

**AN APPRAISAL REPORT OF**

THE UNION PACIFIC RAILROAD PARCEL  
±8.66 ACRES  
LOCATED AT  
WEST OF THE ADDISON ROAD/ARAPAHO ROAD INTERSECTION  
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

**PREPARED FOR**

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

**DATE OF APPRAISAL**

MARCH 28, 2001

**PREPARED BY**

HIPES & ASSOCIATES  
7557 RAMBLER ROAD  
SUITE 260, LB 25  
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March 28, 2001

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

**Re: The Union Pacific Railroad Property; West of Addison Road/Arapaho Road Intersection  
Whole Property Acquisition, ±79,598 SF**

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 \$362,171.00 as of March 28, 2001 based upon my independent appraisal and the exercise of my professional judgement;

That on March 28, 2001, and various other dates, I personally inspected in the field the property herein appraised; that I afforded Mr. Dennis Miller, 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 March 28, 2001, and various other dates;

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

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

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

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

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

Respectfully submitted,



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

28 MARCH 2001  
Date

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

**SUMMARY OF SALIENT FACTS**

**±1.8 Acres out of ±8.7 acres, west of the Intersection of Addison Road/Arapaho Road  
Union Pacific Railroad - Owner  
Addison, Texas**

Date of the Appraisal:	March 28, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±1.83 acre tract out of a ±8.66 acre combined tract, located to the west of the terminus of Arapaho Road at Addison Road, Addison, Texas.
Property Zoned:	I-1, industrial
Highest & Best Use:	
"As vacant":	To be developed for an industrial or commercial use compatible with adjacent airport and land uses.
"As improved":	Not currently improved, but supports spur rail lines.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$1,716,397
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
<u>Part Taken:</u>	\$ 362,171
<u>Remainder Before the Take:</u>	\$1,354,226
<u>Remainder After the Take:</u>	
Land Value (Sales Comparison):	\$2,157,832
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Final Value Estimate: JUST COMPENSATION	\$ 362,171

**TABLE OF CONTENTS**

Transmittal Letter .....	i
Summary of Salient Facts .....	iii
Table of Contents .....	iv
Purpose and Use of the Report .....	1
Definition of Market Value .....	1
Scope of the Appraisal .....	1
Property Rights Appraised .....	1
Effective Date of Valuation .....	1
Identification of the Property .....	2
History of the Property .....	2
City Data .....	3
Neighborhood Analysis and Trends .....	5
Subject Property .....	6
Highest and Best Use - Zoning .....	8
The Appraisal Process - Whole Property .....	10
Land Valuation (Sales Comparison) .....	11
Cost Approach to Value .....	20
Income Approach to Value .....	20
Sales Comparison Approach to Value .....	20
Reconciliation .....	20
Part Taken - Valuation .....	21
Remainder Before the Take - Valuation .....	22
Remainder After the Take - Valuation .....	23
Estimate of Just Compensation .....	30
<b>ADDENDUM</b>	
Assumptions & Limiting Conditions	
Photographs of the Subject	
Plat of the Subject	
Legal Description	
FAA Exhibits	
Zoning Map	
Qualifications of Appraiser	

### **Purpose of the Appraisal**

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

### **Definition of Market Value**

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

### **Scope of the Appraisal**

The scope of this report includes the research, data acquisition and analysis as described in the appraisal process description of this report. In gathering comparable sales data our sources include direct interview with grantor and/or grantee, commercial sales reporting services, other appraisers and real estate practitioners, published data and information in our files. Comparable rent information is generally derived from direct interview with property managers and leasing agents. On comparable rent and sale information the source is generally indicated on the respective comparable's page. Information on property operating expenses can be derived from a number of sources including actual amounts provided to us for the subject property, file information, direct interview with property managers and owners and published industry averages. Replacement construction costs amounts are generally derived from the national cost reporting services prepared by Marshall and Swift and, where available, actual construction costs are utilized. On some comparable sales data an attempt is made to confirm third party information with either the grantor or grantee if there is concern about the data's reliability.

### **Property Rights Appraised**

The property rights appraised are those of the *Fee Simple* estate. Fee simple estate is defined as "Absolute ownership unencumbered by any interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation". (The Dictionary of Real Estate Appraisal, Second Edition, American Institute of Real Estate Appraisers, 1984, p. 123.)

### **Effective Date of Valuation**

The effective date of valuation is March 28, 2001. The inspection date of the subject was March 28, 2001, and various other dates. The date of this report is March 28, 2001.

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

The property being appraised is a  $\pm 1.8273$  Acre ( $\pm 79,598$  SF) tract of land out of a 8.66 Acre (377,230 SF) tract, located to the west of the terminus of Arapaho Road at Addison Road and adjacent to the south side of the Addison Airport and the Dallas Area Rapid Transit Property Acquisition Corporation railroad line, in the Town of Addison, Dallas County, Texas. The subject Whole Property is comprised of a  $\pm 4.5$  acre tract located between a set of "Y" tracks, and portions of those two "Y" tracks containing  $\pm 0.68$  acres (west "Y") and  $\pm 3.48$  acres (east "Y"), formerly under the title of the St. Louis Southwestern Railroad Company of Texas. This is an area principally developed with commercial, industrial, and airport service uses.

The acquisition through the subject property is comprised of a strip taking through the three contiguous tracts of land, generally comprising the area between and through the north side of the aforementioned "Y" tracks and called 1.8273 acres (79598 SF) of the St. Louis Southwestern RR Company of Texas on the survey provided to the appraiser and included in the Addendum to this report. The Union Pacific Rail Road (UPRR) is the successor to the St. Louis Southwestern Rail Road.

Briefly, the legal description for the subject property/part taken is described as; *being a 1.8273 acre part of the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, and being a portion of three contiguous tracts of land conveyed to the St. Louis Southwestern Railway Company of Texas, containing a total of  $\pm 8.66$  acres of land area.*

A metes and bounds legal description 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, the Union Pacific Rail Road is the successor to the St. Louis Southwestern Railway Company, and the St. Louis Southwestern Railway Company acquired the three contiguous tracts comprising the Whole Property between 1902 and 1910. This is based on information contained the metes and bounds description.

### **Ad Valorem Tax Information**

No ad valorem tax information was researched for this appraisal report.

### **Estimated Marketing/Exposure Time**

The USPAP requires that the appraiser address the estimated reasonable exposure time of the property at the value estimate. This is defined as the time prior to and ending with the effective date of the appraisal estimated to be required to market the property at the final value estimate. Conversations with industrial brokers in preparing this report indicate that a reasonable exposure time for the subject property of six to nine months is supported by historic market conditions.

## CITY DATA

The Town of Addison is located in the northern portion of Dallas County, approximately 12 miles north of the Dallas Central Business District. The City is bounded by Dallas on the north and east sides, Dallas and Farmers Branch to the south and the City of Carrollton on the west. The City is a suburb of Dallas and is a part of the Dallas Metropolitan area.

Addison has participated in the growth of the metropolitan area as shown by the following figures:

<u>Census Year</u>	<u>Population</u>	<u>Increase</u>
1970	593	N/A
1980	5,553	+835%
1990	8,783	+ 58%
1997 (est.)	11,100	+ 25%

The Town of Addison is primarily commercial in nature. Light industrial and flex warehouse space has developed in the areas east, north, and west of the Addison Airport. The Dallas North Tollroad corridor sparked heavy hotel and multi-story office building development during the 1980's. This extends from the west side of the freeway to the railroad tracks at Inwood road. The corridor along Midway Road from the Farmers Branch boundary continued the light industrial, office/flex development of the Midway Industrial Park that extends southward to LBJ Freeway. The corridor along Belt Line Road through the City has seen extensive development with restaurants, hotels, and retail facilities. As a result, residential housing is a minor factor in the property base of the Town of Addison. This has helped to keep taxes low, but has afforded the Town a very healthy tax income due to the high valuations of the commercial properties. This is displayed in the quality and quantity of public facilities and services provided.

Primary north/south access through Addison is via the Dallas North Tollway, Addison road and Midway Road. Belt Line Road and Trinity Mills Road are primary east/west thoroughfares. The major development within the city is the Addison Airport, a major corporate and private air facility, which occupies a large portion of the City's land area. due t Addison's accessibility and location in the path of the City of Dallas northern growth, substantial hotel, commercial, retail, office and light industrial development has occurred. This is generally all of good quality and relatively recent construction. The character of the City is primarily commercial with small concentrations of multi-family housing and upper-middle income single-family in its central and southwestern portions, and high-end single family housing found in the extreme eastern portion.

Addison has a Council/Manager type government. It provides police and fire protection to it's citizens. Utilities are provided by Lone Star Gas Company, TU Electric Company, and Southwestern Bell Telephone Company. It gets it's water from the City of Dallas and sewer services from the Trinity River Authority and the City of Dallas. Utilities appear to be adequate to service projected growth. Addison is in the Dallas and Carrollton/Farmers Branch Independent School districts. There are no school buildings located within Addison's city limits. There are a number of major shopping facilities in or near Addison, including the Galleria Mall and Northpark Mall. Additional large, modern retail areas are in close proximity. The renowned retailer, Nordstrom's has a store in the Galleria shopping center just south of Addison at LBJ and the Tollroad and a new major retail center has been constructed on a tract north of that. Other



significant large retail facilities are a free-standing Home Depot Expo Design Center and Mikasa Home Store.

Due to the number of office and light industrial buildings in the area, there is a large and diversified community of employers. Two of the largest are the Dallas Marriott Quorum and Intercontinental hotels. Addison is well known as an entertainment and restaurant area with over 100 restaurants operating in the area.

The new "urban hub" consisting of a 70 acre development at Addison Circle, located north of Belt Line Road and bounded by Airport Parkway, Addison road, the Toll road and Arapaho Road is currently under development. The main thrust is the increase of residential housing, an arts center, and parks and public use areas. When completed, it is projected to increase the population by 50% - 60%. The City feels that this will prevent Addison from losing businesses to northern suburbs and insure long-term, quality growth. This should enhance overall values in the area in our opinion.

After a period of speculative real estate investment activity in the early and mid 1980's, Addison and adjoining areas were among those hardest hit by the real estate recession of the last half of that decade. That situation has now turned around dramatically. Due to its highly desirable location, a resumption of market strength is currently found. M/PF market research has consistently reported strong increases in office construction over the previous several years. In addition, Hines Interests plan 250,000 Sf of new office at the Galleria in the Dallas City limits, and Centre Development plans a 410,000 SF office structure at Dallas Parkway and Spring Valley in Farmers Branch just south of Addison. For multi-family construction, M/PF research also shows strong growth and absorption. The overall prospects for the City's future is considered to be good, in our opinion.

## NEIGHBORHOOD ANALYSIS AND TRENDS

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

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

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

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

## SUBJECT PROPERTY

### Site Data

The subject tract is near triangular in shape, based on information provided in public records. Plats indicate approximately  $\pm 855'$  of boundary with the Dallas Area Rapid Transit rail line on the north side of the subject, and extending basically south along the boundaries of the subject "Y" tracts of the UPRR. Total land area is  $\pm 8.66$  acres, or  $\pm 196,020$  SF, as shown on the survey provided by the Town of Addison. Addison Road, removed to the east of the subject, is a four-lane undivided street. Arapaho Road terminates to the east of the subject property,  $\pm 120'$  west of Addison Road. Arapaho Road to the east of the subject is a concrete divided multi-lane road. The subject appears to be at grade with Addison Road/Arapaho Road.

### Physical Characteristics

The subject site is basically level with no major drainage problems noted. Site grading appears to be such to carry surface water from the entire site to the south and east and the drainage in Addison Road. 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. Access in and out of the site would be accomplished from existing railroad right-of-way, as the subject site has only  $\pm 60'$  of road frontage, comprised of the terminus end of the existing Arapaho Road unimproved right-of-way. There is no rail crossing at this location.

### Zoning

The subject property is zoned "I-1", industrial, under the Town of Addison's ordinances. This is a fairly broad classification providing for a wide variety of commercial usages. Due to the location of the subject tract proximate to Addison Airport, a 20' maximum building height restriction is imposed on any building improvements. The actual development of the subject would require specific plan approval by the Town. Those uses probable under the Town's current I-1 zoning would likely be most appropriate for the subject property.

### 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 not considered sufficient to support commercial development. However, given the abundance of adjoining railroad right-of-way, direct access to the subject site is considered both reasonable and probable.

### Easements and Restrictions

As set forth in the Assumptions and Limiting Conditions of this report, there was not available to the appraiser in the preparation of this appraisal a current survey and/or title policy. It is assumed from a review of plats and public information that there are no, other than standard utility easements, easements affecting the subject property 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 bulk of the subject property does not have improvements of contributory value situated thereon. Rail track improvements form the east and west perimeter of the subject Whole Property. For the purpose of this appraisal problem, the subject property is treated as an unimproved, vacant site.

The subject property is currently under a year-to-year lease to an adjacent property owner (Metro Brick) for use as a surface storage area for building materials (bricks). This lease is subject to a 30 day cancellation clause by either party to the lease.

## HIGHEST AND BEST USE

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

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

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

The definition immediately above applies specifically to the highest and best use of the land. It is recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use."

Also implied is that the determination of the Highest and Best Use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. (Appraisal Terminology and Handbook, AIREA AND SREA, 1975) Some of the more important factors of influence include the legal parameters associated with zoning ordinances, deed restrictions, building code requirements and area market supply/demand conditions. Further, the trends within the neighborhood must also be considered and are discussed in the "Neighborhood Description and Trends" section of this report.

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

The subject property is located proximate to the east 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 adjacent to the subject generally reflect the type of development that would be probable.

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

### Highest and Best Use

The estimate of the Highest and Best Use of the subject Whole Property would to be developed in conformity with the adjacent and surrounding commercial land uses, at such time as demand warrants development of the site. Given the size of the subject site, this would likely indicate a moderately large scale development plan suitable for an industrial/commercial development. Due to constraints imposed by Addison Municipal Airport flight patterns, the scope of the development available for the subject would likely be somewhat more limited than those forms of development found further removed from the airport, but within the general vicinity of the subject.

The most positive attribute for the future potential development of the subject is it's proximity to the Addison Center development. This is an upscale multi-faceted development taking place to the north of the subject, and planned for that area to the northeast of the subject.

The adverse attributes impacting the development potential of the subject relate directly to it's location nearly adjacent to the south side of the Addison Airport main runways and the industrial character of the immediately adjacent land uses.

## 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".

As the subject property is treated as unimproved, only the Sales Comparison Approach will be utilized to estimate the Market Value and Just Compensation of the subject. The Cost Approach is not applicable, as there are no improvements to analyze or evaluate. The Income Approach is not deemed applicable as no comparable data was found for "market rate" ground lease comparisons to the subject site which would be indicative of market value.

## **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 its current market value. Sufficient data is available within the recent past to make an accurate appraisal specifically for the subject.



**Comparable #1 - Pending Contract**



**Location:** Arapaho & Realty connection, Addison, Texas.  
**Legal Description:** Beltline-Marsh Business Park, Blk 1, Lot 4R, Addison, Texas  
**Grantor:** Lincoln Trust Company  
**Grantee:** Osteomed Corporation

**Date of Sale:** Pending Contract 03/28/01  
**Recorded:** Pending

**Consideration:** \$5.20/SF (\$988,158.60)  
**Terms of Sale:** Not Available  
**Cash Equivalency:** \$5.20/SF  
**Size:** ±190,030.5 SF; 4.3625 Acres  
**Zoning:** Industrial

**Comments:** This site, like the subject, will have a portion of the proposed Arapaho Road right-of-way through it. This tract is ±1/2 the size of the subject, does not have the airport influence, but does have similar access.

**Verified By:** Contract  
**Mapsco #:** D-14A  
**File #:** Addison.UPRR

**Land Sale Comparable #2**



**Location:** 16500 Midway Road, Addison, Texas.  
**Legal Description:** Part of Lot 1, Blk A, Beltwood North Airport Addn., Addison, Texas.

**Grantor:** Maylar, LP  
**Grantee:** Sixteen Thousand Five Hundred, Inc.

**Date of Sale:** January 31, 2000  
**Recorded:** 2000020/2714

**Consideration:** \$8.05/SF (\$470,000)  
**Terms of Sale:** Exec. \$303,550 note to Texas Capital Bank  
**Cash Equivalency:** \$8.05/SF  
**Size:** ±58,414 SF; 1.341 Acres  
**Zoning:** I-3 (industrial)  
**Comments:** This site is along the east side of Midway Road, south of Sojourn, and along the west side of Addison Airport. It has extensive Midway Road frontage in an area transition from retail to commercial uses. It is substantially smaller than the subject.

**Verified By:** James Brown (broker) 972.386.333  
**Mapsco #:** D-4P  
**File #:** Addison.UPRR

**Land Sale Comparable #3**



**Location:** Southeast corner of Westgrove & Excel, Addison, Texas.

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

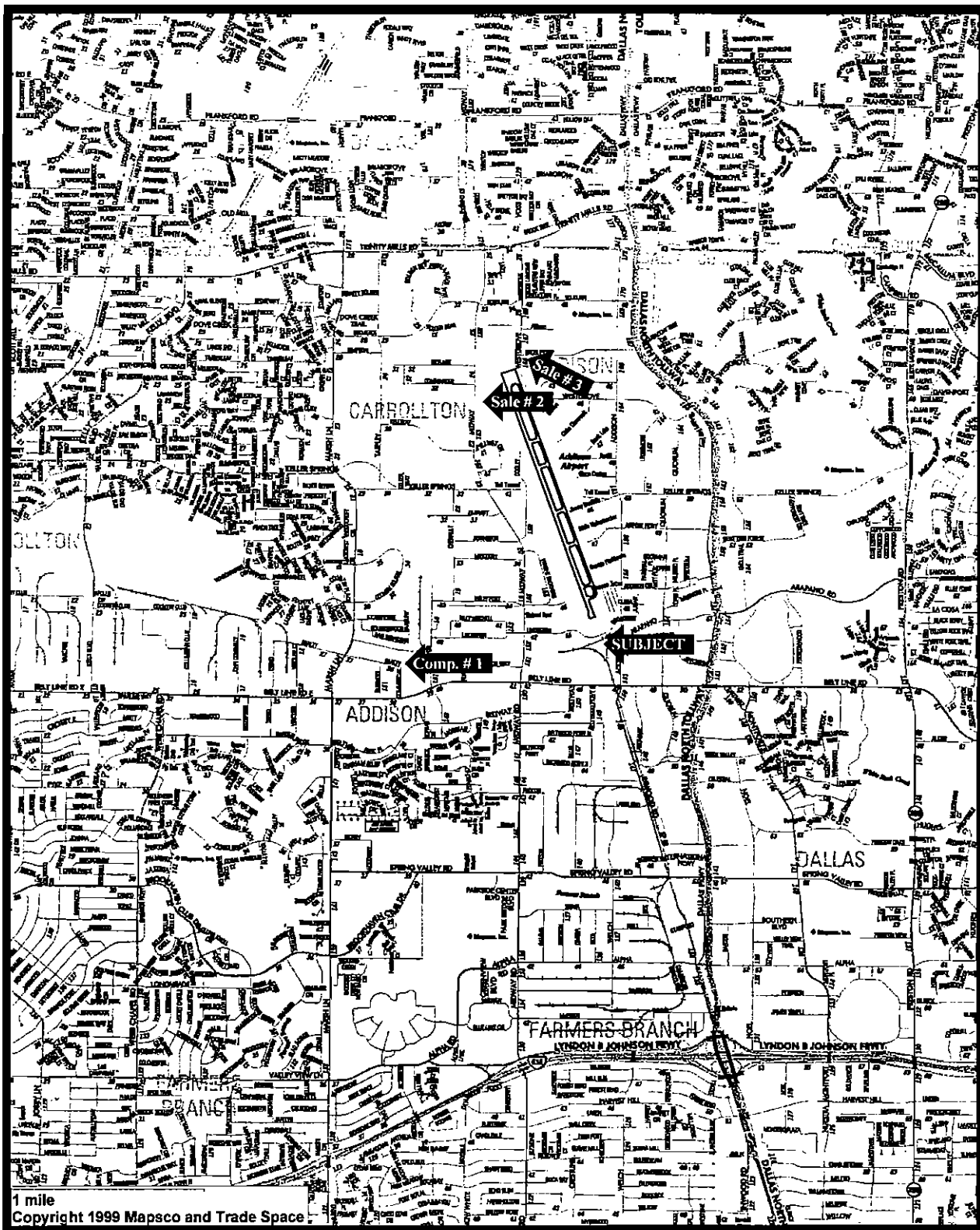
**Grantor:** Stratus Properties Operating Company  
**Grantee:** Jackson-Shaw/Addison Tech, Ltd.

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

**Consideration:** \$4.50/SF (\$1,524,252; calculated)  
**Terms of Sale:** All cash to seller  
**Cash Equivalency:** \$4.50/SF  
**Size:** ±338,773 SF; 7.776 Acres  
**Zoning:** Industrial  
**Comments:** This is a minor corner tract just outside the northern boundary of the airport; very similar location to the subject. It is nearly the same size as the subject.

**Verified By:** Debbie Carter (w/gte) 628-7400  
**Mapsco #:** D-4P  
**File #:** Addison.UPRR

# COMPARABLE MAP



COMPARABLE LAND SALES SUMMARY				
Sale #	Date of Sale	Price/SF	Size (SF)	Zoning/Use
1	Current	\$5.20	190,030	Industrial
2	01/31/00	\$8.05	58,414	Industrial
3	10/01/99	\$4.50	338,723	Industrial
Subject	05/01	N/A	±377,230	Industrial

#### **Adjustments to Land Sale Comparables**

Standard appraisal practice calls for the analysis of the sales presented comparing each to the subject in regard to time passed from sale date to appraisal date (that is, changes in market conditions), locational differences, relative size, physical characteristics and utility. Adjustments were made from the known, i.e., the actual sale, to the unknown, i.e., the value of the subject. In a comparison heading where the subject is deemed to be superior to a particular sale, an appropriate upward adjustment is made to the comparable sale and vice versa. Your appraiser considered the application of paired sales analysis in adjusting the comparable sales to the subject. There was not sufficient comparability of the sales within those available for review that permitted a reasonable application of that type of analysis. The adjustments are based to a great degree on subjective analysis and market appraisal experience, but the adjustments rely on some easily recognizable and generally accepted maxims about the various aspects of comparison. They are briefly discussed in the following paragraphs which in short form discuss the items considered for each adjustment heading.

#### **Property Rights Conveyed**

This is a consideration of the real property interest conveyed. In the case of the comparable sales used in this analysis, all were transferred in fee simple, indicating no adjustment for this heading of comparison.

#### **Financing Terms**

This reflects that for similar properties, a higher price might be paid for one wherein very attractive financing terms are available to the purchaser. Any adjustments required under this consideration have been addressed within the discussion of each individual sale in converting reported transaction price to cash equivalency where conditions so indicate.

#### **Conditions of Sale**

This element of comparison is to reflect any unusual motivations of buyer and/or seller that would take the transaction out of the broad parameters of the definition of a sale for market value. Although paired sales were not available with which to compare it, it is the appraiser's opinion that

those conditions in all probability did not exist for any of the comparables selected for inclusion in this report.

#### Market Conditions

Any number of factors, including fluctuations in supply and demand, inflation, depression and the like may cause changes in market conditions which are reflected in the prices of real property. The subject neighborhood has undergone significant growth in the recent past, which in turn has led to escalating land prices. Upward Time/Market Conditions adjustments will be applied to the selected comparable sales to reflect this change. While "time" is an important consideration in selecting comparable sales, location and utility were considered of paramount importance in this analysis. A somewhat older sale (#3) was selected for inclusion in this analysis because of its size and location proximate to Addison Airport.

#### 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. Sales #2 and #3 are both proximate to Addison Airport, as is the subject property. Comparable #1 is located in the same market area as the subject, but is not adjacent to Addison Airport. The view from all of the properties is typically of a commercial/industrial development nature. The view from all of the comparables is slightly superior to that of the subject, due to the age and condition of the improvements adjacent to the subject.

#### Zoning

The zoning of each of the sales is judged to be generally comparable to the zoning of the subject. Compatible developments are available among the subject and the comparable sales.

#### Utility

In this category a number of factors are considered in adjusting the comparable sales and offerings to the subject property. They include physical dimensions and shape of the site, topography of the site, availability of public and private utilities, and accessibility among others. Those physical dimensions which permit the most economic and efficient use of the land also command better prices. This fact perhaps is best stated in that not having this advantage is an offset to sites with poor frontage-to-depth ratios and the like. The density of development allowable on the subject is restricted to a maximum building height of 20'. This is generally comparable to the development utility possessed in Sale #2 and Sale #3. No adjustments will be made to these two sales for development "utility". Comparable #1 has zoning/building restrictions which effectively restrict it to development similar to those available on the subject. No adjustment is made for Comparable #1. *Being located adjacent to the south end of the Addison Airport runway will make the approval process for any planned development of the subject site extremely rigorous and potentially very restrictive. This could/would have a significant impact on the estimated market value for the subject property. For the purpose of this appraisal, it is presumed that a reasonable level of development would be allowable by the FFA and the Town of Addison; otherwise the property is basically suitable only for surface storage.*

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

#### Sight/View

This factor considers (1) how the property is presented to the public and (2) what the impact of surrounding property characteristics affect subject property. Comparable #1 is within a typical industrial/commercial development area, which exhibits good orderly development and design. Sales #2 and #3 are adjacent to Addison Airport and have a view of the airport and the adjacent industrial/commercial development mix. The subject is deemed to be comparable to Sales #2 and #3, and Comparable #1.

#### Access/Frontage

All of the sales have superior frontage and access as compared to the subject. Other than rail line right-of-way, the subject only has 60' of frontage, and that is at the terminus of proposed Arapaho Road (i.e., no road in place). Comparable #1 would be considered to have average frontage and access within a planned industrial/commercial development. Sale #2 is considered to have substantially superior access with its extensive frontage along Midway Road, as compared to the interior location of the subject. Sale #3 is an interior corner location which is superior to the interior location of the subject.

#### Size

The subject property is ±377,230 SF in size. Sale #3 is considered to be comparable to the subject in size. Comparable #1 and Sale #2, which are acreage sites, are significantly smaller than the subject. These two transactions are adjusted downward accordingly. It is typically found that much larger tracts do tend to sell for a lesser "per unit" price than do smaller tracts that are generally available for similar, although smaller scale, developments. While there are no absolutes noted for size difference among the comparable sales selected for presentation herein, the general market reflected throughout the range of sales reviewed for this appraisal does indicate that the market is somewhat size sensitive. To a limited degree the market reflects a willingness to pay slightly more for smaller tracts, on a per square foot basis, than for large tracts.

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

LAND SALE ADJUSTMENT GRID			
	1	2	3
Cash Equivalent Price \$/SF	\$5.20	\$8.05	\$4.50
Property Rights Adjustment	-0-	-0-	-0-
Adjusted Price \$/SF	\$5.20	\$8.05	\$4.50
Conditions of Sale Adjustment	-0-	-0-	-0-
Adjusted Price \$/SF	\$5.20	\$8.05	\$4.50
Time/Market Conditions Adjustment	-0-	-0-	+10%
Adjusted Price \$/SF	\$5.20	\$8.05	\$4.95
Location Adjustment	-0-	-0-	-0-
Access/Frontage	-0-	-20%	-10%
Utility Adjustment	-0-	-0-	-0-
Size Adjustment	-10%	-20%	-0-
Sight/View	-0-	-0-	-0-
Adjustment Factor	-10%	-40%	-10%
Adjusted Price \$/SF	\$4.68	\$4.83	\$4.46

**Market Value Estimate - Subject Site**

After adjustments, the comparable sales range from \$4.46/SF to \$4.83/SF. The average of the adjusted sales price is calculated at \$4.66/SF.

It is the appraiser's opinion that Comparable #1 and Sale #3 are most nearly representative of the subject property, primarily based on size and location. These two comparables required the least adjustment in relation to 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. *Note that Comparable #1 is a pending contract, as opposed to a closed sale. This comparable was selected due to 1) it's timeliness, and 2) it's size. Finding multiple-acre sales with which to compare the subject has been difficult for the previous two years in this area.*

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



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

The range of the value indications provided by Comparable Sales #1 and #3 is considered to be the most reliable indication of probable market value for the subject property.

Based on the aforementioned data and analysis, the Market Value of the subject site is estimated to be \$4.55 per square foot of the land area. The subject is estimated to contain ±377,230 SF of land area according to the documents provided. Therefore:

<u>Site Area</u>	<u>Value Estimate</u>	<u>Total</u>
±377,230 SF	\$4.55/SF	\$1,716,397
<b>ESTIMATED MARKET VALUE - WHOLE PROPERTY "AS IS", Say</b>		<b>*\$1,716,397</b>

\*Presumes a legal, allowable use.

### **COST APPROACH TO VALUE**

As the subject property is treated as an undeveloped tract of vacant land, the Cost Approach to Value is not considered applicable to this appraisal problem.

### **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 the project can reasonably be expected. As there is market rate income stream to the subject property, nor are there any market indications of viable land lease opportunity for a site such as the subject, the Income Approach to Value is not considered applicable in estimating the market value of the subject property.

### **SALES COMPARISON APPROACH TO VALUE**

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

### **RECONCILIATION**

For reasons previously stated within this report, only the Sales Comparison Approach was utilized in estimating the Market Value of the subject Whole Property. It is typically held that the Sales Comparison Approach to Value is the most reliable method of valuing land. Therefore;

<b>Cost Approach to Value:</b>	<b>Not Applicable</b>
<b>Income Approach to Value:</b>	<b>Not Applicable</b>
<b>Sales Comparison Approach to Value:</b>	<b>\$1,716,397</b>

## PART TAKEN - VALUATION

This Taking is considered as a Partial Property acquisition. The Part Taken is considered as severed land with no self-sustaining economic value. A plat of the subject showing the Part Taken is included in the Addendum of this report.

The Part Taken consists of a strip of land  $\pm 85'$  wide, along the north side of the subject from east to west, roughly parallel, and adjacent, to the D.A.R.T. right-of-way; a length of roughly  $\pm 1,060'$ . The land area within the proposed acquisition contains  $\pm 79,598$  SF of site area. While there is sufficient land area for independent use consideration, there is not sufficient utility of shape to support an independent economic use of the area encompassed by the part taken.

Within the acquisition area are items of railroad rail-bed and rails. *It is presumed, that as they appear to be active railroad lines, that the rail-bed and rails will not be acquired; but rather that a crossing agreement and controlled crossing will be constructed within the appropriate locations.* No other items of contributory value were noted within the acquisition area.

From the Land Valuation section of this report, the estimated value of the subject site is \$4.55 per square foot of land area. Considered as severed land with no self-sustaining economic value, the land area in the Part Taken is properly valued as a pro-rata share of the subject site value.

Therefore, the estimated Value of the fee simple interest of the Part Taken is calculated as follows:

### Part Taken - Fee Simple

Land Area:	79,598 SF @ \$4.55/SF	\$362,172
Improvements: None noted		<u>\$ N/A</u>
Total		\$362,172

Note: The materials noted on the subject Whole Property and the Part Taken are not a part of the subject property, but are storage items stored under a lease agreement with an adjacent property owner. As the terms of the lease make it cancelable upon 30 days written notice, it is considered to represent a month-to-month tenancy for storage purposes.

## REMAINDER BEFORE THE TAKE - VALUATION

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

There will be no remaining improvements of contributory value situated on the Remainder Before the Take. The area encumbered by the rail-bed and rails is estimated to retain 100% of the fee simple interest as contributory value to the remaining tract; i.e., rail crossing and continued use of the railroad right-of-way for rail transport purposes, while ensuring street right-of-way crossing rights for proposed Arapaho Road. However, for title and valuation purposes, the fee ownership is presumed to be vested with the Town of Addison.

The value of the Remainder Before the Take is valued as follows:

<u>Remainder Components</u>	<u>Unit Value</u>	<u>Component</u>
Land Area 297,632 SF	\$4.55/SF	\$1,354,226
Improvements None of Contributory Value		<u>\$ -0-</u>
Total		\$1,354,226

This figure represents the estimated value of the subject Remainder without the proposed improved right-of-way in place.

## REMAINDER AFTER THE TAKE - VALUATION

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

As there are no improvements present on the Remainder After the Take, the Cost Approach to Value and the Income Approach to Value utilized in estimating the Whole Property value are not considered applicable to valuing the Remainder After the Take. The Sales Comparison Approach is considered to be the most reliable approach for valuing vacant land, and as such will be utilized to estimate the value of the Remainder After the Take.

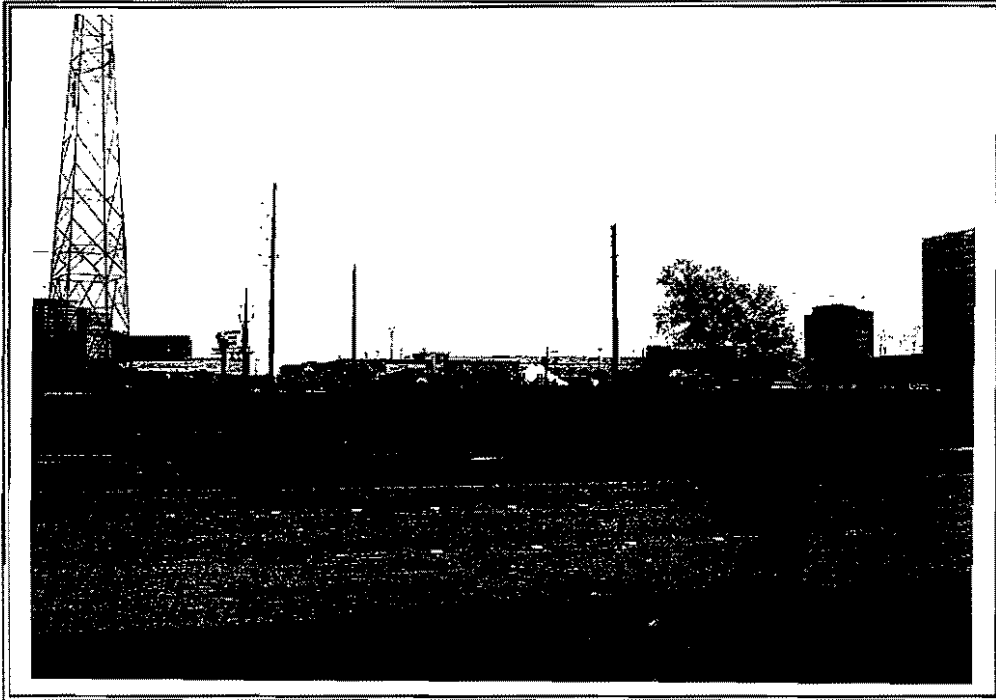
The Remainder After the Take no longer represents an interior tract of land with minimal street frontage/access. The Remainder will be situated along the south side of Arapaho Road, with in excess of 1,000' of frontage along Arapaho Road. As such, the Highest and Best Use estimate for the Remainder After the Take is superior to that of the original parent tract.

The size and shape of the Remainder is sufficient for independent economic development. This tract is 6.8327 acres in size. It is probable that any necessary changes in zoning would be available to the subject Remainder, given the new locational attributes of the Remainder.

*As with the valuation of the Whole Property, this analysis presumes that the FAA and the Town of Addison will allow development on the Remainder tract; not intense development, but low density development.*

The following pages present a summary of the sales data, analysis, and conclusions in estimating the probable market value of the Remainder After the Take.

**Land Sale Comparable #1**



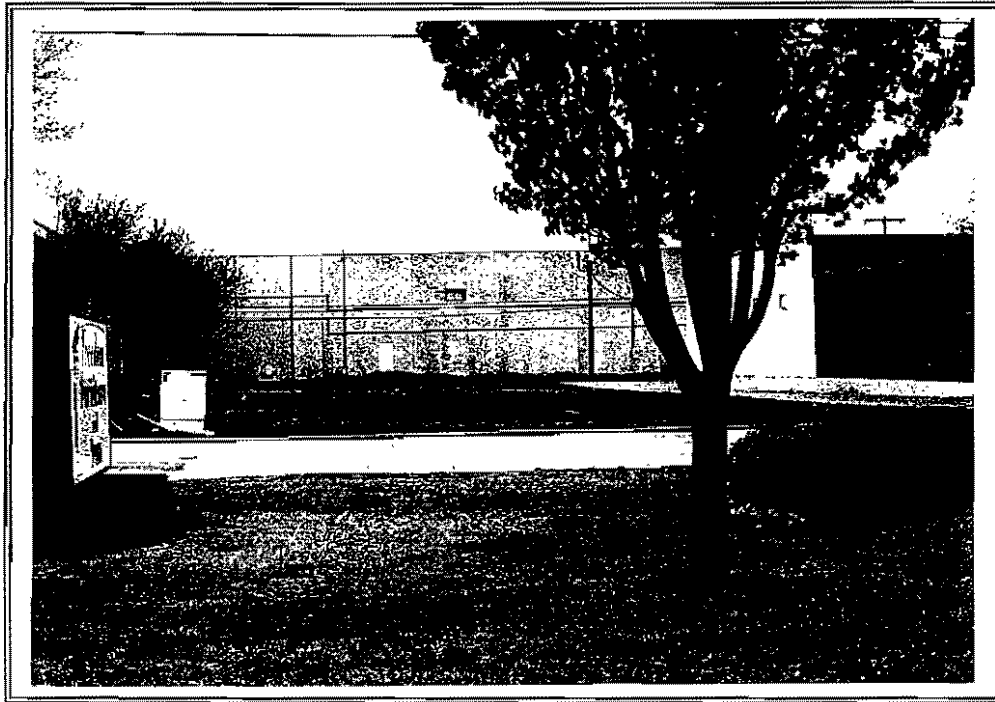
**Location:** 14000 Inwood Road, Farmers Branch, Texas  
**Legal Description:** Lot 1, Block B, Beltway/Champion No. 1, Farmers Branch, Texas  
**Grantor:** Woolley Hotel Company, Inc.  
**Grantee:** National Operating, LP  
**Date of Sale:** January 5, 2000  
**Recorded:** Volume 200005, Page 9743  
**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 #2



**Location:** West side of Welch Road, ±300' south of Sigma, Farmers Branch, Texas

**Legal Description:** Lot 6, Block 1, Metropolitan Commercial Park, Farmers Branch, Texas

**Grantor:** Venture I Partners (Robert Phillips)

**Grantee:** Espressotime Vending Co.

**Date of Sale:** March 27, 2000

**Recorded:** Volume 2000063/6700

**Consideration:** \$6.79/SF (\$169,831 -calculated)

**Terms of Sale:** Executed \$111,000 note to Founders National Bank, due 3/24/2001

**Cash Equivalency:** \$6.79/SF

**Size:** ±25,012 (from survey)

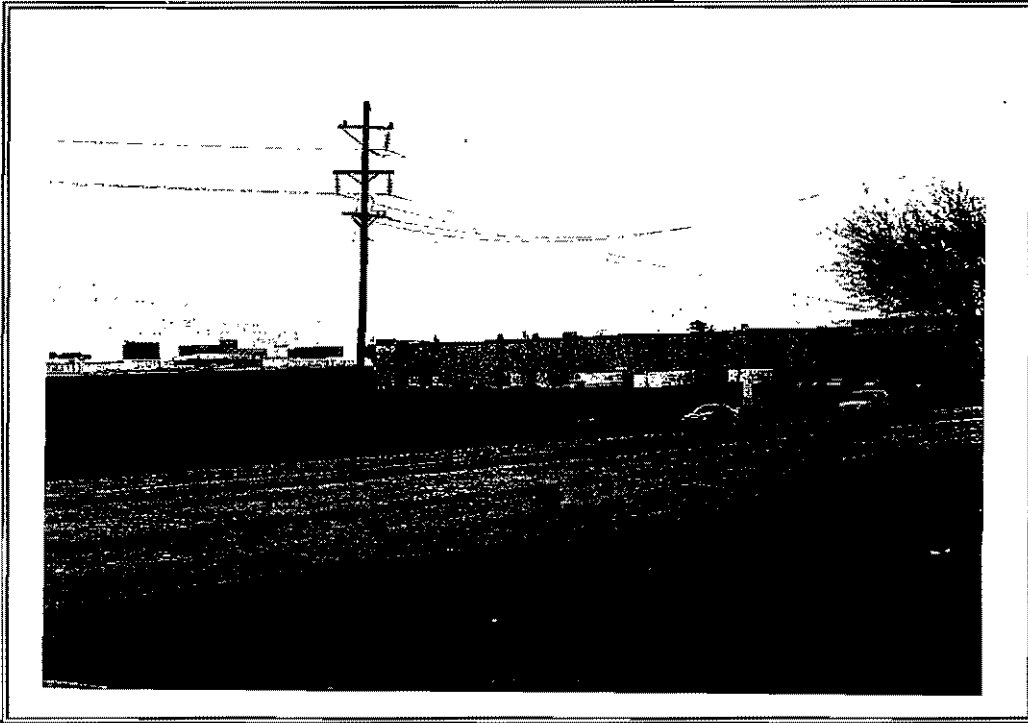
**Zoning:** Industrial

**Comments & Adjustments:** This site is an interior location on a major secondary collector street within an industrial/commercial area. The site was purchased for the construction of an owner-occupied facility.

**Verified By:** Pat Haggerty - Sale Broker

**Mapsco #:** D-14L

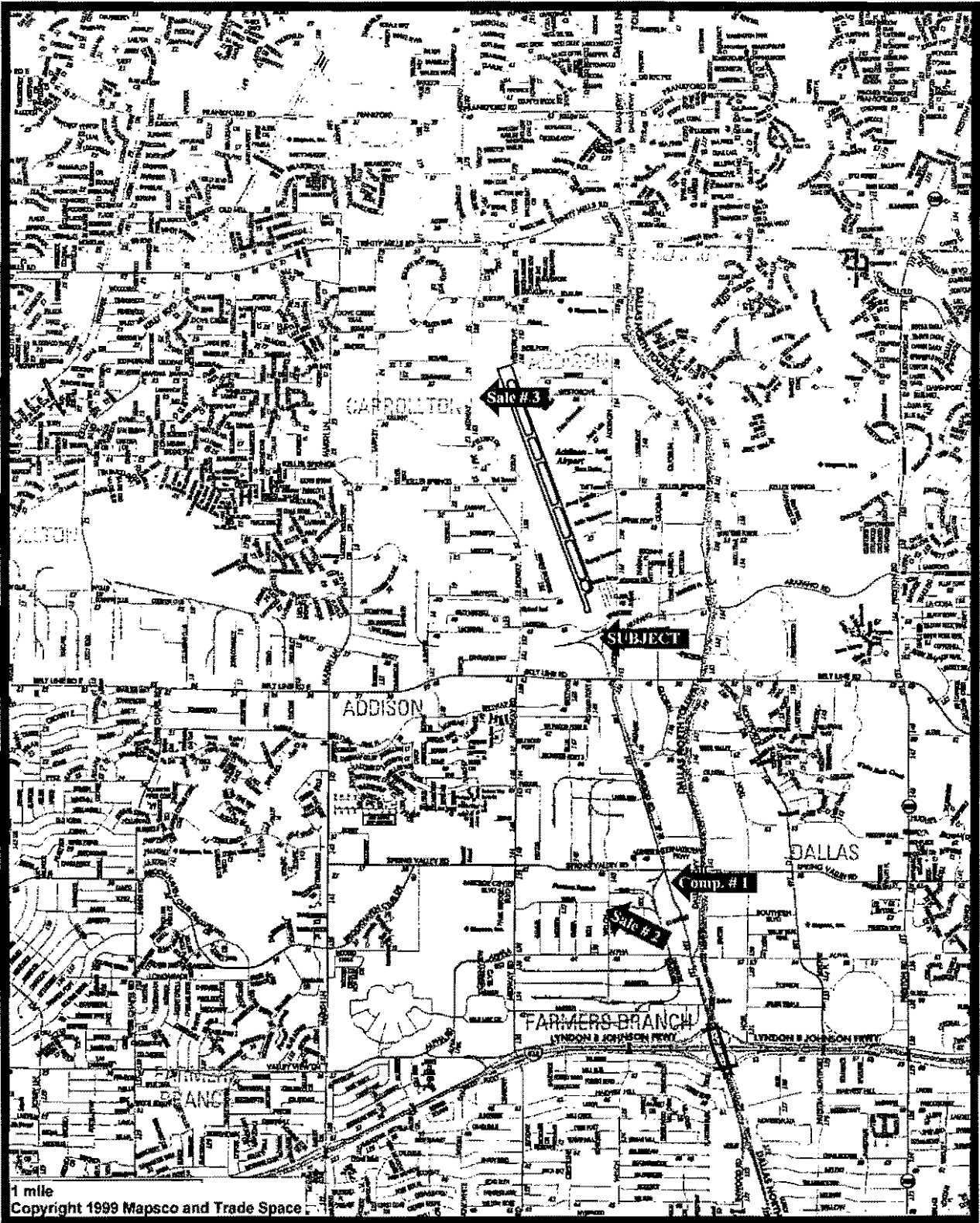
**Land Sale Comparable #3**



**Location:** 16500 Midway Road, Addison, Texas  
**Legal Description:** Part of Lot 1, Block A, Beltwood North Airport Addn., Addison, Texas  
**Grantor:** Maylar, LP  
**Grantee:** Sixteen Thousand Five Hundred, Inc.  
**Date of Sale:** January 31, 2000  
**Recorded:** Volume 2000020, Page 2714  
**Consideration:** \$470,000 (\$8.05/SF)  
**Terms of Sale:** All cash to Seller  
**Cash Equivalency:** \$8.05/SF  
**Size:** 1.341 Acres ( $\pm$ 58,414 SF)  
**Zoning:** Industrial (I-3)  
**Comments:** This site is along the east side of Midway Road, adjacent to the west side of Addison Airport. Midway Road is a high volume, 6 lane divided concrete street with excellent exposure.  
**Verified By:** James Brown - Broker  
**Mapsc0:** D-4P



# COMPARABLE MAP



COMPARABLE LAND SALES SUMMARY				
Sale #	Date of Sale	Price/SF	Size (SF)	Zoning
1	01/05/00	\$11.26	18,208	Commercial
2	03/27/00	\$6.79	25,012	Industrial
3	01/31/00	\$8.05	58,414	Industrial
Subject	N/A	N/A	297,632	Industrial

The sales were selected because of their location on "name" streets, which the subject remainder will be after the acquisition. Sales #1 and #3, additionally represent multi-lane high volume connector streets, similar to what the extension of Arapaho Road is expected to be after this acquisition. None of the sales represent the land area of the subject remainder. However, with respect to frontage-to-depth ratios, they are generally reflective of the subject remainder. The subject remainder is in the shape of a "V", with Arapaho Road crossing the top of the "V".

Analysis & Adjustments of Sales

All of the sales transferred in "fee simple" interest. All sales are sufficiently recent in time as to require no adjustment based on time. No unusual financing considerations were reported for any of the sales. Sale #1 did sell to an adjacent property owner and for this reason a negative "conditions of sale" adjustment is believed to be prudent.

The size of Sale #1 requires a downward adjustment to the effective size of the subject remainder. No location adjustment is required for the reasons stated previously. Given the "condition of sale" adjustment" mentioned above, no utility adjustment is warranted. Similarly, zoning and site/view are considered to be comparable to the remainder.

The size of Sale #2 requires a downward adjustment to the effective size of the subject remainder. An upward adjustment for location is required, due to the perceived superiority of the improved Arapaho Road location over that of the Welch Road location. Both this sale and the remainder possess sufficient utility for independent development. Similarly, zoning and site/view are considered to be comparable to the remainder.

The size of Sale #3 requires a downward adjustment to the effective size of the subject remainder. No location adjustment is required for the reasons stated previously. Both this sale and the remainder possess sufficient utility for independent development. Similarly, zoning and site/view are considered to be comparable to the remainder.

The location of each sale is considered inferior to that of the subject remainders. None of the sales are corner locations. Sales #1 and #3 are on major primary thoroughfares and require only a moderate adjustment. Sale #2 is an interior sale on a major secondary thoroughfare and requires a greater upward adjustment to reflect the subject remainders' location on 1) a major thoroughfare at 2) a controlled intersection.

The following page displays a grid showing the relative adjustments to the comparable sales;

LAND SALES ADJUSTMENT GRID			
	1	2	3
Sales Price/SF	\$11.26	\$6.79	\$8.05
Property Rights Adjustment	-0-	-0-	-0-
Adjusted Sales Price/SF	\$11.26	\$6.79	\$8.05
Financing Terms Adjustment	-0-	-0-	-0-
Cash Equivalent Price/SF	\$11.26	\$6.79	\$8.05
Conditions of Sale Adjustment	-20%	-0-	-0-
Adjusted Price/SF	\$9.00	\$6.79	\$8.05
Time/Market Conditions	-0-	-0-	-0-
Adjusted Price/SF	\$9.00	\$6.79	\$8.05
Location Adjustment	-0-	-0-	-0-
Zoning Adjustment	-0-	-0-	-0-
Utility Adjustment	-0-	-0-	-0-
Size Adjustment	-20%	+10%	-10%
Net Physical Adjustment Factor	-20%	+10%	-10%
Net Adjusted Price/SF	\$7.20	\$7.47	\$7.25

Market Value Estimate - Remainder Sites

The comparable sales prices range from \$7.20/SF to \$7.47/SF after adjustments. The average of the adjusted sales is \$7.31/SF. Based on the lack of recent physically close land sales tempered by a stable to growing market, it is the appraiser's opinion that a value for the Remainder After the Take is indicated slightly below the mean of the adjusted sales prices. Thus:

<u>Usable Site Area</u>		<u>Value Estimate/SF</u>		<u>Total</u>
297,632 SF	x	\$7.25	=	\$2,157,832

**ESTIMATED MARKET VALUE OF  
REMAINDER, Called**

**\$2,157,832**

### 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	\$1,354,226
Remainder After the Take	<u>\$2,157,832</u>
Total	(\$ 803,606)

A negative value indicates that enhancement arises; i.e., the Remainder is more valuable with Arapaho Road in place, than as it exists today.

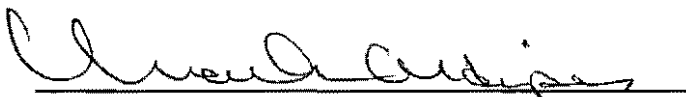
The previously derived estimate of value for the Part Taken also expresses the Estimate of Just Compensation. Therefore:

**ESTIMATE OF JUST COMPENSATION      \$362,171**

## 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.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- 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**

**Assumptions & Limiting Conditions**  
**Photographs of the Subject**  
**Survey**  
**Legal Description (N/A)**  
**FAA Exhibits**  
**Zoning Map**  
**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.

## SUBJECT PHOTOGRAPHS



Looking southwest across the subject from  $\pm$ DART R.O.W.



Looking west from  $\pm$ Addison Road across the proposed R.O.W.

# SUBJECT PHOTOGRAPHS



Looking north toward Addison Airport from the subject.



Looking east toward Arapaho Road from the west side of the subject.

spot

DO NOT REMOVE CARBONS

Form Approved OMB No. 2120-0001

	NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION	Aeronautical Study Number
U.S. Department of Transportation Federal Aviation Administration		

<b>1. Nature of Proposal</b> A. Type <input type="checkbox"/> New Construction <input type="checkbox"/> Alteration B. Class <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary (Duration _____ months) C. Work Schedule Dates Beginning _____ End _____	<b>2. Complete Description of Structure</b> A. Include effective radiated power and assigned frequency of all existing, proposed or modified AM, FM, or TV broadcast stations utilizing this structure. B. Include size and configuration of power transmission lines and their supporting towers in the vicinity of FAA facilities and public airports. C. Include information showing site orientation, dimensions, and construction materials of the proposed structure.
<b>3A. Name and address of individual, company, corporation, etc. proposing the construction or alteration.</b> (Number, Street, City, State and Zip Code) _____ _____ _____ Telephone Number _____	
<b>3B. Name, address and telephone number of proposer's representative if different than 3A above.</b> _____ _____ _____ Telephone Number _____	

(If more space is required, continue on a separate sheet.)

<b>4. Location of Structure</b> A. Coordinates (To nearest second) Latitude _____ Longitude _____ B. Nearest City or Town, and State _____ C. Name of nearest airport, heliport, lightport, or airplane base _____ (1) Distance from structure to nearest point of nearest runway _____ (2) Direction from structure to airport _____	<b>5. Height and Elevation (Complete to the nearest foot)</b> A. Elevation of site above mean sea level _____ B. Height of structures including all appurtenances and lighting (if any) above ground, or water if so situated _____ C. Overall height above mean sea level (A + B) _____
D. Description of location of site with respect to highways, streets, airports, prominent terrain features, existing structures, etc. Attach a U.S. Geological Survey quadrangle map or equivalent showing the relationship of construction site to nearest airport(s). (If more space is required, continue on a separate sheet of paper and attach to this notice.)	

Notice is required by Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) pursuant to Section 1101 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1101). Persons who knowingly and willfully violate the Notice requirements of Part 77 are subject to a fine (criminal penalty) of not more than \$500 for the first offense and not more than \$2,000 for subsequent offenses, pursuant to Section 902(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473(a)).

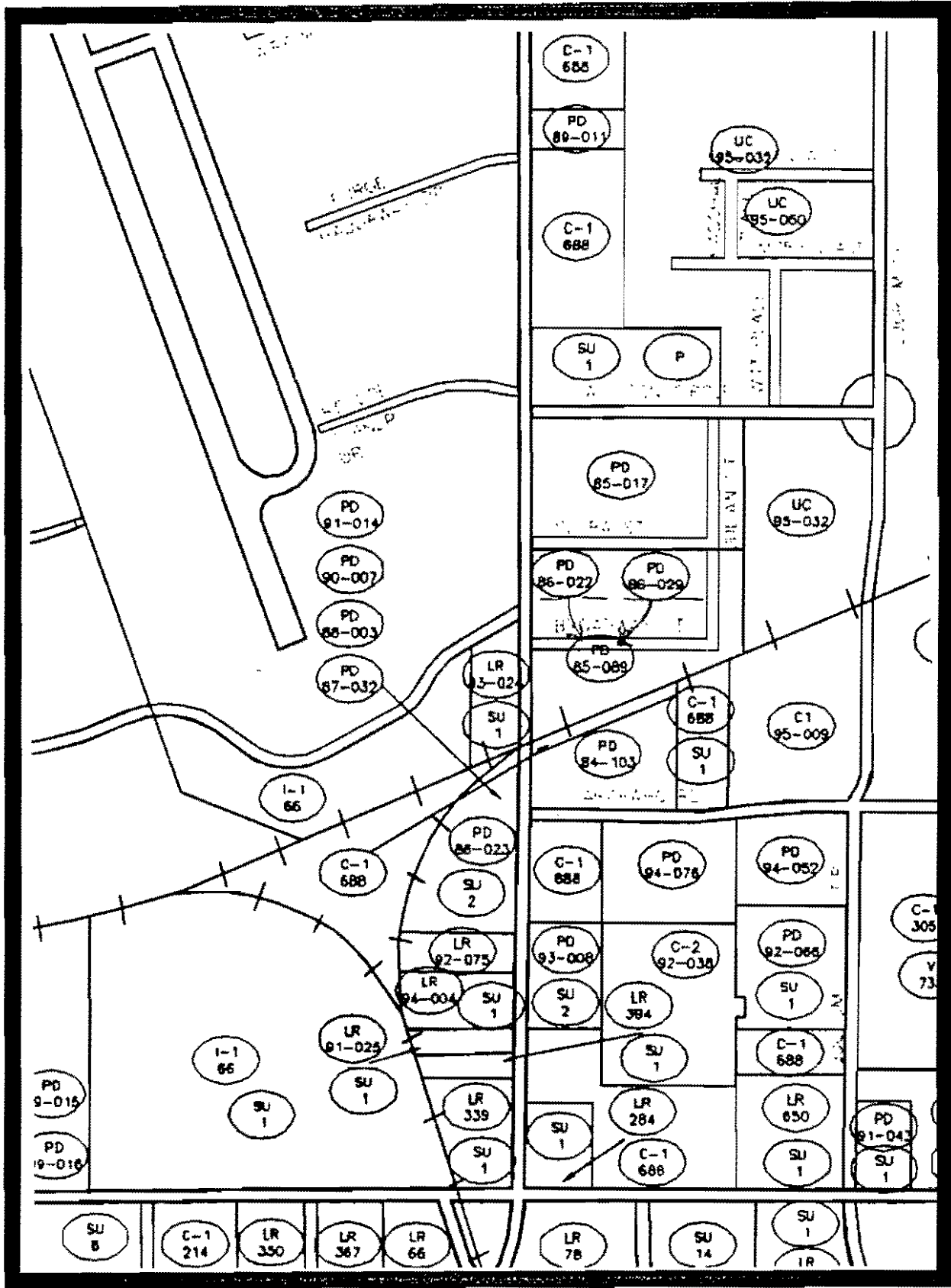
I HEREBY CERTIFY that all of the above statements made by me are true, complete, and correct to the best of my knowledge. In addition, I agree to obstruction mark and/or light the structure in accordance with established marking & lighting standards if necessary.

Date	Typed Name/Title of Person Filing Notice	Signature
------	--	-----------

<b>FOR FAA USE ONLY</b> - FAA will either return this form or issue a separate acknowledgment.		
<b>The Proposal:</b> <input type="checkbox"/> Does not require a notice to FAA. <input type="checkbox"/> Is not identified as an obstruction under any standard of FAR, Part 77, Subpart C, and would not be hazard to air navigation. <input type="checkbox"/> Is identified as an obstruction under the standards of FAR, Part 77, Subpart C, but should not be a hazard to air navigation. <input type="checkbox"/> Should be obstruction marked. <input type="checkbox"/> Should be marked per FAA Advisory Circular 707400-1, Obstruction Marking and Lighting. <input type="checkbox"/> Obstruction marking and lighting are not necessary.	Supplemental Notice of Construction FAA Form 7480-2 is required any time the project is abandoned, or <input type="checkbox"/> At least 48 hours before the start of construction. <input type="checkbox"/> Within five days after the construction reaches its greatest height. This determination expires on _____ unless: (a) extended, revised or terminated by the issuing office. (b) the construction is subject to the permitting authority of the Federal Communications Commission and an application for a construction permit is made to the FCC on or before the above expiration date. In such case the determination expires on the date prescribed by the FCC for completion of construction, or on the date the FCC denies the application. NOTE: Request for extension of the effective period of this determination must be postmarked or delivered to the issuing office at least 15 days prior to the expiration date. If the structure is subject to the licensing authority of the FCC, a copy of this determination will be sent to that Agency.	
Remarks: _____ _____ _____		
Issued By	Signature	Date

FAA Form 7480-1 (4-83) SUPERSEDES PREVIOUS EDITION

DO NOT REMOVE CARBONS



ZONING MAP

Parcel 3  
Field Note Description  
Arapaho Road Project  
Town of Addison  
Dallas County, Texas

BEING a description of a 1.8273 acre (79,598 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 three tracts of land conveyed to the St. Louis Southwestern Railway Company of Texas, first, a called 3 & 48/100 acre tract of land as evidenced by the deed dated January 15, 1902 and recorded in Volume 278, Page 115 of the Deed Records of Dallas County, Texas, second, a called 4 1/2 acre tract of land as evidenced by the deed dated February 10, 1902 and recorded in Volume 279, Page 449 of said Deed Records, and third, a called 68/100 of an acre tract of land as evidenced by the deed dated January 24, 1910 and recorded in Volume 470, Page 329 of said Deed Records; said 1.8273 acre tract of land being more particularly described by metes and bounds as follows;

**BEGINNING** at a 5/8 inch iron rod set in the common South line of said called 68/100 acre tract and North 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, said called 19.01 acre tract being all of Beltwood Reservoir, an addition to the Town of Addison, as evidenced by plat dated August 2, 1989 and recorded in Volume 90012, Page 3393 of said Deed Records, said beginning point also being North 80°11'36" East, a distance of 58.13 feet from the Northwest corners of said 19.01 acre tract and said Beltwood Reservoir, said point also being in the proposed North right of way line of Arapaho Road;

THENCE, departing said common line and along said proposed Northerly right of way line the following courses and distances:

NORTH 66° 22' 04" EAST, a distance of 195.43 feet to a 5/8 inch iron rod set for an angle point;

NORTH 64° 24' 20" EAST, passing at a distance 30.01 feet the common Northeasterly line of said called 68/100 acre tract and Southwesterly line of said called 4 1/2 acre tract, continuing for a total distance of 233.63 feet to a 5/8 inch iron rod set for an angle point;

PARCEL 3 - ARAPAHO ROAD PROJECT

NORTH 66° 22' 04" EAST, a distance of 526.64 feet to the point of curvature of a tangent curve to the right;

NORTHEASTERLY, along said curve having a radius of 890.00 feet, a central angle of 16° 34' 32", a chord bearing North 74° 39' 20" East for 256.58 feet, passing at an arc distance of 106.05 feet the common Southeasterly line of said called 4 1/2 acre tract and Northwesterly line of said called 3 & 48/100 acre tract, continuing along said arc for a total arc distance of 257.48 feet to a point in a curve of the common Southeasterly line of said called 3 & 48/100 acre tract and Northwest line of Lot 3, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by plat dated April 3, 1987 and recorded in Volume 87102, Page 2604 of said Deed Records, said Lot 3 being conveyed to Metro Brick Company, Inc. as evidenced by deed dated September 11, 1996 and recorded in Volume 96180, Page 02908 of said Deed Records;

THENCE, SOUTHWESTERLY, departing said proposed Northerly Right of Way line, along said common line, and along a non-tangent curve to the left having a radius of 714.00 feet, a central angle of 09° 17' 38", a chord bearing South 36° 26' 21" West for 115.69 feet, passing at an arc distance of 15.59 feet the common Southwest corner of said Metro Brick Company, Inc. tract and Northwest corner of the dedication of Arapaho Road as shown on said plat of Addison Car Care Center, continuing along a curve of the common Southeasterly line of said called 3 & 48/100 acre tract and the Western terminus of said Arapaho Right of Way dedication, passing at an arc distance of 106.76 feet the common Southwest corner of said dedication of Arapaho Road and Northwest corner a called 1.6188 acre tract of land conveyed to 15211 Addison Road Joint Venture as evidenced by the deed dated August 7, 1996 and recorded in Volume 96156, Page 4963 of said Deed Records, said called 1.6188 acre tract being a portion of Lot 2, Block 1 of said Addison Car Care Center, continuing along a curve of the common Southeasterly line of said called 3 & 48/100 acre tract and Northwesterly line of said called 1.6188 acre tract, for a total arc distance of 115.82 feet to a 5/8 inch iron rod set in a curve of proposed Southerly right of way line of Arapaho Road;

THENCE, departing said common line and along said proposed Southerly Right of Way line the following courses and distances:



PARCEL 3 - ARAPAHO ROAD PROJECT

SOUTHWESTERLY, along a non-tangent curve to the left having a radius of 810.00 feet, a central angle of  $10^{\circ} 56' 02''$ , a chord bearing of South  $71^{\circ} 50' 05''$  West for 154.34 feet, passing at an arc distance of 143.08 feet the common Northwesterly line of said called 3 & 48/100 acre tract and Southeasterly line of said called 4 1/2 acre tract, continuing for a total arc distance of 154.57 feet to the point of tangency of said curve;

SOUTH  $66^{\circ} 22' 04''$  WEST, a distance of 566.03 feet to an angle point;

SOUTH  $68^{\circ} 13' 33''$  WEST, passing at a distance of 21.32 feet, the common Southwesterly line of said called 4 1/2 acre tract and Northeasterly line of said called 68/100 acre tract, continuing for a total distance of 111.75 feet to a "PK" nail set in the concrete base of a fence post in the common North line of said called 19.01 acre tract and South line of said called 68/100 acre tract;

THENCE, SOUTH  $80^{\circ} 11' 36''$  WEST, (called South  $71^{\circ} 20'$  West) departing said line and along said common line, a distance of 286.13 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 1.8273 acres or 79,598 square feet of land within the metes recited.

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

A plat of even survey date herewith accompanies this description.

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

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

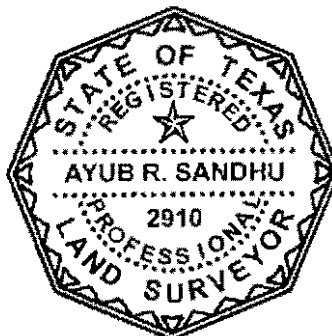


EXHIBIT "B"

EDWARD COOK SURVEY  
A-326

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHORD
C1	16°34'32"	890.00'	257.48'	N 74°39'20" E - 258.58'
C2	09°17'38"	714.00'	115.82'	S 36°26'21" W - 115.69'
C3	10°56'02"	810.00'	154.57'	S 71°50'05" W - 154.34'



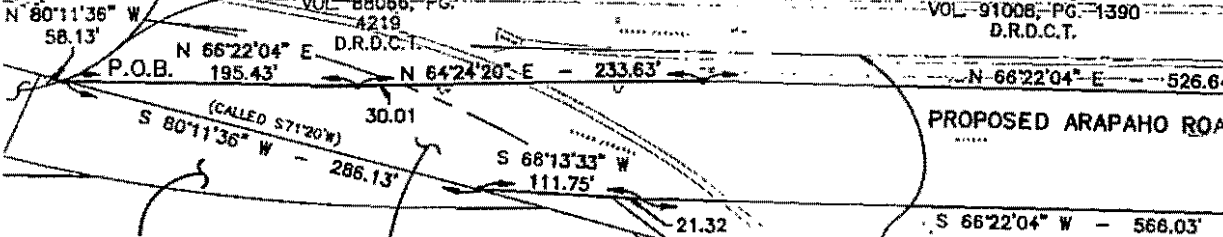
HERITAGE INN NUMBER  
XII,  
LIMITED PARTNERSHIP  
CALLED 4.1525 ACRES  
JANUARY 24, 1997  
VOL. 97018, PG. 00073  
D.R.D.C.T.

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

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

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

LOT 3  
BLOCK 1  
ADDISON CAR CARE  
JUNE 8, 1987  
VOL. 87111, PG. 0266  
D.R.D.C.T.



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

CALLED 68/100 OF AN ACRE  
ST. LOUIS SOUTHWESTERN RR  
CO. OF TEXAS  
JANUARY 24, 1910  
VOL. 470, PG. 329  
D.R.D.C.T.

LOT 1  
BLOCK A  
BELTWOOD RESERVOIR  
AUGUST 2, 1989  
VOL. 90012, PG. 3386  
D.R.D.C.T.

CALLED 19.01 AC.  
CITY OF DALLAS  
AUGUST 5, 1958  
VOL. 4942, PG. 629  
O.R.D.C.T.

CALLED 4 1/2 AC.  
ST. LOUIS SOUTHWESTERN  
RR CO. OF TEXAS  
FEBRUARY 10, 1902  
VOL. 279, PG. 449  
D.R.D.C.T.

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

LOT 2, BLOCK 1  
ADDISON CAR CARE  
JUNE 8, 1987  
VOL. 87111, PG. 0286  
D.R.D.C.T.

CALLED 1.6188 AC.  
15211 ADDISON ROAD  
JOINT VENTURE  
AUGUST 7, 1996  
VOL. 98156, PG. 04963  
D.R.D.C.T.

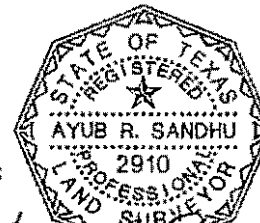
NOTES:

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.

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



*Ayub R. Sandhu*  
11-12-99

PARCEL 3  
A PLAT OF A  
1.8273 ACRE (79,598 SQ. FT.)  
TRACT OF LAND  
IN THE EDWARD COOK SURVEY  
ABSTRACT NO. 326  
TOWN OF ADDISON  
DALLAS COUNTY, TEXAS



GRAPHIC SCALE  
1 INCH = 100 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