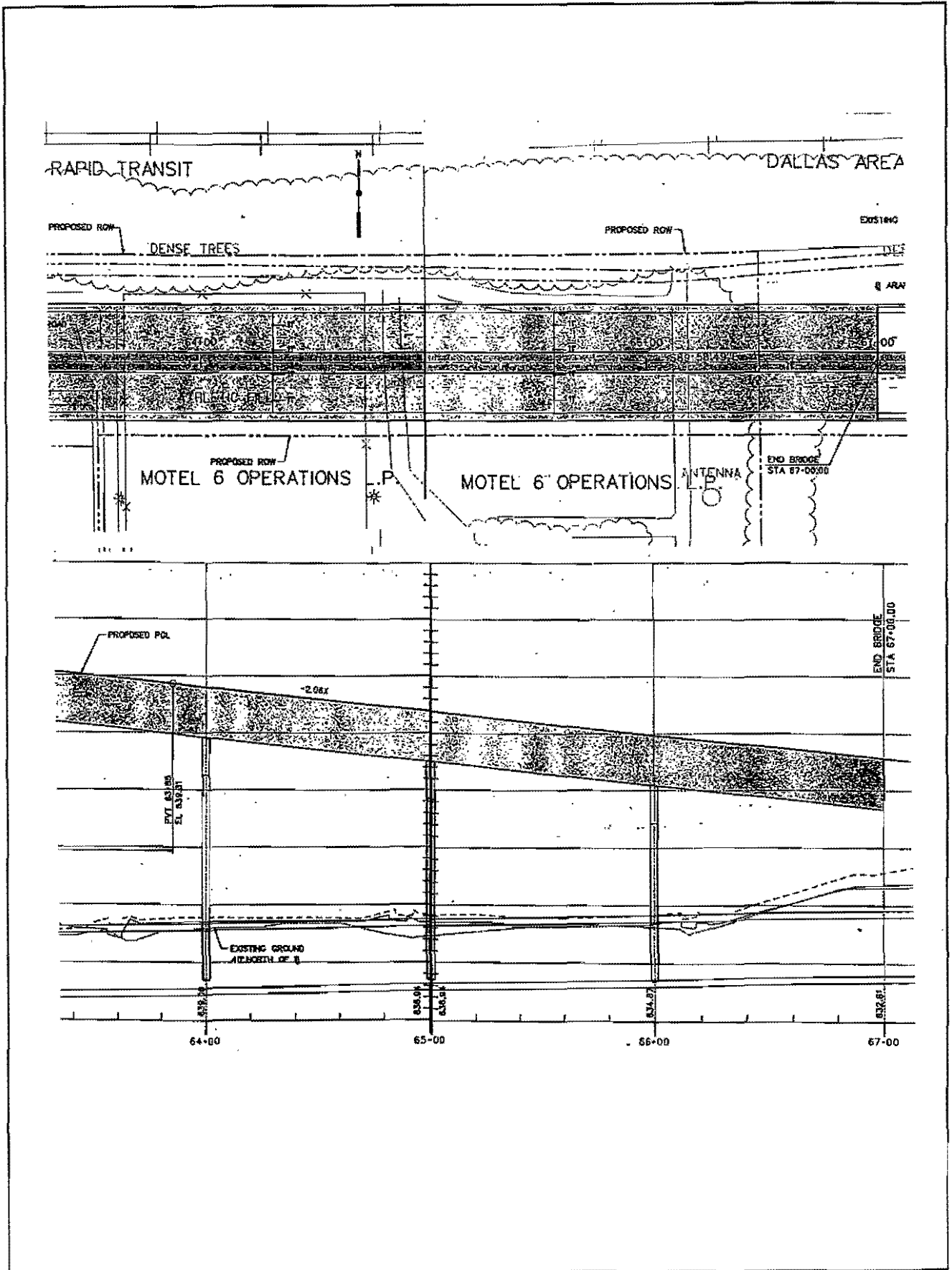


*Ayub R. Sandhu*  
11-12-99



GRAPHIC SCALE  
1 INCH = 50 FT.

# ENGINEERING CONSTRUCTION DESIGN PLANS



Parcel 6  
Field Note Description  
Arapaho Road Project  
Town of Addison  
Dallas County, Texas

BEING a description of a 0.6430 acre (28,008 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, and being a portion of a called 4.9814 acre tract of land as conveyed to Motel 6 Operating L.P. on February 1, 1990 and recorded in Volume 90024, Page 0779 of the Deed Records of Dallas County, Texas, said called 4.9814 tract being all of the Rodeway Inn, an addition to the Town of Addison, as evidenced by the plat dated January 16, 1981 and recorded in Volume 81052, Page 0775 of said Deed Records, said 0.6430 acre tract of land being more particularly described by metes and bounds as follows;

**BEGINNING** at a 1/2 inch iron rod found in the proposed North right of way of Arapaho Road and the South right of way line of a 100 foot wide railroad right of way as conveyed to Dallas Area Rapid Transit Property Acquisition Corporation (herein referred to as DART) on December 27, 1990 and recorded in Volume 91008, Page 1390 of said Deed Records, said point being the common Northwest corners of said called 4.9814 acre tract and said Rodeway Inn and Northeast corner of a called 3.334 acre tract of land as conveyed to Addison, R.E. on September 15, 1995 and recorded in Volume 95181, Page 03931 of said Deed Records, said called 3.334 acre tract being all of the Iceoplex Addition, an addition to the Town of Addison, as evidenced by the plat dated on September 20, 1995 and recorded in Volume 95210, Page 03012 of said Deed Records;

THENCE, SOUTH 89°58'49" EAST, along the common proposed North right of way line of Arapaho Road, North line of said called 4.9814 acre tract and South right of way line of said DART railroad, a distance of 268.11 feet (said line being called South 88°51'59" East - 76.23 feet and South 89°11'14" East - 216.99 feet) to a 5/8 inch iron rod set for the beginning of a tangent curve to the left;

PARCEL 6 - ARAPAHO ROAD PROJECT

THENCE, EASTERLY, continuing along said common line and along the arc of said curve to the left having a radius of 2,914.79 feet, a central angle of 2°03'16", a chord bearing North 88°59'33" East for 104.51 feet, for an arc distance of 104.52 feet (said curve being called North 84°35'23" East - 79.73 feet) to a 5/8 inch iron rod set for the common Northeast corner of said called 4.9814 acre tract and Northwest corner of a called 4.1525 acre tract of land as conveyed to Heritage Inn Number XIII on January 24, 1997 and recorded in Volume 97018, Page 00073 of said Deed Records, said called 4.1525 acre tract being a portion of Addison Restaurant Park, a addition to the Town of Addison, dated March 9, 1988 and recorded in Volume 88066, Page 4219 of said Deed Records;

THENCE, SOUTH 00°24'10" EAST (called South 00°27'09" East), departing said common line and along the common East line of said called 4.9814 acre tract and West line of said called 4.1525 acre tract, a distance of 80.83 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, NORTH 89°58'49" WEST, departing said common line and along the proposed South right of way of Arapaho Road, a distance of 296.05 feet to a 5/8 inch iron rod set in the common West line of said called 4.9814 acre tract and East line of said called 3.334 acre tract;

THENCE, NORTH 00°31'18" WEST (called North 00°28'23" West), departing said line and along the said common West line of said called 4.9814 acre tract and East line of said called 3.334 acre tract, a distance of 19.13 feet to a 1/2 inch iron rod found for a common interior ell corner of said called 4.9814 acre tract and the most Easterly Northeast corner of said called 3.334 acre tract;

THENCE, SOUTH 89°55'39" WEST (called North 88°51'59" West), along a South line of said called 4.9814 acre tract and a North line of said called 3.334 acre tract, a distance of 75.91 feet (called 75.60 feet) to a 1/2 inch iron rod found for the common most Westerly Southwest corner of said called 4.9814 acre tract and an interior ell corner of said called 3.334 acre tract;

THENCE, NORTH 00°59'43" WEST (called North 01°04'54" West), along the common West line of said called 4.9814 acre tract and East line of said called 3.334 acre tract, a distance of 59.96 feet (called 60.10 feet) to the **POINT OF BEGINNING**;



PARCEL 6 - ARAPAHO ROAD PROJECT

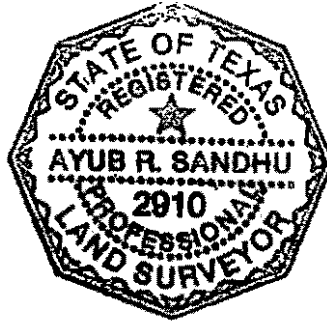
CONTAINING an area of 0.6430 acres or 28,008 square feet of land within the metes recited.

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

A plat of even survey date herewith accompanies this description.

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

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



## ANALYSIS AND VALUATION OF PROPOSED ACQUISITION AREA

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### **The Proposed Acquisition**

According to the attached surveyor's field notes, the proposed acquisition area contains 0.6430 acres (28,008 SF) for the widening and reconstruction of Arapaho Road. The location, dimensions and shape of the proposed acquisition area are shown on the Acquisition Map exhibit page(s). The proposed acquisition area is located at the rear (northern) portion of the subject parent tract. The acquisition will reduce the subject parent tract by approximately 13%. However, the area to be acquired is at the back of the property, outside the main motel development, which will be discussed in more detail in following pages. Improvements found within the described acquisition area include two (2) tennis courts surrounded by chain link fencing, an exercise/recreation area and a walking path. Property rights being appraised in this acquisition area are fee simple.

Considering the Highest and Best Use of the proposed acquisition area, the standard sequential tests; physically possible, legally permissible, economically feasible, and maximally productive were analyzed. Because of the unique size and shape characteristics of the proposed acquisition area it has no potential for independent utility separate from the parent tract. Therefore, the *highest and best use* of the proposed acquisition area is as a part of the whole parent tract. Review of the accompanying photographs confirms that the proposed acquisition route affects a recreational area - tennis courts, walking path and exercise/recreation course - located in the proposed acquisition area. The land value is based on \$10.00 SF which is supported by the sales data and analysis presented on the preceding pages of this report.

### **Landscape**

Within proposed ROW acquisition area, where landscape exists, the assumption is made that the Town of Addison will mitigate the loss of landscape, by returning the existing landscaped areas to an attractive and similarly functional landscape condition similar to the before road construction condition. This would be done with the assistance of a landscape consultant reporting to the Town of Addison. Under this assumption, i.e., that there will be no requirement on the property owner to replace landscape, nor to meet minimum City requirements for landscape after the new road construction, appraisal analysis indicates that there is no requirement to isolate the contributory value of found land scape. Therefore, no compensation for landscape has been included.

Analysis and Valuation of Proposed Acquisition Area (Continued)

Therefore, taking all factors into consideration, the value of the proposed acquisition area can be calculated as follows:

$$\text{Arapaho Road ROW } 28,008 \text{ SF} \times \$10.00/\text{SF} = \$280,080$$

*plus* compensation for improvements in acquisition area:

Tennis courts, fencing

$$(2 \text{ courts - includes post, net, striping, bench}) = \$ 48,000$$

$$\text{Walking path (approx. 810 SF of asphalt paving} \times \$1.50/\text{SF}) = \$ 1,215$$

$$\text{Exercise/recreation area} \quad \underline{\$ 3,500}$$

$$\text{Total compensation} \quad \underline{\$332,795}$$

**Value of the Remainder Before the Acquisition (LAND ONLY)**

The value of the Remainder Before the Acquisition is simply the mathematical difference between the value of the whole property less the value of the Proposed Acquisition Area. Therefore, the value of the Remainder Before the Acquisition can be calculated as follows:

|   |                   |
|---|-------------------|
| Whole Property Value (Land only)              | \$2,170,000       |
| Less: Value of Proposed Acquisition Area      | <u>\$ 280,080</u> |
| Value of the Remainder Before the Acquisition | \$1,889,920       |

**Value of the Remainder After the Acquisition**

As noted, the proposed acquisition area will be used for the widening and realignment of Arapaho Road. After the acquisitions, the remaining site will continue to be an interior tract having similar accessibility and increased visibility. The remaining site will have similar highest and best use as before the acquisition.

In developing the analysis of the Remainder Highest and Best Use and estimating the value after the acquisition, several questions were formulated and answered through the combined sources of: analysis of the Right of Way Acquisition Map, the engineering design and construction plans, the Town of Addison Department of Engineering, and consultation with locally knowledgeable consultants. The answers to specific questions, combined with the analysis of the undersigned land

rights appraiser, were subsequently applied to market reaction observations and data introduced by the appraiser to finalize remainder impact conclusions. Following are some of the considerations in the valuation of the remainder after the proposed acquisition (Remainder After).

- 1) Will the remainder property comply with zoning regulations?

*Yes, it appears the remainder site will be a legal conforming use under current zoning.*

- 2) Will the remainder property have access to new Arapaho Road?

*No, at this time it appears Arapaho Road will be a limited access route and no access will be granted to individual properties along the route, nor, would access benefit the subject property.*

- 3) What is the grade of the new Arapaho Road adjacent to the subject property?

*Based on available plan and profile design plans, the new road will be approximately fourteen (14) feet above grade at the eastern boundary of the subject remainder tract, rising at a grade of 2.06% and is planned to be twenty two (22) feet above the western property boundary. The back of subject building is set back more than 25 feet from the new northern property boundary, as is the concrete drive and parking areas, which should provide an adequate and safe buffer between the elevated new road and the remainder site.*

- 4) Will the loss of the recreational amenities negatively impact the remainder?

*The subject improvements were reportedly built in 1980, an era when these improvements were typical of the type and quality facility. Since that time, there has been a change in operations management. Currently, the subject property competes with other budget hotels/motels in the area, some of which are newer. An inspection of the newer facilities indicates that these type of recreational amenities are not standard in this submarket for this product type. That is, the newer competitors have facilities without these recreational amenities, therefore, the loss of the tennis court, walking path and exercise/recreation area should not negatively impact the operation of the motel nor the value of the remainder property. However, the depreciated cost of these items have been calculated into the compensation, as opposed to the 'contributory value'.*

- 5) Considering the elevated construction of the proposed new thoroughfare, will there be any negative impact on the value of the remainder property?

*The natural terrain and elevation of the subject property falls/slopes downward from the north side of Beltline Road, falling northward toward the back of the lot. The proposed new thoroughfare, necessarily, must be constructed in an elevated position as it starts the rise toward Midway Road to the west (which the new road must cross-over). The resulting road will be no closer to any of the motel rental units at the back of the property than the rental units at the front. Additionally, there is no existing access to or from any public road at the back of the property. This situation will not change after the acquisition and proposed road construction. Under the assumption that the public safety considerations of the new thoroughfare are the same as any other public thoroughfare, proximity to the new road should not be a negative value factor.*

- 6) Are there any direct benefits as a result of this project?

*Yes, the subject remainder property will have increased visibility as a result of adjacency to the new Arapaho Road. Secondly, the property owner should request a reduction in the assessed value due to the reduced land size.*

Therefore in the final analysis, the market of the remainder subject property after the acquisition and realignment of Arapaho Road is no less than the value before the acquisition and reconstruction.

## RECAPITULATION

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A recapitulation of the pertinent values of the whole property, the proposed acquisition area, the remainder before and after the acquisition are depicted below:

|  |                   |
|--|-------------------|
| Value of the Whole Property (Land Only)                                  | \$2,170,000       |
| <i>less:</i> Value of the Proposed Acquisition Area                      | <u>\$ 280,080</u> |
| <i>equals:</i> Value of the Remainder Before the Acquisition (Land Only) | \$1,889,920       |
| Value of the Remainder After the Acquisition (Land Only)                 | \$1,889,920       |
| <i>plus:</i> Value of the Improvements in Acquisition Area               | \$ 52,715         |
| <i>equals:</i> <b>Total Compensation</b>                                 | <b>\$ 332,795</b> |

## **AFFIDAVIT AND CERTIFICATE OF VALUE**

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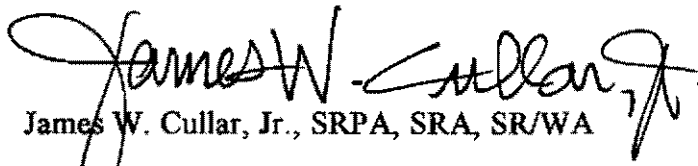
The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. We have personally inspected the subject property.
2. We have no present or contemplated future interest in the real estate that is the subject of our evaluation.
3. We have no personal interest or bias with respect to the subject matter of this evaluation or the parties involved.
4. To the best of our knowledge and belief, we have included only truthful statements of fact in this report; and the analysis, opinions and conclusions expressed herein are true and correct and no pertinent information has knowingly been withheld.
5. The compensation for our professional service is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
6. The analyses, opinions and conclusions in the report are limited only by the assumptions and limiting conditions set forth, and are the personal, unbiased, professional analyses, opinions and conclusions of the appraiser.
7. The development of the herein expressed value opinions have been made in conformity with, and is subject to the requirements of the Uniform Standards of Professional Appraisal Practice adopted by both the Appraisal Institute and the International Right of Way Association and can be supported by internal file inspection.
8. No persons other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
- 9) This document is hereby communicated to the original client named in the transmittal letter for the privileged use that client and their selected distribution. It is understood that most appraisal products are prepared to be a tool for some financial decision purpose. With this understanding, it should be noted that this report was obtained from Evaluation Associates, who owns the data and the detailed file memorandum, notes, etc., which may consist of *trade*

*secrets and commercial or financial information* that is privileged and confidential and exempt from disclosure under 5 U.S.C. 552 (b) (4). Therefore, please notify Evaluation Associates of any request of reproduction of this appraisal.

- 10) The act of preparation and submission of this report to the public in the form of the original client, simultaneously makes this report subject to the professional requirements of the Appraisal Institute and the International Right of Way Association regarding review by its duly authorized representatives.
- 11) The Appraisal Institute conducts both mandatory and voluntary programs of continuing education for their designated members depending upon the date of the conferring of the specific professional designation.. Designated members who meet the minimum standards for these programs are awarded periodic educational certification. James W. Cullar, Jr., and Richard N. Baker are currently certified under their respective and applicable programs.
- 12) This Appraisal is classified as Limited in Scope and is presented in Summary Format.
- 13) The market derived value of the proposed acquisition areas as of October 5, 2001 is estimated to be:

**THREE HUNDRED THIRTY TWO THOUSAND  
SEVEN HUNDRED NINETY FIVE DOLLARS  
(\$332,795)**

  
James W. Cullar, Jr., SRPA, SRA, SR/WA

  
Richard N. Baker, MAI



# EVALUATION ASSOCIATES

Right of Way Land Rights Appraisal and Acquisition Solutions

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**James W. Cullar, Jr., SRPA, SRA, SR/WA**  
Qualifications and Professional Background

## **EDUCATION**

Graduate of North Texas State University, BBA 1967

All courses, demonstration appraisal reports, professional experience, and quality reviews required for the three professional designations awarded from 1969 to current time.

## **PROFESSIONAL EXPERIENCE**

Founder and general manager of Evaluation Associates, a real property consulting and land rights acquisition firm, providing a variety of real property evaluation services for the financial market, public land rights acquiring agencies, and individuals seeking decision making information for mortgage lending, asset review, right of way land rights acquisition and related matters.

Jim Cullar has qualified as an expert witness in county, state and federal courts in Dallas, Tarrant, Collin, Denton, Ellis, Grayson, and Travis Counties.

Prior to founding Evaluation Associates, Jim was a lender and appraiser with a large financial institution; and later the chief appraiser with the Right of Way Division of the Dallas County Department of Public Works. He has been a self employed consultant since 1985. Jim keeps abreast of industry change through reading, continuing education, teaching, forum discussion, and publication.

## **PROFESSIONAL AFFILIATIONS**

### **The Appraisal Institute SRPA, SRA Member designation**

Past President - North Texas Chapter 1995

Member National Board of Directors - 1997 - 1999

National Finance Committee 1998-1999

Chair - Region VIII 1999

### **International Right of Way Association (IR/WA Region 2)**

SR/WA Designation

Certified Instructor of:

Real Estate Appraisal Principles

Income Approach to Valuation

Appraisal of Partial Acquisition

Easement Evaluation

**State Certified General Texas Real Estate Appraiser - TX - 1321322 G**

# EVALUATION ASSOCIATES

Right of Way Land Rights Appraisal and Acquisition Solutions

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## **RICHARD N. BAKER, MAI** Qualifications and Professional Background

### **EDUCATION**

Graduate of Texas Tech University • Masters of Business Administration - May 1985.  
Graduate of Southern Methodist University • Bachelor of Arts - Bachelor of Business Administration - May 1983  
All courses, demonstration appraisal reports, professional experience, and quality reviews required for the MAI professional designation awarded 1996.

### **RECENT ACCREDITED APPRAISAL COURSES and SEMINARS**

Highest and Best Use Applications (November 1999)  
Standards of Professional Practice, Part C (March 1998)  
Dynamics of Office Building Valuation (November 1997)

### **PROFESSIONAL EXPERIENCE**

Appraisal experience includes the analysis and preparation of comprehensive narrative appraisal reports, evaluating a variety of interests in numerous property types including multi-family residential, industrial, office, retail, rural and urban land, special purpose properties, right-of-way land rights acquisition matters, special benefits / enhancement studies, and related consultation issues.

Appraisal work product has been accepted and utilized for mortgage lending, estate tax planning and settlement, property exchange, corporate management decisions, road and thoroughfare improvement assessment programs, and partial acquisition valuation for just compensation analysis by eminent domain acquiring agencies.

### **PROFESSIONAL DESIGNATIONS and AFFILIATIONS**

MAI - The Appraisal Institute #10984  
State Certified Real Estate Appraiser-General #1322012-G  
Texas Real Estate Salesman - Inactive

### **APPRAISAL INSTITUTE LEADERSHIP CONTRIBUTION**

Candidate Guidance Chair - North Texas Chapter - 1998  
Web Site Committee Chair - North Texas Chapter - 2000 - 2001  
Regional Representative - Region VIII - 2000 - 2001  
Region Representative to National Technology Outreach Committee 1999 - 2001  
North Texas Chapter - Member Board of Directors - 2001 - 2003

## **ADDENDUM**

## ASSUMPTIONS, LIMITING CONDITIONS & DISCLOSURES

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

1. That title to the individual property will be good and marketable and that title is in fee simple under single ownership unless otherwise stated.
2. No responsibility is assumed by the appraiser for matters of legal character. The value is reported without regard to questions of title, boundaries, encumbrances, easements and encroachments. All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear under responsible ownership and management unless otherwise stated.
3. The valuation is reported in dollars of currency prevailing on the date of the appraisal.
4. If the subject is an improved property, the sketches in this report are approximate and are included, together with the photography, to assist the reader in visualizing the property.
5. All information and comments pertaining to this and other properties represent the combination of facts provided by others and the professional opinion of the appraiser, formed after careful examination and study of the subject property. Hence, the work product of the appraiser is an estimate. While it is believed that the information, estimates and analyses which led to the herein stated estimated value conclusions are correct, and the primary appraiser is prepared to testify as to the applicability of the selected data to the valuation of the subject property, the appraiser does not guarantee any element of the data base. Nor does he assume any financial liability for errors in facts provided by others, analysis or judgement. The client's remedy is referral of a faulty analysis to the Appraisal Institute, the International Right of Way Association, and/or the Texas Appraisal Licensing and Certification Board.
6. This is a financial decision document. It is not a marketing tool. Therefore no part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the professional organizations that designate the appraisers or to the applicable designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication other than the intent of the report as a financial decision tool for the original client.
7. Given adequate preparation notice, the appraiser is prepared to provide testimony and to appear in court by reason of this appraisal, under separate contract, at the request of the original client.
8. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

## ASSUMPTIONS, LIMITING CONDITIONS & DISCLOSURES VALUE

9. Also, the value is estimated under the assumption that there will be no international or domestic, political, economic, or military actions that will seriously affect real estate values throughout the country.
10. Real estate values are influenced by a large number of external factors. The analysis included all of the data necessary to form an informed highest and best use and value conclusion. The report does not include all the data necessary to support the value estimate. All pertinent facts have been referenced in this report, but we do not guarantee that we have knowledge of all factors that might influence the value of the subject. Due to rapid changes in the external factors, the value estimate is considered reliable only as of the date of the appraisal and any related testimony..
11. In the event the appraisal is based upon proposed improvements, it is assumed that the improvements will be constructed in substantial conformity with plans and specifications that have been furnished the appraiser, and with good materials and workmanship. It is also assumed that the proposed foundation and construction techniques are adequate for the existing sub-soil conditions.
12. Unless otherwise stated in this report, the existence of environmentally hazardous or damaging material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos or urea-formaldehyde may affect the value of the property. The value estimate is predicted on the assumption that there is no such material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client, property owner and/or prospective purchaser is advised to conduct environmental due diligence with regard to the property including having the necessary environmental assessments and/or environmental audits made to determine if any environmental problems related to the subject property exist. If any environmental problems are found which effect the subject property, the value estimate contained in this report is subject to review and may not be valid.
13. The American and 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 noncompliance with the requirements of ADA in estimating the value of the property.

## DEFINITION OF TERMS

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1. **Market Value:** The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller or buyer under conditions whereby:
  - a. buyer and seller are typically motivated;
  - b. both parties are well informed or well advised, and each acting in what they consider their best interest;
  - c. a reasonable time is allowed for exposure in the open market;
  - d. payment is made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  - e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
  
2. **Value in Use:** The value of an economic good to its owner-user which is based on the productivity (privacies in income, utility or amenity form) of the economic good to a specific individual.
  
3. **Highest and Best Use:** The most profitable likely use to which a property can be put. That use of land which may reasonably be expected to produce the greatest net return to land over a period of time. That legal use which will yield to land the highest present value.
  
4. **Abbreviations commonly used in the appraisal of real estate:**

|     |   |             |     |   |              |
|-----|---|-------------|-----|---|--------------|
| SF  | = | square feet | RR  | = | railroad     |
| /AC | = | per acre    | ROW | = | right of way |
  
5. **Vehicular traffic artery abbreviations:**

|      |   |           |       |   |                       |
|------|---|-----------|-------|---|-----------------------|
| St.  | = | Street    | FM    | = | Farm to Market Rd     |
| Ln   | = | Lane      | US    | = | United States Highway |
| Dr   | = | Drive     | I     | = | Interstate Highway    |
| Rd   | = | Road      | Frwy  | = | Freeway               |
| Pl   | = | Place     | Expwy | = | Expressway            |
| Pkwy | = | Parkway   | Hwy   | = | Highway               |
| Ave  | = | Avenue    | SH    | = | State Highway         |
| Blvd | = | Boulevard | N     | = | North                 |
| Cir  | = | Circle    | S     | = | South                 |
| Ct   | = | Court     | E     | = | East                  |
| Mt.  | = | Mount     | W     | = | West                  |

# EVALUATION ASSOCIATES

RIGHT OF WAY LAND RIGHTS ANALYSIS • APPRAISAL • ACQUISITION • SOLUTIONS

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## SUMMARY OF SALIENT FACTS AND CONCLUSIONS ARAPAHO ROAD PROJECT

**Property Owner: Heritage Inn Number XIII/Tharaldson Development  
Parcel No. 5**

**Valuation Conclusion:**

|                                  |            |
|----------------------------------|------------|
| Whole Property (Land Only)       | \$900,000  |
| Proposed Acquisition             | \$ 138,754 |
| Remainder Before Acquisition     | \$ 761,246 |
| Remainder After Acquisition      | \$ 761,246 |
| Loss in Value of Remainder After | \$ -0-     |

**Determination of Compensation:**

|  |           |
|--|-----------|
| Permanent Right of Way (Land Only @ \$5.50/SF)     | \$138,754 |
| Compensation for Improvements (None - Replacement) | \$ -0-    |
| Landscaping (None - Replacement)                   | \$ -0-    |
| Temporary Construction Easement                    | \$ 1,946  |

**Total Compensation \$140,700**

**Date of Appraisal:** January 12, 2002

**Location:** 4555 Belt Line Road, Town of Addison, Texas

**Legal Description:** Lots 4 and 5, Addison Restaurant Park, Town of Addison, Dallas County, Texas

**Land Size:** Whole Property (per DCAD records) 3.7610 Acres  
Right of way Area 0.5792 Acres  
Temporary Construction easement 0.0813 Acres

**Zoning:** PD, Planned Development District

**Highest and Best Use:**

As if Vacant BEFORE: Commercial use  
As if Vacant AFTER: Commercial use

# EVALUATION ASSOCIATES

RIGHT OF WAY LAND RIGHTS ANALYSIS • APPRAISAL • ACQUISITION • SOLUTIONS

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January 14, 2002

Mr. Steve Chutchian, P.E.  
Assistant City Engineer  
Town of Addison  
16801 Westgrove  
Addison, Texas 75001-9010

**Re: ARAPAHO ROAD PROJECT - Parcel No. 5**  
**Property Owner: Heritage Inn Number XIII**

An appraisal of a 0.5792 acre proposed permanent right of way acquisition (ROW) and a 0.0813 acre proposed temporary construction easement out of an approximate 3.7610 Acre tract of land situated on the north side of Belt Line Road, east of Midway Road (known locally as 4555 Belt Line Road). The parent tract is legally described as Lots 4 and 5, Addison Restaurant Park, Town of Addison, Dallas County, Texas

Dear Mr. Chutchian:

At your request, we have conducted the analysis and investigations necessary to derive the value of the whole property (Land Only) and proposed acquisition areas based on the economic conditions which prevailed on the current valuation date of January 12, 2002. It is understood that the function of the appraisal, and of this summary of data and analysis employed in that appraisal process, will be used as a basis for establishing *just compensation* due to the property owner concerning the intent of the Town of Addison to acquire the referenced right of way for the widening, realignment and improvement of Arapaho Road.

This appraisal was prepared in accordance with valuation principles which conform with the State of Texas condemnation laws and subsequent legal precedents based on, but not limited to, *State v Carpenter, 89 SW 2nd, 1936*. Further, this report addresses appraisal guidelines of the International Right of Way Association, the Appraisal Institute, and is classified as a *complete summary* report format under the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Foundation. The methods of valuation and reporting are also consistent with an acceptable process relevant to the nature of the whole property and the proposed acquisition area. All herein mentioned value estimates are market oriented and based on the principle of Value in Exchange rather than Value in Use to a specified owner. These value terms, along with other appraisal terminology, are defined in the addendum section of this report.

## **Owner Contact**

The subject property was inspected from various points of reference on several dates from May 2001 to January 2002, with the date of our last inspection being January 12, 2002, also the valuation date. The enclosed photographs were personally taken by the undersigned appraiser



Mr. Steve Chutchian

January 14, 2002

during the same time frame. A thorough inspection of the proposed acquisition area was possible without contacting the property owner. A portion of the property is offered for sale. According to Mark Knudson, approximately 69,000 SF is vacant and available for sale at \$7.50/SF. He reported receiving offers at \$5.00/SF. The parent tract was purchased in January 1997 at a reported price of \$4.75/SF.

Based on a review of engineering design and construction plans provided by the Town of Addison, and an inspection of the subject whole property, after the acquisition the site should have the same access and superior exposure when compared with the before condition. Related analysis is described in more detail in the Analysis and Valuation of the Proposed Acquisition Section later in this report. It will also be explained how and why there is no loss of marketability and utility of the property after the acquisition. The appraisers have analyzed the subject property both **before and after** the proposed acquisition and found no diminution in value beyond the portion of the property within the proposed right of way, which is to be compensated.

### **Subject Site Description**

According to investigation of Dallas County Plat Maps, field review by Evaluation Associates, and information provided by Town of Addison, the subject whole property has no frontage on an existing public thoroughfare. Public documents note the northern sixty (60) feet of the parent tract has been dedicated for Arapaho Road; however, this road has not been constructed. Therefore, the only current access is by easements from Belt Line Road from the south. These easements appear to serve the subject parent tract as well as several adjoining properties. However, no research was conducted to determine which properties were served by these easements, other than the subject property. An 1.7 acre tract located adjacent on the south of the subject tract has several easements - utility, fire lane, and mutual access - crossing it. This 1.7 acre tract fronts Belt Line Road. The subject tract contains 3.7610 acres, net of dedicated Arapaho Road right of way. The subject property is set well back from Belt Line Road, making visibility somewhat limited. However, it is unlikely to be obscured due to the limitations the easements on the adjoining 1.7 tract have to its development. All public utilities are available to the subject property. Topographical features include generally level terrain. A natural drainage area is located in the north central portion of the parent tract. There were no other known noted or observed easements, encroachments or other special hazards that might effect the marketability or utility of the subject parent tract.

### **Zoning**

Based on our review of the Town of Addison Zoning Map, the subject whole property is zoned PD, Planned Development 1 District. The eastern 1.8184 acres of the subject site is improved with a three (3) story hotel and the 1.9426 acres is vacant. It appears that the subject property is a legal conforming use before the proposed acquisition. The City requires and maintains certain building and site requirements in this district, a copy of which has been retained in the file.

### **Highest and Best Use**

The highest and best use is that use which will provide the greatest net return to the owner of the land within applicable physical, legal and financial market acceptance constraints. These criteria are usually considered and tested sequentially; i.e., a use may be financially feasible, but this is irrelevant if it is

Mr. Steve Chutchian  
January 14, 2002

physically impossible or legally prohibited. Highest and Best Use is defined in *The Appraisal of Real Estate*, 11th Edition, published by the Appraisal Institute as being:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

Physical factors include physical characteristics of the site such as shape, size, topography, ingress and egress. The subject property encompasses 3.7610 Acres. The tract has adequate size, shape, ingress and egress. Visibility and exposure is to Belt Line Road, a major street. All utility services are available in the site. The physical influences indicate the subject site could support a variety of uses.

The legal limits to Highest and Best Use in this case are determined by the zoning ordinance. As previously discussed, the subject property is designated for industrial uses. Analysis of the physical and legal factors suggest that the highest and best use of the subject property is for commercial uses. All other uses are eliminated as the legal constraints prohibit such uses.

An analysis of financial factors would include determining uses which produce a market accepted rate of return based on the risks involved. The area surrounding the subject property is developed as a variety of uses - restaurants, professional offices, office/showroom, etc. There are few vacant tracts available for development. Likewise, there are few vacant commercial zoned tracts of land.

#### **Highest and Best Use Conclusion**

The highest and best use of the whole subject property is for a commercial use, similar to the surrounding uses.

#### **Valuation Approach**

Analysis indicates that the existing hotel building is unaffected by the proposed acquisition. Since it is not necessary to value these unaffected improvements, only the value of the land (subject site) has been

*The existing improvements are unaffected by the proposed acquisition*

estimated. The most realistic approach to value vacant land is through the direct comparison of land sales. Several sale transactions were analyzed and adjustments were made to compensate for differing influences on value. A detailed summary of those sales considered most representative of the current market, and the conclusions derived from our analysis, have been included in this report.

Based on information supplied and investigations made by Evaluation Associates personnel, it appears that after the completion of the thoroughfare widening and improvement project, there should be no negative impact on the remainder resulting from the proposed acquisition. Access and visibility should be similar both *before* and *after* the proposed acquisition. The site is not adversely affected by the proposed acquisition and the subject property is valued on a land only basis. Additional detail and discussion in support of this conclusion can be found in the Analysis and Valuation of the Proposed Acquisition Area section.

Mr. Steve Chutchian  
January 14, 2002

**Conclusion**

Our research has included an investigation of market and neighborhood trends which are believed to influence the value of the subject whole property (Land Only). Specific attention and consideration was given to the value of the subject property, both **before and after** the proposed right of way acquisition area. Based upon our analyses and interpretation of the data, the Market Value of the proposed acquisition area as of January 12, 2002, is estimated to be:

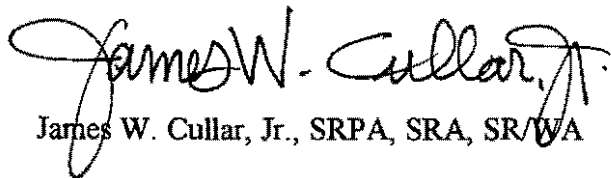
**ONE HUNDRED FORTY THOUSAND  
SEVEN HUNDRED DOLLARS  
(\$140,700)**

The following narrative report sets forth a description of the subject property along with maps, photographs and other exhibits. The report has been prepared in accordance with the Code of Ethics and Professional Conduct promulgated by the Appraisal Institute and the International Right of Way Association. The report is subject to the Assumptions and Limiting Conditions included in the Addendum.

This report was prepared by James W. Cullar, Jr. and Richard N. Baker, both representing the firm Evaluation Associates, and deriving the analysis and value estimate conclusion. The undersigned assumes responsibility for any required testimony.

If you have any questions, please call us.

Respectfully submitted,  
EVALUATION ASSOCIATES

  
James W. Cullar, Jr., SRPA, SRA, SR/WA

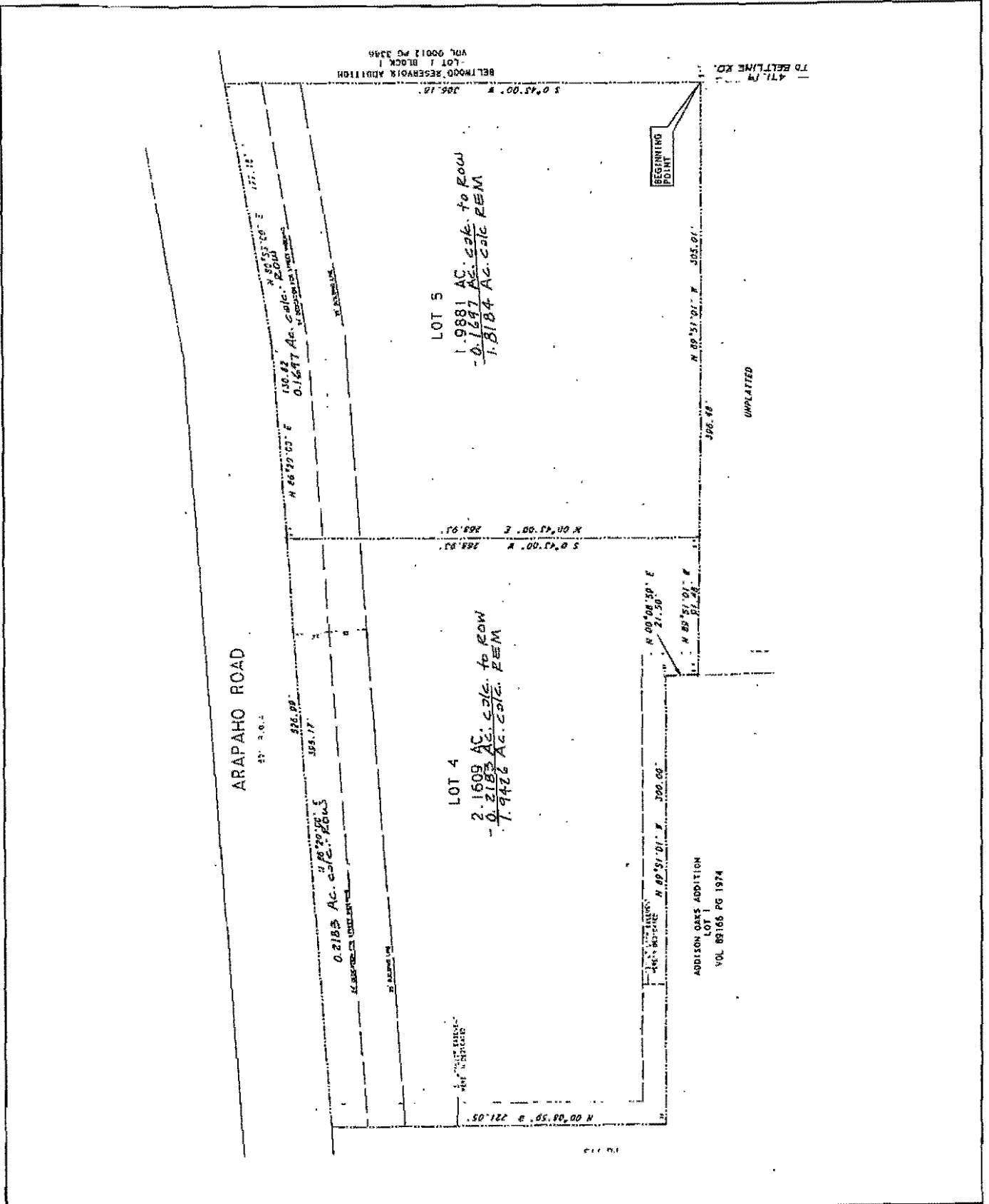
PHOTOGRAPHS OF SUBJECT PROPERTY

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Aerial photograph of the subject property

# PLAT MAP



## APPRAISAL PROCEDURE

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The estimation of Market Value of a property that is being appraised is accomplished by the comparison and analysis of as many techniques as are appropriate. Three approaches are generally used to produce value indications for improved properties while only one (the Sales Comparison Approach) is normally employed in analyzing an unimproved property such as the subject site.

**COST APPROACH** The value indication by this approach is accomplished by determining the Reproduction (or Replacement) Cost New of the improvements less accrued depreciation from all causes to which the value of the land (estimated by comparison) is added.

**SALES COMPARISON APPROACH** The comparison of similar properties that have sold in the marketplace is used to produce an indication of value. The comparison may either be direct or indirect by commonly accepted units or elements of comparison.

**INCOME APPROACH** This approach to value is applicable to properties capable of producing a net income stream. The net income is translated into a value indication through capitalization.

The strengths and weaknesses of each approach employed are weighed in the final analysis. The approach or approaches offering the greatest quantity and quality of supporting data are typically given most consideration and the final value is then correlated.

In this appraisal situation, wherein only the land valuation was required, only the Sales Comparison Approach was employed.

## LAND VALUATION

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A reliable value indication for the subject land is provided by an analysis and comparison of other tracts that have sold in the marketplace. Many factors influence the price of vacant land. The selected sales are analyzed with respect to real property rights conveyed, financing terms, conditions of sale, market conditions, location and physical characteristics.

- A transaction price is always predicated on the real property interest conveyed. The revenue generating potential of a property can be limited by the terms of existing leases.
- The purchase price can be influenced by financing terms. Non-market financing terms must be considered to determine the cash equivalent price.
- Adjustments for conditions of sale usually reflect the motivations of the buyer(s) and the seller(s). Circumstances such as assemblage sales are considered in this analysis.
- Market conditions sometimes change over time and past sales must be analyzed to determine the direction and velocity of change between the sale date and the appraisal date.
- The analysis of location includes the comparison of trade or market area, proximity and accessibility to major thoroughfares and exposure and accessibility to traffic.
- The analysis of physical characteristics would include zoning, topography, frontage, depth, shape, proximity to public utilities and other factors influencing the utility or use.

## COMPETITIVE LAND SALE



**Land Sale No. 1**

**Mapsco # 14-A**

Location: N/s of Realty Road, Addison  
Grantor: Lincoln Trust Company  
Grantee: Osteomed Corporation

Legal Description: Lot 4R, Block 1, Beltline-Marsh Business Park Addition

Date of Sale: April 26, 2001

Volume/Page: 2001082/6116

Site Data:

Size: 4.3625 Acres  
Zoning: Industrial  
Utilities: All available  
Frontage: Along Realty  
Shape: Functional  
Topography: Level  
Easements: None reported detrimental  
Improvements: None  
Intended Use: Office

Consideration: \$1,000,000 or \$5.26/SF

Financing: All cash to seller

Comments: Site is currently vacant.



## COMPETITIVE LAND SALE

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**Land Sale No. 2**

**Mapsco # 4-Q**

Location: N/s of Sunbelt Drive, east of Westgrove Drive, Addison  
Grantor: ECOM  
Grantee: Brooke Johnson, Trustee

Legal Description: Tract 15, Block B, Sunbelt Business Park

Date of Sale: November 1, 2000                      Volume/Page: 20002213/6508

**Site Data:**

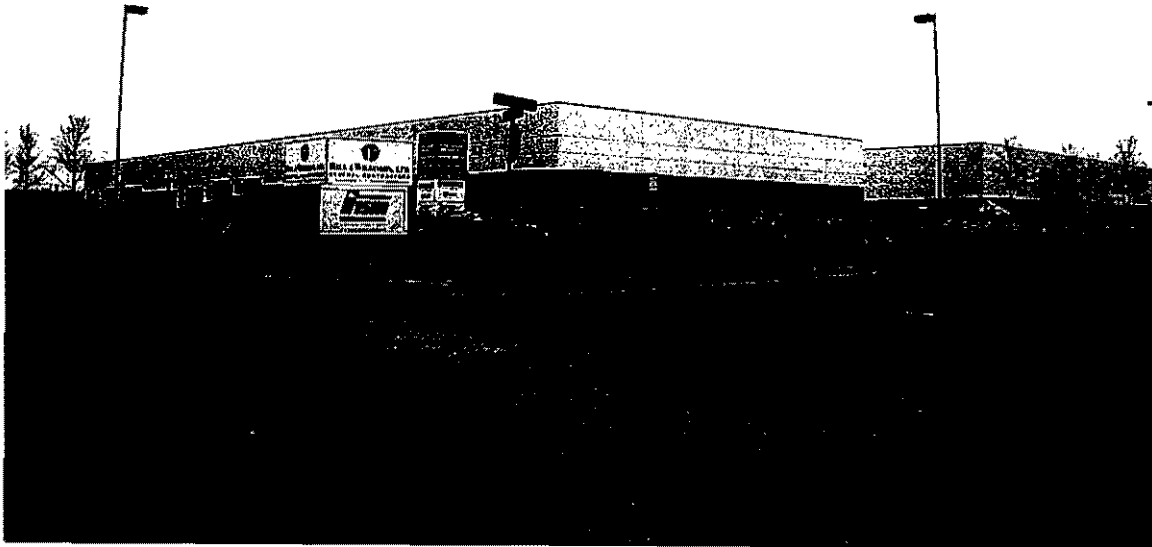
Size: 3.8426 Acres  
Zoning: Commercial  
Utilities: All available  
Frontage: Sunbelt Drive  
Shape: Functional  
Topography: Level  
Easements: None reported detrimental  
Improvements: None  
Intended Use: Investment

Consideration: \$753,220 or \$4.50/SF

Financing: All cash to seller

Comments: Property is vacant.

## COMPETITIVE LAND SALE



**Land Sale No. 3**

**Mapsc0 # 4-P**

Location: NEC of Excel Parkway and Westgrove Drive, Addison  
Grantor: Excel Management Service, Inc.  
Grantee: FR Development Services, Inc.

Legal Description: Lots 5 and 20, Part of Lots 4 and 21, Block A, Carroll Estates Addition;  
Part of Lots 4 and 5, Block B, Carroll Estates Addition

Date of Sale: May 16, 2000 Volume/Page: 200096/2365

Site Data:

Size: 18.742 Acres  
Zoning: Commercial  
Utilities: All available  
Frontage: Excel and Westgrove  
Shape: Functional  
Topography: Level  
Easements: None reported detrimental  
Improvements: None  
Intended Use: Office/showroom development  
Consideration: \$3,567,554 or \$4.37/SF  
Financing: All cash to seller  
Comments: Property has been improved with office/warehouses.

## COMPETITIVE LAND SALE



**Land Sale No. 4**

**Mapsco # 4-P**

Location: SEC of Westgrove Drive and Excel Parkway, Addison  
Grantor: Stratus Properties Operating Company  
Grantee: Jackson-Shaw/Addison Tech, LTD.

Legal Description: Lots 3 and Part of Lot 4, Lots 21 & 22, Block A, Carroll Estates Addition

Date of Sale: October 1, 1999                      Volume/Page: 99192/3812

**Site Data:**

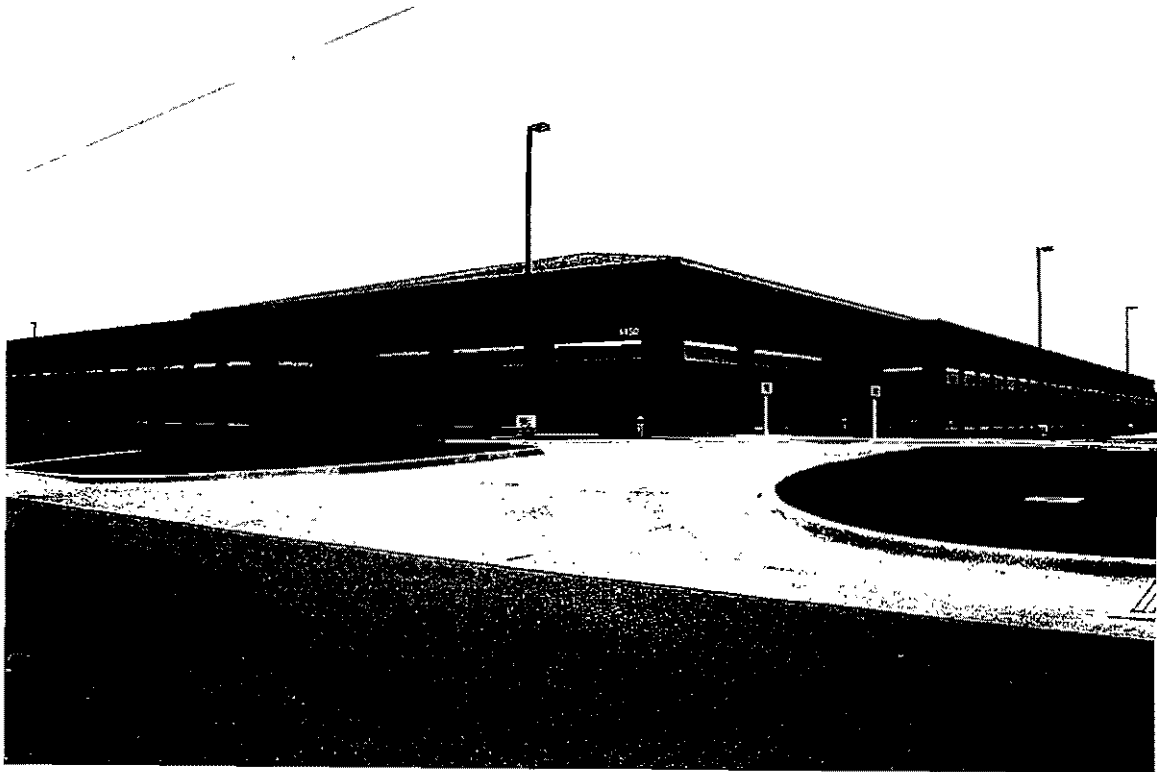
Size: 7.776 Acres  
Zoning: PD, Planned Development  
Utilities: All available  
Frontage: 467 ft on Westgrove; 724 ft on Excel  
Shape: Rectangular  
Topography: Level  
Easements: None reported detrimental  
Improvements: None  
Intended Use: Proposed Addison Com Center

Consideration: \$1,439,573 or \$4.25/SF

Financing: All cash to seller

Comments: Site acquisition for construction of a tech center.

## COMPETITIVE LAND SALE



**Land Sale No. 5**

**Mapsc # 4-P**

**Location:** S/s of Sojourn Drive, approximately. 866 ft. E. of Westgrove Drive, Addison

**Grantor:** Palmetto Corners LTD

**Grantee:** Wilcox Sojourn Development, LTD

**Legal Description:** Lot 1, Block A, Sojourn Plaza Addition

**Date of Sale:** August 18, 1999

**Volume/Page:** 99161/3864

**Site Data:**

**Size:** 8.128 Acres

**Zoning:** PD, Planned Development District

**Utilities:** All available

**Frontage:** 423 ft on Sojourn

**Shape:** Rectangular

**Topography:** Level

**Easements:** None reported detrimental

**Improvements:** None

**Intended Use:** 90,000 SF office building

**Consideration:** \$1,320,627 or \$3.73/SF

**Financing:** All cash to seller

**Comments:** Office building has been constructed on the site.

## COMPETITIVE LAND SALE

### Land Sale Photo

**Land Sale No. 6**

**Mapsc # 4-B**

**Location:** W/s of Business Avenue, approximately 255 ft N. of Beltline Road, also fronts 34 ft on Beltline Road and 156 ft on E/s of Marsh Lane, Addison  
**Grantor:** Beltline/Marsh JV  
**Grantee:** Budget Suites of America

**Legal Description:** Part of Beltline-Marsh Addition

**Date of Sale:** May 13, 1999

**Volume/Page:** 99093/38

**Site Data:**

**Size:** 6.552 Acres  
**Zoning:** I, Industrial District  
**Utilities:** All available  
**Frontage:** 156 ft on Marsh; 250 ft on Business  
**Shape:** Functional  
**Topography:** Level  
**Easements:** None reported detrimental  
**Improvements:** None  
**Intended Use:** Extended stay hotel - 300 units  
**Consideration:** \$2,283,232 or \$8.00/SF  
**Financing:** All cash to seller  
**Comments:** Hotel has been constructed.

# Land Sales Map



## LAND VALUATION SUMMARY

The subject property is located in Addison. The area is largely developed, thus other competing neighborhoods were researched for sales data. The following sales are very similar to the subject whole property in many respects, however there are some differences. Such differences make it necessary to apply adjustments to the sale properties in order to reconcile the affect of these features on Market Value.

### RECAPITULATION OF SALES DATA

| Sale No. | Date  | Size (Ac) | Zoning | SP/SC  |
|----------|-------|-----------|--------|--------|
| 1        | 4/01  | 4.3625    | I      | \$5.26 |
| 2        | 11/00 | 3.8426    | C      | \$4.50 |
| 3        | 5/00  | 18.742    | C      | \$4.37 |
| 4        | 10/99 | 7.776     | PD     | \$4.25 |
| 5        | 8/99  | 8.128     | PD     | \$3.73 |
| 6        | 5/99  | 6.552     | I      | \$8.00 |
| SUBJECT  | 1/02  | 3.7610    | PD     | ----   |

The above table capsulizes the data presented on the preceding pages. The chart that follows after this section, uses the **sales price per square foot as a unit of comparison**. The sales are analyzed and compared with the subject tract for similarities and differences. The elements considered to be inferior to the subject property are adjusted upward while the superior qualities of the competitive sales are adjusted downward. Adjustments have been based on the appraisers observations of physically and economically oriented differences in each competitive sale. The amount of adjustment is determined by the extent to which the sale varies from the subject property. The adjustment process compensates for the difference between the competitive sale and subject and provides an indication of value for the subject property.

### ANALYSIS AND CORRELATION

The preceding summary chart displays six land sales for comparison to the subject whole property/parent tract. A reliable value indication for the subject land is provided by an analysis and comparison to other vacant land that has recently sold in the marketplace. This market derived sales data has been used to abstract and analyze property features that affect sales price. Rights conveyed, financing terms, conditions of sale, location, market conditions and physical

characteristics were factors considered to determine which influences price in the subject market area.

**Rights Conveyed**

The market value fee simple interest in the subject whole property is being sought in this analysis. During the sales verification process, it was determined that there were no existing leases on any of the sale properties, thus indicating that fee simple interest was transferred in each transaction. Therefore, no adjustment is applied to any of the sales for this factor.

**Financing Terms**

The adjustment for financing considers the effect that seller financing has on the purchase price of a property. Below market interest rates are typically reflected in higher prices per unit. The adjustment for financing is estimated by comparing the financing terms with the terms readily available, as of the sale date, from disinterested parties. All of the sales were reported as cash transactions, thus no adjustment was appropriate for financing terms.

**Conditions of Sale**

Adjustments for conditions of sale usually reflect the motivations of the buyer and seller or any unusual concessions by either party to the transaction. The sales were purchased for owner use and/or speculative investment purposes. No adjustment for this factor is applied.

**Market Conditions**

The sales occurred over an approximate 2 year period prior to the valuation date (January 2002). The sales did provide substantive evidence on which to base a time/market conditions adjustment.

A comparison of Sale Nos. 3 and 5 and 4 and 5 indicate some property appreciation. A comparison of Sale Nos. 2 and 3 indicate little in terms of appreciation. Therefore, no adjustment is applied to Sale Nos. 1- 3 as these are recent transaction and there is no indication of property appreciation. Sale Nos. 4 - 6 are adjusted upward to reflect current market conditions.

**Location**

The influence of location is a composite of numerous attributes such as access, exposure, visibility, quality and consistency of surrounding development, proximity to major roadways and location within the perceived growth pattern as evidenced by existing and planned development.



Sale No. 6 fronts Beltline Road and Marsh Lane, both major traffic arteries. Land uses fronting Beltline are typically those requiring exposure to high traffic counts. Such uses include restaurants, hotels, retail and the like. As noted, the subject whole property has visibility to Belt Line Road and benefits from the surrounding land uses which tend to generate high traffic volumes. This sale location is rated slightly superior to the subject location and a downward adjustment is applied.

The remaining five land sales are located proximate to the subject whole property. These five land sales front secondary streets, consequently they are rated inferior to the location of the subject property. Upward location adjustments are made.

### **Physical Characteristics**

The analysis of physical characteristics considers such factors as shape, depth, frontage, zoning, topography and the availability of public utility services. The shape of the subject property is adequate to support development. It has average ingress/egress, and access to the site is considered average. The tract has adequate depth for commercial development. All of the sale properties compare favorably with the subject with regard to physical features.

### **Size**

The market for real estate is comparable to that for other commodities in that price is sometimes influenced by volume (quantity or scarcity). It can generally be demonstrated that as volume decreases, the price per unit will likely rise. In contrast, unit price typically declines when volume increases. If all other attributes are equal the site may sell for more on a unit basis than a larger one due to reduced holding costs and less risk. However, larger parcels which have potential for various uses, even though additional development and an extended period prior to sale, are adaptable to larger scale intended uses and sometimes sell for a premium. Therefore, in real estate, the aspect of quantity discounting should not be assumed because it is not an economic principle, but rather an inconsistent market reaction. It should be supported by market transactions if available. The subject site contains approximately 3.7610 acres. The sales range in size from 3.8 to 18.4 acres. A comparison of the sale properties supports a size adjustment. The following exhibit presents a reconciliation of the adjustment process.

*Land Valuation Summary (continued)*

| Elements of Comparison     | Sale No. 1       | Sale No. 2       | Sale No. 3       | Sale No. 4       | Sale No. 5       | Sale No. 6       |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SP/SF                      | \$5.26           | \$4.50           | \$4.37           | \$4.25           | \$3.73           | \$8.00           |
| Rights Conveyed            | Fee Simple       | Fee simple       | Fee simple       | Fee simple       | Fee simple       | Fee simple       |
| Financing                  | Cash             | Cash             | Cash             | Cash             | Cash             | Cash             |
| Conditions of Sale         | Market           | Market           | Market           | Market           | Market           | Market           |
| Market Conditions          | Similar          | Similar          | Similar          | Inferior         | Inferior         | Inferior         |
| Adjusted Price             | \$5.26           | \$4.50           | \$4.37           | \$4.67           | \$4.10           | \$8.80           |
| Location Physical features | Inferior Similar | Inferior Similar | Inferior Similar | Inferior Similar | Inferior Similar | Superior Similar |
| Size                       | Similar          | Similar          | Inferior +10%    | Inferior +10%    | Inferior +10%    | Inferior +10%    |
| Net Adj.                   | 10%              | 10%              | 20%              | 20%              | 20%              | -30%             |
| Indicated Value            | \$5.79           | \$4.95           | \$5.24           | \$5.60           | \$4.92           | \$6.16           |

The sale prices ranged from \$3.73/SF to \$8.00/SF before the analysis. After the analysis, the adjusted values ranged between \$4.92/SF and \$6.16/SF. After adjustments were made to the sale properties, this approach produced a relatively narrow range of indicators. In view of these indicators, the Market Value of the subject land is estimated to be:

$$3.7610 \text{ Acres} \times 43,560 \text{ SF/ Ac} = 163,829 \text{ Rd}$$

$$163,829 \text{ SF} \times \$5.50/\text{SF} = \$901,059 \text{ Rd}$$

**Rounded to: \$900,000**

## **CORRELATION AND CONCLUSION**

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The subject property is valued as an unimproved tract of land as the existing improvements are unaffected by the proposed acquisition. Therefore it was not necessary to separately evaluate any buildings. There was no construction cost or accrued depreciation to analyze. In this appraisal situation, the Cost Approach was not considered applicable.

Also, since there is no trend toward land leases in the area and there is no existing or feasible activity to generate reliable and consistent rental or lease income attributable to the land, the Income Approach to estimate value was not utilized.

The Sales Comparison Approach analyzes trends of buyers and sellers from the analysis of competitive land sales. Rights conveyed, financing terms, conditions of sale, location, market conditions and physical characteristics were factors analyzed to determine the influence on price in this market area. Each sale was inspected, analyzed and compared with the subject property. Adjustments were made to each to reconcile differences in locational attributes, changing market conditions and physical differences (size)

The Sales Comparison Approach produced the only reliable and supportable indication of market value for the subject property. Therefore, the Market Value of the fee simple interest in the subject whole property (Land Only), as of January 12, 2002, is estimated to be:

**NINE HUNDRED THOUSAND DOLLARS**

**\$900,000**

EXHIBIT "B"

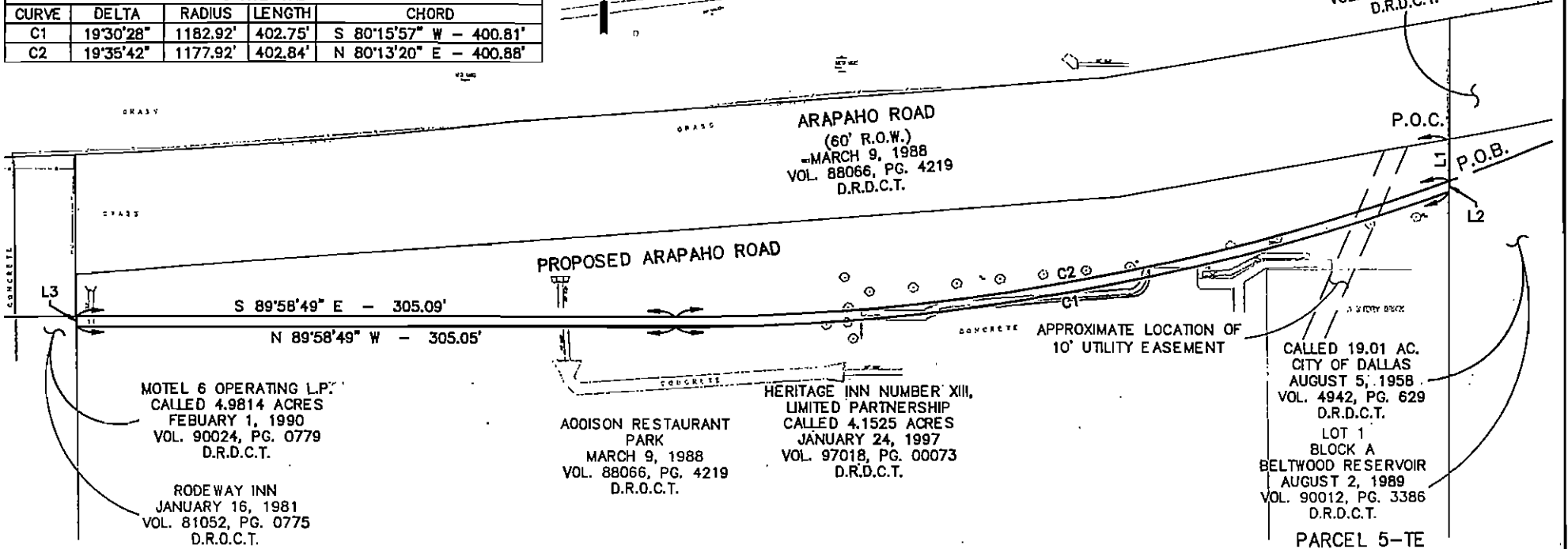
| LINE TABLE |               |             |        |        |
|------------|---------------|-------------|--------|--------|
| LINE       | BEARING       | CALLED      | DIST   | CALLED |
| L1         | S 00°12'19" W | S00°43'00"W | 21.00' | -      |
| L2         | S 00°12'19" W | S00°43'00"W | 5.31'  | -      |
| L3         | N 00°24'10" W | N00°08'59"W | 5.00'  | -      |

| CURVE TABLE |           |          |         |                         |
|-------------|-----------|----------|---------|-------------------------|
| CURVE       | DELTA     | RADIUS   | LENGTH  | CHORD                   |
| C1          | 19°30'28" | 1182.92' | 402.75' | S 80°15'57" W - 400.81' |
| C2          | 19°35'42" | 1177.92' | 402.84' | N 80°13'20" E - 400.88' |



EDWARD COOK SURVEY  
A-326

ARAPAHO ROAD  
(VARIABLE R.O.W.)  
AUGUST 5, 1958  
VOL. 4942, PG. 629  
D.R.D.C.T.



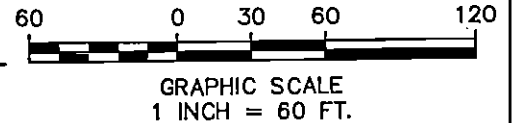
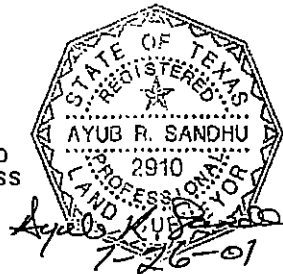
NOTES:

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

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

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

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



Parcel 5  
Field Note Description  
Arapaho Road Project  
Town of Addison  
Dallas County, Texas

BEING a description of a 0.5792 acre (25,228 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, and being a portion of a called 4.1525 acre tract of land as conveyed to Heritage Inn Number XIII on January 24, 1997 and recorded in Volume 97018, Page 00073 of the Deed Records of Dallas County, Texas, also being a portion of Addison Restaurant Park, a addition to the Town of Addison, dated March 9, 1988 and recorded in Volume 88066, Page 4219 of said Deed Records, said 0.5792 acre tract of land being more particularly described by metes and bounds as follows;

**BEGINNING** at a 5/8 inch iron rod found for the common Northeast corner of said called 4.1525 acre tract, Southeast corner of a 60 foot wide right of way dedication as evidenced by the said plat of Addison Restaurant Park, and Northwest corner of Lot 1, Block A of Beltwood Reservoir, an addition to the Town of Addison as evidenced by the plat dated August 2, 1989 and recorded in Volume 90012, Page 3386 of said Deed Records, said point also being in the West line of a called 19.01 acre tract of land conveyed to the City of Dallas as evidenced by deed dated August 5, 1958 and recorded in Volume 4942, Page 629 of said Deed Records;

THENCE, SOUTH  $00^{\circ}12'19''$  WEST (called South  $00^{\circ}43'00''$  West), along the common East line of said called 4.1525 acre tract and West line of said called 19.01 acre tract, a distance of 21.00 feet to a 5/8 inch iron rod set in a curve of the proposed South right of way line of Arapaho Road;

THENCE, SOUTHWESTERLY, departing said common line and along the proposed South right of way line of Arapaho Road and the arc of a non-tangent curve to the right having a radius of 1,177.92 feet, a central angle of  $19^{\circ}35'42''$ , a chord bearing South  $80^{\circ}13'20''$  West for 400.88 feet, for an arc distance of 402.84 feet to a 5/8 inch iron rod set for the point of tangency of said curve;

PARCEL 5 - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49 WEST, continuing along said proposed South right of way line of Arapaho Road, a distance of 305.09 feet to a 5/8 inch iron rod set in the common West line of said called 4.1525 acre tract and East line of a called 4.9814 acre tract of land conveyed to Motel 6 Operating L.P. by the deed dated February 1, 1990 and recorded in Volume 90024, Page 0779 of said Deed Records, same being all of Rodeway Inn, an addition to the City of Addison, as evidenced by the plat dated January 16, 1981 and recorded in Volume 81052, Page 0775 of said Deed Records;

THENCE, NORTH 00°24'10" WEST (called North 00°08'59" West), departing said South right of way line of Arapaho road and along said common line, a distance of 20.97 feet to a 5/8 inch iron rod with cap found for the common Northeast corner of said called 4.1525 acre tract, Northwest corner of said called 4.9814 acre tract and Southwest corner of said 60 foot wide right of way dedication;

THENCE, NORTH 85°49'17" EAST (called North 86°21'00" East), departing said common line and along the common North line of said called 4.1525 acre tract and South line of said 60 foot wide right of way dedication, passing at a distance of 397.14 feet a 5/8 inch iron rod found, continuing for a total distance of 533.12 feet (called 526.99 feet) to a 5/8 inch iron rod set for an angle point;

THENCE, NORTH 80°11'36" EAST (called North 80°53'00" East), continuing along said common line, a distance of 171.17 feet (called 177.16 feet) to the **POINT OF BEGINNING**;

CONTAINING an area of 0.5792 acres or 25,228 square feet of land within the metes recited.

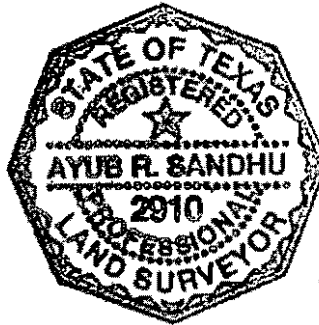
PARCEL 5 - ARAPAHO ROAD PROJECT

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



Parcel 5-TE  
Field Note Description  
Arapaho Road Project  
Town of Addison  
Dallas County, Texas

BEING a description of a 0.0813 acre (3,539 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, and being a portion of a called 4.1525 acre tract of land as conveyed to Heritage Inn Number XIII on January 24, 1997 and recorded in Volume 97018, Page 00073 of the Deed Records of Dallas County, Texas, also being a portion of Addison Restaurant Park, a addition to the Town of Addison, dated March 9, 1988 and recorded in Volume 88066, Page 4219 of said Deed Records, said 0.0813 acre tract of land being more particularly described by metes and bounds as follows;

**COMMENCING** at the common Northeast corner of said called 4.1525 acre tract, Southeast corner of a 60 foot wide right of way dedication as evidenced by the said plat of Addison Restaurant Park, and Northwest corner of Lot 1, Block A of Beltwood Reservoir, an addition to the Town of Addison as evidenced by the plat dated August 2, 1989 and recorded in Volume 90012, Page 3386 of said Deed Records, said point also being in the West line of a called 19.01 acre tract of land conveyed to the City of Dallas as evidenced by deed dated August 5, 1958 and recorded in Volume 4942, Page 629 of said Deed Records;

THENCE, SOUTH  $00^{\circ}12'19''$  WEST (called South  $00^{\circ}43'00''$  West), along the common East line of said called 4.1525 acre tract and West line of said called 19.01 acre tract, a distance of 21.00 feet to a point in a curve of the proposed South right of way line of Arapaho Road for the Northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, SOUTH  $00^{\circ}12'19''$  WEST (called South  $00^{\circ}43'00''$  West), departing said proposed South right of way line of Arapaho Road and continuing along said common line, a distance of 5.31 feet to a point for the beginning of a non-tangent curve to the right;

THENCE, SOUTHWESTERLY, departing said common line and along the arc of said curve to the right having a radius of 1,182.92 feet, a central angle of  $19^{\circ}30'28''$ , a chord bearing South  $80^{\circ}15'57''$  West for 400.81 feet, for an arc distance of 402.75 feet to the point of tangency of said curve;



PARCEL 5-TE - ARAPAHO ROAD PROJECT

THENCE, NORTH 89°58'49 WEST, a distance of 305.05 feet to a point in the common West line of said called 4.1525 acre tract and East line of a called 4.9814 acre tract of land conveyed to Motel 6 Operating L.P. by the deed dated February 1, 1990 and recorded in Volume 90024, Page 0779 of said Deed Records, same being all of Rodeway Inn, an addition to the City of Addison, as evidenced by the plat dated January 16, 1981 and recorded in Volume 81052, Page 0775 of said Deed Records;

THENCE, NORTH 00°24'10" WEST (called North 00°08'59" West), along said common line, a distance of 5.00 feet to a point in said proposed South right of way line of Arapaho Road;

THENCE, SOUTH 89°58'49 EAST, departing said common line and along said proposed South right of way line of Arapaho Road, a distance of 305.09 feet to the point of curvature of a tangent curve to the left;

THENCE, NORTHEASTERLY, continuing along said proposed South right of way line of Arapaho Road and the arc of said curve to the left having a radius of 1,177.92 feet, a central angle of 19°35'42", a chord bearing North 80°13'20" East for 400.88 feet, for an arc distance of 402.84 feet to the **POINT OF BEGINNING**;

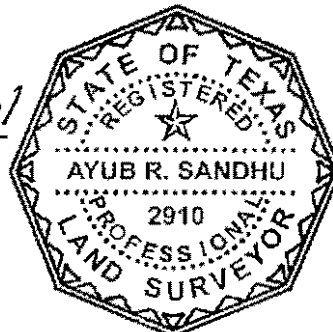
CONTAINING an area of 0.0813 acres or 3,539 square feet of land within the metes recited.

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

A plat of even survey date herewith accompanies this description.

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

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



## ANALYSIS AND VALUATION OF PROPOSED ACQUISITION AREA

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### **The Proposed Acquisition**

According to the attached surveyor's field notes, the proposed acquisition area contains 0.5792 acres (25,228 SF) for the widening and reconstruction of Arapaho Road. The location, dimensions and shape of the proposed acquisition area are shown on the Acquisition Map exhibit page(s). The proposed acquisition area is irregular in shape and is located at the rear (northern) portion of the subject parent tract. This acquisition will reduce the size of the subject parent tract by approximately 15%. Considering the Highest and Best Use of the proposed acquisition area, the standard sequential tests; physically possible, legally permissible, economically feasible, and maximally productive were analyzed. Because of the unique size and shape characteristics of the proposed acquisition area it has no potential for independent utility separate from the parent tract. Therefore, the *highest and best use* of the proposed acquisition area is as a part of the whole parent tract. Review of the accompanying photographs confirms that the proposed acquisition route affects unimproved land. Also, there is some landscaping items which the City will also replace; thus, no compensation is included for these items. The land value is based on \$5.50 SF which is supported by the sales data and analysis presented on the preceding pages of this report.

### **Landscape**

The project sponsors intend to return the existing landscaped areas to an attractive and similarly functional condition as before the road widening. This is being done with the assistance of a landscape consultant reporting to the Town of Addison. Assurances have been made by the Town during the appraisal process that there will be no requirement on the property owner to replace landscape, nor to meet minimum City requirements for new construction. The reasoning is that if the street construction placed the hardship on the property owner, the City will be responsible for mitigation. Therefore, no compensation for landscape has been included.

Therefore, taking all factors into consideration, the compensation can be calculated as follows:

$$25,228 \text{ SF} \times \$5.50/\text{SF} = \$138,754$$

### **Value of the Remainder Before the Acquisition (LAND ONLY)**

The value of the Remainder Before the Acquisition is simply the mathematical difference between the value of the whole property less the value of the Proposed Acquisition Area. Therefore, the value of the Remainder Before the Acquisition can be calculated as follows:

*Analysis and Valuation of Proposed Acquisition Area (Continued)*

|   |                  |
|---|------------------|
| Whole Property Value (Land only)              | \$900,000        |
| Less: Value of Proposed Acquisition Area      | <u>\$138,754</u> |
| Value of the Remainder Before the Acquisition | \$761,246        |

**Value of the Remainder After the Acquisition**

As noted, the proposed acquisition area will be used for the widening and realignment of Arapaho Road. After the acquisitions, the remaining site will continue to be an interior tract having similar accessibility and increased visibility. The remaining site will have similar highest and best use as before the acquisition.

In developing the analysis of the Remainder Highest and Best Use and estimating the value after the acquisition, several questions were formulated and answered through the combined sources of: analysis of the Right of Way Acquisition Map, the engineering design and construction plans, the Town of Addison Department of Engineering, and consultation with locally knowledgeable consultants. The answers to specific questions, combined with the analysis of the undersigned land rights appraiser, were subsequently applied to market reaction observations and data introduced by the appraiser to finalize remainder impact conclusions. Following are some of the considerations in the valuation of the remainder after the proposed acquisition(Remainder After).

- 1) Will the remainder property comply with zoning regulations?

*It appears the remainder site will be a legal non conforming use under current zoning due to the proximity of the western portion of the existing hotel to the new Arapaho Road right of way line. The nearest portion of the building will setback approximately 15 feet, and due to the curvature of the road, the setback gradually widens to more than 40 feet at the east end of the hotel. Strictly applying the setback standards, in the case where a majority of the improvements were destroyed, is unlikely. But, if such an incident occurred, it appears the foot print would have to be reduced by 350 feet, resulting in total square footage lost in the three floors of approximately 1,150 SF. Wherein the City caused the non-conforming situation, application for and approval of a variance would seem reasonable in the unlikely event a disaster caused a majority loss of the structure. This assumption has been satisfactorily confirmed.*

- 2) Will the remainder property have access to new Arapaho Road?

*From transportation safety and thoroughfare planning, it does not seem practical for access to be granted to Arapaho Road. One of the primary functions of the new Arapaho Road will be to relieve pressure from Belt Line Road. It has been recognized in current planning that the ability to exit new Arapaho Road through private driveway and parking areas as shortcuts to other thoroughfares (in this case Belt Line Road) would be unsafe and unacceptable. Thus, the assumption that there could be no direct access to the new Arapaho Road. However, this analysis and valuation does not depend on access to the remainder.*

- 3) What is the grade of the new Arapaho Road adjacent to the subject property?

*Based on available plan and profile design plans, the new road will be approximately eight (8) feet above the existing grade at the western boundary of the subject remainder tract, sloping down and is planned to be at grade at the eastern property boundary.*

- 4) Are there any direct benefits as a result of this project?

*Yes, the subject remainder property will have increased visibility as a result of adjacency to the new Arapaho Road. Secondly, the property owner should request a reduction in the assessed value due to the reduced land size.*

Therefore in the final analysis, the market of the remainder subject property after the acquisition and realignment of Arapaho Road is no less than the value before the acquisition and reconstruction.

**TEMPORARY CONSTRUCTION EASEMENT**

According to the attached surveyor's field notes, there is a proposed temporary construction easement totaling 0.0813 acres (or 3,539 SF) for the widening and realignment of Arapaho Road. The TCE is located adjacent to the proposed ROW acquisition area. The rights sought are temporary in nature. Topography of the proposed easement area is generally level. The net affect of this temporary construction easement will not permanently reduce the size of the subject property. The purpose of the proposed temporary construction easement is to provide working area for the ingress, egress, and placement of construction machinery and excavation materials during the construction phase of this project. The period requested for the temporary construction easement is 1 year. It is important to note that improvements, if any, within the temporary easement area which are required to be removed during the construction period will be replaced by the contractor, and therefore have not been valued in this appraisal assignment. The value of the easement is calculated as follows:

Temporary Construction Easement

3,539 SF x \$5.50/SF = \$19,465

multiplied by the market competitive annual rate of return of 10% = **\$1,946 Rd**

## RECAPITULATION

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A recapitulation of the pertinent values of the whole property, the proposed acquisition area, the remainder before and after the acquisition are depicted below:

|   |                   |
|---|-------------------|
| Value of the Whole Property (Land Only)                                 | \$900,000         |
| <i>less</i> Value of the Proposed Acquisition Area                      | <u>\$138,754</u>  |
| <i>equals</i> Value of the Remainder Before the Acquisition (Land Only) | \$ 761,246        |
| Value of the Remainder After the Acquisition (Land Only)                | \$ 761,246        |
| <i>plus</i> Value of the Temporary Construction Easement                | \$ 1,946          |
| <i>plus</i> Value of the Improvements in Acquisition Area               | \$ -0-            |
| <i>equals</i> <b>Total Compensation</b>                                 | <b>\$ 140,700</b> |

## AFFIDAVIT AND CERTIFICATE OF VALUE

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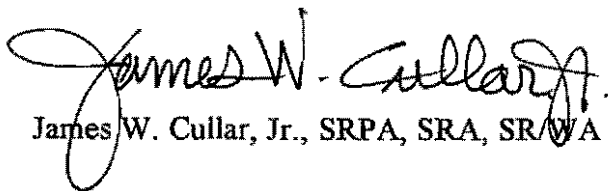
The undersigned does hereby certify that, except as otherwise noted in this appraisal report:


1. We have personally inspected the subject property.
2. We have no present or contemplated future interest in the real estate that is the subject of our evaluation.
3. We have no personal interest or bias with respect to the subject matter of this evaluation or the parties involved.
4. To the best of our knowledge and belief, we have included only truthful statements of fact in this report; and the analysis, opinions and conclusions expressed herein are true and correct and no pertinent information has knowingly been withheld.
5. The compensation for our professional service is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
6. The analyses, opinions and conclusions in the report are limited only by the assumptions and limiting conditions set forth, and are the personal, unbiased, professional analyses, opinions and conclusions of the appraiser.
7. The development of the herein expressed value opinions have been made in conformity with, and is subject to the requirements of the Uniform Standards of Professional Appraisal Practice adopted by both the Appraisal Institute and the International Right of Way Association and can be supported by internal file inspection.
8. No persons other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
- 9) This document is hereby communicated to the original client named in the transmittal letter for the privileged use that client and their selected distribution. It is understood that most appraisal products are prepared to be a tool for some financial decision purpose. With this understanding, it should be noted that this report was obtained from Evaluation Associates, who owns the data and the detailed file memorandum, notes, etc., which may consist of *trade*

*secrets and commercial or financial information* that is privileged and confidential and exempt from disclosure under 5 U.S.C. 552 (b) (4). Therefore, please notify Evaluation Associates of any request of reproduction of this appraisal.

- 10) The act of preparation and submission of this report to the public in the form of the original client, simultaneously makes this report subject to the professional requirements of the Appraisal Institute and the International Right of Way Association regarding review by its duly authorized representatives.
- 11) The Appraisal Institute conducts both mandatory and voluntary programs of continuing education for their designated members depending upon the date of the conferring of the specific professional designation.. Designated members who meet the minimum standards for these programs are awarded periodic educational certification. James W. Cullar, Jr., and Richard N. Baker are currently certified under their respective and applicable programs.
- 12) This Appraisal is classified as Complete in Scope and is presented in Summary Format.
- 13) The market derived value of the proposed acquisition areas as of January 12, 2002 is estimated to be:

**ONE HUNDRED FORTY THOUSAND  
SEVEN HUNDRED DOLLARS  
(\$140,700)**

  
James W. Cullar, Jr., SRPA, SRA, SRWA

  
Richard N. Baker, MAI



# EVALUATION ASSOCIATES

Right of Way Land Rights Appraisal and Acquisition Solutions

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**James W. Cullar, Jr., SRPA, SRA, SR/WA**  
Qualifications and Professional Background

## **EDUCATION**

Graduate of North Texas State University, BBA 1967

All courses, demonstration appraisal reports, professional experience, and quality reviews required for the three professional designations awarded from 1969 to current time.

## **PROFESSIONAL EXPERIENCE**

Founder and general manager of Evaluation Associates, a real property consulting and land rights acquisition firm, providing a variety of real property evaluation services for the financial market, public land rights acquiring agencies, and individuals seeking decision making information for mortgage lending, asset review, right of way land rights acquisition and related matters.

Jim Cullar has qualified as an expert witness in county, state and federal courts in Dallas, Tarrant, Collin, Denton, Ellis, Grayson, and Travis Counties.

Prior to founding Evaluation Associates, Jim was a lender and appraiser with a large financial institution; and later the chief appraiser with the Right of Way Division of the Dallas County Department of Public Works. He has been a self employed consultant since 1985. Jim keeps abreast of industry change through reading, continuing education, teaching, forum discussion, and publication.

## **PROFESSIONAL AFFILIATIONS**

### **The Appraisal Institute SRPA, SRA Member designation**

Past President - North Texas Chapter 1995

Member National Board of Directors - 1997 - 1999

National Finance Committee 1998-1999

Chair - Region VIII 1999

### **International Right of Way Association (IR/WA Region 2)**

SR/WA Designation

Certified Instructor of:

Real Estate Appraisal Principles

Income Approach to Valuation

Appraisal of Partial Acquisition

Easement Evaluation

**State Certified General Texas Real Estate Appraiser - TX - 1321322 G**

# EVALUATION ASSOCIATES

Right of Way Land Rights Appraisal and Acquisition Solutions

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## **RICHARD N. BAKER, MAI** Qualifications and Professional Background

### **EDUCATION**

Graduate of Texas Tech University • Masters of Business Administration - May 1985.  
Graduate of Southern Methodist University • Bachelor of Arts - Bachelor of Business Administration - May 1983  
All courses, demonstration appraisal reports, professional experience, and quality reviews required for the MAI professional designation awarded 1996.

### **RECENT ACCREDITED APPRAISAL COURSES and SEMINARS**

Standards of Professional Practice, Part C (December 2001)  
Analyzing Operating Expenses (October 2001)  
Appraisal of Local Retail Properties (October 2001)  
Highest and Best Use Applications (November 1999)  
Standards of Professional Practice, Part C (March 1998)  
Dynamics of Office Building Valuation (November 1997)

### **PROFESSIONAL EXPERIENCE**

Appraisal experience includes the analysis and preparation of comprehensive narrative appraisal reports, evaluating a variety of interests in numerous property types including multi-family residential, industrial, office, retail, rural and urban land, special purpose properties, right-of-way land rights acquisition matters, special benefits / enhancement studies, and related consultation issues.

Appraisal work product has been accepted and utilized for mortgage lending, estate tax planning and settlement, property exchange, corporate management decisions, road and thoroughfare improvement assessment programs, and partial acquisition valuation for just compensation analysis by eminent domain acquiring agencies.

### **PROFESSIONAL DESIGNATIONS and AFFILIATIONS**

MAI - The Appraisal Institute #10984  
State Certified Real Estate Appraiser-General #1322012-G  
Texas Real Estate Salesman - Inactive

### **APPRAISAL INSTITUTE LEADERSHIP CONTRIBUTION**

Candidate Guidance Chair - North Texas Chapter - 1998  
Web Site Committee Chair - North Texas Chapter - 2000 - 2001  
Regional Representative - Region VIII - 2000 - 2001  
Region Representative to National Technology Outreach Committee 1999 - 2001  
North Texas Chapter - Member Board of Directors - 2001 - 2003

## **ADDENDUM**

## ASSUMPTIONS, LIMITING CONDITIONS & DISCLOSURES

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

1. That title to the individual property will be good and marketable and that title is in fee simple under single ownership unless otherwise stated.
2. No responsibility is assumed by the appraiser for matters of legal character. The value is reported without regard to questions of title, boundaries, encumbrances, easements and encroachments. All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear under responsible ownership and management unless otherwise stated.
3. The valuation is reported in dollars of currency prevailing on the date of the appraisal.
4. If the subject is an improved property, the sketches in this report are approximate and are included, together with the photography, to assist the reader in visualizing the property.
5. All information and comments pertaining to this and other properties represent the combination of facts provided by others and the professional opinion of the appraiser, formed after careful examination and study of the subject property. Hence, the work product of the appraiser is an estimate. While it is believed that the information, estimates and analyses which led to the herein stated estimated value conclusions are correct, and the primary appraiser is prepared to testify as to the applicability of the selected data to the valuation of the subject property, the appraiser does not guarantee any element of the data base. Nor does he assume any financial liability for errors in facts provided by others, analysis or judgement. The client's remedy is referral of a faulty analysis to the Appraisal Institute, the International Right of Way Association, and/or the Texas Appraisal Licensing and Certification Board.
6. This is a financial decision document. It is not a marketing tool. Therefore no part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the professional organizations that designate the appraisers or to the applicable designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication other than the intent of the report as a financial decision tool for the original client.
7. Given adequate preparation notice, the appraiser is prepared to provide testimony and to appear in court by reason of this appraisal, under separate contract, at the request of the original client.
8. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

## ASSUMPTIONS, LIMITING CONDITIONS & DISCLOSURES VALUE

9. Also, the value is estimated under the assumption that there will be no international or domestic, political, economic, or military actions that will seriously affect real estate values throughout the country.
10. Real estate values are influenced by a large number of external factors. The analysis included all of the data necessary to form an informed highest and best use and value conclusion. The report does not include all the data necessary to support the value estimate. All pertinent facts have been referenced in this report, but we do not guarantee that we have knowledge of all factors that might influence the value of the subject. Due to rapid changes in the external factors, the value estimate is considered reliable only as of the date of the appraisal and any related testimony..
11. In the event the appraisal is based upon proposed improvements, it is assumed that the improvements will be constructed in substantial conformity with plans and specifications that have been furnished the appraiser, and with good materials and workmanship. It is also assumed that the proposed foundation and construction techniques are adequate for the existing sub-soil conditions.
12. Unless otherwise stated in this report, the existence of environmentally hazardous or damaging material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos or urea-formaldehyde may affect the value of the property. The value estimate is predicted on the assumption that there is no such material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client, property owner and/or prospective purchaser is advised to conduct environmental due diligence with regard to the property including having the necessary environmental assessments and/or environmental audits made to determine if any environmental problems related to the subject property exist. If any environmental problems are found which effect the subject property, the value estimate contained in this report is subject to review and may not be valid.
13. The American and 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 noncompliance with the requirements of ADA in estimating the value of the property.

## DEFINITION OF TERMS

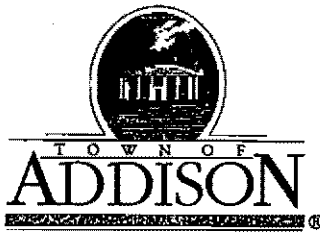
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1. Market Value: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller or buyer under conditions whereby:
  - a. buyer and seller are typically motivated;
  - b. both parties are well informed or well advised, and each acting in what they consider their best interest;
  - c. a reasonable time is allowed for exposure in the open market;
  - d. payment is made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  - e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
  
2. Value in Use: The value of an economic good to its owner-user which is based on the productivity (privacies in income, utility or amenity form) of the economic good to a specific individual.
  
3. Highest and Best Use: The most profitable likely use to which a property can be put. That use of land which may reasonably be expected to produce the greatest net return to land over a period of time. That legal use which will yield to land the highest present value.
  
4. Abbreviations commonly used in the appraisal of real estate:

|     |   |             |     |   |              |
|-----|---|-------------|-----|---|--------------|
| SF  | = | square feet | RR  | = | railroad     |
| /AC | = | per acre    | ROW | = | right of way |

5. Vehicular traffic artery abbreviations:

|      |   |           |       |   |                       |
|------|---|-----------|-------|---|-----------------------|
| St.  | = | Street    | FM    | = | Farm to Market Rd     |
| Ln   | = | Lane      | US    | = | United States Highway |
| Dr   | = | Drive     | I     | = | Interstate Highway    |
| Rd   | = | Road      | Frwy  | = | Freeway               |
| Pl   | = | Place     | Expwy | = | Expressway            |
| Pkwy | = | Parkway   | Hwy   | = | Highway               |
| Ave  | = | Avenue    | SH    | = | State Highway         |
| Blvd | = | Boulevard | N     | = | North                 |
| Cir  | = | Circle    | S     | = | South                 |
| Ct   | = | Court     | E     | = | East                  |
| Mt.  | = | Mount     | W     | = | West                  |



**PUBLIC WORKS DEPARTMENT**

(972) 450-2871

Post Office Box 9010 Addison, Texas 75001-9010

16801 Westgrove

March 5, 2001

Mr. Jerry Holder, P.E.  
HNTB Corporation  
14114 Dallas Parkway, Suite 630  
Dallas, Texas 75240-4381

Re: Request for Proposal  
Arapaho Road, Phase III

Dear Mr. Holder:

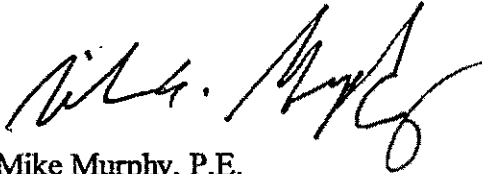
The Town of Addison has determined the need to initiate final design of Arapaho Road, Phase III improvements, from Surveyor Blvd. to Addison Road. Your firm successfully completed the preliminary design portion of this project, and is currently underway in the final design process on Phase II. Accordingly, we are requesting a proposal from your firm to perform the following engineering services related to the design of Arapaho Road, Phase III:

- a. Basic Services
  1. Final Design
    - a. Paving, Drainage, Water and Wastewater
    - b. Architectural Design of Midway Rd. Bridge
    - c. Streetscape
  2. Bidding and Contract Award
  3. Construction Administration
  
- b. Additional Services
  1. Surveying
  2. Geotechnical Investigation
  3. Traffic Study

Please submit four (4) copies of your proposal to this office by March 23, 2001. Should you have any questions, please contact Mr. Steve Chutchian, Assistant City Engineer, at 972-450-2886.

Your timely attention and consideration is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Murphy". The signature is fluid and cursive, with a large, stylized initial "M" and a long, sweeping tail.

Mike Murphy, P.E.  
Director of Public Works

Cc: Chris Terry, Assistant City Manager  
Jim Pierce, Assistant Director of Public Works  
Steve Chutchian Assistant City Engineer