

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
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October 12, 2004

Ms. Gayle Walton
Department Secretary
City Manager's Office
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Parcel 6 (Minol Center, L.P.), Addison Widening of Road Project

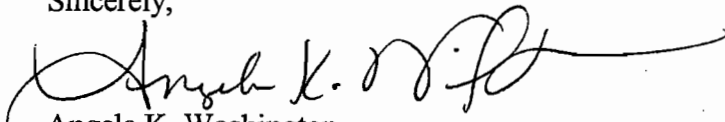
Dear Gayle:

In connection with the transaction for the above-referenced property, enclosed for the Town of Addison's files are the following documents:

1. First American Title Insurance Company Owner's Policy No. 083984 O;
2. Recorded Easement Agreement;
3. Recorded Subordination to Easement;
4. Second recorded Subordination to Easement; and
5. Copy of recorded Release of Deed of Trust.

By copy of this letter, I am forwarding a copy of these documents to Steve Chutchian for his closing binder for this transaction. If you have any questions, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosures

c(w/o Enclosures): Mr. Mike Murphy
(w/Enclosures) Mr. Steve Chutchian
(w/o Enclosures) Mr. Kenneth C. Dippel

First American Title Insurance Company

083984 O

OWNER POLICY OF TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or material having its inception on or before Date of Policy;
4. Lack of a right of access to and from the land;
5. Lack of good and indefeasible title.

The Company also will pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS HEREOF, the FIRST AMERICAN TITLE INSURANCE COMPANY has caused this policy to be executed by its President under the seal of the Company, but this policy is to be valid only when it bears an authorized countersignature, as of the date set forth in Schedule A.



ATTEST

Mark R. Arnesen
Secretary.

First American Title Insurance Company

BY *Gary L. Keruett* PRESIDENT

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking that has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:

(a) created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

(c) resulting in no loss or damage to the insured claimant;

(d) attaching or created subsequent to Date of Policy;

(e) resulting in loss or damage that would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

4. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of unmarketability of the title.

5. Any claim, which arises out of the transaction vesting in the person named in paragraph 3 of Schedule A the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or other state or federal creditors' rights laws that is based on either (i) the transaction creating the estate or interest insured by this Policy being deemed a fraudulent conveyance or fraudulent transfer or a voidable distribution or voidable dividend or (ii) the subordination or recharacterization of the estate or interest insured by this Policy as a result of the application of the doctrine of equitable subordination or (iii) the transaction creating the estate or interest insured by this Policy being deemed a preferential transfer except where the preferential transfer results from the failure of the Company or its issuing agent to timely file for record the instrument of transfer to the insured after delivery or the failure of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto that by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" also shall include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "access": legal right of access to the land and not the physical condition of access. The coverage provided as to access does not assure the adequacy of access for the use intended.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, or (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest that is adverse to the title to the estate or interest, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

When, after the date of the policy, the insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in title to the estate or interest in the land insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect is valid and not barred by law or statute. The Company shall notify the insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the title to the estate as insured; (ii) indemnify the insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the insured claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the property or, if a mortgagee policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

4. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action that allege matters not insured against by this policy.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate, partnership or fiduciary successors, and specifically, without limitation, the following:

(i) the successors in interest to a corporation, limited liability company or limited liability partnership resulting from merger or consolidation or conversion or the distribution of the assets of the corporation or limited liability company or limited liability partnership upon partial or complete liquidation;

(ii) the successors in interest to a general or limited partnership or limited liability company or limited liability partnership which dissolves but does not terminate;

(iii) the successors in interest to a general or limited partnership resulting from the distribution of the assets of the general or limited partnership upon partial or complete liquidation;

(iv) the successors in interest to a joint venture resulting from the distribution of the assets of the joint venture upon partial or complete liquidation;

(v) the successor or substitute trustee(s) of a trustee named in a written trust instrument; or

(vi) the successors in interest to a trustee or trust resulting from the distribution of all or part of the assets of the trust to the beneficiaries thereof.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice that may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 91 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized

by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy at the date the insured claimant is required to furnish to Company a proof of loss or damage in accordance with Section 5 of these Conditions and Stipulations.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule A consists of two or more parcels that are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, all as insured, or takes action in accordance with Section 3 or Section 6, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE: REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies that the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion that the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that provide for subrogation rights by reason of this policy.

14. ARBITRATION.

Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules or the American Arbitration Association. Arbitrable matters may include, but are not limited to, any

controversy or claim between the Company and the Insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters where the Amount of Insurance is \$1,000,000 or less **SHALL BE** arbitrated at the request of either the Company or the Insured, unless the Insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The Law of the situs of the land shall apply to any arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY: POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision, and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at: First American Title Insurance Company, 1500 S. Dairy Ashford, Suite 300, Houston, TX 77077.

COMPLAINT NOTICE.

Should any dispute arise about your premium or about a claim that you have filed, contact the agent or write to the Company that issued the policy. If the problem is not resolved, you also may write the Texas Department of Insurance, P.O. Box 149104, Austin, TX 78714-9104, Fax No. (512) 305-7426. This notice of complaint procedure is for information only and does not become a part or condition of this policy.

Owner Policy

ISSUED BY:



ISSUING AGENT

REPUBLIC TITLE OF TEXAS, INC.
2626 Howell Street, 10th Floor
Dallas, Texas 75204

FOR INQUIRIES CALL: (214) 855-8888



First American Title Insurance Company

1500 South Dairy Ashford, Suite 300
Houston, Texas (77077)
(281) 588-2200
Wats Line: 1-800-347-7826

**FOR INFORMATION, OR
TO MAKE A COMPLAINT, CALL:
1-800-347-7826**

OWNER POLICY:

1 POLICY NUMBER
2 PROPERTY TYPE
3 COUNTY

4 POLICY AMOUNT
5 PREMIUM
6 RATE CODE

7 EFFECTIVE DATE
8 SURVEY AMENDMENT
9 ADDITIONAL CHAINS

| | | | | | | | | |
|----------|---|-----|-----------|--------|------|------------|-------|----|
| 083984 0 | C | 113 | 36,436.00 | 453.00 | 1000 | 09/01/2004 | 67.95 | 00 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |

FIRST AMERICAN TITLE INSURANCE COMPANY

OWNER POLICY OF TITLE INSURANCE

GF NO. OR FILE NO. DATE OF POLICY AMOUNT OF INSURANCE THE POLICY NUMBER SHOWN
ON THIS SCHEDULE MUST
AGREE WITH THE PRE-
PRINTED NUMBER ON THE
COVER SHEET. POLICY NUMBER

02R05325 SJ7 09/01/2004 at 02:26 PM \$ 36,436.00 083984 0

Schedule A

1. Name of Insured:
Town of Addison, Texas
2. The estate or interest in the land that is covered by this policy is:
Non-Exclusive Easement
3. Title to the estate or interest in the land is insured as vested in:
Town of Addison, Texas
4. The land referred to in this policy is described as follows:
Being a non-exclusive easement estate over a 0.068 acre, more or less, tract of land, situated in the G.W. Fisher Survey, Abstract No. 482, in the Quorum Center Addition, an addition to the Town of Addison, Dallas County, Texas and being more particularly described on Exhibit A attached hereto and made a part hereof for all purposes.

REPUBLIC TITLE OF TEXAS, INC.

Countersigned at DALLAS, TEXAS
Republic Title of Texas, Inc.,



Patricia A. Sherman Bruce, Senior V.P.
Authorized Countersignature

Exhibit A

GF-Number 02R05325

Non-exclusive easement estate created under Easement Agreement dated 01/20/2003 , between Minol Center, L.P., and Town of Addison, filed 09/01/2004, in Volume 2004169, Page 9651, Deed Records, Dallas County, Texas running over the following described tract:

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G.W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas conveyed to Minol Center, L.P., by a deed now of record in Volume 2000042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48 degrees 18 minutes 40 seconds E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00 degrees 17 minutes 00 seconds E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00 degrees 17 minutes 00 seconds W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42 degrees 23 minutes 28 seconds E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00 degrees 17 minutes 00 seconds W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P., a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89 degrees 43 minutes 00 seconds W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.

Exhibit A (Continued)

GF-Number 02R05325

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

**OWNER POLICY OF
TITLE INSURANCE**

GF NO. OR FILE NO.
02R05325 SJ7

DATE OF POLICY
09/01/2004

THE POLICY NUMBER SHOWN
ON THIS SCHEDULE MUST
AGREE WITH THE PREPRINTED
NUMBER ON THE COVER SHEET

>

POLICY NUMBER
083984 0

**Schedule B
EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) that arise by reason of the terms and conditions of the leases or easements insured, if any, shown in Schedule A and the following matters:

1. The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception): See * below.
2. ~~Any discrepancies, conflicts, or shortages in area of boundary lines, or any encroachments or protrusions, or any overlapping improvements~~ Shortages in Area.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured.
4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities:
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year 2004, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.
6. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

* Restrictive Covenants:

Restrictive covenants recorded in Volume 84067, Page 5718, Plat Records of Dallas County, Texas. Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), is deleted.

- a. Deed of Trust from MINOL CENTER, LP to BARBARA D. CHRISTIAN, Trustee, filed 10/17/2001, recorded in Volume 2001203, Page 6834, Deed of Trust Records of Dallas County, Texas, securing a note in the principal sum of \$1,000,000.00, payable to BANK ONE, N.A., and securing other indebtedness as described therein, if any. Said note and lien modified by instrument recorded in Volume 2003126, Page 9343, Deed Records, Dallas County, Texas. Said note and lien modified by instrument filed 05/13/2004, recorded in Volume 2004093, Page 7453, Deed Records, Dallas County, Texas. As affected by Subordination to Easement filed 09/01/2004, in Volume 2004169, Page 9677, Deed Records of Dallas County, Texas.

(CONTINUED ON NEXT PAGE)

SCHEDULE B Page 2

- b. Deed of Trust from MINOL CENTER, LP to DOUGLAS J. KROISS, Trustee, filed 06/16/2004, recorded in Volume 2004115, Page 11741, Deed of Trust Records of Dallas County, Texas, securing a note in the principal sum of \$760,000.00, payable to BANK ONE, N.A., and securing other indebtedness as described therein, if any. As affected by Subordination to Easement filed 09/01/2004, in Volume 2004169, Page 9699, Deed Records of Dallas County, Texas.
- c. 25' building line as shown on the plat recorded in Volume 84067, Page 5718, Map Records of Dallas County, Texas.
- d. Easement to The City of Addison, dated 02/09/1979, filed 12/04/1979, recorded in Volume 79236, Page 2773, Deed Records of Dallas County, Texas.
- e. Easement to Texas Power & Light Company, dated 03/05/1982, filed 03/17/1982, recorded in Volume 82054, Page 630, Deed Records of Dallas County, Texas.
- f. Mineral estate and interest, and all rights incident thereto, described in instrument filed 01/07/1965, recorded in Volume 491, Page 630, Deed Records of Dallas County, Texas. Title to said interest not checked subsequent to the date thereof. As amended by instrument recorded in Volume 85078, Page 4913, Deed Records, Dallas County, Texas.
- g. Mutual Easement Agreement dated 12/15/1988, between Addison Northwest, Ltd. and First Interstate Bank of Texas, N.A., filed 01/17/1989, recorded in Volume 89010, Page 4479, Deed Records, Dallas County, Texas.
- h. Section 14 of the Conditions and Stipulations of this policy is hereby deleted.

EASEMENT AGREEMENT

This Agreement is made and entered into by and between Minol Center, L.P. ("Grantor"), and the Town of Addison, Texas (the "Town").

WITNESSETH:

3041423

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

4813118 426.00 Deed
08/01/06

WHEREAS, the Town of Addison intends to construct an extension of Addison Road through the Town (the "Addison Road Extension Project"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire an exclusive and perpetual easement in, over, across, upon, under and through the Easement Property for street right-of-way and other public purposes in connection with the construction of the Addison Road Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Minol Center, L.P., and the Town of Addison agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement and right-of-way (the "Easement") in, over, across, upon, under and through the property described in Exhibit A and depicted on Exhibit B (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of Thirty Six Thousand Four Hundred Thirty Six and No/100 dollars (\$36,436.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit C, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, placement, installation, reconstruction, relocation, alteration, operation, use, inspection, maintenance, improvement, and modification of landscaping, irrigation, lighting, utility, sidewalk, or other parkway improvements, or for such other public purposes as the Town from time to time deems necessary, appropriate, or desirable in the Town's

sole discretion, with respect to the Project. The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the improvements within the Easement. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town in its sole discretion deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's sole determination, with the Easement, with the Project or with any improvements within the Easement. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, efficiency, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

C. Grantor, its successors and assigns, may fully use and enjoy the Easement Property, except that such use and enjoyment shall not hinder, conflict or interfere with the exercise of the Town's rights hereunder or with the safe and efficient operation of the Project.

4. **Warranty of Title.** TO HAVE AND TO HOLD the Easement, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easement and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property.

5. **Exclusiveness of Easement.** The easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

6. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

7. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this

2004169 09652

Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

8. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

9. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this 20 day of January, 2003

GRANTOR:

Minol Center, L.P.

By: Minol Center Management LLC, its General Partner

By: Mike Butler

Mike Butler, Manager

Executed this 3 day of March, 2003

TOWN OF ADDISON

By: Ron Whitehead

Ron Whitehead, City Manager

2004 169 09653

STATE OF TEXAS
COUNTY OF DALLAS

§
§

BEFORE ME, the undersigned notary public in and for said county and state, on this 20th day of January, 2003, personally appeared Mike Butler, Manager of Minol Center Management, LLC, General Partner of Minol Center L.P., a Texas Limited Partnership, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

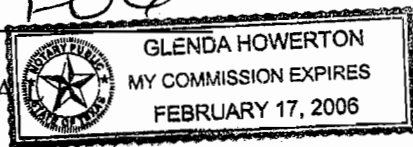
GIVEN UNDER my hand and seal of office the day and year last above written.

Glenda Howerton
Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

2-17-06

[SEAL]



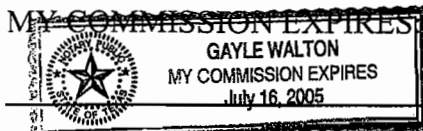
STATE OF TEXAS
COUNTY OF DALLAS

§
§

BEFORE ME, the undersigned notary public in and for said county and state, on this 4th day of March, 2003, personally appeared Ron Whitehead, City Manager for the Town of Addison, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Gayle Walton
Notary Public in and for the State of Texas



[SEAL]

2004 1169 09654

TOWN OF ADDISON, TEXAS

FIELD NOTE DESCRIPTION
FOR
MINOL CENTER, L.P.
(PARKWAY EASEMENT)

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Minol Center, L.P., by a deed now of record in Volume 200042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

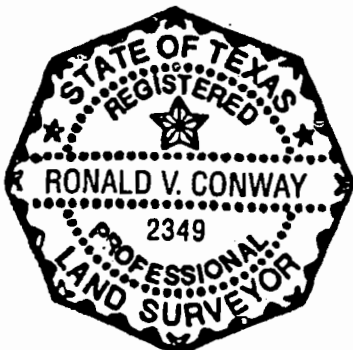
BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ronald V. Conway
11/15/02

20041169 09655

11/15/02 JPO SCALE: 1"=50 H:\PROJECTS\ADDISON\98143\PLATS\ADD-PLAT5E.DWG

2004169 00656

RAIL HOTELS CORPORATION
VOL. 99024 PG. 01020

1/2" IRF

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT II

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT I

POINT OF BEGINNING

1/2" IRF

S 48°18'40" E - 79.55'
(REFERENCE BEARING)

"X" IN CONC.

ADDISON ROAD

PROPOSED PARKWAY EASEMENT

S 00°17'00" W - 9.60'
(REFERENCE BEARING)

N 42°23'28" E
14.91'

5/8" I.R.F.

N 00°17'00" E - 291.90'

5/8" IRF

N 89°43'00" W
10.00'

S 00°17'00" W - 302.96'

TEXAS POWER & LIGHT CO., ESM'T.
VOL. 82054, PG. 0630

2974.32 SQ. FT.
0.068 ACRES

AXLE
"X" IN CONC.

DART

SCALE: 1"=50'

JOSEPH H. JONES, BETH BRANDEBERRY,
CAROLYN PERKINS SHIMER MERRITT
AND SAMUEL THOMAS PERKINS
VOL. 97109, PG. 03158

MINOL CENTER, L.P.
VOL. 200042, PG. 03054

G.W. FISHER SURVEY
ABST. NO. 482
QUORUM CENTRE ADDITION

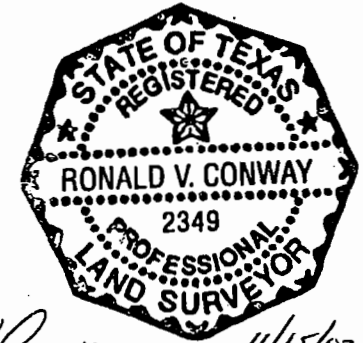
ARAPAHO ROAD

OLD R.O.W.

25' INGRESS & EGRESS EASEMENT
ADDISON NORTHWEST, LTD.
VOL. 89010, PG. 4479
EXHIBIT C

25'

25'



Ronald V. Conway 11/15/02

| | |
|--|-----------------------|
| TOWN OF ADDISON, TEXAS | |
| ADDISON ROAD | |
| BELT LINE RD. TO KELLER SPRINGS RD. | |
| PARKWAY EASEMENT | |
| BIRKHOFF, HENDRICKS & CONWAY, L.L.P. CONSULTING ENGINEERS 7502 GREENVILLE AVE., SUITE 220, DALLAS, TX, 75231, TELE. 214-341-7900 | NOV., 2002 PLAT 5E |

EXHIBIT C

TRACT I

BEING part of a tract of land situated in the G. W. Fisher Survey, Abstract No. 482, as recorded in Volume 1967, Page 367, Deed Records, Dallas County, Texas and said tract also being a part of Quorum Centre Addition, recorded in Volume 84067, Page 5718 of the Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING at an intersection point of the north right-of-way line of Belt Line Road (a 100' R.O.W.) with the east right-of-way line of Addison Road (a 60' R.O.W.); thence N 00 degrees 17 minutes 00 seconds E along said east right-of-way of Addison Road, 921.63 feet to an 'x' cut found for the POINT OF BEGINNING;

THENCE N 00 degrees 17 minutes 00 seconds E along said east right-of-way line of Addison Road, 301.50 feet to an iron rod set for corner;

THENCE N 45 degrees 18 minutes 19 seconds E along said right-of-way of Addison Road, 21.17 feet to an iron rod set for corner in the south right-of-way line of Arapaho Road (a 60' R.O.W.);

THENCE S 89 degrees 35 minutes 00 seconds E along said right-of-way line of Arapaho Road, 216.04 feet to an 'x' cut found for corner;

THENCE S 00 degrees 17 minutes 00 seconds W departing said right-of-way line, 177.97 feet to an 'x' cut found for corner;

THENCE S 44 degrees 43 minutes 00 seconds E, 25.44 feet to an iron rod set for corner;

THENCE S 00 degrees 17 minutes 00 seconds W, 120.00 feet to an iron rod found for corner;

THENCE N 89 degrees 43 minutes 00 seconds W, 249.00 feet to the POINT OF BEGINNING and CONTAINING 1.7277 (75,261 square feet) acres of land.

TRACT II

Easement Estate created pursuant to that certain Mutual Easement Agreement by and between ADDISON NORTHWEST, LTD. and FIRST INTERSTATE BANK OF TEXAS, N.A., dated December 15, 1988, recorded in Volume 89010, Page 4479, Real Property Records, Dallas County, Texas.

20042 03058 2004 1169 09657

SUBORDINATION TO EASEMENT

3041426

THE STATE OF TEXAS

4813121

\$18.00 Deed

KNOW ALL MEN ^{08/01/04} BY THESE PRESENTS:

COUNTY OF DALLAS

WHEREAS, MINOL CENTER, L.P. (hereinafter called "Maker") did execute, acknowledge and deliver to BANK ONE, NA (hereinafter called "Payee") a deed of trust, now recorded in Volume 2001203 at Page 6834 of the Deed of Trust Records of Dallas County, Texas ("Deed of Trust"), covering certain real property (the "Property") as therein described, to which Deed of Trust reference is hereby made for all purposes; and

WHEREAS, the Deed of Trust was given to secure Payee in the payment of, inter alia, a certain indebtedness in the stated principal amount of \$1,000,000.00 as more particularly described therein (the "Indebtedness"); and

WHEREAS, the Indebtedness and Deed of Trust were modified by instruments recorded in Volume 2003126 at Page 9343, and in volume 2004093 at Page 7453, of the Deed Records of Dallas County, Texas, with respect to the Property; and

WHEREAS, Maker desires to grant to the Town of Addison, Texas, an easement estate over a portion of the Property; and

WHEREAS, Maker has requested Payee to subordinate its liens and security interests in the Property in favor of the easement estate to be granted by Maker to the Town of Addison, Texas, and Payee has agreed to do so;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Payee does hereby render all of the right, title, and interest it may have by reason of the Deed of Trust, the Financing Statement, or any vendor's lien granted or retained contemporaneously with the Deed of Trust, subordinate and inferior with respect to the real property described in Exhibit A attached hereto and made a part hereof for all purposes (the "Easement Property") and the grant by Maker to the Town of Addison, Texas, of a non-exclusive easement estate running over the Easement Property, according to that certain agreement dated January, 2003 between Maker and the Town of Addison, Texas, to be recorded in the Deed Records of Dallas County, Texas.

It is expressly understood that this is a PARTIAL subordination only, and subordinates the liens and security interests of Payee in only the Easement Property, and nothing herein shall be construed to subordinate or render inferior the liens or security interests of Payee with respect to the remainder of the Property.

EXECUTED this 23rd day of August, 2004.

BANK ONE, NA (Main Office Chicago)

By: Mike Meredith

Name: Mike Meredith

Title: Vice President

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 23 day of Aug, 2004, by Mike Meredith, V.P. of Bank One, NA, with its main office in Chicago, Illinois, a national banking association on behalf of such association.



Carol Rose
Notary Public, State of Texas

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G.W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas conveyed to Minol Center, L.P., by a deed now of record in Volume 2000042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48 degrees 18 minutes 40 seconds E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00 degrees 17 minutes 00 seconds E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00 degrees 17 minutes 00 seconds W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42 degrees 23 minutes 28 seconds E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00 degrees 17 minutes 00 seconds W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P., a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89 degrees 43 minutes 00 seconds W, along the south line of said 1.7120 acre tract, along the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.

08960 691400Z

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

2004 SEP -1 PM 2: 26

Cynthia Figueroa Cuthbert



COUNTY CLERK
DALLAS CO., TEXAS

Republic Title of Texas, Inc.
GF# 02205325 SJ7 #13 18

SUBORDINATION TO EASEMENT

3041428

THE STATE OF TEXAS

4813124
09/01/04

\$18.00 Deed

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

WHEREAS, MINOL CENTER, L.P. (hereinafter called "Maker") did execute, acknowledge and deliver to BANK ONE, NA (hereinafter called "Payee") a deed of trust dated April 15, 2004, now recorded in Volume 2004115 at Page 11741 of the Deed of Trust Records of Dallas County, Texas ("Deed of Trust"), covering certain real property (the "Property") as therein described, to which Deed of Trust reference is hereby made for all purposes; and

WHEREAS, the Deed of Trust was given to secure Payee in the payment of, inter alia, a certain indebtedness in the principal amount of \$760,000.00 as more particularly described therein (the "Indebtedness"); and

WHEREAS, Maker desires to grant to the Town of Addison, Texas, an easement estate over a portion of the Property; and

WHEREAS, Maker has requested Payee to subordinate its liens and security interests in the Property in favor of the easement estate to be granted by Maker to the Town of Addison, Texas, and Payee has agreed to do so;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Payee does hereby render all of the right, title, and interest it may have by reason of the Deed of Trust, the Financing Statement, or any vendor's lien granted or retained contemporaneously with the Deed of Trust, subordinate and inferior with respect to the real property described in Exhibit A attached hereto and made a part hereof for all purposes (the "Easement Property") and the grant by Maker to the Town of Addison, Texas, of a non-exclusive easement estate running over the Easement Property, according to that certain agreement dated January, 2003 between Maker and the Town of Addison, Texas, to be recorded in the Deed Records of Dallas County, Texas.

It is expressly understood that this is a PARTIAL subordination only, and subordinates the liens and security interests of Payee in only the Easement Property, and nothing herein shall be construed to subordinate or render inferior the liens or security interests of Payee with respect to the remainder of the Property.

EXECUTED this 23rd day of August, 2004.

BANK ONE, NA (Main Office Chicago)

By: Mike Meredith

Name: Mike Meredith

Title: Vice President

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 23 day of Aug, 2004, by Mike Meredith, V.P. of Bank One, NA, with its main office in Chicago, Illinois, a national banking association on behalf of such association.



Carol Rose
Notary Public, State of Texas

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G.W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas conveyed to Minol Center, L.P., by a deed now of record in Volume 2000042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01030 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48 degrees 18 minutes 40 seconds E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00 degrees 17 minutes 00 seconds E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00 degrees 17 minutes 00 seconds W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42 degrees 23 minutes 28 seconds E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00 degrees 17 minutes 00 seconds W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P., a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89 degrees 43 minutes 00 seconds W, along the south line of said 1.7120 acre tract, along the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.

2004 09 01 16:00Z

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

2004 SEP -1 PM 2:27

Cynthia Figueroa Wilson



COUNTY CLERK
DALLAS CO., TEXAS

Banc One Leasing

Mail Code OH1-1085
1111 Polaris Parkway, Suite 3A
Columbus, OH 43240-2050

Public Records Office of Texas, Inc.
1100 Fidelity Street, 10th Floor
Dallas, TX 75204
Tel: 3041421
Fax: 3041421
John Bruce

Rep: Public of Texas, Inc.
Gr: 02R05325 SJ7 ff \$ 14

4813115
09/01/04 \$14.00 Deed

RELEASE OF DEED OF TRUST

KNOW ALL MEN BY THESE PRESENTS: That the Deed of Trust, Security Agreement and Assignment of Rents and Leases, executed among MINOL CENTER, LP, ("Grantor"), Barbara D. Christian ("Trustee") and Banc One Arizona Leasing Corporation ("Noteholder") dated the 8th day of August, 2001, and recorded on September 5, 2001 in Book 173, pages 06548 - 06574, Document ID 1518466 (2831062), in the Recorders Office of Dallas County, State of Texas, is hereby released and satisfied solely as to the following described real estate:

****SEE ATTACHED COPY OF EXHIBIT "A" TO DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES****

IN WITNESS WHEREOF, the Noteholder aforesaid has caused this Instrument to be subscribed this 20th day of August, 2004.

Signed and acknowledge in the presence of:

Banc One Leasing Corporation

[Signature]
Witness

By: [Signature]
Verla Campbell, Collateral Manager

STATE OF: OHIO
COUNTY OF: Delaware

Before me, a Notary Public in and for said County and State, Personally appeared the above name, Banc One Leasing Corporation, by Verla Campbell Collateral Manager, who acknowledge that she did sign the foregoing instrument for and on behalf of said corporation by authority of its Board of Directors, and the same is the free act and deed of said corporation, and the free act and deed of each of them personally and as such officer.

IN TESTIMONY THEREOF, I have hereunto set my hand official seal this 20TH day of August, 2004.



TAMI WEIKEL
Notary Public, State of Ohio
My Commission Expires Oct. 26, 2008

[Signature]
NOTARY PUBLIC

THIS INSTRUMENT WAS PREPARED BY BANC ONE LEASING CORPORATION

2004 1169 09646

07960 69114002

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

2004 SEP -1 PM 2:26

Cynthia Figueroa Johnson



COUNTY CLERK
DALLAS CO., TEXAS

7
J

5
L

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

September 2, 2004

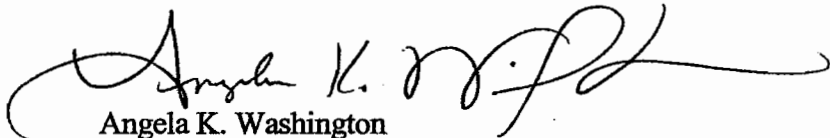
Mr. Steve Chutchian
Assistant City Engineer
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Parcel 6 (Minol), Addison Widening of Road Project

Dear Steve:

Enclosed for your file is the closing binder for the above-referenced matter. Upon receipt of the original recorded conveyance documents and the owner's title policy, I will forward those items to you. If you have any questions, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosure

c(w/oEnc.): ~~Mr. Mike Murphy~~
(w/o Enc.) Mr. Ken C. Dippel

DALLAS TYLER

901 MAIN STREET SUITE 4000 DALLAS, TEXAS 75202-3793
TEL 214.672.2000 FAX 214.672.2020
WWW.COWLESTHOMPSON.COM

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

August 26, 2004

**VIA FACSIMILE (972) 450-7065
AND REGULAR U.S. MAIL**

Ms. Carolyn Burgette
Accounting Manager
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Purchase of Parcel 6 (Minol), Addison Widening of Road Project

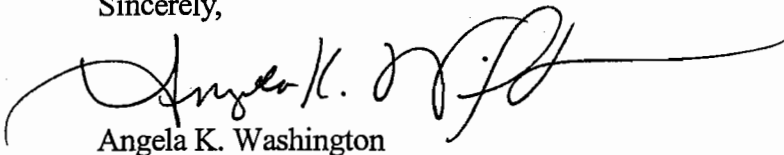
Dear Carolyn:

In connection with the above-referenced transaction, enclosed are copies of the following documents:

- (1) Executed Purchaser's Statement; and
- (2) Executed Easement Agreement.

Closing on the transaction has been scheduled for Tuesday, August 31, 2004. Please forward the funds to Republic Title. The wiring instructions are enclosed. If you have any questions or concerns, or if you need anything further, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosures

c(w/o Enclosures): Mr. Mike Murphy
Mr. Steve Chutchian
Mr. Kenneth C. Dippel, w/firm

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

September 2, 2004

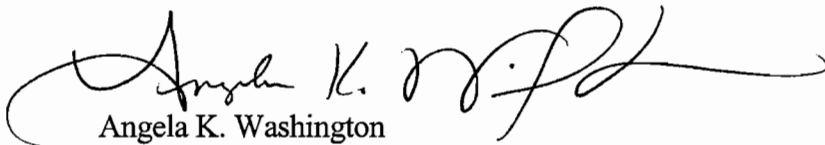
Mr. Steve Chutchian
Assistant City Engineer
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Parcel 6 (Minol), Addison Widening of Road Project

Dear Steve:

Enclosed for your file is the closing binder for the above-referenced matter. Upon receipt of the original recorded conveyance documents and the owner's title policy, I will forward those items to you. If you have any questions, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosure

c(w/oEnc.): Mr. Mike Murphy
(w/o Enc.) Mr. Ken C. Dippel

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

August 26, 2004

**VIA FACSIMILE (972) 450-7065
AND REGULAR U.S. MAIL**

Ms. Carolyn Burgette
Accounting Manager
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Purchase of Parcel 6 (Minol), Addison Widening of Road Project

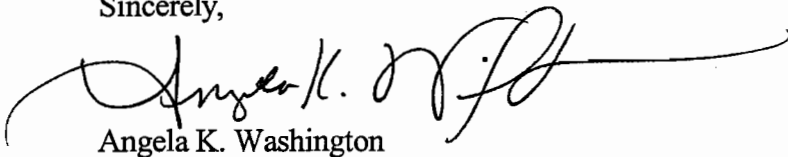
Dear Carolyn:

In connection with the above-referenced transaction, enclosed are copies of the following documents:

- (1) Executed Purchaser's Statement; and
- (2) Executed Easement Agreement.

Closing on the transaction has been scheduled for Tuesday, August 31, 2004. Please forward the funds to Republic Title. The wiring instructions are enclosed. If you have any questions or concerns, or if you need anything further, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosures

c(w/o Enclosures): Mr. Mike Murphy
Mr. Steve Chutchian
Mr. Kenneth C. Dippel, w/firm

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

July 16, 2004

**VIA FACSIMILE (214) 855-8848
AND REGULAR U.S. MAIL**

Ms. Patricia A. Sherman Bruce, Esq.
Vice President
Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas, TX 75204-4064

**RE: Parcel 6 (Minol Center, L.P.), Addison Widening of Road Project
Your File No. GF 02R05325/SJ7**

Dear Patricia:

Enclosed is the original executed Purchaser's Statement for the above-referenced property. Please let me know when you have received all necessary documents from Mike Quigley with Minol Center and all other documents, including any partial lien releases, necessary to allow you to insure clear title to the property. Once everything is in order, I will arrange for transfer of funds. Thank you for your assistance in this matter.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c(w/o Enc.): Mr. Steve Chutchian, w/ Addison
(w/o Enc.) Mr. Kenneth C. Dippel, w/firm

DALLAS TYLER

901 MAIN STREET SUITE 4000 DALLAS, TEXAS 75202-3793

TEL 214.672.2000 FAX 214.672.2020

WWW.COWLESTHOMPSON.COM

COWLES & THOMPSON

A Professional Corporation
ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

July 13, 2004

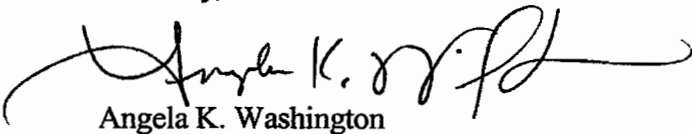
Mr. Ron Whitehead
City Manager
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

Re: Parcel 6 (Minol Mtr), Addison Widening of Road Project

Dear Ron:

Enclosed is the Purchaser's Statement for the above-referenced property. Please execute the second page of the document and return the original executed statement to me at your earliest convenience. If you have any questions, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosure

c(w/Enc): Mr. Steve Chutchian
(w/o Enc.) Mr. Kenneth C. Dippel



REPUBLIC TITLE OF TEXAS, INC.

DATE: 07/16/2004
GF NO: 02R05325 SJ7

PURCHASER'S STATEMENT

SALE FROM: MINOL CENTER, L.P.
SALE TO: TOWN OF ADDISON
PROPERTY: Easement over 1.7120 acres, more or less, G. W. Fisher Survey, Dallas County, Texas.
ADDRESS: ADDISON, ADDISON, TEXAS

PURCHASE PRICE: PER EASEMENT AGREEMENT \$ 36,436.00

PLUS: CHARGES

Filing fees: \$
EASEMENT \$ 17.00
Fees to the Title Company: \$
Escrow Fee \$ 300.00
Courier \$ 6.75
Owner title policy \$ 453.00
Survey amendment for owner title policy \$ 67.95
DISCLOSURE REQUIRED BY ARTICLE 9.53, INSURANCE CODE. \$
78.14 TO FIRST AMERICAN TITLE INSURANCE COMPANY \$
442.81 TO REPUBLIC TITLE OF TEXAS, INC. \$
DISCLOSURE INCLUDES TITLE PREMIUMS PAID BY ALL PARTIES. \$
State of Texas Policy Guaranty Fee \$ 1.00
Tax Service to : DATA TRACE INFORMATION SERVICES \$ 60.08

TOTAL CHARGES \$ 905.78

GROSS AMOUNT DUE BY PURCHASER \$ 37,341.78

LESS: CREDITS

TOTAL CREDITS \$.00

BALANCE DUE BY PURCHASER \$ 37,341.78

Purchaser understands the Closing or Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof.

Purchaser understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes Closing or Escrow Agent to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

SEE SIGNATURE ADDENDUM ATTACHED.

REPUBLIC TITLE OF TEXAS, INC.

CLOSING OR ESCROW AGENT

ADDRESS

*Note: Interest on existing liens is figured to the date indicated. If not paid by then, additional interest will have to be collected and your statement will be adjusted to have sufficient funds to secure release from the lienholder.

**SIGNATURE ADDENDUM
TO PURCHASER'S CLOSING STATEMENT
GF NO. 02R05325 SJ7**

Seller: MINOL CENTER, L.P., a Texas limited Partnership

Purchaser: Town of Addison

Property: Easement over 1.7120 acre tract, more or less, out of G.W. Fisher
Survey Abstract No. 482, Town of Addison, Dallas County, Texas

Town of Addison

By: _____

Printed Name: _____

Printed Title: _____

**NOTE: TAXES ARE NOT BEING PRO-RATED SINCE THIS IS AN EASEMENT AND SELLER
REMAINS RESPONSIBLE FOR PAYING THE 2003 TAXES.**

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

April 2, 2004

Ms. Patricia A. Sherman Bruce, Esq.
Vice President
Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas, TX 75204-4064

**RE: Parcel 6 (Minol Center, L.P.), Addison Widening of Road Project
GF No. 02R05325/SJ7**

Dear Patricia:

Thank you for the updated Title Commitment (Commitment No. 005) for the above-referenced property. Please forward the necessary information and affidavits to Mike Quigley with Minol Center, obtain the necessary releases or partial releases of liens, and take whatever other steps are necessary to close this transaction. I appreciate your attention to this matter. If you need anything further from me, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angela K. Washington'.

Angela K. Washington

AKW/yjr

c: Mr. Mike Quigley
Minol Center
15280 Addison Road, Suite 100
Addison, TX 75001

Mr. Steve Chutchian, w/Addison
Mr. Ken C. Dippel, w/firm

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

March 16, 2004

Ms. Patricia A. Sherman Bruce, Esq.
Vice President
Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas, TX 75204-4064

**RE: Parcel 6 (Minol Center, L.P.), Addison Widening of Road Project
GF No. 02R05325/SJ7**

Dear Patricia:

Enclosed for purposes of recording in connection with the transaction concerning the above-referenced property is an original fully executed Easement Agreement. If you have any questions or need anything further, please give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c(w/Enc.): Mr. Steve Chutchian, w/Addison
(w/o Enc.) Mr. Ken C. Dippel, w/firm

EASEMENT AGREEMENT

This Agreement is made and entered into by and between Minol Center, L.P. ("Grantor"), and the Town of Addison, Texas (the "Town").

W I T N E S S E T H:

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town of Addison intends to construct an extension of Addison Road through the Town (the "Addison Road Extension Project"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire an exclusive and perpetual easement in, over, across, upon, under and through the Easement Property for street right-of-way and other public purposes in connection with the construction of the Addison Road Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Minol Center, L.P., and the Town of Addison agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement and right-of-way (the "Easement") in, over, across, upon, under and through the property described in Exhibit A and depicted on Exhibit B (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of Thirty Six Thousand Four Hundred Thirty Six and No/100 dollars (\$36,436.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit C, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, placement, installation, reconstruction, relocation, alteration, operation, use, inspection, maintenance, improvement, and modification of landscaping, irrigation, lighting, utility, sidewalk, or other parkway improvements, or for such other public purposes as the Town from time to time deems necessary, appropriate, or desirable in the Town's

sole discretion, with respect to the Project. The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the improvements within the Easement. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town in its sole discretion deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's sole determination, with the Easement, with the Project or with any improvements within the Easement. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, efficiency, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

C. Grantor, its successors and assigns, may fully use and enjoy the Easement Property, except that such use and enjoyment shall not hinder, conflict or interfere with the exercise of the Town's rights hereunder or with the safe and efficient operation of the Project.

4. **Warranty of Title.** TO HAVE AND TO HOLD the Easement, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easement and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property.

5. **Exclusiveness of Easement.** The easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

6. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

7. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this

Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

8. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

9. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this 20 day of January, 2003

GRANTOR:

Minol Center, L.P.

By: Minol Center Management, LLC, its General Partner

By: 

Mike Butler, Manager

Executed this 3 day of March, 2003

TOWN OF ADDISON

By: 

Ron Whitehead, City Manager

STATE OF TEXAS §
COUNTY OF DALLAS §

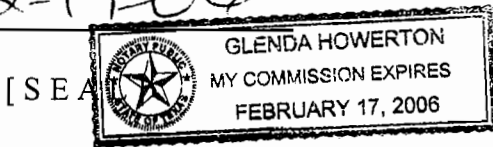
BEFORE ME, the undersigned notary public in and for said county and state, on this 20th day of January, 2003, personally appeared Mike Butler, Manager of Minol Center Management, LLC, General Partner of Minol Center L.P., a Texas Limited Partnership, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Glenda Howerton
Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

2-17-06

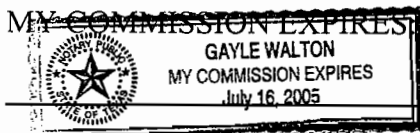


STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned notary public in and for said county and state, on this 4th day of March, 2003, personally appeared Ron Whitehead, City Manager for the Town of Addison, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Gayle Walton
Notary Public in and for the State of Texas



[SEAL]

TOWN OF ADDISON, TEXAS

FIELD NOTE DESCRIPTION
FOR
MINOL CENTER, L.P.
(PARKWAY EASEMENT)

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Minol Center, L.P., by a deed now of record in Volume 200042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

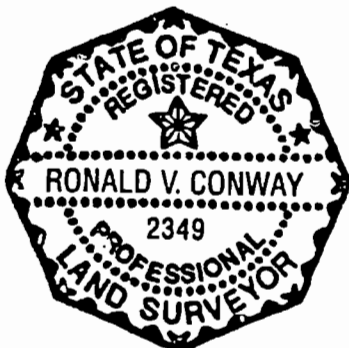
BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

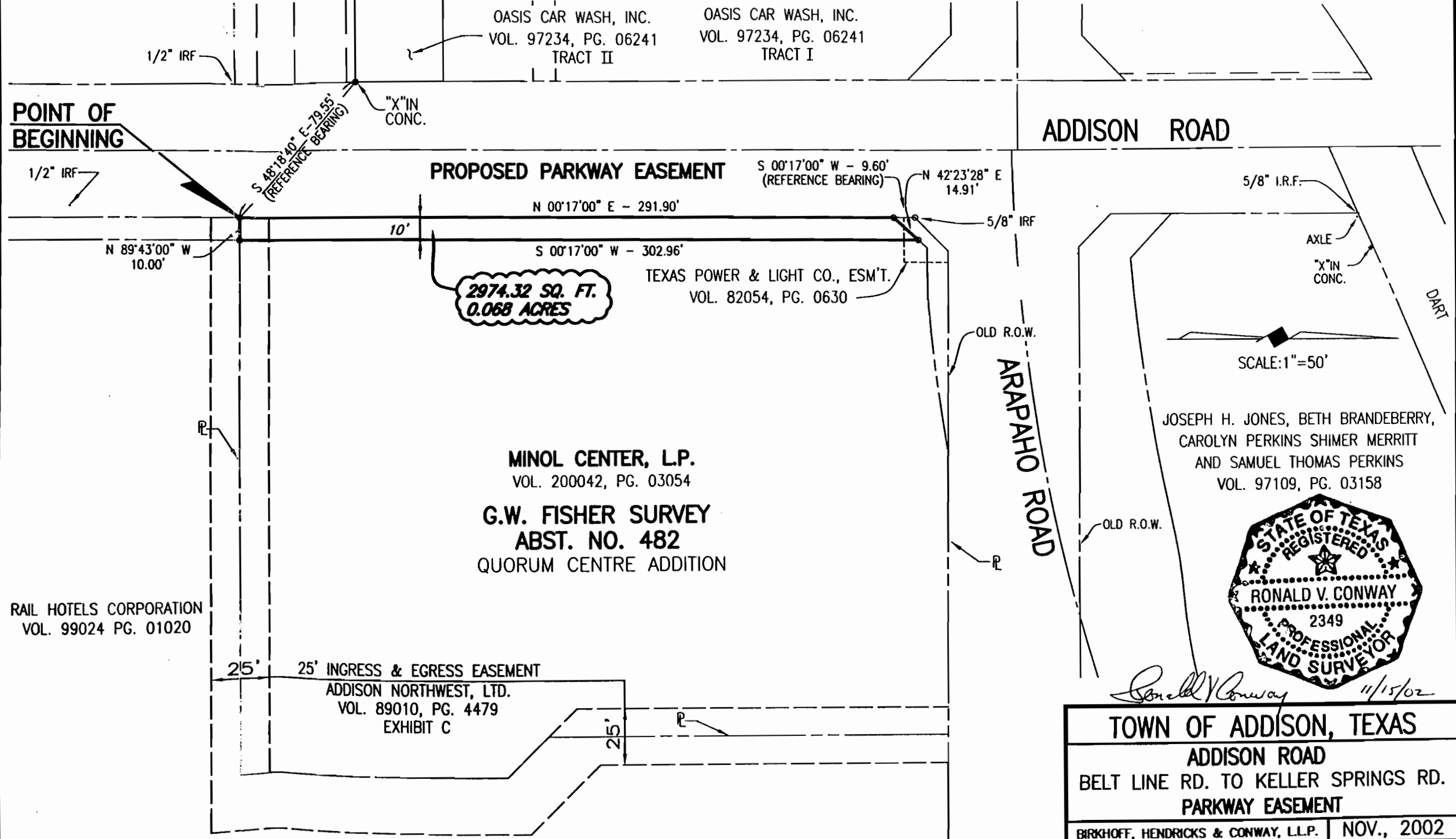
THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ronald V. Conway
11/15/02

11/15/02 JPO SCALE: 1=50 H:\PROJECTS\ADDISON\98143\PLATS\ADD-PLAT5E.DWG



5/8" I.R.F.

AXLE

"X" IN CONC.

DART

SCALE: 1"=50'

JOSEPH H. JONES, BETH BRANDEBERRY,
CAROLYN PERKINS SHIMER MERRITT
AND SAMUEL THOMAS PERKINS
VOL. 97109, PG. 03158

Ronald V. Conway 11/15/02

TOWN OF ADDISON, TEXAS
ADDISON ROAD
 BELT LINE RD. TO KELLER SPRINGS RD.
 PARKWAY EASEMENT

BIRKHOFF, HENDRICKS & CONWAY, L.L.P.
 CONSULTING ENGINEERS
 7502 GREYVILLE AVE., SUITE 220, DALLAS, TX, 75231, TELE. 214-361-7900

NOV., 2002
 PLAT 5E

EXHIBIT B

EXHIBIT C

TRACT I

BEING part of a tract of land situated in the G. W. Fisher Survey, Abstract No. 482, as recorded in Volume 3967, Page 367, Deed Records, Dallas County, Texas and said tract also being a part of Quorum Centre Addition, recorded in Volume 84067, Page 5718 of the Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING at an intersection point of the north right-of-way line of Belt Line Road (a 100' R.O.W.) with the east right-of-way line of Addison Road (a 60' R.O.W.); thence N 00 degrees 17 minutes 00 seconds E along said east right-of-way of Addison Road, 921.63 feet to an 'x' cut found for the POINT OF BEGINNING;

THENCE N 00 degrees 17 minutes 00 seconds E along said east right-of-way line of Addison Road, 301.50 feet to an iron rod set for corner;

THENCE N 45 degrees 18 minutes 19 seconds E along said right-of-way of Addison Road, 21.17 feet to an iron rod set for corner in the south right-of-way line of Arapaho Road (a 60' R.O.W.);

THENCE S 89 degrees 35 minutes 00 seconds E along said right-of-way line of Arapaho Road, 216.04 feet to an 'x' cut found for corner;

THENCE S 00 degrees 17 minutes 00 seconds W departing said right-of-way line, 177.97 feet to an 'x' cut found for corner;

THENCE S 44 degrees 43 minutes 00 seconds E, 25.44 feet to an iron rod set for corner;

THENCE S 00 degrees 17 minutes 00 seconds W, 120.00 feet to an iron rod found for corner;

THENCE N 89 degrees 43 minutes 00 seconds W, 249.00 feet to the POINT OF BEGINNING and CONTAINING 1.7277 (75,261 square feet) acres of land.

TRACT II

Easement Estate created pursuant to that certain Mutual Easement Agreement by and between ADDISON NORTHWEST, LTD. and FIRST INTERSTATE BANK OF TEXAS, N.A., dated December 15, 1988, recorded in Volume 89010, Page 4479, Real Property Records, Dallas County, Texas.

20042 03058

EASEMENT AGREEMENT

This Agreement is made and entered into by and between Minol Center, L.P. ("Grantor"), and the Town of Addison, Texas (the "Town").

W I T N E S S E T H:

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town of Addison intends to construct an extension of Addison Road through the Town (the "Addison Road Extension Project"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire an exclusive and perpetual easement in, over, across, upon, under and through the Easement Property for street right-of-way and other public purposes in connection with the construction of the Addison Road Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Minol Center, L.P., and the Town of Addison agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement and right-of-way (the "Easement") in, over, across, upon, under and through the property described in Exhibit A and depicted on Exhibit B (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of Thirty Six Thousand Four Hundred Thirty Six and No/100 dollars (\$36,436.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit C, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, placement, installation, reconstruction, relocation, alteration, operation, use, inspection, maintenance, improvement, and modification of landscaping, irrigation, lighting, utility, sidewalk, or other parkway improvements, or for such other public purposes as the Town from time to time deems necessary, appropriate, or desirable in the Town's

sole discretion, with respect to the Project. The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the improvements within the Easement. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town in its sole discretion deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's sole determination, with the Easement, with the Project or with any improvements within the Easement. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, efficiency, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

C. Grantor, its successors and assigns, may fully use and enjoy the Easement Property, except that such use and enjoyment shall not hinder, conflict or interfere with the exercise of the Town's rights hereunder or with the safe and efficient operation of the Project.

4. **Warranty of Title.** TO HAVE AND TO HOLD the Easement, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easement and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property.

5. **Exclusiveness of Easement.** The easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

6. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

7. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this

Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

8. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

9. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this 20 day of January, 2003

GRANTOR:

Minol Center, L.P.

By: Minol Center Management, LLC, its General Partner


By: _____


Mike Butler, Manager

Executed this 3 day of MARCH, 2003

TOWN OF ADDISON

By: _____


Ron Whitehead, City Manager

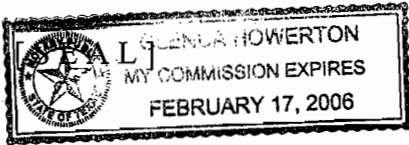
STATE OF TEXAS §
COUNTY OF DALLAS §

20th BEFORE ME, the undersigned notary public in and for said county and state, on this day of January, 2003, personally appeared Mike Butler, Manager of Minol Center Management, LLC, General Partner of Minol Center L.P., a Texas Limited Partnership, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Glenda Howerton
Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:
2-17-06

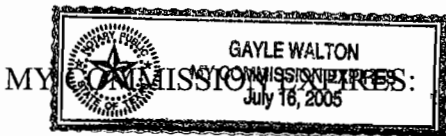


STATE OF TEXAS §
COUNTY OF DALLAS §

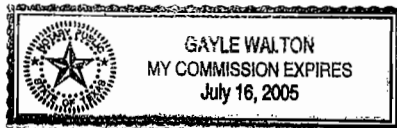
BEFORE ME, the undersigned notary public in and for said county and state, on this _____ day of _____, 2003, personally appeared Ron Whitehead, City Manager for the Town of Addison, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Gayle Walton
Notary Public in and for the State of Texas



[SEAL]



TOWN OF ADDISON, TEXAS

FIELD NOTE DESCRIPTION
FOR
MINOL CENTER, L.P.
(PARKWAY EASEMENT)

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Minol Center, L.P., by a deed now of record in Volume 200042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

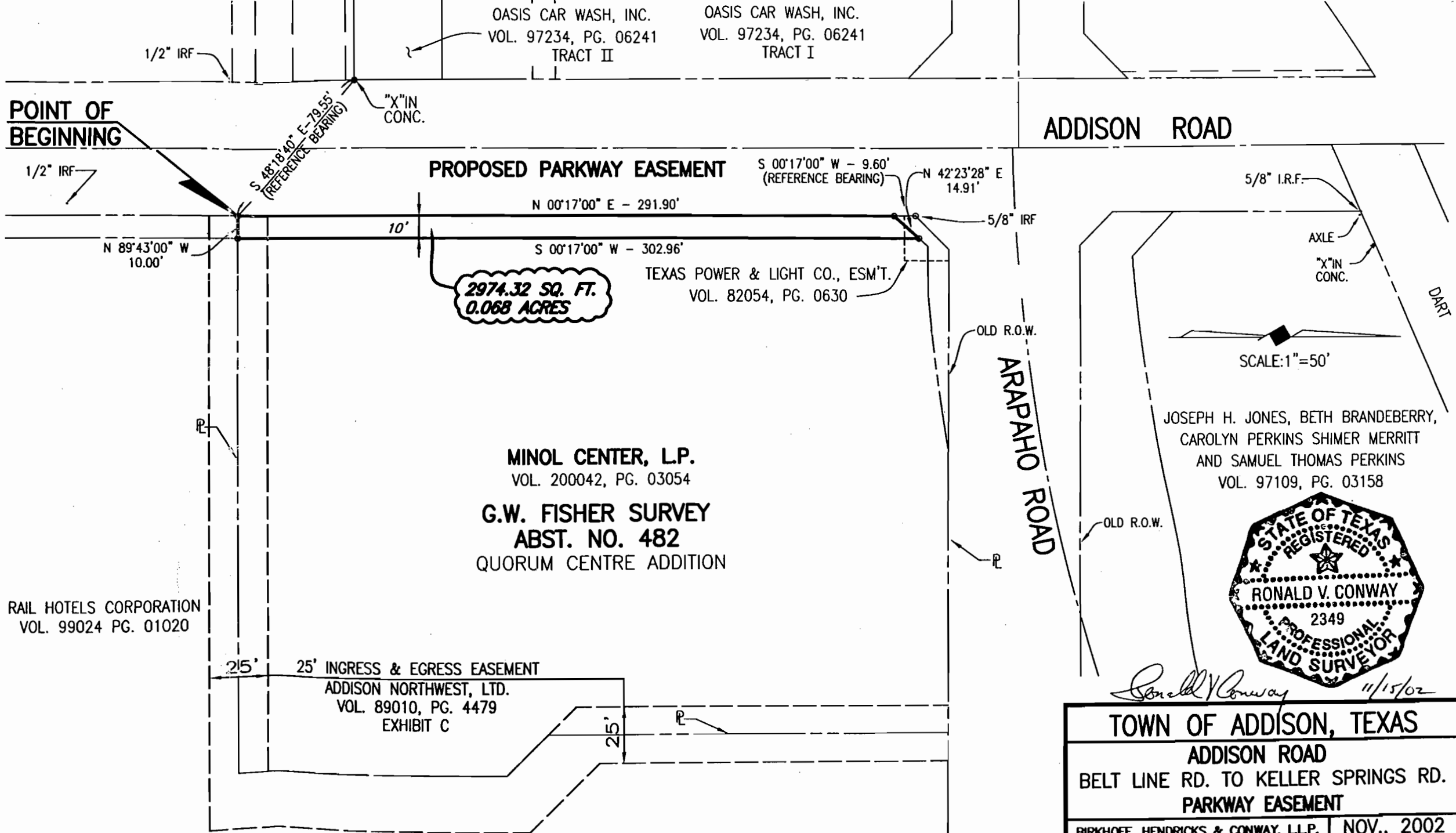
THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ronald V. Conway
11/15/02

11/15/02 JPO SCALE: 1=50 H:\PROJECTS\ADDISON\98143\PLATS\ADD-PLAT5E.DWG



RAIL HOTELS CORPORATION
VOL. 99024 PG. 01020

POINT OF BEGINNING

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT II

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT I

ADDISON ROAD

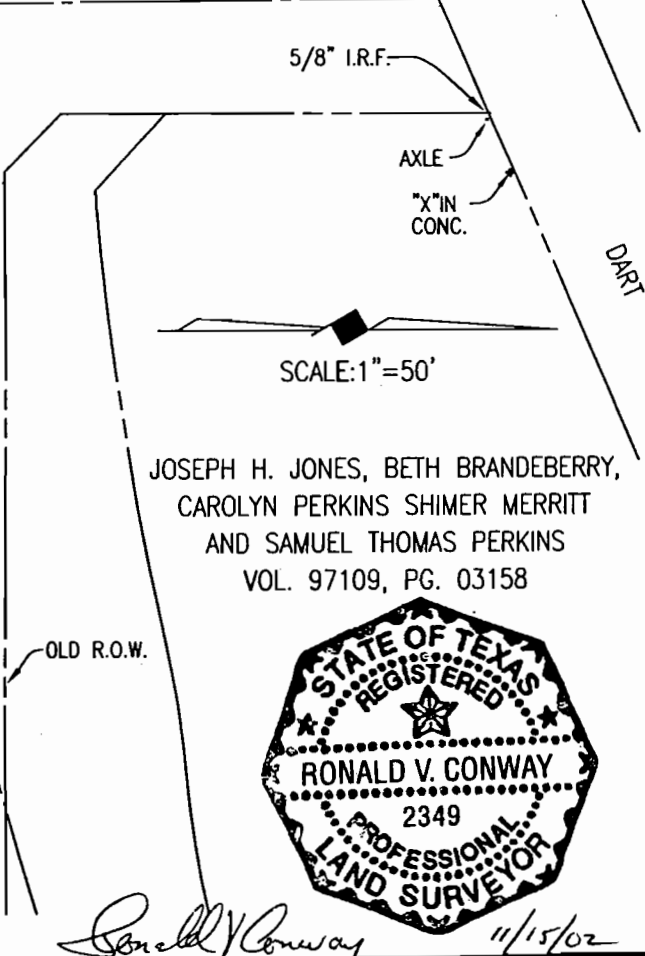
PROPOSED PARKWAY EASEMENT

2974.32 SQ. FT.
0.068 ACRES

TEXAS POWER & LIGHT CO., ESM'T.
VOL. 82054, PG. 0630

MINOL CENTER, L.P.
VOL. 200042, PG. 03054
G.W. FISHER SURVEY
ABST. NO. 482
QUORUM CENTRE ADDITION

ARAPAHO ROAD



JOSEPH H. JONES, BETH BRANDEBERRY,
CAROLYN PERKINS SHIMER MERRITT
AND SAMUEL THOMAS PERKINS
VOL. 97109, PG. 03158



| | |
|---|-----------------------|
| TOWN OF ADDISON, TEXAS | |
| ADDISON ROAD | |
| BELT LINE RD. TO KELLER SPRINGS RD. | |
| PARKWAY EASEMENT | |
| BIRKHOFF, HENDRICKS & CONWAY, L.L.P. CONSULTING ENGINEERS 7502 GREENVILLE AVE., SUITE 220, DALLAS, TX 75231, TELE. 214-361-7900 | NOV., 2002 PLAT 5E |

EXHIBIT B

EXHIBIT C

TRACT I

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20042 03058

25th
Anniversary
1978-2003

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

April 25, 2003

Ms. Patricia A. Sherman Bruce, Esq.
Vice President
Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas, TX 75204-4064

**RE: Parcel 6 (Minol MTR), Addison Road Extension Project
Your File No. 02R05325**

Dear Patricia:

As we discussed, please take whatever steps are necessary to complete the transaction for the Easement Agreement, which I forwarded to you on April 18, 2003, for the above-referenced property and obtain the Seller's Settlement Statement. I note that there are a number of liens on the property. We would like these and any other matters that would affect the title insurance cleared up prior to closing.

Also enclosed is an executed copy of your form requesting deletion of the arbitration provision. If you have any questions or need anything further, please give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c: Mr. Steve Chutchian
Mr. Ken C. Dippel

G.F. NO. 02R05325

POLICY NO. _____

DELETION OF ARBITRATION PROVISION
(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$1,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the Closing of your real estate transaction or by writing to the Company.

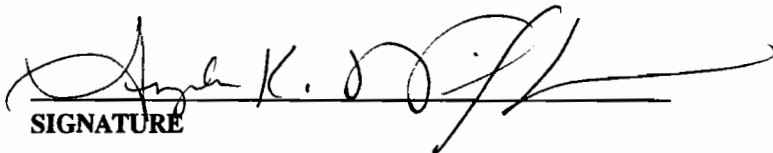
The arbitration provision in the Policy is as follows:

"Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this Policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less **SHALL BE** arbitrated at the request of either the Company or the Insured, unless the Insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the Rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The Law of the situs of the land shall apply to any arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request."

I request deletion of the Arbitration provision.


SIGNATURE

4/25/03
DATE

RESOLUTION NO. R03-029

A RESOLUTION BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING THE CITY MANAGER TO PURCHASE A 0.068 ACRE TRACT OF LAND (LOCATED GENERALLY AT 15280 ADDISON ROAD) FOR PERMANENT RIGHT-OF-WAY.

WHEREAS, the proposed Addison Road Extension Project is currently underway, which includes right-of-way acquisitions; and,

WHEREAS, a tract of land approximately 0.068 acres in size is required for permanent right-of-way adjacent to the proposed extension of Addison Road; and,

WHEREAS, the owner of said tract, has agreed to sell it to the Town for \$36,436.00; now therefore,

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

Section 1. That the City Council has determined that \$36,436.00 is reasonable compensation for the land to be acquired and all damages to the property remaining, and does hereby authorize the City Manager to acquire the 0.068 acre tract of land (located generally at 15280 Addison Road) for permanent right-of-way for the extension of Addison Road.

Section 2. That the City Finance Director be and is hereby authorized to draw a check in favor of Minol Center, L.P., or the current owner of record, in the amount of \$36,436.00.

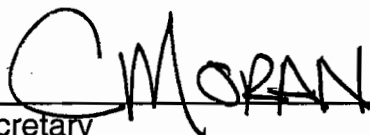
Section 3. That this Resolution shall take effect immediately from and after its passage.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS,
this the 3rd day of March 2003.



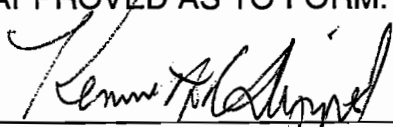
Mayor

ATTEST:



City Secretary

APPROVED AS TO FORM:



Ken C. Dippel, City Attorney

*Passed
03-03-03*

#R11-1

Council Agenda Item *#R11*

SUMMARY:

This item is for consideration and approval of a resolution authorizing the City Manager to purchase a 0.068 acre tract of land for permanent right-of-way from Minol Center, L.P., generally located at 15280 Addison Road.

FINANCIAL IMPACT:

Budgeted Amount: N/A

Appraised Value: \$18,590.00

Source of Funds: \$2,500,000 was funded from General Obligation Bonds. An additional \$1,300,000 was programmed from DART LAP/CMS funds.

BACKGROUND:

The easement acquisition process is currently underway on the proposed Addison Road Widening, Phase I project. Approximately 0.068 acre of Parkway Easement adjacent to the proposed widening of Addison Road (see attached parcel map) is required for the purpose of constructing landscaping, irrigation and sidewalk improvements. This parcel is a portion of the Quorum Centre Addition, and is owned by Minol Center L.P.

The property owner previously received a copy of the appraisal from the Town, with a total compensation value of \$18,590.00 (see attached Summary of Salient Facts) for the parkway easement. On August 1, 2002, staff received a counter offer response from the owner, in the amount of \$36,436.00 (see attached letter). This total represents an increase of \$17,846.00.

RECOMMENDATION:

It is recommended that Council approve a resolution that authorizes the City Manager to purchase a 0.068 acre tract of land for permanent right-of-way from Minol Center, L.P., in the amount of \$36,436.00, generally located at 15280 Addison Road.

#R11-2

EASEMENT AGREEMENT

This Agreement is made and entered into by and between Minol Center, L.P. ("Grantor"), and the Town of Addison, Texas (the "Town").

WITNESSETH:

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town of Addison intends to construct an extension of Addison Road through the Town (the "Addison Road Extension Project"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire an exclusive and perpetual easement in, over, across, upon, under and through the Easement Property for street right-of-way and other public purposes in connection with the construction of the Addison Road Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Minol Center, L.P., and the Town of Addison agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by theses presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement and right-of-way (the "Easement") in, over, across, upon, under and through the property described in Exhibit A and depicted on Exhibit B (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of Thirty Six Thousand Four Hundred Thirty Six and No/100 dollars (\$36,436.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit C, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, placement, installation, reconstruction, relocation, alteration, operation, use, inspection, maintenance, improvement, and modification of landscaping, irrigation, lighting, utility, sidewalk, or other parkway improvements, or for such other public purposes as the Town from time to time deems necessary, appropriate, or desirable in the Town's

sole discretion, with respect to the Project. The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the improvements within the Easement. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town in its sole discretion deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's sole determination, with the Easement, with the Project or with any improvements within the Easement. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, efficiency, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

C. Grantor, its successors and assigns, may fully use and enjoy the Easement Property, except that such use and enjoyment shall not hinder, conflict or interfere with the exercise of the Town's rights hereunder or with the safe and efficient operation of the Project.

4. **Warranty of Title.** TO HAVE AND TO HOLD the Easement, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easement and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property.

5. **Exclusiveness of Easement.** The easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

6. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

7. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this

Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

8. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

9. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this 20 day of January, 2003

GRANTOR:

Minol Center, L.P.

By: Minol Center Management, LLC, its General Partner

By: 
Mike Butler, Manager

Executed this _____ day of _____, 2003

TOWN OF ADDISON

By: _____
Ron Whitehead, City Manager

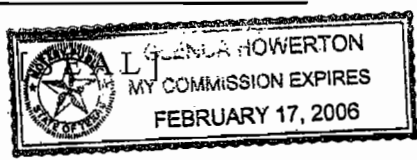
STATE OF TEXAS §
COUNTY OF DALLAS §

20th BEFORE ME, the undersigned notary public in and for said county and state, on this day of January, 2003, personally appeared Mike Butler, Manager of Minol Center Management, LLC, General Partner of Minol Center L.P., a Texas Limited Partnership, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Glenda Howerton
Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:
2-17-06



STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned notary public in and for said county and state, on this _____ day of _____, 2003, personally appeared Ron Whitehead, City Manager for the Town of Addison, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

[SEAL]

EXHIBIT A

11/15/2002

R11-3

TOWN OF ADDISON, TEXAS

FIELD NOTE DESCRIPTION
FOR
MINOL CENTER, L.P.
(PARKWAY EASEMENT)

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Minol Center, L.P., by a deed now of record in Volume 200042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

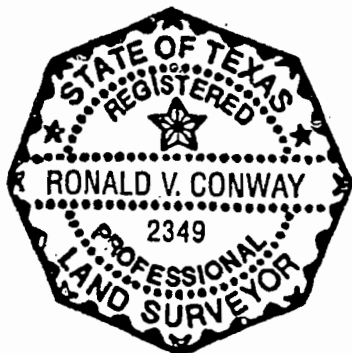
BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

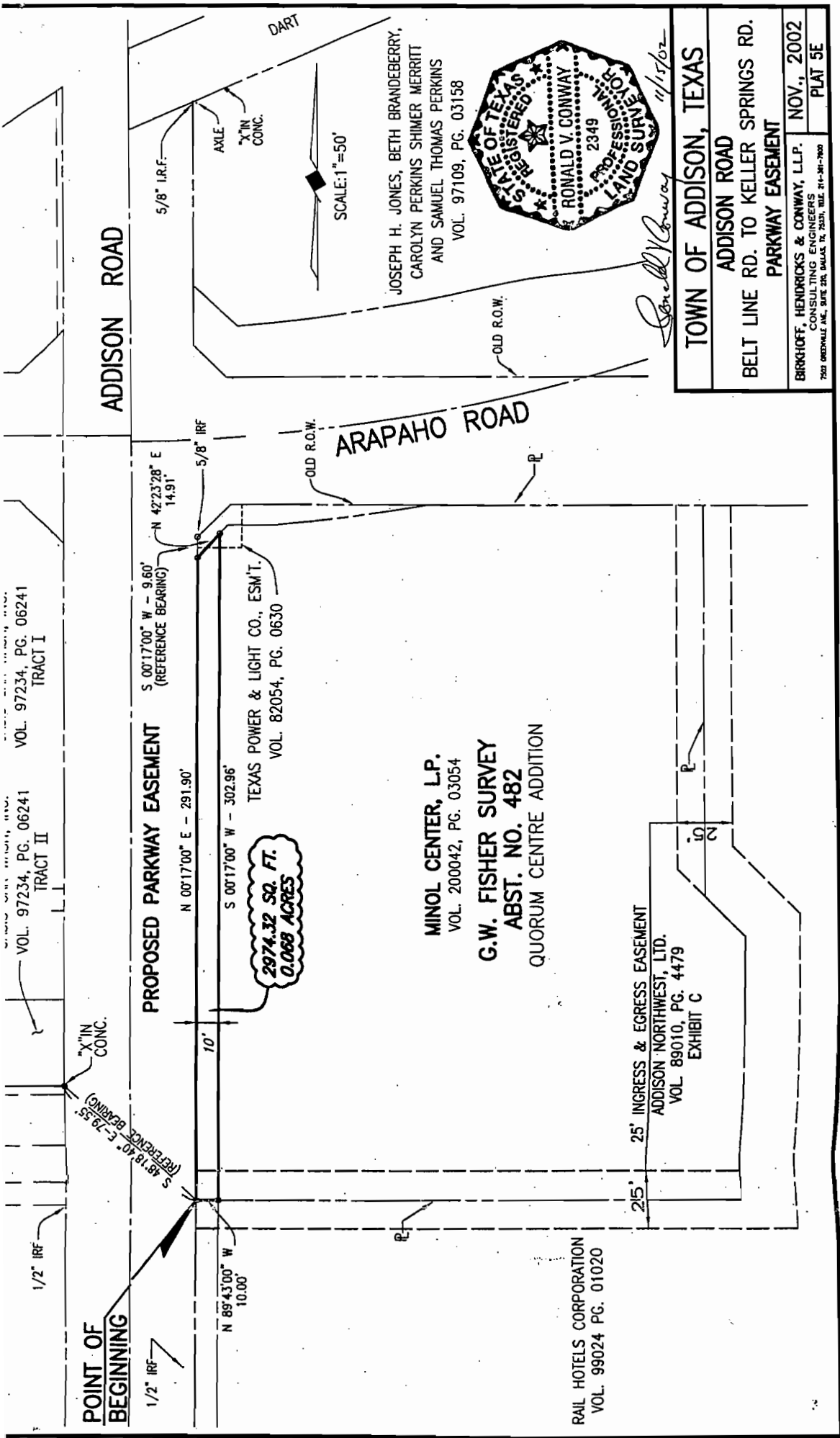
THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ronald V. Conway
11/15/02

EXHIBIT B



TOWN OF ADDISON, TEXAS
ADDISON ROAD
PARKWAY EASEMENT
 BELT LINE RD. TO KELLER SPRINGS RD.

BIRKHOFF, HENDRICKS & CONWAY, L.L.P.
 CONSULTING ENGINEERS
 7503 ORCHHALL AVE., SUITE 200, DALLAS, TX 75231, TEL. 817-341-7000

NOV., 2002
PLAT 5E

EXHIBIT C

TRACT I

BEING part of a tract of land situated in the G. W. Fisher Survey, Abstract No. 482, as recorded in Volume 3967, Page 367, Deed Records, Dallas County, Texas and said tract also being a part of Quorum Centre Addition, recorded in Volume 84067, Page 5718 of the Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING at an intersection point of the north right-of-way line of Belt Line Road (a 100' R.O.W.) with the east right-of-way line of Addison Road (a 60' R.O.W.); thence N 00 degrees 17 minutes 00 seconds E along said east right-of-way of Addison Road, 921.63 feet to an 'x' cut found for the POINT OF BEGINNING;

THENCE N 00 degrees 17 minutes 00 seconds E along said east right-of-way line of Addison Road, 301.50 feet to an iron rod set for corner;

THENCE N 45 degrees 18 minutes 19 seconds E along said right-of-way of Addison Road, 21.17 feet to an iron rod set for corner in the south right-of-way line of Arapaho Road (a 60' R.O.W.);

THENCE S 89 degrees 35 minutes 00 seconds E along said right-of-way line of Arapaho Road, 216.04 feet to an 'x' cut found for corner;

THENCE S 00 degrees 17 minutes 00 seconds W departing said right-of-way line, 177.97 feet to an 'x' cut found for corner;

THENCE S 44 degrees 43 minutes 00 seconds E, 25.44 feet to an iron rod set for corner;

THENCE S 00 degrees 17 minutes 00 seconds W, 120.00 feet to an iron rod found for corner;

THENCE N 89 degrees 43 minutes 00 seconds W, 249.00 feet to the POINT OF BEGINNING and CONTAINING 1.7277 (75,261 square feet) acres of land.

TRACT II

Easement Estate created pursuant to that certain Mutual Easement Agreement by and between ADDISON NORTHWEST, LTD. and FIRST INTERSTATE BANK OF TEXAS, N.A., dated December 15, 1988, recorded in Volume 89010, Page 4479, Real Property Records, Dallas County, Texas.

20042 03058

#R11-4

SUMMARY OF SALIENT FACTS

**A Parkway Easement Acquisition at the SE/c of Intersection of Addison Road/Arapaho Road
Minol MTR - Owner
Addison, Texas**

Date of the Appraisal: March 4, 2002

Value Estimated: Market Value - Just Compensation

Property Rights Appraised: Fee Simple & Easement

Property Appraised: A ±1.712 Acre tract improved with a 3 story office facility, located at the SE/c of Addison Rd. & Arapaho Rd., Addison, Texas.

Property Zoned: C; Commercial

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

Estimates of Fee Simple Value:

Whole Property

| | |
|--------------------------------|--------------------|
| Land Value (Sales Comparison): | \$ 894,900 |
| Cost Approach: | \$6,154,505 |
| Income Approach: | \$6,197,619 |
| Sales Comparison Approach: | \$ N/A |
| Whole Property: | \$6,200,000 |

Part Taken:

| | |
|-----------------------------------|-------------|
| Parkway easement | \$ 18,590 |
| <u>Remainder Before the Take:</u> | \$6,181,409 |
| <u>Remainder After the Take:</u> | \$6,200,000 |

Final Value Estimate: JUST COMPENSATION \$ 18,590



#R11-5

August 1, 2002

Mr. Patrick Haggerty
Hipes & Associates
7557 Rambler Road
Suite 260, LB 25
Dallas, Texas 75231

Re: Minol Center Property
Parkway Easement Acquisition

Dear Mr. Haggerty:

We have received and reviewed your appraisal of our property value regarding the required Town of Addison Parkway Easement Acquisition. We are in agreement with the three valuation methods used to determine an overall \$12.00 per square foot valuation. However, we are not in agreement that this valuation should be factored down by 50%.

Our counter proposal for the value of the easement would be \$12.00 per square foot or \$35,692 plus the \$744 sprinkler allowance for a total of \$36,436. We have a high regard for the Town of Addison and we are very much in agreement with the plans for widening Addison Road. We have no intention of getting into an adversarial conflict with the City. However, we consider our counter offer to be fair and equitable compensation for the Easement.

We appreciate your consideration of our proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Quigley".

Mike Quigley

#R11-6

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING THE CITY MANAGER TO PURCHASE A 0.068 ACRE TRACT OF LAND (LOCATED GENERALLY AT 15280 ADDISON ROAD) FOR PERMANENT RIGHT-OF-WAY.

WHEREAS, the proposed Addison Road Extension Project is currently underway, which includes right-of-way acquisitions; and

WHEREAS, a tract of land approximately 0.068 acres in size is required for permanent right-of-way adjacent to the proposed extension of Addison Road; and

WHEREAS, the owner of said tract, has agreed to sell it to the Town for \$36,436.00; Now, Therefore,

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

Section 1. That the City Council has determined that \$36,436.00 is reasonable compensation for the land to be acquired and all damages to the property remaining, and does hereby authorize the City Manager to acquire the 0.068 acre tract of land (located generally at 15280 Addison Road) for permanent right-of-way for the extension of Addison Road.

Section 2. That the City Finance Director be and is hereby authorized to draw a check in favor of Minol Center, L.P., or the current owner of record, in the amount of \$36,436.00.

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

PASSED AND APPROVED by the City Council of the Town of Addison this 10th day of September 2002.

Mayor

ATTEST:

Carmen Moran, City Secretary

APROVED AS TO FORM:

Ken C. Dippel, City Attorney

DATE SUBMITTED: February 17, 2003
FOR COUNCIL MEETING: February 25, 2003

OK
JJP

Council Agenda Item

SUMMARY:

This item is for consideration and approval of a resolution authorizing the City Manager to purchase a 0.068 acre tract of land for permanent right-of-way from Minol Center, L.P., generally located at 15280 Addison Road.

FINANCIAL IMPACT:

Budgeted Amount: N/A

Appraised Value: \$18,590.00

Source of Funds: \$2,500,000 was funded from General Obligation Bonds. An additional \$1,300,000 was programmed from DART LAP/CMS funds.

BACKGROUND:

The easement acquisition process is currently underway on the proposed Addison Road Widening, Phase I project. Approximately 0.068 acre of Parkway Easement adjacent to the proposed widening of Addison Road (see attached parcel map) is required for the purpose of constructing landscaping, irrigation and sidewalk improvements. This parcel is a portion of the Quorum Centre Addition, and is owned by Minol Center L.P.

The property owner previously received a copy of the appraisal from the Town, with a total compensation value of \$18,590.00 (see attached Summary of Salient Facts) for the parkway easement. On August 1, 2002, staff received a counter offer response from the owner, in the amount of \$36,436.00 (see attached letter). This total represents an increase of \$17,846.00.

RECOMMENDATION:

It is recommended that Council approve a resolution that authorizes the City Manager to purchase a 0.068 acre tract of land for permanent right-of-way from Minol Center, L.P., in the amount of \$36,436.00, generally located at 15280 Addison Road.

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING THE CITY MANAGER TO PURCHASE A 0.068 ACRE TRACT OF LAND (LOCATED GENERALLY AT 15280 ADDISON ROAD) FOR PERMANENT RIGHT-OF-WAY.

WHEREAS, the proposed Addison Road Extension Project is currently underway, which includes right-of-way acquisitions; and

WHEREAS, a tract of land approximately 0.068 acres in size is required for permanent right-of-way adjacent to the proposed extension of Addison Road; and

WHEREAS, the owner of said tract, has agreed to sell it to the Town for \$36,436.00; Now, Therefore,

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

Section 1. That the City Council has determined that \$36,436.00 is reasonable compensation for the land to be acquired and all damages to the property remaining, and does hereby authorize the City Manager to acquire the 0.068 acre tract of land (located generally at 15280 Addison Road) for permanent right-of-way for the extension of Addison Road.

Section 2. That the City Finance Director be and is hereby authorized to draw a check in favor of Minol Center, L.P., or the current owner of record, in the amount of \$36,436.00.

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

PASSED AND APPROVED by the City Council of the Town of Addison this 10th day of September 2002.

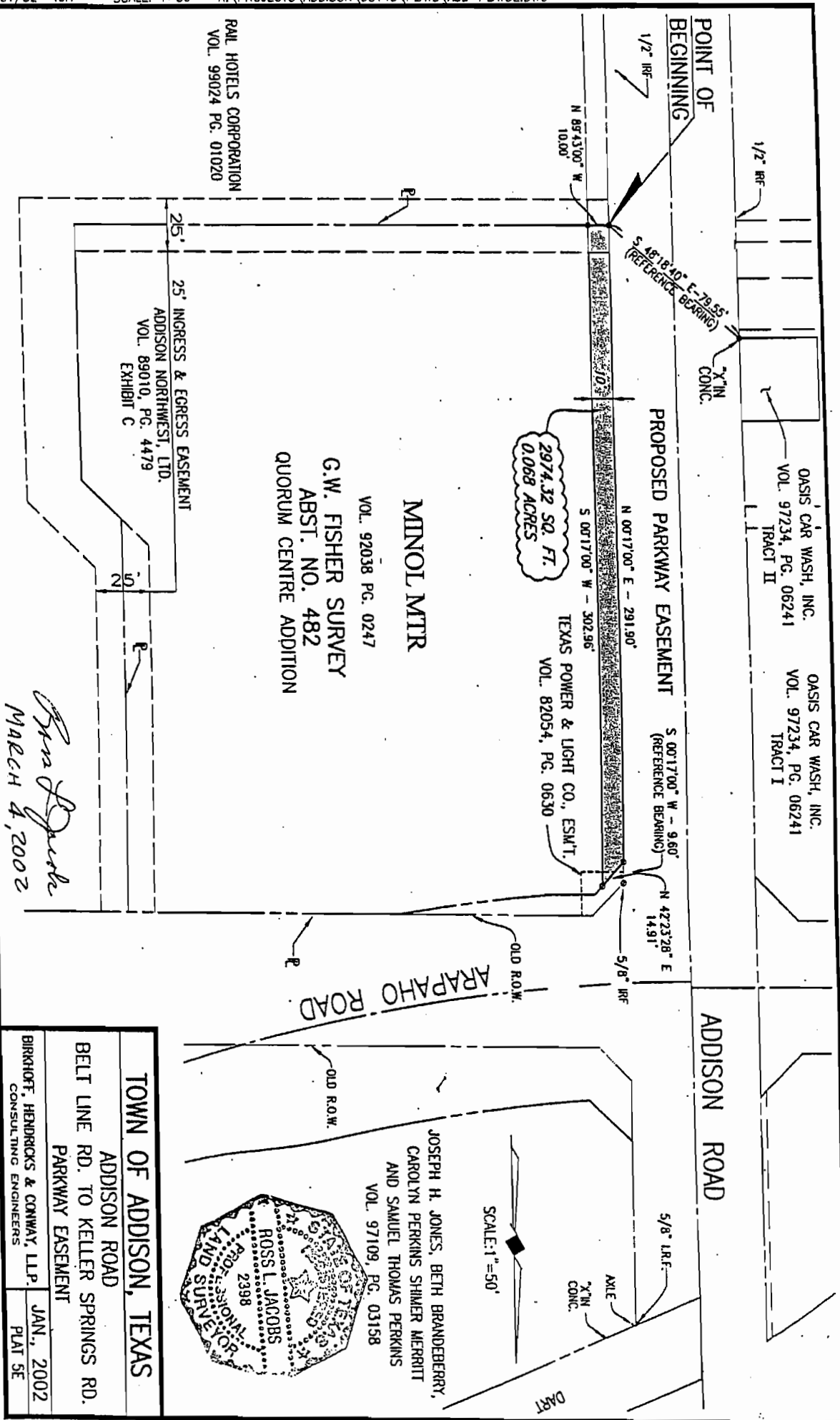
Mayor

ATTEST:

Carmen Moran, City Secretary

APPROVED AS TO FORM:

Ken C. Dippel, City Attorney



MINOL MTR
 VOL. 92038 PG. 0247
 G.W. FISHER SURVEY
 ABST. NO. 482
 QUORUM CENTRE ADDITION

Brian D. Jacobs
 MARCH 4, 2002

TOWN OF ADDISON, TEXAS
 ADDISON ROAD
 BELT LINE RD. TO KELLER SPRINGS RD.
 PARKWAY EASEMENT
 BIRKHOFF, HENDRICKS & CONWAY, LLP.
 CONSULTING ENGINEERS
 JAN., 2002
 PLAT 5E

SUMMARY OF SALIENT FACTS

**A Parkway Easement Acquisition at the SE/c of Intersection of Addison Road/Arapaho Road
Minol MTR - Owner
Addison, Texas**

Date of the Appraisal: March 4, 2002

Value Estimated: Market Value - Just Compensation

Property Rights Appraised: Fee Simple & Easement

Property Appraised: A ±1.712 Acre tract improved with a 3 story office facility, located at the SE/c of Addison Rd. & Arapaho Rd., Addison, Texas.

Property Zoned: C; Commercial

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

Estimates of Fee Simple Value:

Whole Property

| | |
|--------------------------------|--------------------|
| Land Value (Sales Comparison): | \$ 894,900 |
| Cost Approach: | \$6,154,505 |
| Income Approach: | \$6,197,619 |
| Sales Comparison Approach: | \$ N/A |
| Whole Property: | \$6,200,000 |

Part Taken:

| | |
|------------------|-----------|
| Parkway easement | \$ 18,590 |
|------------------|-----------|

| | |
|-----------------------------------|-------------|
| <u>Remainder Before the Take:</u> | \$6,181,409 |
|-----------------------------------|-------------|

| | |
|----------------------------------|-------------|
| <u>Remainder After the Take:</u> | \$6,200,000 |
|----------------------------------|-------------|

| | |
|--|------------------|
| Final Value Estimate: JUST COMPENSATION | \$ 18,590 |
|--|------------------|



August 1, 2002

Mr. Patrick Haggerty
Hipes & Associates
7557 Rambler Road
Suite 260, LB 25
Dallas, Texas 75231

Re: Minol Center Property
Parkway Easement Acquisition

Dear Mr. Haggerty:

We have received and reviewed your appraisal of our property value regarding the required Town of Addison Parkway Easement Acquisition. We are in agreement with the three valuation methods used to determine an overall \$12.00 per square foot valuation. However, we are not in agreement that this valuation should be factored down by 50%.

Our counter proposal for the value of the easement would be \$12.00 per square foot or \$35,692 plus the \$744 sprinkler allowance for a total of \$36,436. We have a high regard for the Town of Addison and we are very much in agreement with the plans for widening Addison Road. We have no intention of getting into an adversarial conflict with the City. However, we consider our counter offer to be fair and equitable compensation for the Easement.

We appreciate your consideration of our proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Quigley".

Mike Quigley

25th
Anniversary
1978-2003

COWLES & THOMPSON

A Professional Corporation
ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

January 30, 2003

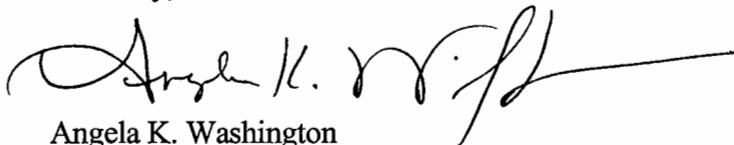
Mr. Steve Chutchian
Assistant City Engineer
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Parcel 6, (Minol MTR), Addison Road Extension Project

Dear Steve:

Enclosed are three (3) executed originals of the Easement Agreement for the above-referenced property. Once I review the Resolution that you are forwarding, I will let you know whether or not this should be scheduled on a council agenda prior to execution by the City Manager. In addition, as we discussed, we will need to clear up any issues of concern listed on the title commitment prior to closing. Should you have any questions, please give me a call.

Sincerely,



Angela K. Washington

AKW/yjr
Enclosures

c(w/o Enclosures): Mr. Mike Murphy
Mr. Kenneth C. Dippel, w/firm

901 MAIN STREET SUITE 4000 DALLAS, TEXAS 75202-3793
TEL 214.672.2000 FAX 214.672.2020
WWW.COWLESTHOMPSON.COM

DALLAS TYLER

Document #: 1037939

DATE SUBMITTED: September 3, 2002
FOR COUNCIL MEETING: September 10, 2002

Council Agenda Item

SUMMARY:

This item ~~is~~ is for consideration and approval of a resolution authorizing the City Manager to purchase a 0.068 acre tract of land, located generally at 15280 Addison Road in the Quorum Centre Addition, for permanent right-of-way~~accept a counter-offer submitted by Minol MTR, in the amount of \$36,436.00, for acquisition of a Parkway Easement located in the Quorum Centre Addition.~~

FINANCIAL IMPACT:

Budgeted Amount: N/A

Appraised Value: \$18,590.00

Source of Funds: \$2,500,000 was funded from General Obligation Bonds. An additional \$1,300,000 was programmed from DART LAP/CMS funds.

BACKGROUND:

The right-of-way acquisition process is currently underway on the proposed Addison Road Widening, Phase I project. Approximately 0.068 acre of Parkway Easement adjacent to the proposed widening of Addison Road (see attached parcel map) is required for the purpose of constructing landscaping, irrigation and sidewalk improvements. This parcel is a portion of the Quorum Centre Addition, and is owned by ~~Minol MTR~~ Center LP.

The property owner previously received a copy of the appraisal from the Town, with a total compensation value of \$18,590.00 (see attached Summary of Salient Facts) for the parkway easement. On August 1, 2002, staff received a counter offer response from the owner, in the amount of \$36,436.00 (see attached letter). This total represents an increase of \$17,846.00.

RECOMMENDATION:

It is recommended that Council approve a resolution ~~that authorizes~~ authorizing the City Manager to purchase a 0.068 acre tract of land, located generally at 15280 Addison Road in the Quorum Centre Addition, for an~~accept the counter-offer of Minol MTR, in the amount of~~ not to exceed \$36,436.00, for the acquisition of 0.068 acre of Parkway Easement from the Quorum Centre Addition.

DATE SUBMITTED: September 3, 2002
FOR COUNCIL MEETING: September 10, 2002

Council Agenda Item

SUMMARY:

This item is for consideration and approval of a resolution authorizing the City Manager to accept a counter-offer submitted by Minol MTR, in the amount of \$36,436.00, for acquisition of a Parkway Easement located in the Quorum Centre Addition.

FINANCIAL IMPACT:

Budgeted Amount: N/A

Appraised Value: \$18,590.00

Source of Funds: \$2,500,000 was funded from General Obligation Bonds. An additional \$1,300,000 was programmed from DART LAP/CMS funds.

BACKGROUND:

The right-of-way acquisition process is currently underway on the proposed Addison Road Widening, Phase I project. Approximately 0.068 acre of Parkway Easement adjacent to the proposed widening of Addison Road (see attached parcel map) is required for the purpose of constructing landscaping, irrigation and sidewalk improvements. This parcel is a portion of the Quorum Centre Addition, and is owned by Minol Mtr.

The property owner previously received a copy of the appraisal from the Town, with a total compensation value of \$18,590.00 (see attached Summary of Salient Facts) for the parkway easement. On August 1, 2002, staff received a counter offer response from the owner, in the amount of \$36,436.00 (see attached letter). This total represents an increase of \$17,846.00.

RECOMMENDATION:

It is recommended that Council approve a resolution that authorizes the City Manager to accept the counter-offer of Minol MTR, in the amount of \$36,436.00, for the acquisition of 0.068 acre of Parkway Easement from the Quorum Centre Addition.

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

November 20, 2002

Mr. Mike Quigley
Minol Center
15280 Addison Road, Suite 100
Addison, TX 75001

RE: Parkway Easement – 15280 Addison Road

Dear Mr. Quigley:

As we discussed, enclosed for your review and comment are three copies of a draft agreement for the above-referenced easement. If the document meets with your satisfaction, please have all copies of the document executed by Mr. Butler or other appropriate party authorized to convey property for Minol Center Management, LLC and return them to me no later than December 2, 2002. We will then have all copies executed by the Town of Addison's City Manager Ron Whitehead and take the necessary steps to complete this transaction. If the language of the agreement does not meet with your satisfaction, please give me a call to discuss.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosures

c(w/Enclosures): Mr. Mike Murphy
Mr. Steve Chutchian
Mr. Ken Dippel, w/firm

EASEMENT AGREEMENT

This Agreement is made and entered into by and between Minol Center, L.P. ("Grantor"), and the Town of Addison, Texas (the "Town").

WITNESSETH:

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town of Addison intends to construct an extension of Addison Road through the Town (the "Addison Road Extension Project"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire an exclusive and perpetual easement in, over, across, upon, under and through the Easement Property for street right-of-way and other public purposes in connection with the construction of the Addison Road Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Minol Center, L.P., and the Town of Addison agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by theses presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement and right-of-way (the "Easement") in, over, across, upon, under and through the property described in Exhibit A and depicted on Exhibit B (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of Thirty Six Thousand Four Hundred Thirty Six and No/100 dollars (\$36,436.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit C, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, placement, installation, reconstruction, relocation, alteration, operation, use, inspection, maintenance, improvement, and modification of landscaping, irrigation, lighting, utility, sidewalk, or other parkway improvements, or for such other public purposes as the Town from time to time deems necessary, appropriate, or desirable in the Town's

sole discretion, with respect to the Project. The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the improvements within the Easement. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town in its sole discretion deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's sole determination, with the Easement, with the Project or with any improvements within the Easement. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, efficiency, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

C. Grantor, its successors and assigns, may fully use and enjoy the Easement Property, except that such use and enjoyment shall not hinder, conflict or interfere with the exercise of the Town's rights hereunder or with the safe and efficient operation of the Project.

4. Warranty of Title. TO HAVE AND TO HOLD the Easement, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easement and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property.

5. Exclusiveness of Easement. The easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

6. Governing Law; Venue. In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

7. Entire Agreement. This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this

Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

8. **Authority.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

9. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this _____ day of _____, 2002

GRANTOR:

Minol Center, L.P.

By: Minol Center Management, LLC, its General Partner

By: _____
Mike Butler, Manager

Executed this _____ day of _____, 2002

TOWN OF ADDISON

By: _____
Ron Whitehead, City Manager

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned notary public in and for said county and state, on this _____ day of _____, 2002, personally appeared Mike Butler, Manager of Minol Center Management, LLC, General Partner of Minol Center L.P., a Texas Limited Partnership, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

[S E A L]

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned notary public in and for said county and state, on this _____ day of _____, 2002, personally appeared Ron Whitehead, City Manager for the Town of Addison, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

[S E A L]

TOWN OF ADDISON, TEXAS

**FIELD NOTE DESCRIPTION
FOR
MINOL CENTER, L.P.
(PARKWAY EASEMENT)**

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Minol Center, L.P., by a deed now of record in Volume 200042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

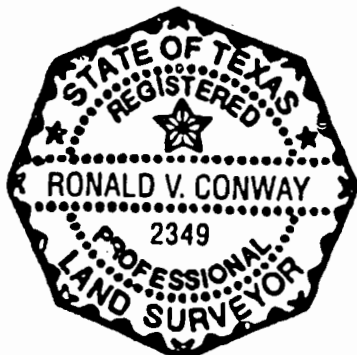
BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ronald V. Conway
11/15/02

1/2" IRF

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT II

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT I

POINT OF BEGINNING

ADDISON ROAD

PROPOSED PARKWAY EASEMENT

S 00°17'00" W - 9.60'
(REFERENCE BEARING)

N 42°23'28" E
14.91'

N 00°17'00" E - 291.90'

5/8" I.R.F.

1/2" IRF

S 48°18'40" E - 79.55'
(REFERENCE BEARING)

"X" IN CONC.

N 89°43'00" W
10.00'

S 00°17'00" W - 302.96'

2974.32 SQ. FT.
0.068 ACRES

TEXAS POWER & LIGHT CO., ESM'T.
VOL. 82054, PG. 0630

5/8" IRF

AXLE
"X" IN CONC.

DART

SCALE: 1" = 50'

JOSEPH H. JONES, BETH BRANDEBERRY,
CAROLYN PERKINS SHIMER MERRITT
AND SAMUEL THOMAS PERKINS
VOL. 97109, PG. 03158

MINOL CENTER, L.P.
VOL. 200042, PG. 03054

G.W. FISHER SURVEY
ABST. NO. 482
QUORUM CENTRE ADDITION

ARAPAHO ROAD

OLD R.O.W.

RAIL HOTELS CORPORATION
VOL. 99024 PG. 01020

25' INGRESS & EGRESS EASEMENT
ADDISON NORTHWEST, LTD.
VOL. 89010, PG. 4479
EXHIBIT C



Ronald V. Conway 11/15/02

| | |
|--|-----------------------|
| TOWN OF ADDISON, TEXAS | |
| ADDISON ROAD | |
| BELT LINE RD. TO KELLER SPRINGS RD. | |
| PARKWAY EASEMENT | |
| BIRKHOFF, HENDRICKS & CONWAY, L.L.P. CONSULTING ENGINEERS 7502 GREENVILLE AVE., SUITE 220, DALLAS, TX, 75231, TELE. 214-341-7800 | NOV., 2002 PLAT 5E |

EXHIBIT B

EXHIBIT C

TRACT I

BEING part of a tract of land situated in the G. W. Fisher Survey, Abstract No. 482, as recorded in Volume 1967, Page 167, Deed Records, Dallas County, Texas and said tract also being a part of Quorum Centre Addition, recorded in Volume 84067, Page 5718 of the Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING at an intersection point of the north right-of-way line of Belt Line Road (a 100' R.O.W.) with the east right-of-way line of Addison Road (a 60' R.O.W.); thence N 00 degrees 17 minutes 00 seconds E along said east right-of-way of Addison Road, 921.63 feet to an 'x' cut found for the POINT OF BEGINNING;

THENCE N 00 degrees 17 minutes 00 seconds E along said east right-of-way line of Addison Road, 301.50 feet to an iron rod set for corner;

THENCE N 45 degrees 18 minutes 19 seconds E along said right-of-way of Addison Road, 21.17 feet to an iron rod set for corner in the south right-of-way line of Arapaho Road (a 60' R.O.W.);

THENCE S 89 degrees 35 minutes 00 seconds E along said right-of-way line of Arapaho Road, 216.04 feet to an 'x' cut found for corner;

THENCE S 00 degrees 17 minutes 00 seconds W departing said right-of-way line, 177.97 feet to an 'x' cut found for corner;

THENCE S 44 degrees 43 minutes 00 seconds E, 25.44 feet to an iron rod set for corner;

THENCE S 00 degrees 17 minutes 00 seconds W, 120.00 feet to an iron rod found for corner;

THENCE N 89 degrees 43 minutes 00 seconds W, 249.00 feet to the POINT OF BEGINNING and CONTAINING 1.7277 (75,261 square feet) acres of land.

TRACT II

Easement Estate created pursuant to that certain Mutual Easement Agreement by and between ADDISON NORTHWEST, LTD. and FIRST INTERSTATE BANK OF TEXAS, N.A., dated December 15, 1988, recorded in Volume 89010, Page 4479, Real Property Records, Dallas County, Texas.

20042 03058

DRAFT

11/20/02

EASEMENT AGREEMENT

This Agreement is made and entered into by and between Minol Center, L.P. ("Grantor"), and the Town of Addison, Texas (the "Town").

WITNESSETH:

WHEREAS, Grantor is the sole owner of certain real property located in the Town of Addison and described in Exhibit A attached hereto and incorporated herein (the "Easement Property"); and

WHEREAS, the Town of Addison intends to construct an extension of Addison Road through the Town (the "Addison Road Extension Project"), part of which will be located upon and over the Easement Property; and

WHEREAS, the Town desires to acquire an exclusive and perpetual easement in, over, across, upon, under and through the Easement Property for street right-of-way and other public purposes in connection with the construction of the Addison Road Extension, and Grantor desires to sell and convey such easement to the Town;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Minol Center, L.P., and the Town of Addison agree as follows:

1. **Grant of Easement.** For and in consideration of the sum set forth in 2. below in hand paid by the Town, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor has GRANTED, SOLD AND CONVEYED, and by theses presents does GRANT, SELL AND CONVEY unto the Town of Addison, Texas, its successors and assigns, a perpetual and exclusive easement and right-of-way (the "Easement") in, over, across, upon, under and through the property described in Exhibit A and depicted on Exhibit B (the "Easement Property") (the said Exhibits being attached hereto and incorporated herein).

2. **Consideration.** This easement is granted, sold and conveyed in consideration of the Town's payment to Grantor of the sum of Thirty Six Thousand Four Hundred Thirty Six and No/100 dollars (\$36,436.00), the receipt and sufficiency of which is acknowledged as full compensation for the Easement, any damage to or diminution in value of the Remainder or any other lands or property belonging to Grantor that may be claimed or asserted by virtue of such grant, sale and conveyance and use of the Easement and the Easement Property by the Town, and to avoid the cost and expense of litigation. For purposes of this Agreement, the term "Remainder" shall mean that property described in attached Exhibit C, save and except the Easement Property.

3. **Purpose of Easement; Other Provisions.**

A. The Easement, together with all of its rights and privileges, may be used by the Town, its employees, contractors, agents, successors, and assigns in connection with activities relating to the construction, placement, installation, reconstruction, relocation, alteration, operation, use, inspection, maintenance, improvement, and modification of landscaping, irrigation, lighting, utility, sidewalk, or other parkway improvements, or for such other public purposes as the Town from time to time deems necessary, appropriate, or desirable in the Town's

sole discretion, with respect to the Project. The Town may perform all excavation, boring, backfilling, embedding, drilling, grading, and other construction activities as the Town from time to time deems necessary, appropriate, or desirable in the Town's sole discretion, with respect to the Project and the improvements within the Easement. The Town shall, at all times, have the right of ingress and egress to and from the Easement and the Easement Property as the Town may deem necessary, appropriate, or desirable.

B. Grantor acknowledges and agrees as follows:

(i) The Town may authorize and permit third parties to use the Project on such terms as the Town in its sole discretion deems appropriate, but no third parties, including the general public, shall acquire any rights in the Easement or the Easement Property as a result of such use.

(ii) Grantor shall not construct or place within the Easement Property any building, fence, wall, plant, or other structure, improvement, or growth of any character or type which would interfere, in the Town's sole determination, with the Easement, with the Project or with any improvements within the Easement. The Town shall have the right to remove, and keep removed, all or parts of any such building, fence, plant, or other structure, improvement or growth of any character or type that is located within the Easement Property and which, in the judgment of the Town, may endanger or in any way interfere with the construction, efficiency, or convenient and safe operation of the Project or the exercise of the Town's rights hereunder.

C. Grantor, its successors and assigns, may fully use and enjoy the Easement Property, except that such use and enjoyment shall not hinder, conflict or interfere with the exercise of the Town's rights hereunder or with the safe and efficient operation of the Project.

4. **Warranty of Title.** TO HAVE AND TO HOLD the Easement, together with all and singular the rights, privileges, and appurtenances thereto in anywise belonging, unto the Town of Addison, Texas, its successors and assigns; and Grantor does hereby bind itself, its representatives, successors, and assigns to WARRANT AND FOREVER DEFEND all and singular the Easement and rights conveyed in this instrument unto the Town of Addison, Texas, its, representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim all or any part of the interest in the Property.

5. **Exclusiveness of Easement.** The easement, rights, and privileges granted by this conveyance are exclusive, and Grantor covenants not to convey any other easement or conflicting rights in the area covered by this grant.

6. **Governing Law; Venue.** In the event of any action under this Contract, venue for all causes of action shall be instituted and maintained in Dallas County, Texas. The parties agree that the laws of the State of Texas govern the validity, construction, enforcement and interpretation of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement.

7. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this

Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by both parties.

8. Authority. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

9. Binding Effect. This Agreement shall bind and inure to the benefit of the respective parties, their personal representatives, successors, and assigns.

Executed this _____ day of _____, 2002

GRANTOR:

Minol Center, L.P.

By: Minol Center Management, LLC, its General Partner

By: _____
Mike Butler, Manager

Executed this _____ day of _____, 2002

TOWN OF ADDISON

By: _____
Ron Whitehead, City Manager

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned notary public in and for said county and state, on this _____ day of _____, 2002, personally appeared Mike Butler, Manager of Minol Center Management, LLC, General Partner of Minol Center L.P., a Texas Limited Partnership, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

[S E A L]

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned notary public in and for said county and state, on this _____ day of _____, 2002, personally appeared Ron Whitehead, City Manager for the Town of Addison, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person or entity upon behalf of which he acted executed the instrument for the uses and purposes therein set forth.

GIVEN UNDER my hand and seal of office the day and year last above written.

Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

[S E A L]

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



M MOL MTR

FACSIMILE COVER PAGE

Date: November 7, 2002 Time: _____

Total Number of Pages (including this sheet): 9

Normal/Rush: Normal Client/Matter #: 3195/25211

TO: (1) **Steve Chutchian** FAX: (972) 450-2837

FROM: Angela K. Washington Direct Dial #: (214) 672-2144

MESSAGE: RE: Parcel 6, Addison Road Extension (Minol Center L.P.)

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

Yolanda Rodriguez at (214) 672-2629

Thank you.

IMPORTANT/CONFIDENTIAL: This message is intended only for the use of the individual or entity to which it is addressed. This message contains information from the law firm of Cowles & Thompson which may be privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee, or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately at our telephone number (214) 672-2000. We will be happy to arrange for the return of this message to us, via the United States Postal Service, at no cost to you.

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

November 7, 2002

Mr. Steve Chutchian
Assistant City Engineer
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Parcel 6, Addison Road Extension (Minol Center L.P.)

Dear Steve:

As stated in my e-mail sent earlier today, I am forwarding a copy of the Special Warranty Deed conveying the property to Minol. Please have the filed notes and survey depiction updated as soon as possible. Thanks.

Sincerely,

Angela K. Washington

AKW/yjr
Attachment

AFTER RECORDING RETURN TO:
HEXTER-FAIR TITLE COMPANY
8333 DOUGLAS AVE.
SUITE 130, LD 80
DALLAS, TX 75225

SPECIAL WARRANTY DEED

910615

THE STATE OF TEXAS §
 §
 §
COUNTY OF DALLAS §

Deed 03/01/00 2010968 119.00

THAT QUORUM CENTER LIMITED PARTNERSHIP, a Texas limited partnership ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration to Grantor, in hand paid by MINOL CENTER, L. P., a Texas limited partnership ("Grantee"), with its address at 12770 Coit Road, Suite 919, Dallas, Texas 75251, the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY unto Grantee, that certain tract of land located in Dallas County, Texas, being more particularly described on EXHIBIT "A" attached hereto and incorporated herein by reference (the "Land"), together with (i) all buildings and other improvements situated on the Land (collectively, the "Improvements"), and (ii) all of Grantor's right, title and interest in and to appurtenances to the Land, including all of Grantor's right, title and interest in and to adjacent streets, alleys, rights-of-way, any adjacent strips or gores of real estate, and all of Grantor's rights, titles and interest appurtenant to the Land and the Improvements (the Land, together with the Improvements and such appurtenances, being herein collectively referred to as the "Property"), subject to the permitted exceptions set forth on EXHIBIT "B" attached hereto and incorporated herein by reference (collectively, the "Permitted Exceptions") to the extent applicable to and enforceable against the Property.

TO HAVE AND TO HOLD the Property, together with all and singular any other rights and appurtenances thereto in anywise belonging, unto Grantee, its successors and assigns forever, subject to the Permitted Exceptions and the other matters stated herein; and Grantor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property, subject to the Permitted Exceptions and the other matters stated herein, unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise.

BUT IT IS HEREBY EXPRESSLY ACKNOWLEDGED AND AGREED THAT THE PROPERTY IS EXPRESSLY CONVEYED HEREUNDER ON AN "AS-IS, WHERE-IS" AND "WITH ALL FAULTS" BASIS, AND GRANTEE HEREBY ACCEPTS THE PROPERTY "AS-IS, WHERE-IS" and "WITH ALL FAULTS," EXCEPT FOR THE SPECIAL WARRANTY OF TITLE CONTAINED IN THIS DEED, GRANTOR IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR ITS CONDITION, INCLUDING, BUT NOT LIMITED TO, REPRESENTATIONS AND WARRANTIES AS TO MATTERS OF TITLE, ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, AVAILABILITY OF ACCESS, INGRESS OR EGRESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE

PROPERTY, INCLUDING, BUT NOT LIMITED TO, (i) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY, (ii) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY OF THE PROPERTY, AND (iii) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY. BY ACCEPTANCE OF THIS DEED, GRANTEE HEREBY ACKNOWLEDGES THAT, EXCEPT FOR ANY REPRESENTATION AND WARRANTY OF GRANTOR EXPRESSLY CONTAINED IN THAT CERTAIN COMMERCIAL CONTRACT OF SALE DATED AS OF JANUARY 12, 2000 (THE "CONTRACT"), EXECUTED BY GRANTOR, AS SELLER, AND ALEXANDER LEHMANN - MINOL MESSTECHNIK, TRUSTEE AND/OR ASSIGNS ("ASSIGNOR"), AS PURCHASER (WHICH CONTRACT WAS ASSIGNED BY ASSIGNOR TO AND ASSUMED BY GRANTEE PURSUANT TO A CERTAIN ASSIGNMENT AND ASSUMPTION AGREEMENT DATED AS OF FEBRUARY 16, 2000, EXECUTED BY ASSIGNOR, AS ASSIGNOR, AND GRANTEE, AS ASSIGNEE), AND THAT CERTAIN LETTER AGREEMENT DATED FEBRUARY 17, 2000, EXECUTED BY GRANTOR AND ASSIGNOR (THE "LETTER AGREEMENT"), GRANTEE HAS NOT RELIED ON, AND WILL NOT RELY ON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION, STATEMENT OR WARRANTY OF GRANTOR OR ANY OF ITS AGENTS, EMPLOYEES, CONTRACTORS OR AFFILIATES. By acceptance of this Deed, Grantee hereby expressly acknowledges and agrees that except for any representation and warranty of Grantor expressly contained in the Contract and the Letter Agreement, (a) no representations or warranties inconsistent with the provisions of this paragraph have been made, and (b) the provisions of this paragraph shall expressly survive Grantor's execution and delivery of this Deed, and Grantee's acceptance and recordation of this Deed, and shall not be merged therein. There are no verbal agreements, understandings, representations or warranties between Grantor and Grantee and any of their respective agents, employees, contractors or affiliates.

All property taxes and assessments for the Property for the year in which this Deed is executed have been finally and conclusively prorated by Grantor and Grantee as of the Effective Date, and such prorations shall not be subject to any adjustment after the Effective Date. Grantee hereby expressly assumes liability for the payment of all property taxes and assessments for the Property for the year in which this Deed is executed and for subsequent years, and subsequent assessments for prior years due to change in land usage or ownership.

THE REMAINDER OF THIS PAGE 2 IS INTENTIONALLY LEFT BLANK.

EXECUTED by Grantor on the date set opposite its signature below and to be effective as of February 22, 2000 (the "Effective Date").

Grantor:

QUORUM CENTER LIMITED PARTNERSHIP, a Texas limited partnership

By: QUORUM CENTER MANAGEMENT LIMITED PARTNERSHIP, a Texas limited partnership, its sole General Partner

By: QUORUM CENTER FINANCIAL, INC., a Texas corporation, its sole General Partner

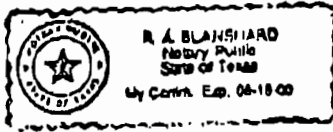
Date: February 22, 2000

By: A. John Price
A. John Price, Director

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on February 22, 2000, by A. JOHN PRICE, as a Director of QUORUM CENTER FINANCIAL, INC., a Texas corporation, as sole General Partner of QUORUM CENTER MANAGEMENT LIMITED PARTNERSHIP, a Texas limited partnership, as sole General Partner of QUORUM CENTER LIMITED PARTNERSHIP, a Texas limited partnership, on behalf of said limited partnership.



R. A. Blanshard

Notary Public of the State of Texas

Printed Name _____
My commission expires: _____

Grantee's address is:

Minol Center, L. P.
c/o Minol Center Management, LLC
12770 Coit Road, Suite 919
Dallas, Texas 75251
Attention: Mr. Mike Qulgley

EXHIBIT "A"**TRACT I**

BEING part of a tract of land situated in the G. W. Fisher Survey, Abstract No. 482, as recorded in Volume 1967, Page 367, Deed Records, Dallas County, Texas and said tract also being a part of Quorum Centre Addition, recorded in Volume 84067, Page 3718 of the Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING at an intersection point of the north right-of-way line of Belt Line Road (a 100' R.O.W.) with the east right-of-way line of Addison Road (a 60' R.O.W.); thence N 00 degrees 17 minutes 00 seconds E along said east right-of-way of Addison Road, 921.63 feet to an 'x' cut found for the POINT OF BEGINNING;

THENCE N 00 degrees 17 minutes 00 seconds E along said east right-of-way line of Addison Road, 301.50 feet to an iron rod set for corner;

THENCE N 45 degrees 18 minutes 19 seconds E along said right-of-way of Addison Road, 21.17 feet to an iron rod set for corner in the south right-of-way line of Arapaho Road (a 60' R.O.W.);

THENCE S 89 degrees 35 minutes 00 seconds E along said right-of-way line of Arapaho Road, 216.04 feet to an 'x' cut found for corner;

THENCE S 00 degrees 17 minutes 00 seconds W departing said right-of-way line, 177.97 feet to an 'x' cut found for corner;

THENCE S 44 degrees 43 minutes 00 seconds E, 25.44 feet to an iron rod set for corner;

THENCE S 00 degrees 17 minutes 00 seconds W, 120.00 feet to an iron rod found for corner;

THENCE N 89 degrees 43 minutes 00 seconds W, 249.00 feet to the POINT OF BEGINNING and CONTAINING 1.7277 (75,261 square feet) acres of land.

TRACT II

Easement Estate created pursuant to that certain Mutual Easement Agreement by and between ADDISON NORTHWEST, LTD. and FIRST INTERSTATE BANK OF TEXAS, N.A., dated December 15, 1988, recorded in Volume 89010, Page 4479, Real Property Records, Dallas County, Texas.

20042 03058

EXHIBIT "B"

1. Restrictive covenants recorded in Volume 84067, Page 5718, Map Records; and Volume 89010, Page 4479, Deed Records of Dallas County, Texas
2. The following, all according to the map or plat recorded in Volume 84067, Page 5718 of the Map Records of Dallas County, Texas:
Building set back line twenty-five (25) feet in width located along the North and West property lines.

An easement fifteen (15) feet by twenty (20) feet in width located on the West property line for storm sewer easement.

An easement located in the Northwest corner of subject property for transformer pad.

Covenants as contained thereon.
3. Terms, conditions and stipulations contained in Mutual Easement Agreement dated December 15, 1988, executed by and between Addison Northwest, Ltd. and First Interstate Bank of Texas, N.A. and recorded in Volume 89010, Page 4479, of the Deed Records of Dallas County, Texas.
4. Easement granted to Texas Power & Light Co. by instrument filed August 7, 1985, executed by Quorum One Joint Venture and recorded in Volume 85154, Page 1819, Deed Records of Dallas County, Texas.
5. Easement granted to Texas Power & Light Company by instrument dated March 5, 1982, executed by MCM Company, a partnership composed of Hobart I. Moses, Jr. and James R. Cline, and recorded in Volume 82054, Page 630, Deed Records of Dallas County, Texas.
6. Mineral and/or royalty interest as reserved in Deed executed by St. Louis Southwestern Railway Company of Texas to Hobart I. Moses, Jr. and James B. Cline, doing business as Moses & Cline Forest Products, a partnership, dated January 20, 1965 and recorded in Volume 491, Page 630, Deed Records of Dallas County, Texas; reference to which instrument is here made for all purposes. Affected by Amendment to Mineral Reservations dated January 11, 1985, and recorded in Volume 85078, Page 4913, Deed Records of Dallas County, Texas.
7. Rights of tenants in possession under unrecorded leases or rental agreements.

09080 270002

AFTER RECORDING RETURN TO:
HEYER-FAIR TITLE COMPANY
8333 DOUGLAS AVE.
SUITE 115, LB 80
DALLAS, TX 75225

FILED

00 MAR -1 AM 9:46

CARL BULLOCK
COUNTY CLERK
DALLAS COUNTY

Any deed or transfer which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.
STATE OF TEXAS COUNTY OF DALLAS
I hereby certify this instrument was filed on the date and time stamped herein by me and was duly recorded in the volume and page of the public records of Dallas County, Texas as stamped herein by me.

MAR 1 2000



Carl Bullock
COUNTY CLERK, Dallas County, Texas

Steve Chutchian

To: Washington, Angela
Cc: Luke Jalbert
Subject: RE: Outback Steakhouse Property - Parcel 8, Addison Rd Ext Project
Importance: High

Angela - I read you e-mail and cross-checked it with the legal description and map. There appears to be two discrepancies as you noted. I am asking Luke J. to discuss this with the Surveyor, along with the issue on Minol MTR. We will respond back to you a.s.a.p.

Row Conway
-----Original Message-----

From: Washington, Angela [mailto:awashington@cowlesthompson.com]
Sent: Friday, November 08, 2002 11:44 AM
To: Steve Chutchian (E-mail)
Cc: 'mmurphy@ci.addison.tx.us'; DIPPEL, KEN
Subject: Outback Steakhouse Property - Parcel 8, Addison Rd Ext Project

Steve -

I have prepared a draft Parkway Easement Agreement for the Outback property (Parcel 8 Addison Road Extension Project). I note that the survey depiction for the property indicates that it is owned by Outback and gives the correct volume and page number for the deed; however, the field notes refer to "Guaranty Corporation, the former owner." Is there any particular reason why they do not reference the current information? Also, the field notes state "BEING a tract out of a 1.4383 acre tract of land. . ." The property description in the deed to Outback lists the size of the property as 1.3774 acres. Can you have survey check the field notes reference these matters?
Thanks

Angela

TOWN OF ADDISON, TEXAS
FIELD NOTE DESCRIPTION
FOR
OUTBACK STEAKHOUSE OF FLORIDA, INC.
(PARKWAY EASEMENT)

BEING a tract out of a 1.4383 acre tract of land located in the G. W. Fisher Survey, Abstract No. 482, in the Quorum Centre Addition, an addition to the Town of Addison, Texas, conveyed to International Guaranty Corporation, the former owner (Grantor) by record in Volume 93041, Page 2824, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

BEGINNING at a point in south line of said 1.4383 acre tract and in the north line of a tract of land conveyed to Snadon\Branscome Joint Venture No.1 by a deed now of record in Volume 84067, Page 5718 of the Deed Records of Dallas County, Texas and said point being N 89°43'00" W, 263.54 feet from a 5/8" iron rod found marking the southeast corner of the said 1.4383 acre tract;

THENCE, N 89°43'00" W, along the north property line of the said Snadon\Brascome tract and the south property line of the said 1.4383 acre tract, a distance of 8.00 feet to a point for a corner, said point being in the east line of tract of land 12 feet in width dedicated to the Town of Addison for Addison Road and in the west property line of the said 1.4383 acre tract;

THENCE, N00°17'00" E, along the east line of the said Town of Addison right-of-way dedication and the west line of the said 1.4383 acre tract, a distance of 221.00 feet to a point for a corner, said point being in the north line of the said 1.4383 tract and the south line of a tract of land conveyed to Rail Hotels Corporation as recorded in Volume 99024, Page 1020 of the Deed Records of Dallas County, Texas, said point also being N 89°23'49" E, a distance of 11.92 feet to a "X" found marking the east right-of-way line of Addison Road and the southwest corner of the said Rail Hotels tract and the northwest corner of the said 1.4383 acre tract;;

THENCE, S 89°43'00" E, along the north line of the said 1.4383 acre tract and the south line of the said Rail Hotels tract, a distance of 8.00 feet to a point for a corner;

THENCE, S 00°17'00" W, being at all times parallel and at a perpendicular distance of 8 feet to the west property line of the said 1.4383 acre tract and the east line of the said Town of Addison right-of-way dedication, a distance of 221.00 feet to the Point of Beginning, and containing 1,768.00 square feet (0.041 acres) of land.



Ross L. Jacobs
 JAN. 31, 2002

ADDISON ROAD

N 89°43'00" W - 8.00'

"X" IN CONC.

POINT OF BEGINNING

12' DEDICATED TO TOWN OF ADDISON

N 00°17'00" E - 221.00'

S 00°17'00" W - 221.00'

1768.00 SQ. FT.
0.041 ACRES

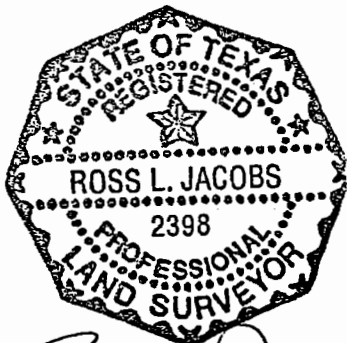
SNADON\BRANSCOME JOINT VENTURE NO.1
VOL. 84067, PG. 5718

OUTBACK STEAKHOUSE OF FLORIDA, INC.

VOL. 93046 PG. 1218

(FORMER OWNER: INTERNATIONAL GUARANTY CORP.)

(VOL. 93041 PG. 2824)



N 89°43'00" W - 263.54'
(REFERENCE BEARING)

G.W. FISHER SURVEY
ABST. NO. 482

QUORUM CENTRE ADDITION

5/8" I.R.F.

Ron L. Jacobs
JAN. 31, 2002

August 22, 2002

Mike/Jim

I looked over the counter offer from Minol Center, at the corner of Addison Rd. and Arapaho Rd. Our original offer to them, via Pat Haggerty, was the appraised value of \$18590.00.

| | | |
|--|---------------|---------------------|
| Minol is asking for a settlement as follows: | \$35,692.00 | Parkway easement |
| | <u>744.00</u> | Sprinkler Allowance |
| | \$36,436.00 | Total Counter Offer |

The difference is \$17,846.00. In light of the relatively small variance in our original offer and their counter offer, I think we should take this counter offer to the Council at the September 10th meeting and recommend approval. This appears to be very reasonable. Thanks.


Steve C.

TOWN OF ADDISON, TEXAS

FIELD NOTE DESCRIPTION
FOR
MINOL CENTER, L.P.
(PARKWAY EASEMENT)

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Minol Center, L.P., by a deed now of record in Volume 200042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ronald V. Conway
11/15/02

11/15/02 JPO SCALE: 1=50 H:\PROJECTS\ADDISON\98143\PLATS\ADD-PLAT5E.DWG

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT II

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT I

POINT OF BEGINNING

ADDISON ROAD

PROPOSED PARKWAY EASEMENT

S 00°17'00" W - 9.60'
(REFERENCE BEARING)

N 42°23'28" E
14.91'

N 00°17'00" E - 291.90'

5/8" I.R.F.

1/2" IRF

S 48°18'40" E - 79.55'
(REFERENCE BEARING)

"X" IN CONC.

N 89°43'00" W
10.00'

S 00°17'00" W - 302.96'

5/8" IRF

2974.32 SQ. FT.
0.068 ACRES

TEXAS POWER & LIGHT CO., ESM'T.
VOL. 82054, PG. 0630

AXLE
"X" IN CONC.

SCALE: 1"=50'

JOSEPH H. JONES, BETH BRANDEBERRY,
CAROLYN PERKINS SHIMER MERRITT
AND SAMUEL THOMAS PERKINS
VOL. 97109, PG. 03158

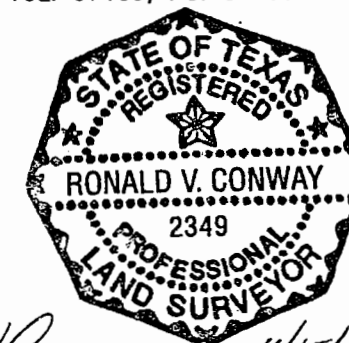
MINOL CENTER, L.P.
VOL. 200042, PG. 03054

G.W. FISHER SURVEY
ABST. NO. 482
QUORUM CENTRE ADDITION

OLD R.O.W.

ARAPAHO ROAD

OLD R.O.W.



Ronald V. Conway 11/15/02

TOWN OF ADDISON, TEXAS

ADDISON ROAD
BELT LINE RD. TO KELLER SPRINGS RD.
PARKWAY EASEMENT

BIRKHOFF, HENDRICKS & CONWAY, L.L.P.
CONSULTING ENGINEERS
7502 GREENVILLE AVE., SUITE 220, DALLAS, TX, 75231, TELE. 214-361-7900

NOV., 2002
PLAT 5E

RAIL HOTELS CORPORATION
VOL. 99024 PG. 01020

25' 25' INGRESS & EGRESS EASEMENT
ADDISON NORTHWEST, LTD.
VOL. 89010, PG. 4479
EXHIBIT C

25'

TOWN OF ADDISON, TEXAS

FIELD NOTE DESCRIPTION
FOR
MINOL CENTER, L.P.
(PARKWAY EASEMENT)

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Minol Center, L.P., by a deed now of record in Volume 200042, Page 03054, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

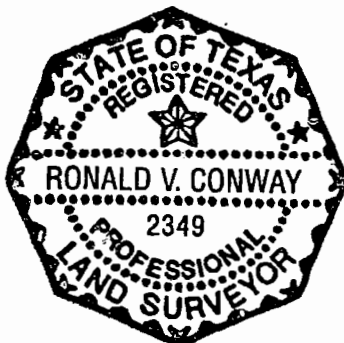
BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Minol Center, L.P, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ronald V. Conway
11/15/02

11/15/02 JPO SCALE: 1=50 H:\PROJECTS\ADDISON\98143\PLATS\ADD-PLAT5E.DWG

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT II

OASIS CAR WASH, INC.
VOL. 97234, PG. 06241
TRACT I

POINT OF BEGINNING

ADDISON ROAD

PROPOSED PARKWAY EASEMENT

1/2" IRF

1/2" IRF

S 48°18'40" E-79.55'
(REFERENCE BEARING)

"X" IN CONC.

S 00°17'00" W - 9.60'
(REFERENCE BEARING)

N 42°23'28" E
14.91'

5/8" I.R.F.

N 00°17'00" E - 291.90'

5/8" IRF

N 89°43'00" W
10.00'

S 00°17'00" W - 302.96'

2974.32 SQ. FT.
0.068 ACRES

TEXAS POWER & LIGHT CO., ESM'T.
VOL. 82054, PG. 0630

"X" IN CONC.

SCALE: 1"=50'

JOSEPH H. JONES, BETH BRANDEBERRY,
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VOL. 97109, PG. 03158

MINOL CENTER, L.P.
VOL. 200042, PG. 03054

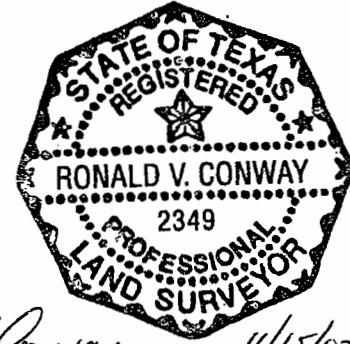
G.W. FISHER SURVEY
ABST. NO. 482
QUORUM CENTRE ADDITION

ARAPAHO ROAD

OLD R.O.W.

RAIL HOTELS CORPORATION
VOL. 99024 PG. 01020

25' INGRESS & EGRESS EASEMENT
ADDISON NORTHWEST, LTD.
VOL. 89010, PG. 4479
EXHIBIT C



Ronald V. Conway 11/15/02

TOWN OF ADDISON, TEXAS
ADDISON ROAD
BELT LINE RD. TO KELLER SPRINGS RD.
PARKWAY EASEMENT

BIRKHOFF, HENDRICKS & CONWAY, L.L.P.
CONSULTING ENGINEERS
7502 GREYMILLE AVE., SUITE 220, DALLAS, TX 75231, TELE. 214-361-7900

NOV., 2002
PLAT 5E

AN APPRAISAL REPORT OF

THE MINOL MTR PROPERTY
A PARKWAY EASEMENT ACQUISITION
LOCATED AT THE
SOUTHEAST CORNER OF THE ADDISON ROAD/ARAPAHO ROAD INTERSECTION
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

PREPARED FOR

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

DATE OF APPRAISAL

MARCH 4, 2002

PREPARED BY

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

HIPES & ASSOCIATES

REAL ESTATE
APPRAISERS/CONSULTANTS

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

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

March 4, 2002

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

**Re: The Minol MTR Property
Addison Road Parkway Easement**

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 \$18,590.00 as of March 4, 2002 based upon my independent appraisal and the exercise of my professional judgement;

That on March 4, 2002, and various other dates, I personally inspected in the field the property herein appraised; that I afforded Mr. Mike Butler, 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 4, 2002, and various other dates;

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

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

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

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

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

Respectfully submitted,



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

8 MARCH 2002
Date

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

SUMMARY OF SALIENT FACTS

**A Parkway Easement Acquisition at the SE/c of Intersection of Addison Road/Arapaho Road
Minol MTR - Owner
Addison, Texas**

Date of the Appraisal: March 4, 2002

Value Estimated: Market Value - Just Compensation

Property Rights Appraised: Fee Simple & Easement

Property Appraised: A ±1.712 Acre tract improved with a 3 story office facility, located at the SE/c of Addison Rd. & Arapaho Rd., Addison, Texas.

Property Zoned: C; Commercial

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

Estimates of Fee Simple Value:

Whole Property

| | |
|--------------------------------|--------------------|
| Land Value (Sales Comparison): | \$ 894,900 |
| Cost Approach: | \$6,154,505 |
| Income Approach: | \$6,197,619 |
| Sales Comparison Approach: | \$ N/A |
| Whole Property: | \$6,200,000 |

Part Taken:

| | |
|------------------|-----------|
| Parkway easement | \$ 18,590 |
|------------------|-----------|

| | |
|-----------------------------------|-------------|
| <u>Remainder Before the Take:</u> | \$6,181,409 |
|-----------------------------------|-------------|

| | |
|----------------------------------|-------------|
| <u>Remainder After the Take:</u> | \$6,200,000 |
|----------------------------------|-------------|

| | |
|--|------------------|
| Final Value Estimate: JUST COMPENSATION | \$ 18,590 |
|--|------------------|

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Purpose of the Appraisal

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

Definition of Market Value

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

Definition of Easement

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

Scope of the Appraisal

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

Property Rights Appraised

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

Effective Date of Valuation

The effective date of valuation is March 4, 2002. The inspection date of the subject was February 20, 2002, and various other dates. The date of this report is March 4, 2002.

Identification of the Subject Property

The property being appraised is a ± 1.712 Acre tract of land improved with a three story office building, located at the southeast corner of Arapaho Road and Addison Road, in the Town of Addison, Dallas County, Texas. This is an area principally developed with commercial, industrial, and airport service uses. The local address is 15280 Addison Road, Addison, Texas 75001.

The parkway easement acquisition of the subject property is comprised of a strip taking along the west side of the subject containing $\pm 2,974$ SF adjacent to the existing Addison Road right-of-way. The survey provided to the appraiser representing the proposed acquisition is included in the Addendum to this report.

Briefly, the legal description for the subject property/part taken is described as; *being a part of the Quorum Center Addition, and a part of the G. W. Fisher Survey, Abstract Number 482, Town of Addison, Dallas County, Texas, containing a total of ± 1.712 Acres of land area.* The subject is also listed as Lot 1.1, Quorum Center Addition, Addison, Texas.

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

History of the Subject Property

No property ownership information was provided to the appraiser for this appraisal assignment. However, interviews with the current owners indicates that the current owner acquired the subject property recorded on March 1, 2000 and recorded in V200042, P3054 of the Dallas County Deed Records. No previous ownership history is known.

Ad Valorem Tax Information

The DCAD Acct. # for the subject is 10005330000010100. The DCAD appraised value for the subject is \$5,750,000; land value @ \$903,110 and improvement value @ \$4,846,890 for the year 2001.

Estimated Marketing/Exposure Time

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

CITY DATA

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

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

| <u>Census Year</u> | <u>Population</u> | <u>Increase</u> |
|--------------------|-------------------|-----------------|
| 1970 | 593 | N/A |
| 1980 | 5,553 | +835% |
| 1990 | 8,783 | + 58% |
| 1998 (est.) | 11,722 | + 33% |

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

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

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

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

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

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

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

NEIGHBORHOOD ANALYSIS AND TRENDS

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

SUBJECT PROPERTY

Site Data

The subject tract is near rectangular in shape based on information provided in a site plan. Plats indicate approximately $\pm 301'$ of boundary with the east right-of-way line of Addison Road and $\pm 216'$ of frontage along the south side of existing Arapaho Road. Total land area is $\pm 74,575$ SF, or 1.712 acres, as shown on the survey provided by the Town of Addison. Addison Road is a four-lane undivided street, with a center turn lane. The improved portion of Arapaho Road terminates to the west of the subject property. At the subject it 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 such to carry surface water from the entire site to the north and west 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 according to Town of Addison, Texas Community Panel No. 481089 0005 A, effective July 16, 1980. Access in and out of the site is accomplished from existing frontage along Addison Road adjacent to the west, via a shared drive with the hotel to the south of the subject. Additional access into the subject site is by way of two driveway approaches from east-bound Arapaho along the north side of the subject. One driveway provides to the Addison Road frontage parking lot side of the building and the second driveway provides access to the parking lot at the rear (east side) of the building. The underground parking garage is accessed at the rear of the property.

Size/Shape

The subject property contains ± 1.712 Acres, or $\pm 74,575$ SF in a rectangular configuration. The site is of sufficient size and shape to support independent economic development, if it were vacant and available for development.

Zoning: The subject property is zoned "C", commercial district, under the Town of Addison's ordinances. This is a fairly broad classification providing for a wide variety of commercial usages. All uses allowable in the Local Retail district are also allowable in the "C" zoning, plus additional uses such as hotel/motel, wholesale house, machine shop, auto repair, etc.; i.e., a slightly wider range of uses. A 25' setback is required from street frontages (i.e., property boundary with right-of-way), including a 20' landscaped buffer.

Utilities

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

Easements and Restrictions

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

Site Improvements

The subject property is improved with a three story masonry/glass office building, two paved surface parking lots, an underground parking garage, and extensive landscaping.

An exterior measure of the buildings' ground floor perimeter indicates a gross interior building area of $\pm 79,236$ SF. It is estimated that the building contains $\pm 63,389$ SF of leasable floor space, or an 80% efficiency factor for the building design. This building was constructed in ± 1985 and is approximately 17 years old. Two elevators serve the three floors of the building plus the underground parking garage.

Fifty (50) surface parking spaces are provided on the west side of the site and ± 26 surface parking spaces are provided on the east side of the site. There is a limited access underground parking garage situated under the front surface parking lot, extending under the office building itself. This facility provides ± 147 parking spaces and direct access to the building via two elevators. This underground parking facility is well designed, lighted, and maintained. There is a single access point to the underground parking at the southeast quadrant of the building. On the northwest and southwest corners of the subject site are two on-premise identification signs which serve as facades for the ventilation stacks to the underground parking garage. Exterior security lighting is noted in the parking areas.

The subject site is extensively landscaped with grass, ornamental ground cover, shrubs, and trees. An in-ground sprinkler system supports the landscape. This landscape design exhibits a high level of maintenance; of a higher order than is generally found along this section of Addison Road. The perimeter of the building displays an exposed aggregate concrete walk for pedestrian traffic.

The primary entrance is located on the central west side of the building which passes through a common lobby area and the central elevator location. This common lobby area extends to the east to the secondary, rear entrance to the building.

Typical office/building finish-out is noted outside the common areas. The lobby area displays tile flooring. The halls extending to the offices are carpet covered, with the wall finish appearing to be of a vinyl wall covering material. Recessed lighting is noted in the acoustical tile ceiling panels.

Restroom facilities are noted in the southeast hall of each floor. They are finished in tile and vinyl wall coverings with recessed lighting. The restrooms exhibit built-in lavatories and appropriate commodes/urinals with privacy arrangements typical of better quality office buildings. The mechanical/telephone rooms for each floor are located in the vicinity of the restroom facilities.

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

HIGHEST AND BEST USE

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

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

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

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

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

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

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

Physically Possible Uses

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

Legally Permissible Uses

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

Financially Feasible

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

Retail/office or restaurant occupancy and rental rates suggest that the current local market is strong enough to support financial feasibility for development of the subject site as it is zoned. These uses could include restaurant, fast-food, convenience store, service station, satellite banking, copy center, or comparable high intensity/exposure traffic uses, as well as office or other lower density uses.

Maximally Productive

Based on the subject's zoning, current operational results and market analysis, it is estimated that the maximally productive utilization of the site as a retail/office or restaurant/fast-food site is substantiated.

Highest and Best Use As Vacant Land

The estimate of the Highest and Best Use of the subject Whole Property would be for office/retail development which would take advantage of the previously improved Arapaho Road facility and the possible influence of the DART site to the near northeast of the subject property. The current zoning allows for a wide variety of potential uses which could take advantage of the subject's corner location.

Highest and Best Use As Improved

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

THE APPRAISAL PROCESS

Appraisal theory provides three basic methods of appraising properties. They are the Cost Approach to Value, the Income Approach to Value, and the Sales Comparison Approach to Value.

The Cost Approach to Value embraces the philosophy that the replacement costs applied under the Principle of Substitution may define the value for a property. In this approach to value, the appraiser estimates the market value of the site, the replacement cost of the improvements less any applicable accrued depreciation, and then combines these two items to arrive at a cost estimate of value.

The Income Approach to Value is based upon an analysis of the potential income stream of the property and comparison of that income stream with those of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Sales Comparison Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of a value estimate. This approach is used not only for improved properties but also in estimating the current value of the subject site. That portion of the report is necessary to complete the Cost Approach.

After applying the three traditional approaches to value, it is the appraiser's responsibility to weigh the strengths and weaknesses of the three different approaches to value and determine which of the three is most applicable in the valuation of the subject property. This section of the report is captioned as "Reconciliation".

Land Value by the Sales Comparison Approach

In this section of the report, the appraiser will present data and analysis leading to an estimate of market value as of the effective date of the appraisal for the subject site. Basically, this value is estimated by the comparison of sales of similar land tracts that are current or of recent date to the subject tract. This comparison relates the differences, if any, in the legal, physical, locational, and economic characteristics of the comparable sales and the subject site, analyzing also any differences in real property rights transferred, dates of sale, motivations of buyers and sellers, and any unusual financing arrangements for the sales analyzed, any of which factors might account for price variations. The adjustments, if any, for property rights conveyed, financing terms, sale conditions and market conditions are made sequentially and individually. Adjustments for location and physical characteristics are accumulated and made at the end of any adjustments from the previously cited sources.

From the information available, the following comparable sales presented all transferred ownership in fee simple, and there were no known unusual financing terms. General adjustments for market conditions relate to passage of time, e.g., in a rising market an earlier comparable sale would be adjusted upward to reflect conditions as of the effective date of the appraisal. Over the time period reviewed for the comparable sales, trends in either direction which cannot presently be ascribed to other contributing factors within the marketplace, other than those discussed following the comparable sales presentation, will be adjusted based on historical market data.

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

There are other methods available for estimating land value including allocation, extraction, subdivision and the land residual technique. Generally, in all cases, the estimation of land value by comparable market sales is considered appropriate and most desirable where sufficient data is available. This is the case for the subject site and the Sales Comparison Approach will be utilized solely in estimating its current market value. Sufficient data is available within the recent past to make an accurate appraisal specifically for the subject.

Comparable #1



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

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

Grantor: Daryl N. Snadon

Grantee: Rail Hotels Corporation

Date of Sale: February 5, 1999

Recorded: 99024/1020

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

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

Cash Equivalency: \$10.00/SF

Size: \pm 68,877 SF; 1.5812 Acres

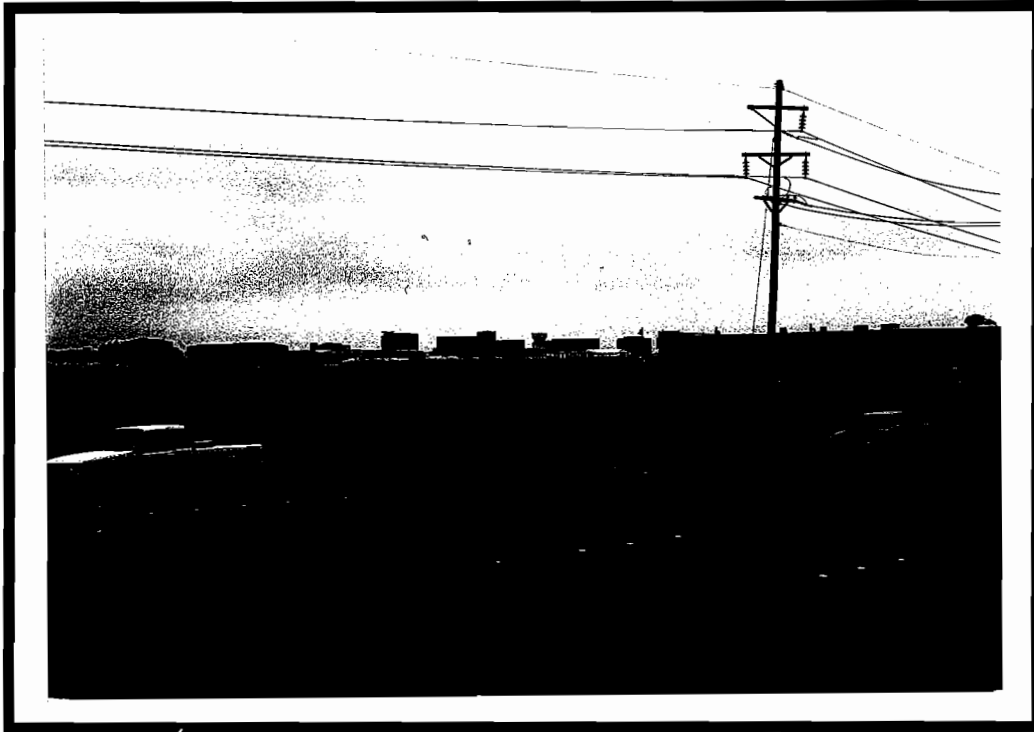
Zoning: C-1, commercial

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

Verified By: Jim Durbin - Broker 972.661.1011

Mapsco #: D-14C

Land Sale Comparable #2



Location: 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.

Verified By: James Brown (broker) 972.386.333
Mapsco #: D-4P

Land Sale Comparable #3



Location: Southwest corner of Quorum & Edwin Lewis, Addison, Texas.

Legal Description: Quorum Center Addition, Addison, TX

Grantor: Daryl Snadon

Grantee: Springhill SMC Corporation

Date of Sale: January 5, 2001

Recorded: 2001004/4624

Consideration: \$13.91/SF (\$2,750,000)

Terms of Sale: All cash to seller

Cash Equivalency: \$13.91/SF

Size: ±197,762 SF; 4.54 Acres

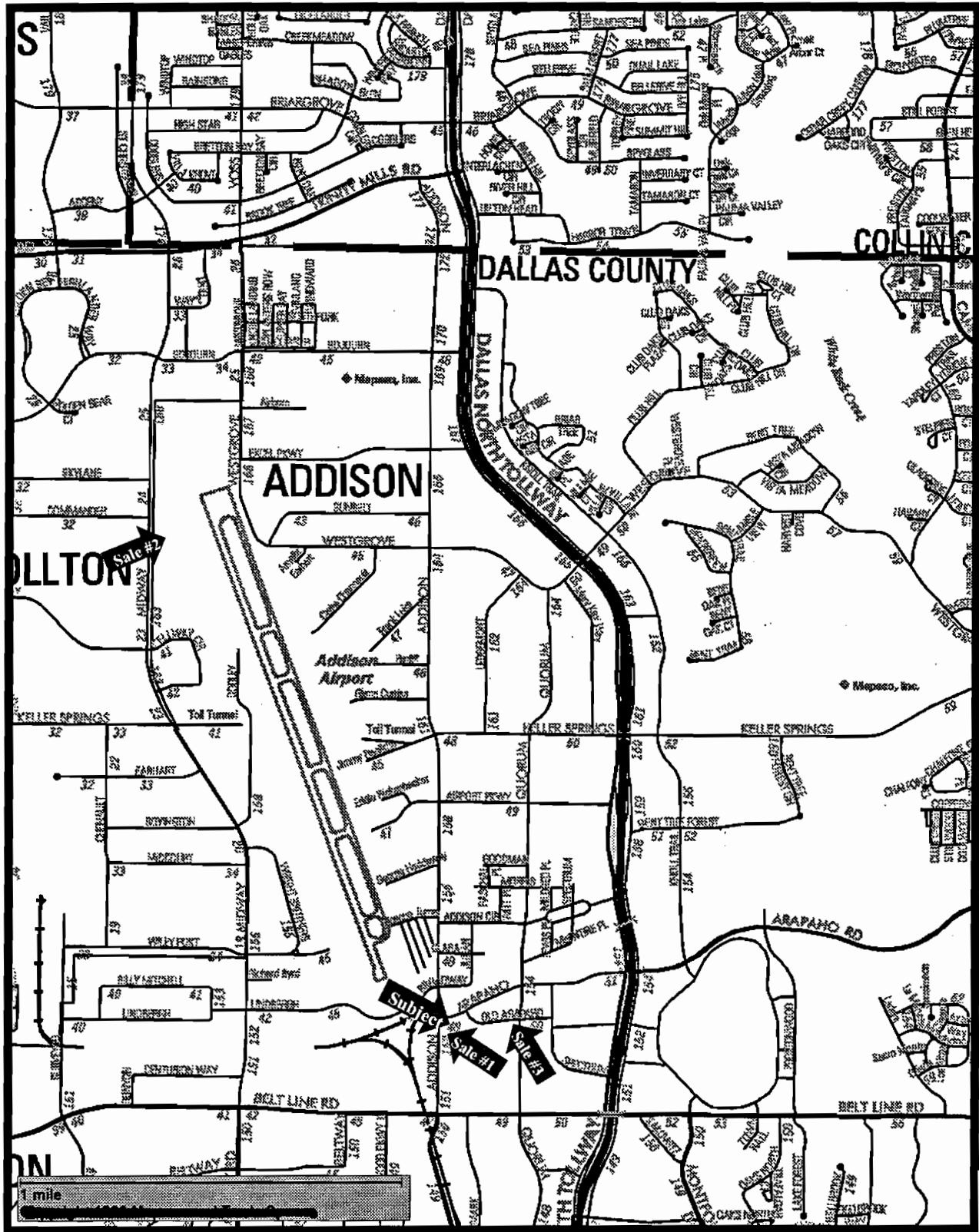
Zoning: PD, planned development - commercial

Comments: This is a corner tract. A proposed hotel and restaurant will be built on this site.

Verified By: Jim Durbin - Broker 972.661.1011

Mapsco #: D-14D

COMPARABLE MAP



| COMPARABLE LAND SALES SUMMARY | | | | |
|-------------------------------|--------------|----------|-----------|------------|
| Sale # | Date of Sale | Price/SF | Size (SF) | Zoning/Use |
| 1 | 02/05/99 | \$10.00 | 68,877 | Commercial |
| 2 | 01/31/00 | \$ 8.05 | 58,414 | Industrial |
| 3 | 01/05/01 | \$13.91 | 197,762 | Commercial |
| Subject | 03/02 | N/A | ±74,575 | Commercial |

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. Sale #1, selected because it is adjacent to the subject, is ± 3 years old and requires an upward adjustment for time due to perceived market growth. Sale #2 is ± 2 years old and requires a modest upward adjustment for time. Sale #3 is ± 1 year old and does not appear to warrant any adjustment for time, given the prevailing market conditions during that time.

Location

In this portion of the adjustment process the appraiser considers locational aspects of the comparable sales as opposed to the subject. Such aspects as quality and quantity of surrounding development, adjacent land uses, and other perceived physical amenities are considered. Due to the lack of paired sales characteristics in the comparables, the adjustments are qualitative. Sale #1 is adjacent to the south side of the subject and wraps around the corner of Addison Road and improved Arapaho Road. The general location of this sale, geographically, is comparable to that of the subject; Arapaho Road/Addison Road. Sale #2 is located along a less intensely developed section of Midway Road along the west side of Addison Airport. Its street location is considered to be inferior to that of the subject and is adjusted upward accordingly. Sale #3 is a corner tract on Quorum Drive. Both its Quorum Drive location and its proximity to the Tollway are considered superior locational attributes as compared to the subject. Corner influence is treated separately.

Zoning

The zoning of Sales #1 and #3 are considered to be comparable to that of the subject property. Sale #2 has an industrial zoning classification, allowing for less flexibility and intensity of development than the subject. An upward adjustment is deemed appropriate for these conditions inherent in Sale #2.

Utility

In this category a number of factors are considered in adjusting the comparable sales and offerings to the subject property. They include physical dimensions and shape of the site, topography of the site, availability of public and private utilities, and accessibility among others. Those physical dimensions which permit the most economic and efficient use of the land also command better prices. This fact perhaps is best stated in that not having this advantage is an offset to sites with poor frontage-to-depth ratios and the like. Each of the comparables and the subject are considered to have comparable utility for future development, apart from the adjustments made in other categories in this analysis.

Access, exposure, and frontage all impact how a property will be accepted by the market. Additionally, immediacy of access is a specific consideration for the subject property, as opposed

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

Sight/View

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

Access/Frontage

Sale #1 requires an upward adjustment to the subject to reflect the subject's superior access/frontage. This sale wraps around the corner (i.e., the subject site) of Arapaho Road (Improved) and Addison Road, giving two road access/frontage. As the physical location of the sale and the subject are comparable, an adjustment is required to reflect the difference between the dual frontage of this sale and the physical corner of the subject site.. Sale #3 is a true corner location and is considered to be equal in immediate access/frontage as compared to the subject. Sale #2 is an interior tract with single road frontage and is considered to be inferior to the subject in terms of access/frontage.

Size

The subject property is ±74,575 SF in size. Sale #1 is considered to be comparable to the subject, and Sale #2 is considered to be slightly superior in size to that of the subject property. Comparable Sale #3 is 4.54 acres, a size significantly larger than the subject. 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. This would indicate an upward adjustment for size for Sale #3 and a downward adjustment for Sale #2.

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

| LAND SALE ADJUSTMENT GRID | | | |
|-----------------------------------|---------|---------|---------|
| | 1 | 2 | 3 |
| Cash Equivalent Price \$/SF | \$10.00 | \$8.05 | \$13.91 |
| Property Rights Adjustment | -0- | -0- | -0- |
| Adjusted Price \$/SF | \$10.00 | \$8.05 | \$13.91 |
| Conditions of Sale Adjustment | -0- | -0- | -0- |
| Adjusted Price \$/SF | \$10.00 | \$8.05 | \$13.91 |
| Time/Market Conditions Adjustment | +10% | + 5% | -0- |
| Adjusted Price \$/SF | \$11.00 | \$8.45 | \$13.91 |
| Location Adjustment | -0- | +10% | -15% |
| Access/Frontage | +10% | +15% | -0- |
| Zoning | -0- | +10% | -0- |
| Size Adjustment | -0- | - 5% | + 5% |
| Sight/View | -0- | -0- | -0- |
| Adjustment Factor | +10% | +30% | -10% |
| Adjusted Price \$/SF | \$12.10 | \$10.99 | \$12.52 |

Market Value Estimate - Subject Site

After adjustments, the comparable sales range from \$10.99/SF to \$12.52/SF. The average of the adjusted sales price is calculated at \$11.87/SF.

It is the appraiser's opinion that each of the Comparable Sales, as adjusted, are representative of the probable market value of the subject property. Sale #1 and Sale #3 are both in close proximity to the subject and suitable for comparable developments. The greatest reliance is placed upon these two sales. Each comparable has its strengths and weaknesses as compared to the subject. While these comparables are not identical to the subject in terms of size, use, and exact location, these sales are believed to accurately reflect the most probable range of value for the subject, as well as approximating the ultimate use of the subject. The comparables selected ultimately required fewer adjustments than other comparables in the market would require.

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

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

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

Based on the aforementioned data and analysis, the Market Value of the subject site is estimated to be \$12.00 per square foot of the land area. The subject is estimated to contain ±74,575 SF of land area according to the documents provided. Therefore:

| <u>Site Area</u> | <u>Value Estimate</u> | <u>Total</u> |
|------------------|-----------------------|--------------|
| ±74,575 SF | \$12.00/SF | \$894,900 |

ESTIMATED MARKET VALUE - WHOLE PROPERTY "SITE", Say \$894,900

COST APPROACH TO VALUE

As noted, the Cost Approach to Value estimates the replacement or reproduction costs of the improvements plus land value to arrive at an indication of worth for the property appraised. This theory of valuation is based on the Principle of Substitution which holds that a knowledgeable purchaser will not pay more for a property than that amount for which he can obtain a property of equal utility and desirability by acquiring a site and constructing a building thereon within a reasonable period of time. This approach entails the following:

1. Estimation of the current replacement or reproduction cost of the improvements.
2. Estimation of all accrued depreciation, if any, of the improvements, deducting such depreciation from the current cost estimate.
3. Adding the value of the land as estimated by the Sales Comparison Approach to the estimated depreciated cost of the improvements.

Reproduction cost is defined as the cost required to exactly duplicate the existing improvements as of the effective date of the appraisal. Replacement cost is that estimated required to construct at current prices the Subject improvements with equivalent utility to the existing structure using current standard design layout and modern materials. As the Subject building is ± 17 years old and the fact that these kind of structures are of fairly standard design and construction, it is our opinion that utilization of replacement cost is appropriate within the Cost Approach.

Replacement Cost Estimate

Direct Building Costs

The source for current cost data is from the *Marshall and Swift Valuation Service* as adjusted for time and locational variances. This building has the characteristics of the "Good Class C" office buildings as described by *Marshall and Swift*. In Section 15, Page 17, which describes this type of building, current estimated replacement costs are stated at \$86.16/SF for Class "C" Good construction.

Based on the physical inspection of the subject property, the estimated construction cost for the subject main building improvements is \$86.16/SF. The estimated construction cost is adjusted by factors also prepared by *Marshall and Swift* for time lapse to the present from cost preparation date--1.03x--and adjustment for price differentials caused by different physical geographic locations--0.91x. Multiplying these two factors times the \$86.16/SF indicates a current estimated replacement cost for the subject at \$80.76/SF.

Also included in direct costs are elements not covered in the per square foot amount published by *Marshall and Swift*. These items would include the cost of the landscaped areas, the parking garage, or the surface paved parking at the front and back of the office.

The estimated cost of the landscape items is \$100,000. The estimated cost of the underground garage of the office is \$1,400,000 ($\pm 40,000$ SF x \$35.00/SF). These estimates are based on interviews with developers as cross-referenced with *Marshall and Swift*.

The other major element of direct expense not covered in the per square foot cost is the amount for paved parking, walks and drives. It is estimated that there is approximately 20,000 SF of paving associated with the subject property. The paving is a mixture of concrete surface parking and exposed aggregate sidewalk paving, estimated at a current cost estimate of \$3.50/SF (per *Marshall and Swift* estimates for concrete). This equates to \$70,000 for the paving on the subject site as obtained and adjusted from the segregated cost section of the *Marshall and Swift* report found on Page 2 of Section 66.

Indirect Costs

Other elements of construction costs not covered in the basic per square foot amount in *Marshall and Swift* are an allowance for entrepreneurial profit, loan fees and expenses over and above interest during construction--which are included in the basic square foot cost--and the initial leasing and marketing costs.

The estimate of entrepreneurial profit is based on -0-% of the direct replacement cost. Given the somewhat soft office market at this time, it is unlikely that an investor would construct a property of this type at this time. Owner-occupancy would be more typical at this time in the market. No entrepreneurial profit is estimated.

The *Marshall and Swift* published prices do cover interest during construction but not loan fees.

Depreciation - General

Depreciation is defined in most appraisal textbooks as a loss in value as of the date of the appraisal from total replacement or reproduction costs. That depreciation may fall within three different categories. Those categories and the method of estimating the depreciation in each category are explained in the following paragraphs.

Physical Deterioration

Curable physical deterioration refers to items of deferred maintenance. This applies only to items requiring immediate repair. The measure of this category is the cost to correct or cure. Repairs to items such as the roof, painting the interior, carpeting and painting the exterior are typical items of curable physical deterioration. The building in general demonstrated an average standard of ongoing repair and maintenance. No deduction for Curable Physical Depreciation is indicated.

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

Functional Obsolescence

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

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

Accrued Depreciation Estimate by Life Method

This method of estimating total accrued depreciation is found by multiplying the percentage derived by dividing the effective age by the estimated total economic life of the building times the estimated replacement or reproduction costs of the improvements. The Marshall & Swift guidelines indicate a typical economic life for buildings of the type and construction quality of the subject to be ±50 years. The building's actual age is approximately 17 years (1985). The physical inspection results in an estimate of it's effective age of ±17 years due to its present condition and quality of upkeep. The following table shows the calculation of Depreciation of All Items as described.

| Estimate of Incurable Depreciation All Items | |
|---|--------------------|
| Estimated Direct Building Replacement Cost New (Building) | \$6,399,099 |
| Times Ratio of Effective Age to Use Life (17/50) | <u>x0.34</u> |
| Estimated Incurable Physical Depreciation, Long-Lived Items | <u>\$2,175,694</u> |

Economic Obsolescence

Economic obsolescence is a loss in value caused by detrimental influences outside the site. Unsightly or undesirable nearby usages such as salvage yards and heavy industrial plants that have an adverse effect on the value of the appraised property are causes of this type of value loss. Economic loss is always incurable and it is measured by either capitalizing the rent loss attributable to the negative influence or by comparable sales. No noted adverse physical influences so affecting the subject property as to produce economic loss from that cause were observed.

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

COST APPROACH SUMMARY

Direct Costs

| | |
|--|---------------|
| 79,236 GBA SF @ \$80.76/SF - Main Building | \$6,399,099 |
| ±40,000 SF Parking Garage | 1,400,000 |
| Landscaping | 100,000 |
| Paving | <u>70,000</u> |

Total Estimated Direct Costs **\$7,969,099**

Indirect Costs

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

Total Estimated Indirect Costs -0-

Total Estimated Replacement Cost New **\$7,969,099**

Estimated Depreciation

| | |
|------------------------------------|----------------|
| Main Building (.34 x \$6,399,099) | \$2,175,694 |
| Paving (.34 x \$70,000) | 23,800 |
| Landscaping (.34 x \$100,000) | 34,000 |
| Parking Garage (.34 x \$1,400,000) | <u>476,000</u> |

Depreciated Replacement Cost -2,709,494
\$5,259,605

Add: Site Value Estimate by Market Comparison 894,900

Total Estimated Replacement Cost After Depreciation **\$6,154,505**

ESTIMATED MARKET VALUE BY COST APPROACH, Called **\$6,154,505**

INCOME APPROACH TO VALUE

As discussed previously in the Appraisal Process section, the Income Approach to Value is the result of the analysis of the projected gross income stream for the subject property less vacancy and expenses to determine what net operating income for it can reasonably be expected. The first step in the Income Approach is determining what income can be achieved by the property under prudent management. This section typically directs itself to deriving rent comparables from similar properties in the subject's area to determine the stabilized gross annual income potential for it. From that gross annual income, a vacancy and collection loss factor is deducted to arrive at an effective gross income. From the effective gross income, total estimated operating expenses for the project are deducted to arrive at a proforma net operating income. This figure is converted to a value indication through a process known as capitalization.

The subject property is currently a multi-tenant and owner occupied office building. Primary parking for the building is located adjacent to the east and west sides of the building. Additionally, an underground parking garage accessed from the rear of the property provides additional parking.

A survey was made of office space in the subject area adjacent to Addison Road. The primary criteria was Addison Road frontage. The comparables are multi-tenant buildings with adequate parking availability. They should provide a competitive alternative to the subject's characteristics.

Rents

Survey data indicated that rental rates are based either on a "full-service" or modified full-service basis. In a full-service lease, all expenses are paid by the landlord and include; water, electricity, trash service, common area maintenance (CAM), janitorial service, property taxes, and insurance. In the modified full-service leases, the tenant is responsible for their individual electric utility expense and janitorial expenses. Full-service leases are quoted in the \$18.00/SF to \$21.00/SF price range, depending on the size of the space leased. Modified full-service leases are quoted in the \$15.00/SF price range.

Vacancy

Generally, the survey data indicates a softening of the office market in this area. This is demonstrated by average occupancy rates in the 85% to 90% range. Noted vacancies surveyed spanned 0% to 30%. An average typical vacancy is estimated for the subject - 10%. The rationale for this estimate is, since the subject and the comparables are smaller buildings a relatively small number of square feet translates into a relatively high percentage of vacancy. The *Real Estate Investment Trends - Mid-Year 2001*, published by the Henry S. Miller Companies, indicates survey results for average vacancy and collection loss at 8.7% for "small" office properties. The 8% vacancy figure is based on the presumption that there will be periods between tenants, not that a certain number of square feet will be vacant at any given time.

Expenses

The *direct* expense data derived in the survey was very uniform in all areas excepting electrical service expense. A \$2.40/SF expense figure was quoted for the combined expenses of insurance, trash service, water, and common area maintenance. Janitorial service was estimated at \$0.30/SF by those properties including that service. Electrical utility expense ranged from \$3.20/SF to \$3.55/SF for the full-service properties. Property taxes were quoted in the \$2.25/SF range.

The *indirect* expense data includes lease commission expenses and administrative expenses. While lease commission expenses range from 2% to 6%, based on surveys of real estate companies specializing in this service. Lease commission expenses will be estimated for the subject in the mid-range of the quoted rates - 3%. As the subject is reflective of a small multi-tenant building, and it is presumed that the subject property owner would likely contract out for marketing leases in this price range (\$21.00/SF). An administrative expense of 3% is estimated for the subject to address the administrative effort involved in managing the property. Market survey data suggests that multi-tenant properties pay management companies in the range of 2½% to 6% for these services.

Subject Lease - Estimate

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

As stated previously, the full-service lease rate in the subject area is ±\$18.00/SF - \$21.00/SF. Operating expenses are estimated at quoted current rates. Most office buildings build in "expense stops" in their full service lease rates. If expenses escalate above a ceiling specified in the lease, those expenses are passed through to the lessee(s). Expense stop estimates quoted for new leases at the upper limit of lease rates was ±\$7.50/SF.

Obviously, all of the comparables are typical of conventional office space. All have adequate parking and offer amenities similar to the subject. However, as competitive space, each has its strengths and weaknesses, each potentially appealing to an over-lapping demand mix in the market. The Comparable data pages and location map will be found in the Addendum.

No additional income is included in the pro-forma statement for parking fees, etc. It is estimated that these additional amenities would be included in new leases negotiated in the \$21.00/SF price range.

The following pro-forma operating income statement is developed for the subject property, based on the survey data and the extrapolations made therefrom. This derivation is made for the subject property as an independent, self-sustaining unit.

Pro-Forma Operating Income Statement
15280 Addison Road - Minol- MTR

| | |
|--|------------------|
| Potential Gross Income ($\pm 63,389$ SF Leasable @ \$21.00/SF) | \$1,331,169 |
| Less Vacancy & Collection Loss @ 10% | <u>- 133,117</u> |
| Effective Gross Income Estimate | 1,198,052 |

Less Expenses:

| | |
|---------------------------------|----------------|
| Admin./Mgt. @ 3% | \$ 35,942 |
| Leasing Commission @ 3% | 35,942 |
| Expense Stop @ \$7.50/SF | <u>475,418</u> |
| Total Estimated Expenses | <u>547,302</u> |

Indicated Net Operating Income \$ 650,750

CAPITALIZATION

Several capitalization techniques are available to process income into an indication of value. The proper capitalization technique is not determined by random selection. The appropriate technique is determined by the quality and quantity of accessible market data. As there are not any properties similar to the subject from which to derive capitalization rates, survey data compiled at the end of 2000 was utilized for the overall rate estimate.

Three capitalization rate ranges were surveyed by the Henry S. Miller Companies and summarized in their *Real Estate Investment Trends - Mid-Year 2001* report; "going-in" rate (based on the income at the time of purchase), "stabilized" rate (based on typical operating year at stabilized occupancy), and a "reversion" rate (rate anticipated at resale). The stabilized rates for office properties ranged from 9.5% to 11.5%, with an average of 10.4%. As the net operating income estimate is divided by the capitalization rate to derive an estimate of market value, the lower the capitalization rate, the higher the estimate of market value will be. Analysis supports an R_o for the subject property of 10.5%. This gives the benefit of the doubt for a strong operating market for the subject property as an investment. Thus:

| | | | | |
|---------------------|---|-------------------------|---|------------------------|
| <u>Proforma NOI</u> | | <u>R_o</u> | | <u>Indicated Value</u> |
| \$650,750 | + | 10.5% | = | \$6,197,619 |

SALES COMPARISON APPROACH TO VALUE
(Improved)

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

The Sales Comparison Approach to Value was not utilized to estimate the value of the subject property "as improved". An investigation of the Addison market did not reveal any meaningful level of small to mid-size office property sales within the previous 1½ years. The nearest significant activity was noted in the City of Dallas along the Dallas North Tollway, which is a distinctly different market than the subject environs. Therefore, the Sales Comparison Approach to Value - Improved was not developed for the subject property.

RECONCILIATION

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

| | |
|--|--------------------|
| Sales Comparison Approach - Land: | \$ 894,900 |
| Cost Approach: | \$6,154,505 |
| Income Approach: | \$6,197,619 |
| Sales Comparison Approach - Improved: | N/A |

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

| | |
|----------------------------|--------------------|
| WHOLE PROPERTY, say | \$6,200,000 |
|----------------------------|--------------------|

Components of Value

| | |
|---------------------------------------|--------------------|
| Main Bld. & Parking Garage | \$5,100,000 |
| Landscaping/Sprinkler Sys., etc. | 100,000 |
| Paving/Parking/Walks/Drives | <u>101,500</u> |
| Improvement; Total Contributory Value | 5,305,100 |
| Land Value | <u>894,900</u> |
| Total | \$6,200,000 |

PART TAKEN - VALUATION

This Taking is of a Parkway Easement and is considered as a Partial Property acquisition. The Part Taken is considered as severed land with no self-sustaining economic value. A plat of the subject showing the Part Taken is included in the Addendum of this report. This easement encompasses both the surface and subsurface use of the easement area. The use of this easement is for the location of utilities, installation of a pedestrian sidewalk, and for a landscaping buffer between the public road and this property.

The ownership of this property is giving up surface and subsurface control of the easement area (lost property rights). The Town of Addison will be responsible for improving the surface of the easement area with a public use sidewalk and landscaping. The Town of Addison will be responsible for relocating public/private utilities from the Addison Road right-of-way into the easement area.

The easement encompasses an area that the property owner previously had the responsibility for landscaping and maintaining. Subsequent to the acquisition, the Town has the responsibility for the maintenance of the easement area. The area of the easement does not affect any future development rights of the subject property. Set-back requirements will still extend from the subject property boundary, not the easement boundary. As there is no floor-area-ratio (F.A.R.) incorporated within the Town's zoning regulations, development density is not affected by the proposed easement. The easement encompasses the 20' landscape buffer required in the Town's landscaping regulations.

The parkway easement "Part Taken" consists of a strip of land approximately 10' wide, along the west side of the subject from north to south, generally parallel and adjacent, to the existing improved Addison Road right-of-way; a length of roughly $\pm 292'$. The land area within the proposed easement acquisition contains $\pm 2,974.32$ SF of site area. There is insufficient land area for independent use consideration, and there is not sufficient utility of shape to support an independent economic use of the area encompassed by the proposed parkway easement.

Within the acquisition area are portions of grass ground cover, mature live oak trees and an in-ground sprinkler system. No other items of contributory value were noted within the acquisition area.

From the Land Valuation section of this report, the estimated fee simple value of the subject site is \$12.00 per square foot of land area. The value of the property rights extinguished in the easement area are estimated to be 50% of the fee simple interest, with the balance of the property rights remaining with the subject property owner.

The Town of Addison will replace and maintain the landscaping and install a pedestrian sidewalk within the parkway easement area. As those items of landscaping "taken" will be replaced, no compensation will be made for the landscape items within the parkway easement. To do so would result in double compensation; both paying for an item, plus replacing it. It is presumed that the in-ground sprinkler system will be removed, requiring an estimate of the depreciated value of those items.

Therefore, the estimated value of the parkway easement interest of the Part Taken is calculated as follows:

Part Taken - Parkway Easement

| | | |
|-----------------------------|---|-----------|
| Land Area: | 2,974.32 SF @ \$6.00/SF (50% of \$12.00/SF) | \$ 17,846 |
| Improvements: | | |
| Portion of Sprinkler System | Depreciated Value (based on \$0.25/SF of area) | \$ 744 |
| Total | | \$ 18,590 |

REMAINDER BEFORE THE TAKE - VALUATION

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

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

The value of the Remainder Before the Take is valued as follows: (Refer to Page 29 for a breakdown of the contributory value of the individual components of the subject property value.)

| <u>Remainder Components</u> | <u>Unit Value</u> | <u>Component</u> |
|--------------------------------|-------------------|------------------|
| Land Area | | |
| 71,600.68 SF - Fee | \$12.00/SF | \$ 859,208 |
| 2,974.32 SF - Easement | \$ 6.00/SF | 17,845 |
| Improvements | | |
| Office Building/Parking Garage | | \$5,100,000 |
| Paving/Walks/Drives | | 105,100 |
| Landscape System | | <u>99,254</u> |
| Total | | \$6,181,409 |

(Whole Property - \$6,200,000 less Easement - \$18,590 equals \$6,181,410)

REMAINDER AFTER THE TAKE - VALUATION

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

The size and shape of the Remainder site is sufficient for independent economic development. This remainder tract is 74,575 SF in size, the same as the Whole Property. From external appearances, the Remainder will be comparable to the Whole Property with the addition of a pedestrian side walk and a different landscape scheme. The in-ground utilities will not be apparent.

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

Basically, the Remainder After the Take is the original Whole Property with a $\pm 10'$ wide parkway easement separating it from Addison Road. The underlying fee simple value of the property remains the same. The landscape buffer zone required of the subject is now the responsibility of the Town of Addison. As no future development rights, or current uses are limited by the parkway easement, the real estate market is not sensitive enough to detect any change in utility or value for the subject property.

Therefore, the estimated market value of the subject remainder with the parkway easement improved and in place (i.e., a $\pm 74,575$ SF site improved with a 3 story office facility and attendant site improvements), is the same as for the Whole Property - \$6,200,000.

ESTIMATE OF JUST COMPENSATION

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

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

| | |
|---------------------------|--------------------|
| Remainder Before the Take | \$6,181,409 |
| Remainder After the Take | <u>\$6,200,000</u> |
| Total | (\$ 18,591) |

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

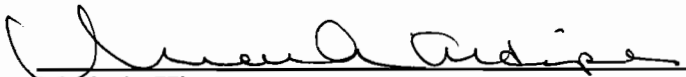
The previously derived estimate of value for the Part Taken also expresses the Estimate of Just Compensation. Therefore:

ESTIMATE OF JUST COMPENSATION **\$18,590**

APPRAISER'S CERTIFICATE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- Mark A. Hipes is currently certified under the Texas Appraiser Licensing and Certification board.
- I have made a personal inspection of the property that is the subject of this report.
- No one other than signors provided significant professional assistance in the preparation of this report.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.



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

ADDENDUM

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

Comparable #1



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

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

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

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

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

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

Comparable #2



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

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

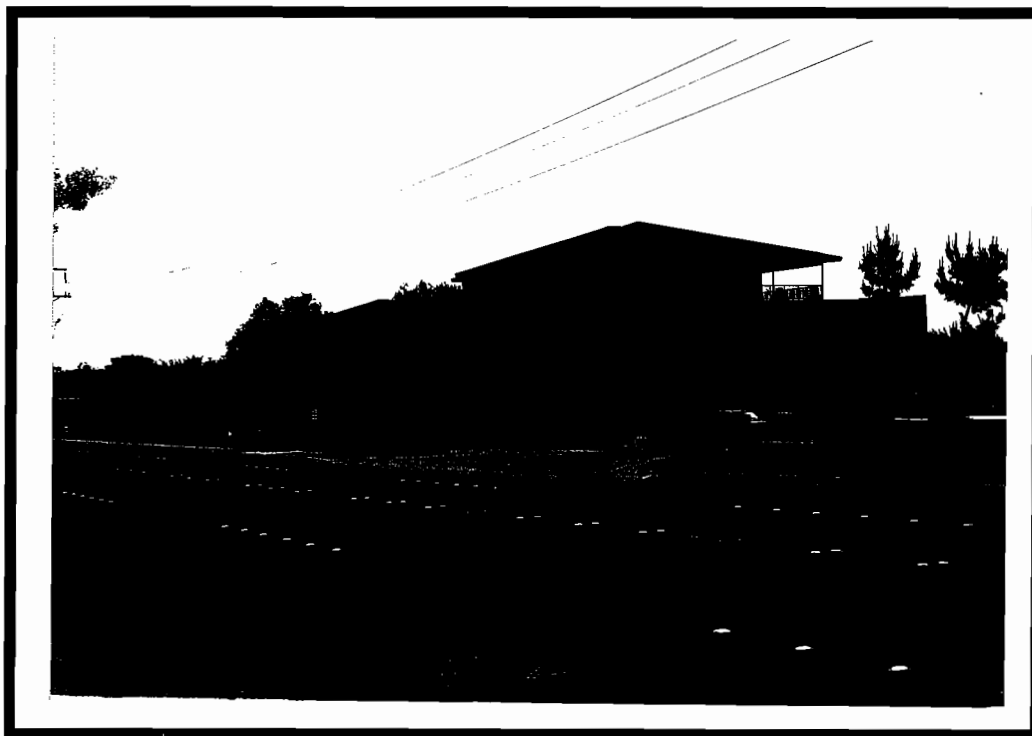
Quoted Lease Rate: \$18.00 - \$19.50 per square foot
Terms of Lease: Full Service; attempting to change to + electrical
Length of Leases: 3 years, negotiable

Estimated Expenses: \$6.50/SF

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

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

Comparable #3



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

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

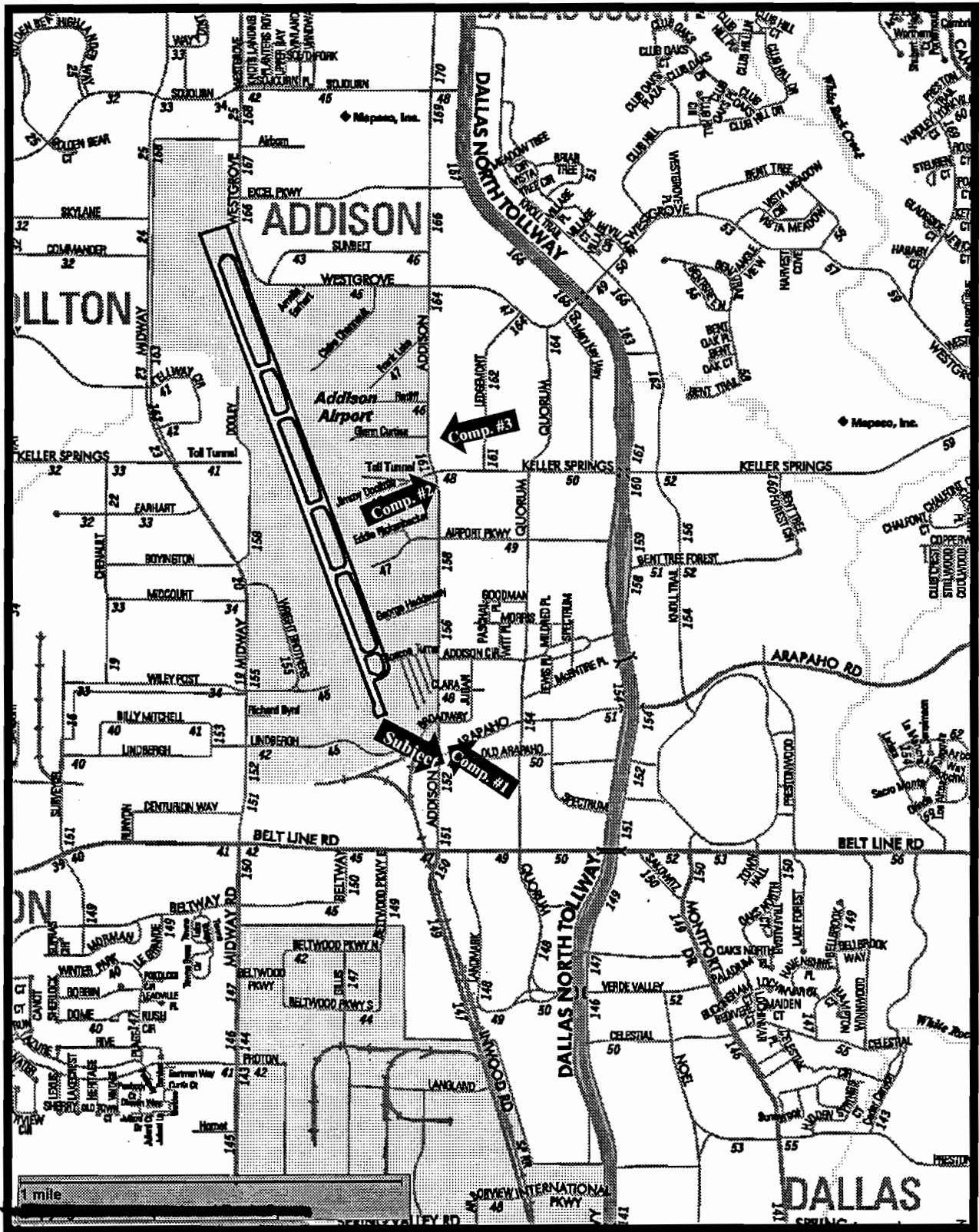
Quoted Lease Rate: \$20.00/SF
Terms of Lease: Full Service
Length of Leases: 3 years, negotiable

Estimated Expenses: \$6.84/SF

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

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

COMPARABLE MAP



ASSUMPTIONS AND LIMITING CONDITIONS
(Read Carefully)

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

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

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

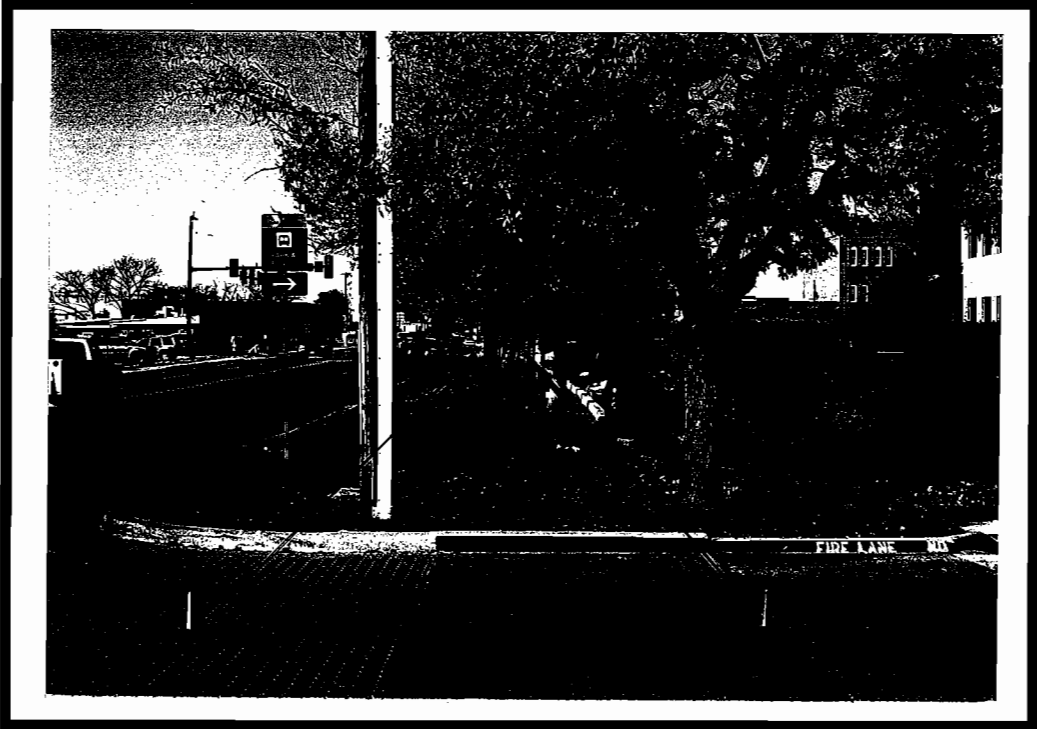
8. That there are no latent defects or any hidden or any unapparent conditions of the Property, subsoil, or structures which would render the Property more or less valuable. (No responsibility is accepted or assumed by Appraiser for any such conditions or for analyses or engineering which may be required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

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

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

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

SUBJECT PHOTOGRAPHS



View of proposed Parkway Easement, looking north along Addison Road.

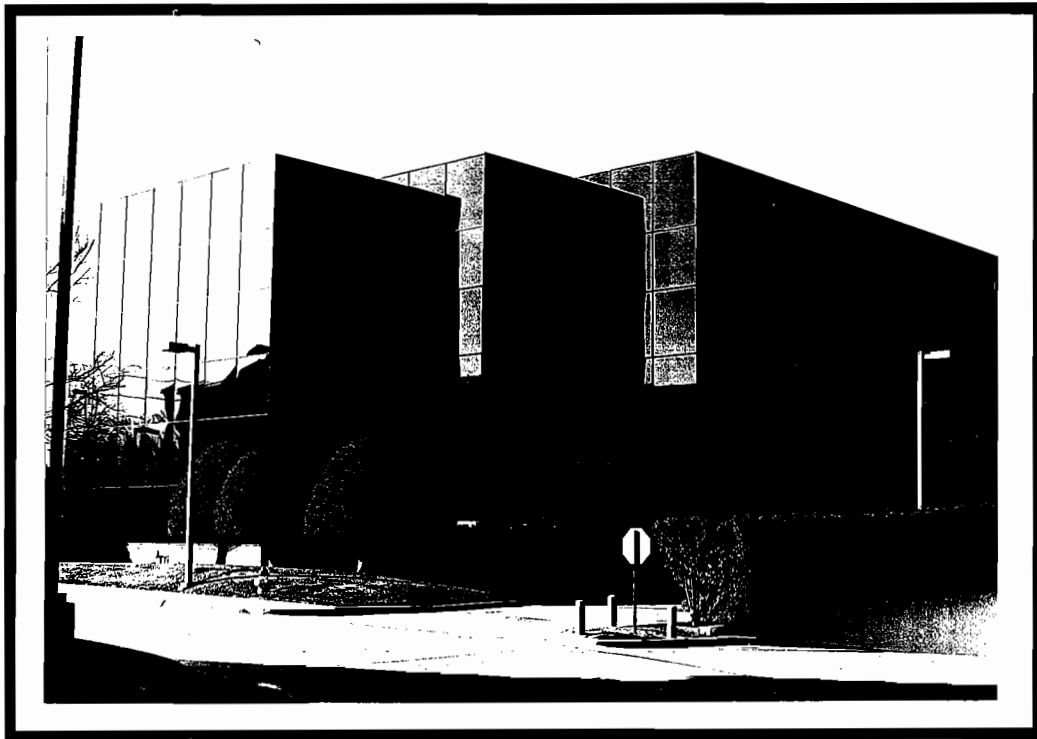


View of proposed Parkway Easement, looking south along Addison Road.

SUBJECT PHOTOGRAPHS



View of the front of the subject property (west side), looking \pm east from Addison Road.

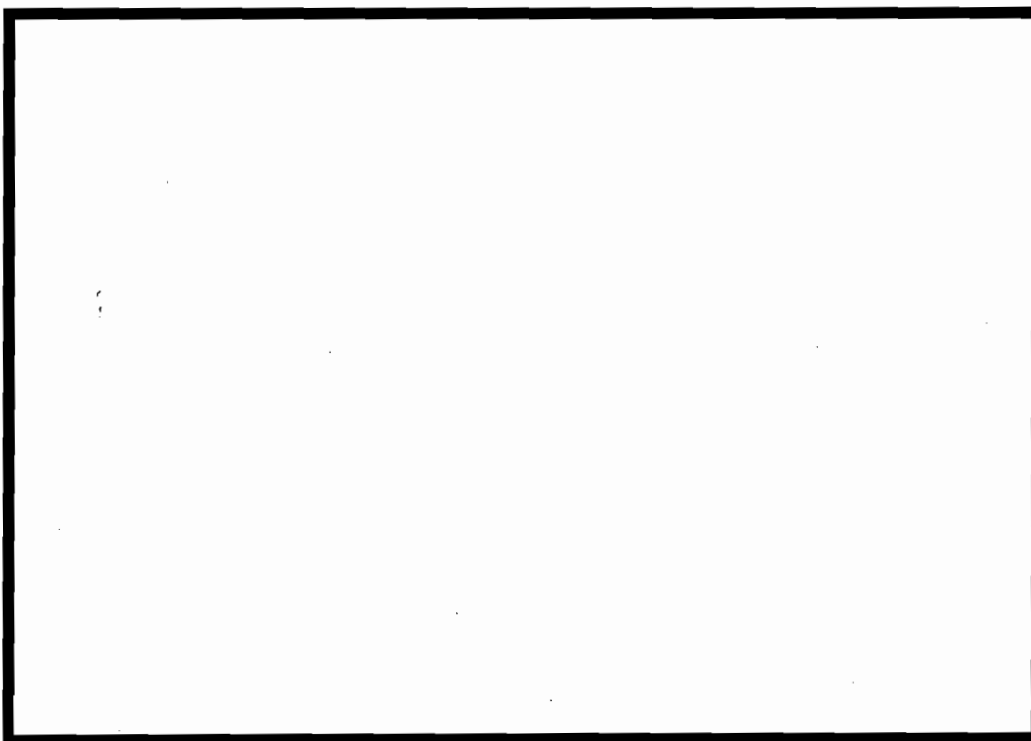


View of the back of the property, looking from the \pm southeast to the \pm northwest.

SUBJECT PHOTOGRAPHS

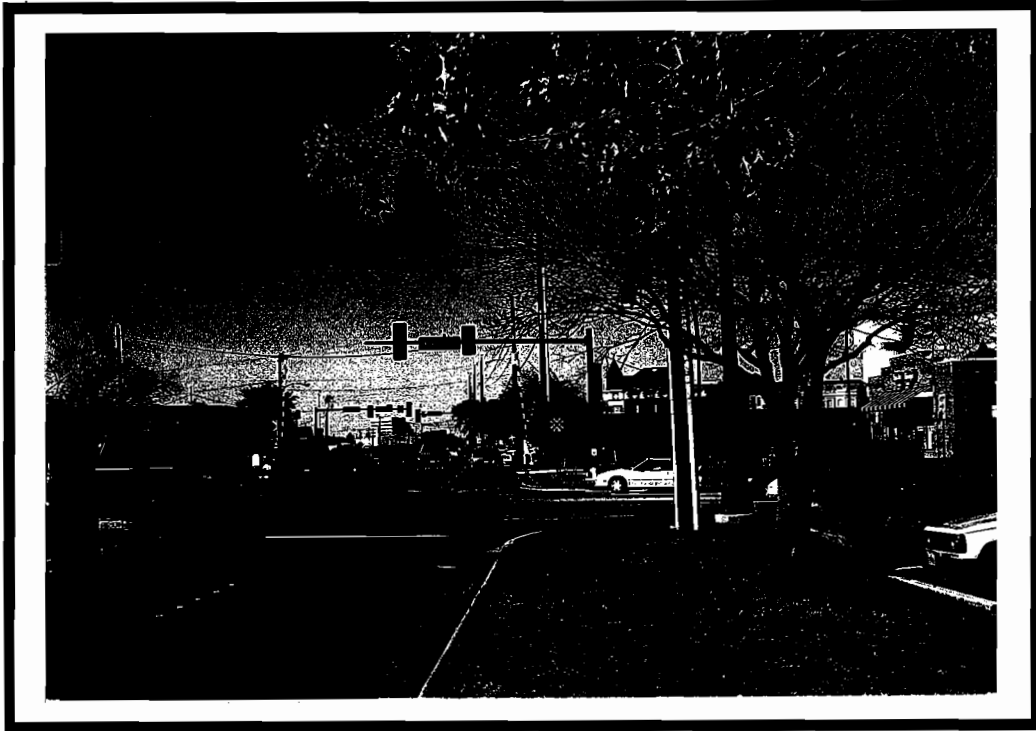


View of the north side of the subject improvements from the northeast.

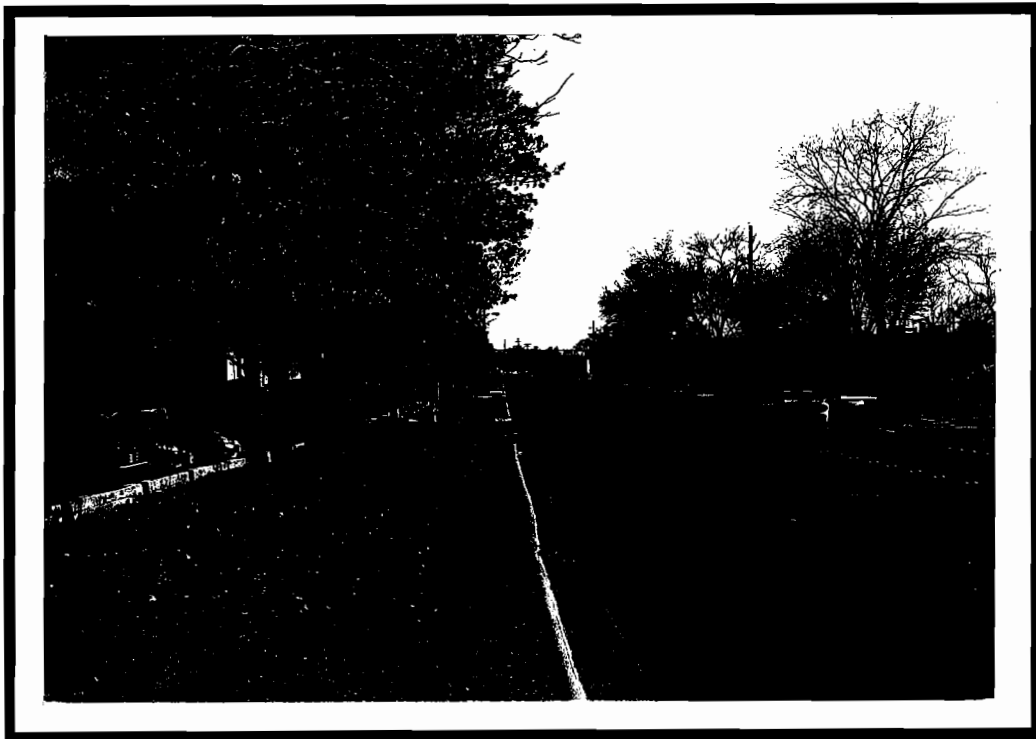


View of the south side of the subject improvements.

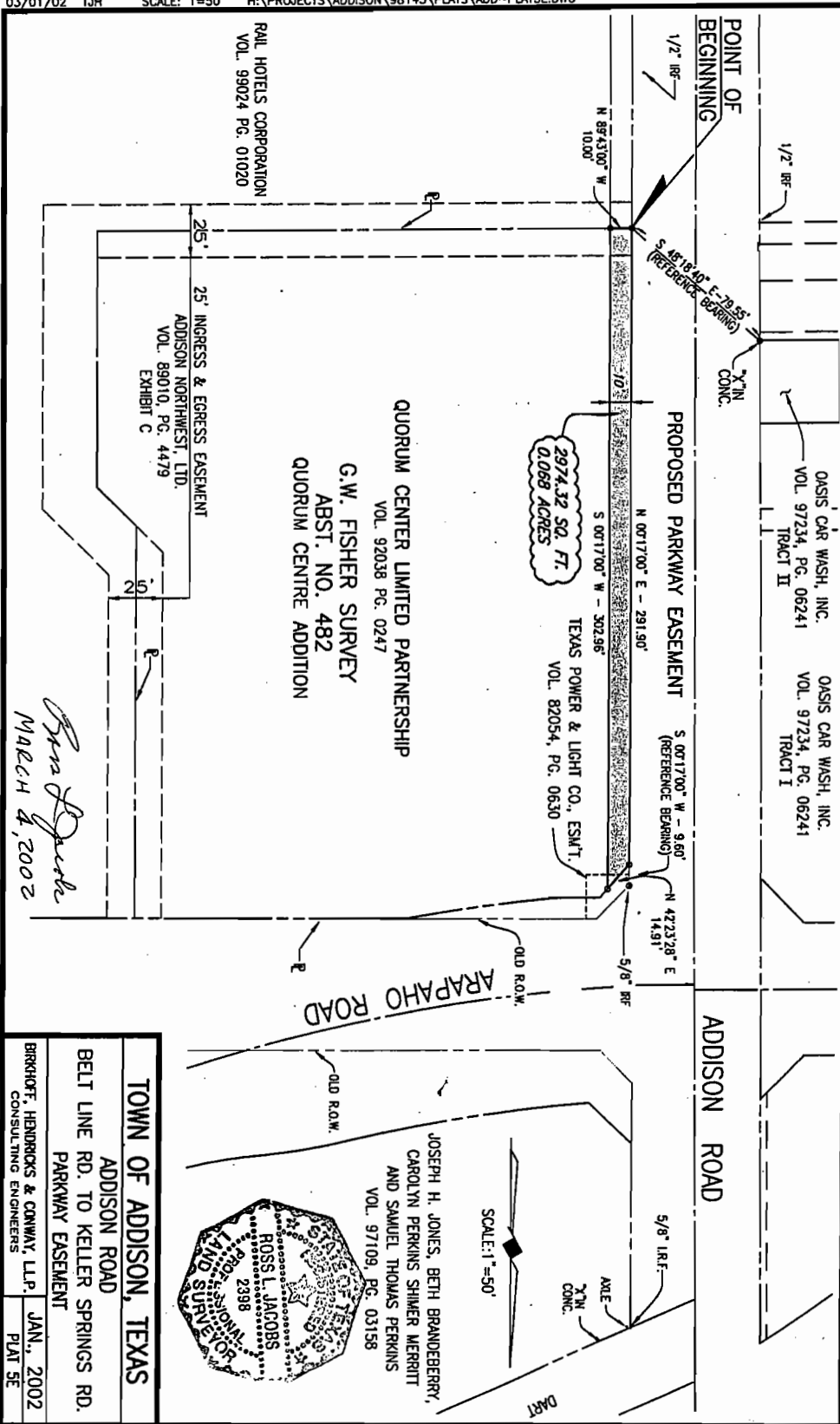
SUBJECT PHOTOGRAPHS



View north along Addison Road from the subject property.



View south along Addison Road from the subject property.



TOWN OF ADDISON, TEXAS
 ADDISON ROAD
 BELT LINE RD. TO KELLER SPRINGS RD.
 PARKWAY EASEMENT
 BRKHOFF, HENDRICKS & CONWAY, L.L.P.
 CONSULTING ENGINEERS
 JAN., 2002
 PLAT 5E



TOWN OF ADDISON, TEXAS
FIELD NOTE DESCRIPTION
FOR
QUORUM CENTER LIMITED PARTNERSHIP
(PARKWAY EASEMENT)

BEING a tract out of a 1.7120 acre tract out of an original 1.7277 acre tract of land located in the G. W. Fisher Survey, in the Quorum Center Addition, an addition to the Town of Addison, Texas Abstract No. 482, in the Town of Addison, Dallas County, Texas, conveyed to Quorum Center Limited Partnership, by a deed now of record in Volume 92038, Page 0247, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

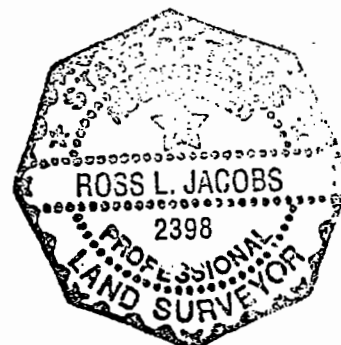
BEGINNING at a point for a corner, said point being in the southwest corner of said 1.7120 acre tract and the northwest corner of a 1.5812 acre tract conveyed to Rail Hotels Corporation by a deed now of record in Volume 99024, Page 01020 of the Deed Records of Dallas County, Texas and being in the east right-of-way line of Addison Road, (generally a 60 foot right-of-way and generally 30 feet to the center line), said point also being S 48° 18'40" E, 79.55 feet from a found "X" in the southeast corner of a 0.0331 acre tract of land conveyed to Oasis Car Wash, Inc. as described in Volume 97234, Page 06241, Tract II of the Deed Records of Dallas County, Texas, said point of beginning also being in center line of a 25 foot wide ingress and egress easement as described in Volume 89010, Page 4479, Exhibit C of the Deed Records of Dallas County, Texas;

THENCE, N 00° 17'00" E, along the west line of said 1.7120 acre tract and along east right-of-way line of said Addison Road for a distance of 291.90 feet to a point for corner, said point being the northwest corner of said 1.7120 acre tract and at a corner clip at the southeast corner of Addison Road and Arapaho Road, said point being S 00° 17'00" W, 9.60 feet from an found 5/8 inch iron rod in the northwest corner of said original 1.7277 acre tract;

THENCE, N 42°23'28" E, along said corner clip at the southeast corner of said Addison Road and Arapaho Road for a distance of 14.91 feet to point for a corner;

THENCE, S 00° 17'00" W, leaving the south right-of-way line of Arapaho Road and the north property line of said Quorum Center Limited Partnership, a distance of 302.96 feet to a point for a corner, said point being in the south line of said 1.7120 acre tract and in a north line of said 1.5812 acre tract;

THENCE, N 89° 43'00" W, along the south line of said 1.7120 acre tract, long the north line of said 1.5812 acre tract and along the center line of said ingress and egress easement for a distance of 10.00 feet to the Point of Beginning and containing 2974.32 square feet (0.068 acres) of land.



Ross L. Jacobs
 MARCH 4, 2002

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