

MAY-23-2003 14:22

COWLES & THOMPSON

2146722020 P.01/04

25th Anniversary
1978-2003

COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



FACSIMILE COVER PAGE

Date: May 23, 2003 Time: _____

Total Number of Pages (including this sheet): 4

Normal/Rush: Normal Client/Matter #: 3195/62389

TO:	(1) Mike Murphy	FAX: 972.450.2837	PHONE:
	(2) Steve Chutchian	FAX: 972.450.2837	PHONE:

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

MESSAGE: RE: Parcel 2 (Joe's Garage)

**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.

MAY-23-2003 14:22

COWLES & THOMPSON

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COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

May 23, 2003

VIA FACSIMILE (214) 855-8848

Ms. Patricia Sherman Bruce, Esq.
Vice President
Republic Title Company
2626 Howell Street, 10th Floor
Dallas, Texas 75204

**RE: Purchaser's Settlement Statement
Parcel 2 (Joe's Garage), Arapaho Road Project
GF No. 02R14029/SJ7**

Dear Patricia:

Attached is the executed Purchaser's Statement. Let me know if you need an original signature. The wiring instructions have been provided to the Town of Addison and city staff has informed me that the funds will be wired to you today. If you have any questions or need anything further, please give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Attachment

c(w/o Attachment): Mr. Mike Murphy, w/Town of Addison
Mr. Steve Chutchian, w/Town of Addison
Mr. Kenneth C. Dippel, w/firm

MAY-23-2003 14:22

COWLES & THOMPSON

2146722020 P.03/04

05/22/2003 22:36

9724507065

TOWN OF ADDISON

PAGE 03/04



REPUBLIC TITLE OF TEXAS, INC.

DATE: 05/22/2003
OF NO: 02R14029 SJ7

PURCHASER'S STATEMENT

SALE FROM: 15211 ADDISON ROAD JOINT VENTURE
SALE TO: TOWN OF ADDISON
PROPERTY: 376 COOK, EDWARD BY 0.1062 0.4582 1.619
NOTE: TAXES ARE NOT BEING PRO-RATED

PURCHASE PRICE: Right-of-Way Deed PER CONTRACT OF SALE \$ 318,947.00

PLUS: CHARGES

Filing fees:
Right-of-Way Deed \$ 19.00
Temporary Const. Ret. \$ 19.00
Parkway Est. \$ 15.00
Partial Release \$ 13.00
Fees to the Title Company:
Escrow Fee \$ 200.00
Courier \$ 5.65
Owner title policy \$ 2,167.00
DISCLOSURE REQUIRED BY ARTICLE 9.03, INSURANCE CODE.
355.05 TO FIRST AMERICAN TITLE INSURANCE COMPANY
2,011.95 TO REPUBLIC TITLE OF TEXAS, INC.
DISCLOSURE INCLUDES TITLE PREMIUMS PAID BY ALL PARTIES.

TOTAL CHARGES \$ 2,730.65

GROSS AMOUNT DUE BY PURCHASER \$ 321,685.65

LESS: CREDITS

Multiple lines for listing credits, all currently blank.

TOTAL CREDITS \$.00

BALANCE DUE BY PURCHASER \$ 321,685.65

Purchaser understands the Closing or Escrow Agent has assembled the information representing the information from the best information available from other sources and cannot guarantee the accuracy thereof. All real estate agent or broker involved may be furnished a copy of this Statement.

Purchaser understands that the real insurance premiums 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 approved same by settlement. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

REPUBLIC TITLE OF TEXAS, INC.

SEE SIGNATURE ADDENDUM ATTACHED.

CLOSING OR ESCROW AGENT

ADDRESS

When known on which date is figured to the date indicated. If not paid by then, a 4% (four) percent add-on will be collected and your statement will be adjusted to have sufficient funds to make release from the Escrowee.

MAY-23-2003 14:22

COWLES & THOMPSON

2146722020 P.04/04

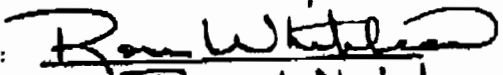
05/22/2003 22:36 9724507065

TOWN OF ADDISON

PAGE 04/04

**SIGNATURE ADDENDUM
TO PURCHASER'S CLOSING STATEMENT
OF NO. 01214029 SJ7**

Town of Addison

By: 
Printed Name: Bob Whitehead
Printed Title: CITY MANAGER



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

May 23, 2003

VIA FACSIMILE (214) 855-8848

Ms. Patricia Sherman Bruce, Esq.
Vice President
Republic Title Company
2626 Howell Street, 10th Floor
Dallas, Texas 75204

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Sincerely,

A handwritten signature in cursive script, appearing to read "Angela K. Washington".

Angela K. Washington

AKW/yjr
Attachment

c(w/o Attachment): Mr. Mike Murphy, w/Town of Addison
Mr. Steve Chutchian, w/Town of Addison
Mr. Kenneth C. Dippel, w/firm



ANGELA K. WASHINGTON
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May 23, 2003

VIA FACSIMILE (214) 855-8848

Ms. Patricia Sherman Bruce, Esq.
Vice President
Republic Title Company
2626 Howell Street, 10th Floor
Dallas, Texas 75204

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Parcel 2 (Joe's Garage), Arapaho Road Project
GF No. 02R14029/SJ7**

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AKW/yjr
Attachment

c(w/o Attachment): Mr. Mike Murphy, w/Town of Addison
Mr. Steve Chutchian, w/Town of Addison
Mr. Kenneth C. Dippel, w/firm

Addison!

MICHAEL E. MURPHY, P.E.
Director of Public Works
(972) 450-2878
(972) 450-2837 FAX
mmurphy@ci.addison.tx.us E-mail

Town of Addison 16801 Westgrove Dr. P.O. Box 9010, Addison, Texas 75001-9010

Michele,

MAY 9 2003

Please have Ron Sign
attached and return
to me.

Thank while

CALL WITH ANY QUESTIONS.

RE: Joe's GARAGE
Kim Forcisthe

25th
Anniversary
1978-2003

COWLES & THOMPSON
A Professional Corporation
ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

May 9, 2003

VIA HAND DELIVERY

Mr. Mike Murphy
Director of Public Works
Town of Addison
16801 Westgrove Drive
Addison, TX 75001-5190

RE: Parcel 2 (Joe's Garage), Arapaho Extension of Read Project

Dear Mike:

Enclosed for execution by Ron Whitehead is the Contract of Sale for the above-referenced property. Once the Contract has been executed, we will forward it to the Title Company to begin the closing process. The Parkway Easement, Right-of-Way Deed, and Temporary Construction Easement have all been executed by Mr. Forsythe and forwarded to the Title Company by his attorney, Addison Wilson, to be held in escrow until the transaction is closed. If you have any questions, please give me a call.

Sincerely,

Angela K. Washington

AKW/db
Enclosure

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

CONTRACT OF SALE

This Contract of Sale (this "Contract") is made and entered into by and between 15211 Addison Road Joint Venture ("Seller") and The Town of Addison, Texas ("Buyer").

ARTICLE I Defined Terms

1.1 Definitions. As used herein, the following terms shall have the meanings indicated:

"Closing" means the consummation of the purchase of the Property by Buyer from Seller in accordance with Article VII.

"Closing Date" means the date specified in Section 7.1 hereof on which the Closing is to be held.

"Deed" means the Warranty Deed to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit E.

"Effective Date" means the date on which Buyer and Seller have both fully executed this Contract.

"Parkway Easement" means the easement document to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit F.

"Permitted Exceptions" means, with respect to the Property, all validly existing and presently recorded public utility easements, emergency access easements, and building set back lines.

"Property" means:

- (1) that certain tract of land described in Exhibit A, attached hereto, together with any building or other structure or improvements, including, without limitation, fixtures, presently situated thereon, and together with all privileges, rights, easements, hereditaments, and other rights appurtenant thereto;
- (2) that certain tract of land described in Exhibit B, attached hereto, which property shall be used perpetually for public right-of-way purposes; and
- (3) also includes that certain tract of land described in Exhibit C, attached hereto, which property shall be used temporarily for construction purposes.

"Purchase Price" means the total consideration to be paid by Buyer to Seller for the purchase of the Property as set forth in Section 3.1.

"Remainder" means the property described in Exhibit D, save and except that property described in Exhibit A and that property described in Exhibit B.

“Temporary Construction Easement” means the easement document to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit G.

“Title Company” means Republic Title of Texas, Inc., 2626 Howell Street, 10th Floor, Dallas, Texas 75204.

1.2 **Other Defined Terms.** Certain other defined terms shall have the respective meanings assigned to them elsewhere in this Contract.

ARTICLE II **Agreement of Purchase and Sale**

2.1 **Agreement.** On the terms and conditions stated in this Contract under threat of condemnation, in consideration of the performance of the agreements contained in this Contract and in reliance on the representations and warranties, and subject to any conditions precedent contained in this Contract, Seller agrees to convey the Property to Buyer and Buyer agrees to purchase the Property from Seller.

ARTICLE III **Compensation**

3.1 **Purchase Price.** The Purchase Price to be paid by Buyer to Seller for the property, any damages to the Remainder, and to avoid the cost and expense of litigation shall be \$318,947.00, \$25,000.00 of which shall be compensation for the temporary construction easement. The Purchase Price is payable by Buyer in cash at Closing.

ARTICLE IV **Representations, Warranties and Covenants**

4.1 **Seller’s Representations and Warranties.** Seller represents and warrants to Buyer as follows:

(a) Seller is the sole owner of the Property and has the full right, power, and authority to sell and convey the Property as provided in this Contract and to carry out Seller’s obligations hereunder, and all requisite action necessary to authorize Seller to enter into this Contract and to carry out its obligations hereunder has been, or by the Closing will have been, taken.

(b) Except as provided in Paragraph 4.3, Seller has not received notice from any governmental authority that there are, to the best of Seller's information, knowledge, and belief, there does not exist, and Seller has not used or deposited (and to the best of Seller's knowledge no prior owner or current or prior tenant has used or deposited), any Hazardous Substances, as hereinafter defined, at, on, or under the Property in violation of the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation Recovery Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticides Act, the Clean Water Act, the Clean Air Act,

all so-called Federal, State and Local "Superfund" and "Superlien" statutes, and all other statutes, laws, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability (including strict liability) or standards of conduct concerning any hazardous substances (collectively the "Hazardous Substance Laws"). For purposes of this Contract, the terms Hazardous Substances shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency and the list of toxic pollutants designated by Congress or the Environmental Protection Agency or under any Hazardous Substance Laws. Hazardous Substances shall also include Radon gas and asbestos.

(c) Neither the Property nor any part thereof, is now subject to any litigation, or other legal or administrative proceeding, and Seller has no knowledge of any facts that might result in any such litigation or proceeding. Seller has not received notice from any governmental or quasi-governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any federal, state, county or city statute, ordinance, code, rule or regulation or stating that any investigation is being commenced or is contemplated regarding any of the foregoing.

4.2 Buyer's Representations and Warranties. Buyer has the full right, power, and authority to buy the Property as provided in this Contract and to carry out Buyer's obligations hereunder.

~~4.3 Seller's Existing Environmental Report(s). Seller has provided the following existing environmental reports to Buyer:~~

Report by David Cornish and Company dated June 19, 1996

Report by The Environment Company dated July 1996

Report by The Environment Company dated July 25, 1996

Seller makes no representation express or implied as to the accuracy or completeness of any such reports other than that Seller has provided all such reports in Seller's possession.

ARTICLE V

Title

5.1 Title Policy. At the Closing, Seller, at Buyer's sole cost and expense, shall cause a standard Texas owner's policy of title insurance (the "Title Policy") to be furnished to Buyer. The Title Policy shall be issued by the Title Company in the amount of \$318,947.00, and insuring that the Buyer has indefeasible fee simple title to that portion of the Property described in Exhibit A and a perpetual right-of-way easement in the Property described in Exhibit B. The Title Policy may contain only the standard printed exceptions and the Permitted Exceptions (except as otherwise provided in Paragraph 7.2).

ARTICLE VI

Conditions to Buyer's Obligations

6.1 Conditions to Buyer's Obligations. The obligations of Buyer hereunder to consummate the transaction contemplated hereby are subject to the satisfaction, as of the Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by Buyer at or prior to the Closing):

- (a) All representations and warranties of the Seller shall be true on and as of the Closing Date.
- (b) The Property, or any material part thereof, shall not have been and shall not be threatened to be materially or adversely affected in any way as a result of litigation, any action by the United States or any other governmental authority, flood or act of God.
- (c) Seller shall have complied with all of the terms and conditions of the Contract.

ARTICLE VII Closing

7.1 Date and Place of Closing. The Closing shall take place in the offices of the Title Company. The Closing Date shall be thirty (30) days after the Effective Date. The Closing Date may be extended or accelerated by the mutual agreement of the parties.

7.2 Items to be Delivered at the Closing.

(a) **Seller.** At the Closing, Seller shall deliver or cause to be delivered to Buyer the following items:

(i) The Deed, duly executed and acknowledged by Seller, subject only to the Permitted Exceptions;

(ii) The Parkway Easement, duly executed and acknowledged by Seller;

(iii) The Temporary Construction Easement, duly executed and acknowledged by Seller;

(iv) An affidavit, in a form reasonably acceptable to Buyer, in compliance with Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, stating under penalty of perjury the Seller's United States identification number and that Seller is not a non-resident alien; provided, however, that if Seller fails to deliver this affidavit, Buyer shall be entitled to withhold from the Purchase Price and pay to the Internal Revenue Service the amounts required by Section 1445, and applicable regulations promulgated thereunder;

(v) The Title Policy;

(vi) Sufficient evidence that Seller has authority to sell the Property and to execute all closing documents on behalf of Seller; and

(vii) Such other documents as the Title Company may request in order to close this Contract and issue the Title Policy (including, without limitation, such affidavits as the Title Company may reasonably request in order that the Title Policy will not contain exceptions for parties in possession or tenants in possession under unrecorded leases, or to the extent necessary to determine that the Seller is not the same individual as may be identified in any abstracts of judgment, bankruptcy filings, that there are no unpaid debts for work that has been done or materials furnished in connection with the Property and that there are no unrecorded mechanic's or materialmen's liens upon the Property, etc.).

(b) **Buyer.** At the Closing, Buyer shall deliver to Seller:

(i) The Purchase Price; and

(ii) Such other documents as the Title Company may request in order to close this Contract and issue the Title Policy.

7.3 Property Taxes. Seller has and shall assume the obligation to pay property taxes and assessments for prior years and for the current year 2003 through the Closing Date only.

7.4 Possession at Closing. Except as necessary to provide 90 days notice to tenants as discussed in Paragraph 9.8, Seller shall deliver possession of the Property to Buyer at Closing.

7.5 Costs of Closing. Buyer shall pay all recording fees attributable to the transfer of title to the Property and all of the closing or escrow fees of the Title Company. Each party shall pay its own attorneys' fees and expenses.

ARTICLE VIII **Defaults and Remedies**

8.1 Seller's Defaults; Buyer's Remedies. In the event that Seller should fail to consummate the transaction contemplated herein for any reason, except Buyer's default, Buyer, as its sole and exclusive remedy, may either: (i) terminate this Contract by written notice delivered to Seller on or before the Closing Date, or (ii) enforce specific performance of this Contract against Seller requiring Seller to convey the Property to Buyer. Buyer shall also be entitled to pursue condemnation of the Property.

8.2 Buyer's Default; Seller's Remedies. In the event that Buyer should fail to consummate the transaction contemplated herein for any reason, except default by Seller or the nonsatisfaction of any of the conditions to Buyer's obligations, set forth herein, Seller, as its sole and exclusive remedy, may either: (i) terminate this Contract by written notice delivered to Buyer on or before the Closing Date; or (ii) sue Buyer to enforce specific performance of this Contract.

ARTICLE IX **Miscellaneous**

9.1 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered, upon the earlier to occur of (a) actual receipt, and (b) upon the deposit of the original in a regularly maintained receptacle for the United States mail, registered or certified, postage prepaid, addressed as follows:

Seller:

15211 Addison Road Joint Venture
3333 Earhart, Suite 250
Carrollton, Texas 75006

With copy to:

Addison Wilson III
5500 Preston Road, Suite 330
Dallas, Texas 75205

Buyer:

The Town of Addison
5300 Belt Line Road
Dallas, Texas 75254
Attn: Ron Whitehead

With copy to:

Kenneth C. Dippel
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202

9.2 Governing Law. This Contract is being executed and delivered, and is intended to be performed in the State of Texas and the laws of Texas govern the validity, construction, enforcement, and interpretation of this Contract. Venue for any action under this Contract lies in Dallas, County, Texas.

9.3 Entirety and Amendments. This Contract embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property, and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

9.4 Parties Bound. This Contract is binding upon and inures to the benefit of Seller and Buyer, and their respective heirs, personal representatives, successors, and assigns.

9.5 Further Acts. In addition to the acts and deeds recited in this Contract and contemplated to be performed, executed, and/or delivered by Seller to Buyer, Seller and Buyer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the

Closing or after the Closing any and all further acts, deeds, and assurances as are reasonably necessary to consummate the transactions contemplated hereby, as long as no liability or expense is incurred in connection therewith.

9.6 Environmental Testing and Remediation.

(a) Seller shall allow and hereby grants to Buyer the right of access to the Property and the Temporary Construction Easement Area immediately upon execution of this Contract for the purpose of performing environmental and other inspections and investigations and collecting necessary samples for testing.

(b) In connection with the Buyer's activities on the Easement Area under the Temporary Construction Easement, Seller acknowledges and understands that following Closing, Buyer will be removing structures and buildings from the Easement Area, which structures and buildings are identified and shown on Exhibit H attached hereto and incorporated herein (the "Structures"). In the removal of the Structures, Buyer will be responsible for the treatment and handling of environmental contamination and hazards, if any, located within the Structures ("Buyer's Environmental Responsibility"). However, except for Buyer's Environmental Responsibility, Seller is, and shall remain, solely responsible and liable for any and all environmental contamination, hazards, waste, or any other environmental issue(s) on, in, under, or above the Easement Area and any and all improvements, structures, or facilities located thereon or therein, including, without limitation, any environmental contamination, hazards, waste, or other environmental issue(s) in the surface or subsurface of the Temporary Construction Easement Area on which the Structures are located. The terms of this paragraph shall survive the Closing hereof.

9.7 Notification of Demolition. Buyer shall notify Seller at least 14 days prior to the date Buyer commences demolition.

9.8 Vacation of Premises by Tenants. Seller shall ensure that the Property is free of all tenants no later than 90 days after the execution of this Contract. Buyer shall not be responsible for relocation costs or any other costs in connection with the vacation of tenants, tenant leases or any other tenant matter. Seller, at Seller's cost, agrees to indemnify, hold harmless, and defend Buyer, its officers, and employees from and against claims or suits for injuries, damages, loss, or liability arising out of or in connection with any tenant's vacation of the premises, termination or nonrenewal of leases or any other matter related to or resulting from any action taken pursuant to or because of this Contract. Seller may retain all rents from Tenants until such time as Tenants are required to vacate.

9.9 Survival. Except as otherwise provided herein, all warranties, representations and agreements contained herein shall survive the Closing hereof; provided however, that each party acknowledges that all representations and warranties of the other party are in writing and contained herein, and that neither party has made, nor received nor relied upon any oral or other representation not expressly contained herein.

9.10 Counterpart Execution. This Contract may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

9.11 Assignment. Buyer shall have no power or right to assign this Contract without the prior written consent of Seller.

9.12 Maintenance of the Property. Between the Effective Date and the Closing, Seller shall:

(a) Maintain the Property in good repair, reasonable wear and tear excepted, except that in the event of a fire or other casualty, damage or loss, Seller shall have no duty to repair said damage other than as provided in this Contract;

(b) Advise Buyer promptly of any litigation, arbitration or administrative hearing concerning or affecting the Property of which Seller has knowledge or notice;

(c) Immediately notify Buyer of any material injury or damage to the Property or any portion thereof;

(d) Not, without the prior written consent of the Buyer, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the property which are not delinquent) security interest, encumbrance or charge, or conditional sale or other title retention document, other than the Permitted Exceptions or matters that will be released or bonded around, at or prior to Closing, and should any of the foregoing become attached hereafter in any manner to any part of the Property without the prior written consent of Buyer, Seller shall cause the same to be promptly discharged and released; and

(e) Not and shall use best efforts not to allow and permit the release of Hazardous Materials of any kind in, under, or above the Property, any improvements thereon, or into or onto the surface water, ground water, soil or subsurface of the Property.

Executed: May 8, 2003

SELLER:

15211 Addison Road Joint Venture

By: Kim B. Forsythe
Kim B. Forsythe, Venture Manager

Executed: May 12, 2003

BUYER:

The Town of Addison

By: Ron Whitehead
Ron Whitehead, City Manager

EXHIBIT A

Parcel 2
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.1062 acre (4,628 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being a portion of a called 1.6188 acre tract of land conveyed to 15211 Addison Road Joint Venture on August 7, 1996 and recorded in Volume 96156, Page 04963 of the Deed Records of Dallas County, Texas, said called 1.6188 acre tract being a portion of Lot 2, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of said Deed Records, said 0.1062 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at a "PK" nail set at the North end of a cut back corner located at the Southwest intersection of Addison Road (variable width) with Arapaho Road (60 feet wide) as dedicated ~~by said plat of Addison Car Care,~~ said nail also being the Northwest corner of a called 0.117 acre (5,112.33 square foot) tract for a 20 foot wide proposed Parkway Easement for Addison Road as evidenced by exhibit furnished by Birkhoff, Hendricks, & Conway, LLP., and signed by Gary Clinton Hendricks, Registered Professional Land Surveyor No. 5037 on April 30, 2002;

THENCE, SOUTH 00°18'13" EAST, along the West line of said called 0.117 acre tract, being 20 feet West of, measured at a right angle, and parallel to the existing West right of way of said Addison Road, a distance of 31.92 feet to a "PK" nail set in the proposed South right of way line of Arapaho Road;

THENCE, along the proposed South right of way line of Arapaho Road the following courses and distances:

NORTH 67°46'13" WEST, a distance of 20.18 feet to a "PK" nail set for an angle point;

WEST, a distance of 5.40 feet to a "PK" nail set for the point of beginning of a tangent curve to the left;

EXHIBIT A

PARCEL 2 - ARAPAHO ROAD PROJECT

WESTERLY, along the arc of said curve to the left having a radius of 798.00 feet, a central angle of $13^{\circ}31'51''$, a chord bearing South $83^{\circ}14'04''$ West for 188.02 feet, for an arc distance of 188.45 feet to a 5/8 inch iron rod set in a curve of the common Northwest line of said called 1.6188 acre tract and the Southeast line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 278, Page 115 of said Deed Records;

THENCE, NORTHEASTERLY, departing said proposed right of way line of Arapaho Road, along said common line and the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet), a central angle of $02^{\circ}04'14''$, a chord bearing North $31^{\circ}29'01''$ East for 25.80 feet, for an arc distance of 25.80 feet to a 5/8 inch iron rod set for the common Northwest corner of said called 1.6188 acre tract and Southwest corner of the dedication of said Arapaho Road by said plat of Addison Car Care;

THENCE, EASTERLY, departing said common line and along the common North line of said called ~~1.6188 acre tract and existing South right of way line of said Arapaho Road, along a non-tangent curve to the right having a radius of 670.00 feet, a central angle of $15^{\circ}19'50''$, a chord bearing North $82^{\circ}09'51''$ East for 178.74 feet, for an arc distance of 179.27 feet (called 179.44 feet) to a "PK" nail set for the point of tangency of said curve;~~

THENCE, NORTH $89^{\circ}49'46''$ EAST (called North $89^{\circ}39'$ West), continuing along said common line, a distance of 20.07 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 0.1062 acres or 4,628 square feet of land within the metes recited.

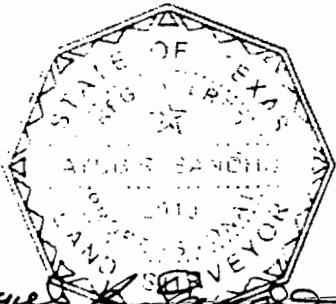
EXHIBIT A

PARCEL 2 - ARAPAHO ROAD PROJECT

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

A plat of even survey date herewith accompanies this description.

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



Ayub R. Sandhu
7-9-02

EXHIBIT B
TOWN OF ADDISON, TEXAS
FIELD NOTE DESCRIPTION
FOR
15211 ADDISON ROAD JOINT VENTURE
(PARKWAY EASEMENT)

BEING a tract out of a 1.619 acres of a tract of land located in the Edward Cook Survey, Abstract No. 326, and being across Lot 2 of Block 1 in the Addison Car Care Addition, an addition to the Town of Addison, Dallas County, Texas, conveyed to 15211 Addison Road Joint Venture by a deed now of record in Volume 96156, Page 4963, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

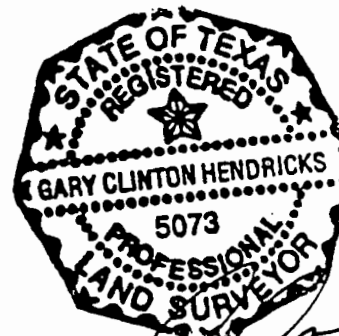
BEGINNING POINT and being a found 'X' in concrete and said point being the southeast corner of said 1.619 acre tract and the northeast corner of a 0.304 acre tract of land conveyed to Dyson Enterprises, LP by a deed now of record in Volume 2000034, Page 2494, of the Deed Records of Dallas County, Texas, and being in the west 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 N 00°13'00" E, 54.98 feet from a found 1/2 inch and being the southeast corner of said 0.304 acre tract;

THENCE, Due West, along the south line of said 1.619 acre tract, and along the north line of said 0.304 acre tract for a distance of 20.00 feet to a point for corner;

THENCE, N 00° 13'00" E for a distance of 265.68 feet to a point for corner in the north line of said 1.619 acre tract and in the south line of a dedicated right-of-way for Arapaho Road (generally 60 feet wide) to the Town of Addison, Dallas County, Texas;

THENCE, S 44° 43'21" E, along the north line of said 1.619 acre tract and along the south line of said dedicated right-of-way for Arapaho Road, a distance of 28.31 feet to a point for corner, said point being in said west right-of-way line of Addison Road;

THENCE, S 00° 13'00" W along the east line of said 1.619 acre tract and the west right-of-way line of said Addison Road, a distance of 245.56 feet to the Point of Beginning and containing 5,112.33 square feet (0.117 acres) of land.



[Handwritten Signature]
 4/30/02

EXHIBIT C

Parcel 2-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.4582 acre (19,959 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being a portion of a called 1.6188 acre tract of land conveyed to 15211 Addison Road Joint Venture on August 7, 1996 and recorded in Volume 96156, Page 04963 of the Deed Records of Dallas County, Texas, said called 1.6188 acre tract being a portion of Lot 2, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of said Deed Records, said 0.4582 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at a "PK" nail set at the North end of a cut back corner located at the Southwest intersection of Addison Road (variable width) with Arapaho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said nail also being the Northwest corner of a called 0.117 acre (5,112.33 square foot) tract for a 20 foot wide proposed Parkway Easement for Addison Road as evidenced by exhibit furnished by Birkhoff, Hendricks, & Conway, LLP., and signed by Gary Clinton Hendricks, Registered Professional Land Surveyor No. 5073 on April 30, 2002;

THENCE, SOUTH 00°18'13" EAST, along the West line of said called 0.117 acre tract, being 20 feet West of, measured at a right angle, and parallel to the existing West right of way of said Addison Road, a distance of 31.92 feet to a "PK" nail set in the proposed South right of way line of Arapaho Road same being the **POINT OF BEGINNING;**

THENCE, SOUTH 00°18'13" EAST, continuing along the West line of said called 0.117 acre tract, being 20 feet West of, measured at a right angle, and parallel to the existing West right of way of said Addison Road, a distance of 10.83 feet to the most Eastern Southeast corner of the herein described tract;

EXHIBIT C

PARCEL 2TE - ARAPAHO ROAD PROJECT

THENCE, over and across said called 1.6188 acre tract and said Lot 2, Block 1 the following course and distances:

NORTH 67°46'13" WEST, a distance of 11.04 feet to an ell corner of the herein described tract;

SOUTH 00°38'19" EAST, a distance of 63.37 feet to an ell corner of the herein described tract;

SOUTH 89°21'41" WEST, a distance of 18.74 feet to an ell corner of the herein described tract;

SOUTH 00°27'50" EAST, a distance of 45.46 feet to the Southeast corner of the herein described tract;

SOUTH 89°20'10" WEST, along the South line of the herein described tract, a distance of 151.83 feet to the most Southerly Southwest corner of the herein described tract;

NORTH 00°39'51" West, along the West line of the herein described tract, a distance of 99.34 feet to an ell corner of the herein described tract same being the beginning of a non tangent curve to the left;

WESTERLY, along the arc of said non tangent curve to the left having a radius of 788.00 feet, a central angle of 02°45'03", a chord bearing South 77°09'09" West for 37.83 feet, for an arc distance of 37.83 feet to the most Westerly Southwest corner of the herein described tract, same being in a curve of the common Northwest line of said called 1.6188 acre tract and the Southeast line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 278, Page 115 of said Deed Records;

THENCE, NORTHEASTERLY, along said common line and the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet), a central angle of 01°06'40", a chord bearing North 29°53'34" East for 13.85 feet, for an arc distance of 13.85 feet to the Northwest corner of the herein described tract same being in the South line of Proposed South right of way line of Arapaho Road said corner also being the beginning of a non tangent curve to the right;

EXHIBIT C

PARCEL 2TE - ARAPAHO ROAD PROJECT

THENCE, continuing over and across said called 1.6188 acre tract and said Lot 2, Block 1 and along the proposed South right of way line of Arapaho Road the following courses and distances:

EASTERLY, along a non-tangent curve to the right having a radius of 798.00 feet, a central angle of $13^{\circ}31'51''$, a chord bearing North $83^{\circ}14'04''$ East for 188.02 feet, for an arc distance of 188.45 feet to a "PK" nail set for the point of tangency of said curve;

EAST, a distance of 5.40 feet;

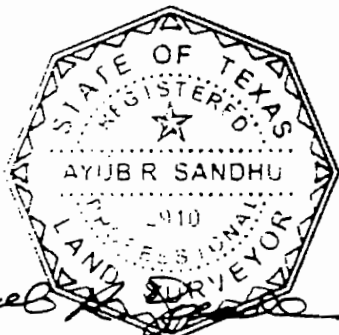
SOUTH $67^{\circ}46'13''$ EAST, a distance of 20.18 feet to the **POINT OF BEGINNING;**

CONTAINING an area of 0.4582 acres or 19,959 square feet of land within the metes recited.

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

A plat of even survey date herewith accompanies this description.

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



Ayub R. Sandhu
7-9-02

EXHIBIT D

GF-Number 96R03932B

BEING a 1.6188 acre tract of land situated in the EDWARD COOK SURVEY, ABSTRACT NO. 326, Town of Addison, Dallas County, Texas, and being a portion of Lot 2, Block 1 of Addison Car Care Addition, an addition to the Town of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 87111, Page 286, of the Map Records of Dallas County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at an "+" cut set in concrete walk for corner at the southeast corner of Lot 1, Block 1 of said Addison Car Care Addition, said point being in the west line of Addison Road (a variable width right-of-way);

THENCE N 00 degrees 13 minutes 00 seconds E, along said west right-of-way line, a distance of 175.00 feet to the POINT OF BEGINNING, an "+" cut set in concrete pavement for corner;

THENCE West leaving said westerly right-of-way line, a distance of 316.93 feet to a 1/2 inch iron rod set for corner in the easterly line of the St. Louis and Southwestern Railroad right-of-way line, and also being the most westerly southwest corner of said Lot 2 and also being the beginning of a non-tangent curve to the right having a central angle of 21 degrees 13 minutes 20 seconds, a radius of 713.94 feet, with a chord bearing of N 22 degrees 27 minutes 08 seconds E, and a chord distance of 262.93 feet;

THENCE Northeastorly, along said curve and along said easterly railroad right-of-way line, an arc length of 264.44 feet to a 1/2 inch iron rod set for corner in the south line of Arapaho Road (a 60 foot wide right-of-way) and also being the beginning of a non-tangent curve to the right having a central angle of 15 degrees 20 minutes 42 seconds, a radius of 670.00 feet, with a chord bearing of N 82 degrees 40 minutes 38 seconds E, and a chord distance of 178.91 feet;

THENCE Northeasterly, along the south line of said Arapaho Road, an arc length of 179.44 feet to a P.K. nail set for corner at the point of tangency;

THENCE S 89 degrees 39 minutes 00 seconds E, continuing along said south right-of-way line, a distance of 20.07 feet to a P.K. nail set for corner;

THENCE S 44 degrees 43 minutes 00 seconds E, a distance of 28.32 feet to an "+" cut set in concrete walk for corner in the west line of said Addison Road;

THENCE S 00 degrees 13 minutes 00 seconds W, along said west right-of-way line, a distance of 245.56 feet to the POINT OF BEGINNING, and containing 70,516 square feet or 1.6188 acres of land, more or less.

96156 04965

EXHIBIT E

After Recording Return To:
Angela K. Washington
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

RIGHT-OF-WAY DEED

DATE: May 8 , 2003

GRANTOR: 15211 ADDISON ROAD JOINT VENTURE
 3333 Earhart, Suite 250
 Carrollton, Texas 76006

GRANTEE: TOWN OF ADDISON, TEXAS
 5300 Belt Line Road
 Dallas, Texas 75254
 (Dallas County, Texas)

CONSIDERATION:

Two Hundred Ninety Three Thousand Nine Hundred Forty Seven DOLLARS AND
~~No/100 (\$293,947.00) in hand paid by Grantee, the receipt and sufficiency of which is~~
acknowledged by Grantor.

PROPERTY (INCLUDING ANY IMPROVEMENTS):

A tract of land, herein referred to as Parcel 2, containing approximately 4,628 square feet of land, and more particularly described in Exhibit A (Parcel 2 Field Note Description), and depicted on Exhibit B (Parcel 2 Survey Depiction), which are attached hereto and incorporated herein by reference.

CONVEYANCE:

For the consideration described above, Grantor hereby grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold it to Grantee, Grantee's heirs, executors, administrators, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, 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.

MISCELLANEOUS:

(a) Nothing in this instrument shall be construed as a waiver by Grantee of any utility connection charge or other charges imposed by ordinance or Charter of the Town of Addison.

EXHIBIT E

(b) The Property hereby conveyed may be used as a public right-of-way for the passage of vehicular and pedestrian traffic, including (without limitation) streets, roads, sidewalks, utilities, drainage, and other customary uses of public right-or-way. Improvements may be on such grade and according to such plans and specifications as will, in the opinion of Grantee, best serve the public purpose.

(c) The consideration described above shall be deemed full compensation for the conveyance of the Property, and for any diminution in value that may result to the remaining property of Grantor by virtue of Grantee's use of the Property.

(d) When the context requires it, singular nouns and pronouns include the plural.

EXECUTED effective as of the day first written above.

15211 Addison Road Joint Venture

By: *Kim B. Forsythe*
Kim B. Forsythe, Venture Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before Me, the undersigned notary public in and for said county and state, on this 8th day of May, 2003, personally appeared Kim B. Forsythe, Manager of 15211 Addison Road Joint Venture, known to me to be the identical person who executed the within and foregoing document, 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.

Shelby R. Emberton
Notary Public, State of Texas
Print Name: *Shelby R. Emberton*

My Commission Expires:
7-29-2006

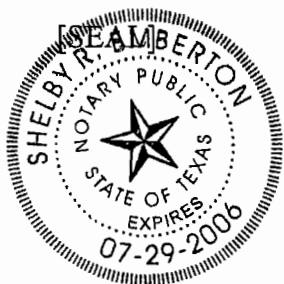


EXHIBIT F

**After Recording Return To:
Angela K. Washington
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202**

**TOWN OF ADDISON
PARKWAY EASEMENT**

STATE OF TEXAS

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

That 15211 Addison Road Joint Venture, hereinafter referred to as **Grantor**, for and in consideration of the sum of **Ten and no/100 (\$10.00)** and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, does by these presents grant, sell and convey unto the **Town of Addison** of the County of Dallas, State of Texas, its successors and assigns, hereinafter termed **Grantee**, a perpetual easement and right-of-way in, under, over, along and across the property described in attached **Exhibit A** (Field Note Description) and depicted on attached **Exhibit B** (Survey Depiction).

This easement and right-of-way with all rights and privileges hereby granted may be used for the purpose of constructing, operating, repairing, reconstructing and perpetually maintaining sidewalks, landscaping, irrigation, wiring, lights and any and all other parkway related uses in, over, through and under the premises hereinabove described. **Grantee**, its employees, agents, and licensees shall at all times have the right and privilege to access the perpetual easement herein granted. **Grantor** agrees not to construct or place within the premises described above any buildings, fences, shrubs, trees or other improvements, without the prior written consent of **Grantee**.

To have and to hold the same, together with all and singular the rights and hereditaments thereunto in anywise belonging unto **Grantee**, its successors and assigns, for the purposes of the perpetual easement herein granted.

And **Grantor** hereby binds itself, its heirs, executors, agents and assigns to warrant and defend all and singular the above described easement and rights unto **Grantee**, its successors and assigns, against every person whosoever lawfully claiming or to claim the same or any part thereof by, through, or under Grantor, but not otherwise.

EXECUTED this 8th day of May, 2003.

15211 ADDISON ROAD JOINT VENTURE


By 
Kim B. Forsythe, Venture Manager

EXHIBIT F

STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

8th BEFORE ME, the undersigned notary public in and for said county and state, on this day of May, 2003, personally appeared Kim B. Forsythe, Venture Manager on behalf of 15211 Addison Road Joint Venture, a Texas Joint Venture, 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.

Shelby R. Emberton
Notary Public in and for the State of Texas

MY COMMISSION EXPIRES:

7-29-2006



EXHIBIT G

TO HAVE AND TO HOLD the Easement and Easement Area, together with all and singular and 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 successors and assigns, to **WARRANT AND FOREVER DEFEND** all and singular the Easement and Easement Area 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.

EXECUTED this 8th day of May, 2003.

GRANTOR
15211 ADDISON ROAD JOINT VENTURE

By: *Kim B. Forsythe*
Kim B. Forsythe, Venture Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned notary public in and for said county and state, on this 8th day of May, 2003, personally appeared Kim B. Forsythe, Manager of 15211 Addison Road Joint Venture, a Texas Joint Venture, 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.

Shelby R. Emberton
Notary Public, State of Texas
Print Name: Shelby R. Emberton

MY COMMISSION EXPIRES:
7-29-2006

[SEAL]





ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

May 6, 2003

VIA HAND DELIVERY

Mr. Addison Wilson, III
Attorney at Law
5500 Preston Road
Dallas, TX 75205

RE: Parcel 2 (Joe's Garage), Arapaho Extension of Road Project

Dear Mr. Wilson:

Enclosed are the following finalized documents for execution by Mr. Forsythe:

1. Contract of Sale with Exhibits A through H;
2. Right-of-Way Deed with Exhibits A and B;
3. Parkway Easement with Exhibits A and B; and
4. Temporary Construction Easement with Exhibits A and B.

Once executed, please return all documents to me. To complete the Temporary Construction Easement, a copy of the Contract of Sale will be attached to it prior to closing. Thank you for your assistance in this matter.

Sincerely,

Angela K. Washington
AKW/yjr
Enclosures

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

EXHIBIT B
TOWN OF ADDISON, TEXAS
FIELD NOTE DESCRIPTION
FOR
15211 ADDISON ROAD JOINT VENTURE
(PARKWAY EASEMENT)

*JOE'S Auto -
Body*

BEING a tract out of a 1.619 acres of a tract of land located in the Edward Cook Survey, Abstract No. 326, and being across Lot 2 of Block 1 in the Addison Car Care Addition, an addition to the Town of Addison, Dallas County, Texas, conveyed to 15211 Addison Road Joint Venture by a deed now of record in Volume 96156, Page 4963, of the Deed Records of Dallas County, Texas, said tract of land being more particularly described as follows:

BEGINNING POINT and being a found 'X' in concrete and said point being the southeast corner of said 1.619 acre tract and the northeast corner of a 0.304 acre tract of land conveyed to Dyson Enterprises, LP by a deed now of record in Volume 2000034, Page 2494, of the Deed Records of Dallas County, Texas, and being in the west 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 N 0°13'00" E, 54.98 feet from a found 1/2 inch and being the southeast corner of said 0.304 acre tract;

THENCE, Due West, along the south line of said 1.619 acre tract, and along the north line of said 0.304 acre tract for a distance of 20.00 feet to a point for corner;

THENCE, N 00° 13'00" E for a distance of 265.68 feet to a point for corner in the north line of said 1.619 acre tract and in the south line of a dedicated right-of-way for Arapaho Road (generally 60 feet wide) to the Town of Addison, Dallas County, Texas;

THENCE, S 44° 43'21" E, along the north line of said 1.619 acre tract and along the south line of said dedicated right-of-way for Arapaho Road, a distance of 28.31 feet to a point for corner, said point being in said west right-of-way line of Addison Road;

THENCE, S 00° 13'00" W along the east line of said 1.619 acre tract and the west right-of-way line of said Addison Road, a distance of 245.56 feet to the Point of Beginning and containing 5,112.33 square feet (0.117 acres) of land.



[Signature]
4/30/02

EXHIBIT C

Parcel 2-TE
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.4582 acre (19,959 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being a portion of a called 1.6188 acre tract of land conveyed to 15211 Addison Road Joint Venture on August 7, 1996 and recorded in Volume 96156, Page 04963 of the Deed Records of Dallas County, Texas, said called 1.6188 acre tract being a portion of Lot 2, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of said Deed Records, said 0.4582 acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at a "PK" nail set at the North end of a cut back corner located at the Southwest intersection of Addison Road (variable width) with Arapaho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said nail also being the Northwest corner of a called 0.117 acre (5,112.33 square foot) tract for a 20 foot wide proposed Parkway Easement for Addison Road as evidenced by exhibit furnished by Birkhoff, Hendricks, & Conway, LLP., and signed by Gary Clinton Hendricks, Registered Professional Land Surveyor No. 5073 on April 30, 2002;

THENCE, SOUTH $00^{\circ}18'13''$ EAST, along the West line of said called 0.117 acre tract, being 20 feet West of, measured at a right angle, and parallel to the existing West right of way of said Addison Road, a distance of 31.92 feet to a "PK" nail set in the proposed South right of way line of Arapaho Road same being the **POINT OF BEGINNING;**

THENCE, SOUTH $00^{\circ}18'13''$ EAST, continuing along the West line of said called 0.117 acre tract, being 20 feet West of, measured at a right angle, and parallel to the existing West right of way of said Addison Road, a distance of 10.83 feet to the most Eastern Southeast corner of the herein described tract;

EXHIBIT C

PARCEL 2TE - ARAPAHO ROAD PROJECT

THENCE, over and across said called 1.6188 acre tract and said Lot 2, Block 1 the following course and distances:

NORTH 67°46'13" WEST, a distance of 11.04 feet to an ell corner of the herein described tract;

SOUTH 00°38'19" EAST, a distance of 63.37 feet to an ell corner of the herein described tract;

SOUTH 89°21'41" WEST, a distance of 18.74 feet to an ell corner of the herein described tract;

SOUTH 00°27'50" EAST, a distance of 45.46 feet to the Southeast corner of the herein described tract;

SOUTH 89°20'10" WEST, along the South line of the herein described tract, a distance of 151.83 feet to the most Southerly Southwest corner of the herein described tract;

NORTH 00°39'51" West, along the West line of the herein described tract, a distance of 99.34 feet to an ell corner of the herein described tract same being the beginning of a non tangent curve to the left;

WESTERLY, along the arc of said non tangent curve to the left having a radius of 788.00 feet, a central angle of 02°45'03", a chord bearing South 77°09'09" West for 37.83 feet, for an arc distance of 37.83 feet to the most Westerly Southwest corner of the herein described tract, same being in a curve of the common Northwest line of said called 1.6188 acre tract and the Southeast line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 278, Page 115 of said Deed Records;

THENCE, NORTHEASTERLY, along said common line and the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet), a central angle of 01°06'40", a chord bearing North 29°53'34" East for 13.85 feet, for an arc distance of 13.85 feet to the Northwest corner of the herein described tract same being in the South line of Proposed South right of way line of Arapaho Road said corner also being the beginning of a non tangent curve to the right;

EXHIBIT C

PARCEL 2TE - ARAPAHO ROAD PROJECT

THENCE, continuing over and across said called 1.6188 acre tract and said Lot 2, Block 1 and along the proposed South right of way line of Arapaho Road the following courses and distances:

EASTERLY, along a non-tangent curve to the right having a radius of 798.00 feet, a central angle of $13^{\circ}31'51''$, a chord bearing North $83^{\circ}14'04''$ East for 188.02 feet, for an arc distance of 188.45 feet to a "PK" nail set for the point of tangency of said curve;

EAST, a distance of 5.40 feet;

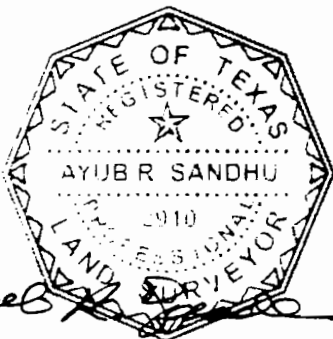
SOUTH $67^{\circ}46'13''$ EAST, a distance of 20.18 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 0.4582 acres or 19,959 square feet of land within the metes recited.

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

A plat of even survey date herewith accompanies this description.

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



7-9-02

EXHIBIT D

GF-Number 96R03932B

BEING a 1.6188 acre tract of land situated in the EDWARD COOK SURVEY, ABSTRACT NO. 326, Town of Addison, Dallas County, Texas, and being a portion of Lot 2, Block 1 of Addison Car Care Addition, an addition to the Town of Addison, Dallas County, Texas, according to the plat thereof recorded in Volume 87111, Page 286, of the Map Records of Dallas County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at an "+" cut set in concrete walk for corner at the southeast corner of Lot 1, Block 1 of said Addison Car Care Addition, said point being in the west line of Addison Road (a variable width right-of-way);

THENCE N 00 degrees 13 minutes 00 seconds E, along said west right-of-way line, a distance of 175.00 feet to the POINT OF BEGINNING, an "+" cut set in concrete pavement for corner;

THENCE West leaving said westerly right-of-way line, a distance of 316.93 feet to a 1/2 inch iron rod set for corner in the easterly line of the St. Louis and Southwestern Railroad right-of-way line, and also being the most westerly southwest corner of said Lot 2 and also being the beginning of a non-tangent curve to the right having a central angle of 21 degrees 13 minutes 20 seconds, a radius of 713.94 feet, with a chord bearing of N 22 degrees 27 minutes 08 seconds E, and a chord distance of 262.93 feet;

THENCE Northeasterly, along said curve and along said easterly railroad right-of-way line, an arc length of 264.44 feet to a 1/2 inch iron rod set for corner in the south line of Arapaho Road (a 60 foot wide right-of-way) and also being the beginning of a non-tangent curve to the right having a central angle of 15 degrees 20 minutes 42 seconds, a radius of 670.00 feet, with a chord bearing of N 82 degrees 40 minutes 38 seconds E, and a chord distance of 178.91 feet;

THENCE Northeasterly, along the south line of said Arapaho Road, an arc length of 179.44 feet to a P.K. nail set for corner at the point of tangency;

THENCE S 89 degrees 39 minutes 00 seconds E, continuing along said south right-of-way line, a distance of 20.07 feet to a P.K. nail set for corner;

THENCE S 44 degrees 43 minutes 00 seconds E, a distance of 28.32 feet to an "+" cut set in concrete walk for corner in the west line of said Addison Road;

THENCE S 00 degrees 13 minutes 00 seconds W, along said west right-of-way line, a distance of 245.56 feet to the POINT OF BEGINNING, and containing 70,516 square feet or 1.6188 acres of land, more or less.

96156 04965

EXHIBIT E

After Recording Return To:

**Angela K. Washington
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202**

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

RIGHT-OF-WAY DEED

DATE: _____, 2003

GRANTOR: 15211 ADDISON ROAD JOINT VENTURE
3333 Earhart, Suite 140
Carrollton, Texas 76006

GRANTEE: TOWN OF ADDISON, TEXAS
5300 Belt Line Road
Dallas, Texas 75254
(Dallas County, Texas)

CONSIDERATION:

Two Hundred Ninety Three Thousand Nine Hundred Forty Seven DOLLARS AND No/100 (\$293,947.00) in hand paid by Grantee, the receipt and sufficiency of which is acknowledged by Grantor.

PROPERTY (INCLUDING ANY IMPROVEMENTS):

A tract of land, herein referred to as Parcel 2, containing approximately 4,628 square feet of land, and more particularly described in Exhibit A (Parcel 2 Field Note Description), and depicted on Exhibit B (Parcel 2 Survey Depiction), which are attached hereto and incorporated herein by reference.

CONVEYANCE:

For the consideration described above, Grantor hereby grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold it to Grantee, Grantee's heirs, executors, administrators, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

MISCELLANEOUS:

(a) Nothing in this instrument shall be construed as a waiver by Grantee of any utility connection charge or other charges imposed by ordinance or Charter of the Town of Addison.

EXHIBIT E

(b) The Property hereby conveyed may be used as a public right-of-way for the passage of vehicular and pedestrian traffic, including (without limitation) streets, roads, sidewalks, utilities, drainage, and other customary uses of public right-or-way. Improvements may be on such grade and according to such plans and specifications as will, in the opinion of Grantee, best serve the public purpose.

(c) The consideration described above shall be deemed full compensation for the conveyance of the Property, and for any diminution in value that may result to the remaining property of Grantor by virtue of Grantee's use of the Property.

(d) When the context requires it, singular nouns and pronouns include the plural.

EXECUTED effective as of the day first written above.

15211 Addison Road Joint Venture

By: _____
Kim B. Forsythe, Venture Manager

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 Kim B. Forsythe, Manager of 15211 Addison Road Joint Venture, known to me to be the identical person who executed the within and foregoing document, 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.

Notary Public, State of Texas
Print Name: _____

My Commission Expires:

[SEAL]

EXHIBIT F

**After Recording Return To:
Angela K. Washington
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202**

**TOWN OF ADDISON
PARKWAY EASEMENT**

**STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DALLAS §**

That 15211 Addison Road Joint Venture, hereinafter referred to as Grantor, for and in consideration of the sum of Ten and no/100 (\$10.00) and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, does by these presents grant, sell and convey unto the Town of Addison of the County of Dallas, State of Texas, its successors and assigns, hereinafter termed Grantee, a perpetual easement and right-of-way in, under, over, along and across the property described in attached Exhibit A (Field Note Description) and depicted on attached Exhibit B (Survey Depiction).

This easement and right-of-way with all rights and privileges hereby granted may be used for the purpose of constructing, operating, repairing, reconstructing and perpetually maintaining sidewalks, landscaping, irrigation, wiring, lights and any and all other parkway related uses in, over, through and under the premises hereinabove described. Grantee, its employees, agents, and licensees shall at all times have the right and privilege to access the perpetual easement herein granted. Grantor agrees not to construct or place within the premises described above any buildings, fences, shrubs, trees or other improvements, without the prior written consent of Grantee.

To have and to hold the same, together with all and singular the rights and hereditaments thereunto in anywise belonging unto Grantee, its successors and assigns, for the purposes of the perpetual easement herein granted.

And Grantor hereby binds itself, its heirs, executors, agents and assigns to warrant and defend all and singular the above described easement and rights unto Grantee, its successors and assigns, against every person whosoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this _____ day of _____, 2003.

15211 ADDISON ROAD JOINT VENTURE

By _____
Kim B. Forsythe, Venture Manager

EXHIBIT F

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 Kim B. Forsythe, Venture Manager on behalf of 15211 Addison Road Joint Venture, a Texas Joint Venture, 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]

EXHIBIT G

TEMPORARY CONSTRUCTION EASEMENT

STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS**
COUNTY OF DALLAS §

THAT 15211 ADDISON ROAD JOINT VENTURE, hereinafter called GRANTOR of the County of Dallas, State of Texas, for and in consideration of the sum of Twenty Five Thousand Dollars and No/100 (\$25,000.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, sold and conveyed, and does by these presents grant, sell and convey to the Town of Addison, hereinafter called GRANTEE of the County of Dallas and State of Texas, a temporary and exclusive easement and right to pass over, along, under and across (the "Easement") that certain lot, tract or parcel of land situated in the Town of Addison, Dallas County, Texas, and being more particularly described in EXHIBIT A attached hereto and incorporated herein (the "Easement Area," and being a portion of GRANTOR's property).

In connection with GRANTEE's activities on the Easement Area, GRANTOR acknowledges and understands that GRANTEE will be removing structures and buildings from the Easement Area, which structures and buildings are identified and shown on EXHIBIT B attached hereto and incorporated herein (the "Structures"). In the removal of the Structures, GRANTEE will be responsible for the treatment and handling of environmental contamination and hazards, if any, located within the Structures ("GRANTEE's Environmental Responsibility"). However, except for GRANTEE's Environmental Responsibility, GRANTOR is, and shall remain, solely responsible and liable for any and all environmental contamination, hazards, waste, or any other environmental issue(s) on, in, under, or above the Easement Area and any and all improvements, structures, or facilities located thereon or therein, including, without limitation, any environmental contamination, hazards, waste, or other environmental issue(s) in the surface or subsurface of the Easement Area on which the Structures are located.

This temporary construction easement shall only be used by GRANTEE and its contractors in connection with the demolition of structures necessary to the completion of the Arapaho Road Extension Project. GRANTEE shall clear the property of debris caused by GRANTEE's demolition activity, but shall not rebuild any structures demolished on the Easement Area.

This temporary construction easement shall terminate six (6) months from the date of the Notice to Proceed with demolition or upon the completion of such demolition, whichever is earlier. If necessary to complete the demolition, this temporary construction easement may be extended by GRANTEE at a cost of \$833.00 per day. In no event, however, shall such extension exceed 24 months from the date of the Notice to Proceed.

TO HAVE AND TO HOLD the Easement and Easement Area, together with all and singular and rights, privileges, and appurtenances thereto in anywise belonging, unto the Town

EXHIBIT G

of Addison, Texas, its successors and assigns, and GRANTOR does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Easement and Easement Area unto GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this _____ day of _____, 2003.

**GRANTOR
15211 ADDISON ROAD JOINT VENTURE**

By: _____
Kim B. Forsythe, Venture Manager

**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 Kim B. Forsythe, Manager of 15211 Addison Road Joint Venture, a Texas Joint Venture, 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.

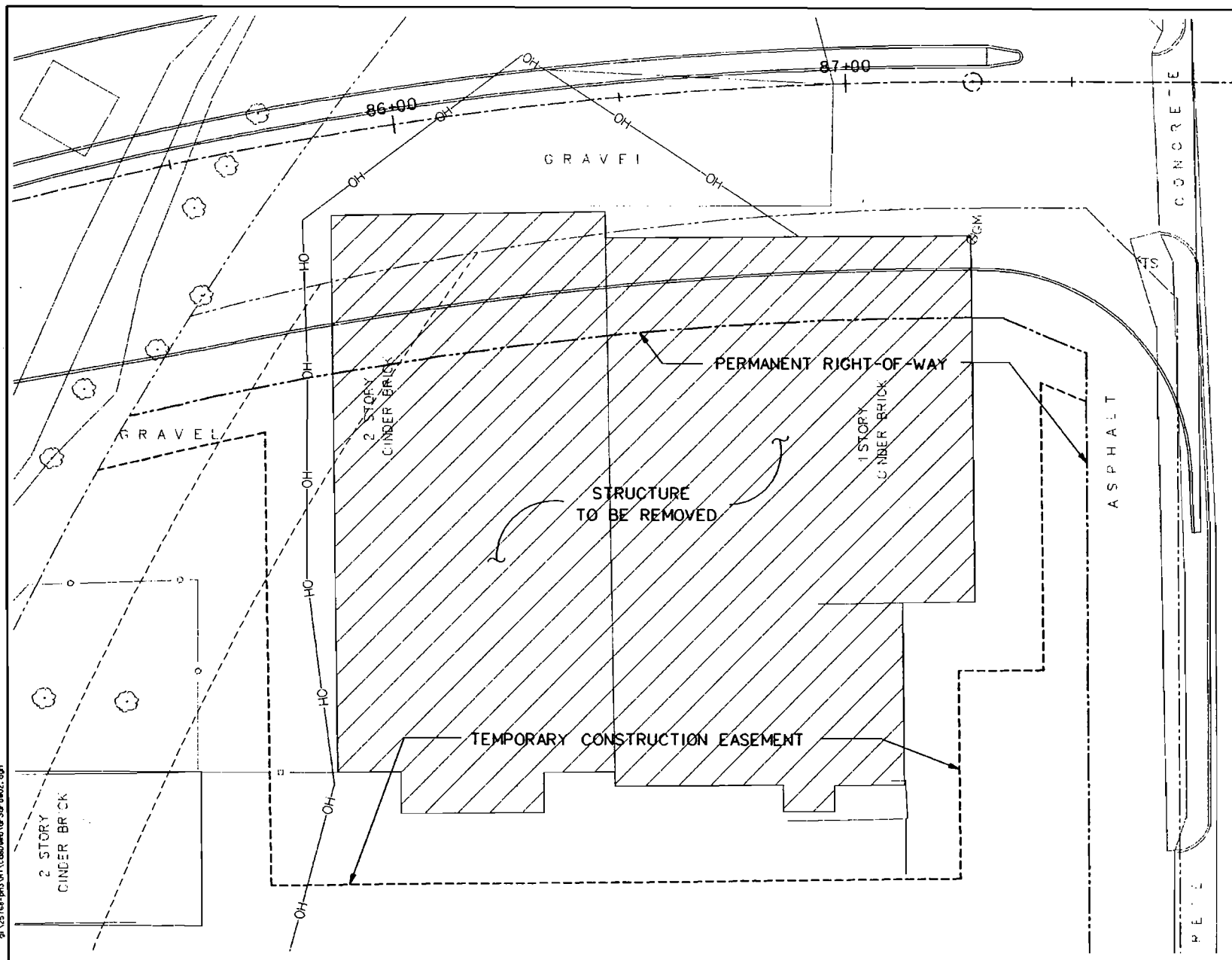
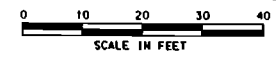
Notary Public, State of Texas
Print Name: _____

MY COMMISSION EXPIRES:

[SEAL]

EXHIBIT H

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FOR INTERIM REVIEW ONLY
 BY: ERIC D. HOLDER, P.E., S.E. 11111
 HNTB CORPORATION
 DATE: 01-APR-2003
 NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES

NO.	DATE	REVISION	BY

HNTB CONSULTING ENGINEERS PLANNERS
 1400 WEST 17TH AVENUE, SUITE 1000
 DENVER, COLORADO 80202-2738
 TEL: 303.733.8800 FAX: 303.733.8801
 WWW.HNTB.COM

ARAPAHO ROAD - PHASE III
 DEMOLITION AND SITE GRADING PLANS
 RIGHT-OF-WAY MAP
 PARCEL 2
 ADDISON ROAD JOINT VENTURE
 4007504 CASE CASE

TOWN OF ADDISON, TEXAS

Drawn	Check	Date	Scale	Project No.	Sheet No.
ACF	EDM	JAN 03	AS SHOWN	25768	11.14

01-APR-2003 11:34
 pl:\25768-ph3\h1\10a\Demolition\Draw2.dgn

CONTRACT OF SALE

This Contract of Sale (this "Contract") is made and entered into by and between 15211 Addison Road Joint Venture ("Seller") and The Town of Addison, Texas ("Buyer").

ARTICLE I **Defined Terms**

1.1 Definitions. As used herein, the following terms shall have the meanings indicated:

"Closing" means the consummation of the purchase of the Property by Buyer from Seller in accordance with Article VII.

"Closing Date" means the date specified in Section 7.1 hereof on which the Closing is to be held.

"Deed" means the Warranty Deed to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit E.

"Effective Date" means the date on which Buyer and Seller have both fully executed this Contract.

"Parkway Easement" means the easement document to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit F.

"Permitted Exceptions" means, with respect to the Property, all validly existing and presently recorded public utility easements and building set back lines.

"Property" means:

- (1) that certain tract of land described in Exhibit A, attached hereto, together with any building or other structure or improvements, including, without limitation, fixtures, presently situated thereon, and together with all privileges, rights, easements, hereditaments, and other rights appurtenant thereto;
- (2) that certain tract of land described in Exhibit B, attached hereto, which property shall be used perpetually for public right-of-way purposes; and
- (3) also includes that certain tract of land described in Exhibit C, attached hereto, which property shall be used temporarily for construction purposes.

"Purchase Price" means the total consideration to be paid by Buyer to Seller for the purchase of the Property as set forth in Section 3.1.

"Remainder" means the property described in Exhibit D, save and except that property described in Exhibit A and that property described in Exhibit B.

“Temporary Construction Easement” means the easement document to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit G.

“Title Company” means Republic Title of Texas, Inc., 2626 Howell Street, 10th Floor, Dallas, Texas 75204.

1.2 Other Defined Terms. Certain other defined terms shall have the respective meanings assigned to them elsewhere in this Contract.

ARTICLE II **Agreement of Purchase and Sale**

2.1 Agreement. On the terms and conditions stated in this Contract, Seller hereby agrees to sell and convey the Property to Buyer, and Buyer, in consideration of the performance of the agreements of Seller contained in this Contract and in reliance on the representations and warranties of Seller and subject to any conditions precedent contained in this Contract, hereby agrees to purchase the Property from Seller.

ARTICLE III **Compensation**

3.1 Purchase Price. The Purchase Price to be paid by Buyer to Seller for the property, any damages to the Remainder, and to avoid the cost and expense of litigation shall be \$318,947.00, \$25,000.00 of which shall be compensation for the temporary construction easement. The Purchase Price is payable by Buyer in cash at Closing.

ARTICLE IV **Representations, Warranties and Covenants**

4.1 Seller’s Representations and Warranties. Seller represents and warrants to Buyer as follows:

(a) Seller is the sole owner of the Property and has the full right, power, and authority to sell and convey the Property as provided in this Contract and to carry out Seller’s obligations hereunder, and all requisite action necessary to authorize Seller to enter into this Contract and to carry out its obligations hereunder has been, or by the Closing will have been, taken.

(b) Seller has not received notice from any governmental authority that there are, to the best of Seller's information, knowledge, and belief, there does not exist, and Seller has not used or deposited (and to the best of Seller's knowledge no prior owner or current or prior tenant has used or deposited), any Hazardous Substances, as hereinafter defined, at, on, or under the Property in violation of the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation Recovery Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticides Act, the Clean Water Act, the Clean Air Act, all so-called Federal, State and Local “Superfund”

and "Superlien" statutes, and all other statutes, laws, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability (including strict liability) or standards of conduct concerning any hazardous substances (collectively the "Hazardous Substance Laws"). For purposes of this Contract, the terms Hazardous Substances shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency and the list of toxic pollutants designated by Congress or the Environmental Protection Agency or under any Hazardous Substance Laws. Hazardous Substances shall also include Radon gas and asbestos.

(c) Neither the Property nor any part thereof, is now subject to any litigation, or other legal or administrative proceeding, and Seller has no knowledge of any facts that might result in any such litigation or proceeding. Seller has not received notice from any governmental or quasi-governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any federal, state, county or city statute, ordinance, code, rule or regulation or stating that any investigation is being commenced or is contemplated regarding any of the foregoing.

4.2 Buyer's Representations and Warranties. Buyer has the full right, power, and authority to buy the Property as provided in this Contract and to carry out Buyer's obligations hereunder.

ARTICLE V

Title

5.1 Title Policy. At the Closing, Seller, at Buyer's sole cost and expense, shall cause a standard Texas owner's policy of title insurance (the "Title Policy") to be furnished to Buyer. The Title Policy shall be issued by the Title Company in the amount of \$318,947.00, and insuring that the Buyer has indefeasible fee simple title to that portion of the Property described in Exhibit A and a perpetual right-of-way easement in the Property described in Exhibit B. The Title Policy may contain only the standard printed exceptions and the Permitted Exceptions (except as otherwise provided in Paragraph 7.2).

ARTICLE VI

Conditions to Buyer's Obligations

6.1 Conditions to Buyer's Obligations. The obligations of Buyer hereunder to consummate the transaction contemplated hereby are subject to the satisfaction, as of the Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by Buyer at or prior to the Closing):

(a) All representations and warranties of the Seller shall be true on and as of the Closing Date.

(b) The Property, or any material part thereof, shall not have been and shall not be threatened to be materially or adversely affected in any way as a result of litigation, any action by the United States or any other governmental authority, flood or act of God.

- (c) Seller shall have complied with all of the terms and conditions of the Contract.

ARTICLE VII
Closing

7.1 Date and Place of Closing. The Closing shall take place in the offices of the Title Company. The Closing Date shall be thirty (30) days after the Effective Date. The Closing Date may be extended or accelerated by the mutual agreement of the parties.

7.2 Items to be Delivered at the Closing.

(a) **Seller.** At the Closing, Seller shall deliver or cause to be delivered to Buyer the following items:

(i) The Deed, duly executed and acknowledged by Seller, subject only to the Permitted Exceptions;

(ii) The Parkway Easement, duly executed and acknowledged by Seller;

(iii) The Temporary Construction Easement, duly executed and acknowledged by Seller;

(iv) An affidavit, in a form reasonably acceptable to Buyer, in compliance with Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, stating under penalty of perjury the Seller's United States identification number and that Seller is not a non-resident alien; provided, however, that if Seller fails to deliver this affidavit, Buyer shall be entitled to withhold from the Purchase Price and pay to the Internal Revenue Service the amounts required by Section 1445, and applicable regulations promulgated thereunder;

(v) The Title Policy;

(vi) Sufficient evidence that Seller has authority to sell the Property and to execute all closing documents on behalf of Seller; and

(vii) Such other documents as the Title Company may request in order to close this Contract and issue the Title Policy (including, without limitation, such affidavits as the Title Company may reasonably request in order that the Title Policy will not contain exceptions for parties in possession or tenants in possession under unrecorded leases, or to the extent necessary to determine that the Seller is not the same individual as may be identified in any abstracts of judgment, bankruptcy filings, that there are no unpaid debts for work that has been done or materials furnished in connection with the Property and that there are no unrecorded mechanic's or materialmen's liens upon the Property, etc.).

(b) **Buyer.** At the Closing, Buyer shall deliver to Seller:

(i) The Purchase Price; and

Buyer:

The Town of Addison
5300 Belt Line Road
Dallas, Texas 75254
Attn: Ron Whitehead

With a copy to:

Kenneth C. Dippel
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202

9.2 Governing Law. This Contract is being executed and delivered, and is intended to be performed in the State of Texas and the laws of Texas govern the validity, construction, enforcement, and interpretation of this Contract. Venue for any action under this Contract lies in Dallas, County, Texas.

9.3 Entirety and Amendments. This Contract embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property, and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

9.4 Parties Bound. This Contract is binding upon and inures to the benefit of Seller and Buyer, and their respective heirs, personal representatives, successors, and assigns.

9.5 Further Acts. In addition to the acts and deeds recited in this Contract and contemplated to be performed, executed, and/or delivered by Seller to Buyer, Seller and Buyer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the Closing or after the Closing any and all further acts, deeds, and assurances as are reasonably necessary to consummate the transactions contemplated hereby, as long as no liability or expense is incurred in connection therewith.

9.6 Environmental Testing and Remediation.

(a) Seller shall allow and hereby grants to Buyer the right of access to the Property and the Temporary Construction Easement Area immediately upon execution of this Contract for the purpose of performing environmental and other inspections and investigations and collecting necessary samples for testing.

(b) In connection with the Buyer's activities on the Easement Area under the Temporary Construction Easement, Seller acknowledges and understands that Buyer will be removing structures and buildings from the Easement Area, which structures and buildings are identified and shown on Exhibit H attached hereto and incorporated herein (the "Structures"). In the removal of the Structures, Buyer will be responsible for the treatment and handling of environmental contamination and hazards, if any, located within the Structures ("Buyer's Environmental Responsibility"). However, except for Buyer's Environmental Responsibility, Seller is, and shall remain, solely responsible and liable for any and all environmental

contamination, hazards, waste, or any other environmental issue(s) on, in, under, or above the Easement Area and any and all improvements, structures, or facilities located thereon or therein, including, without limitation, any environmental contamination, hazards, waste, or other environmental issue(s) in the surface or subsurface of the Temporary Construction Easement Area on which the Structures are located. The terms of this paragraph shall survive the Closing hereof.

9.7 Notification of Demolition. Buyer shall notify Seller at least 14 days prior to the date Buyer commences demolition.

9.8 Vacation of Premises by Tenants. Seller shall ensure that the Property is free of all tenants no later than 90 days after the execution of this Contract. Buyer shall not be responsible for relocation costs or any other costs in connection with the vacation of tenants, tenant leases or any other tenant matter. Seller, at Seller's cost, agrees to indemnify, hold harmless, and defend Buyer, its officers, and employees from and against claims or suits for injuries, damages, loss, or liability arising out of or in connection with any tenant's vacation of the premises, termination or nonrenewal of leases or any other matter related to or resulting from any action taken pursuant to or because of this Contract.

9.9 Survival. Except as otherwise provided herein, all warranties, representations and agreements contained herein shall survive the Closing hereof.

9.10 Counterpart Execution. This Contract may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

9.11 Assignment. Buyer shall have no power or right to assign this Contract without the prior written consent of Seller.

9.12 Maintenance of the Property. Between the Effective Date and the Closing, Seller shall:

(a) Maintain the Property in good repair, reasonable wear and tear excepted, except that in the event of a fire or other casualty, damage or loss, Seller shall have no duty to repair said damage other than as provided in this Contract;

(b) Advise Buyer promptly of any litigation, arbitration or administrative hearing concerning or affecting the Property of which Seller has knowledge or notice;

(c) Immediately notify Buyer of any material injury or damage to the Property or any portion thereof;

(d) Not, without the prior written consent of the Buyer, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the property which are not delinquent) security interest, encumbrance or charge, or conditional sale or other title retention document, other than the Permitted Exceptions for matters that will be released or bonded around, at or prior to Closing, and should any of the foregoing become attached hereafter

in any manner to any part of the Property without the prior written consent of Buyer, Seller shall cause the same to be promptly discharged and released; and

(e) Not and shall use best efforts not to allow and permit the release of Hazardous Materials of any kind in, under, or above the Property, any improvements thereon, or into or onto the surface water, ground water, soil or subsurface of the Property.

Executed: _____, 2003

SELLER:

15211 Addison Road Joint Venture

By: _____
Kim B. Forsythe, Venture Manager

Executed: _____, 2003

BUYER:

The Town of Addison

By: _____
Ron Whitehead, City Manager



file: JOE'S

ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

May 1, 2003

Mr. Addison Wilson, III
Attorney at Law
5500 Preston Road
Dallas, TX 75205

**RE: Proposed Contract of Sale for Parcel 2 (Joe's Garage), Arapaho
Extension of Road Project**

Dear Mr. Wilson:

We have reviewed the Seller's proposed changes to the Contract of Sale and amended the document. Most changes have been incorporated; however, with respect to Paragraph 9.8, we incorporated only a portion of the proposed change, as we believe it is appropriate for the representations and warranties to survive the date of Closing without limitation. Regarding the change proposed to Article 4, please note that we have incorporated that change into Paragraph B and not Paragraph A, as we believe that is the Seller's intent.

As to the changes proposed to the Temporary Construction Easement, we have provided that the easement shall terminate six (6) months from the date of Closing, as defined in the Contract of Sale. Since both parties will be aware of the Closing date, we believe that this is a more workable date than the date of execution of the easement.

For your convenience, redlined versions of all documents to which you propose changes are enclosed. Please let me know if the amended documents are acceptable to you, and I will forward finalized documents, at which time we can set the Closing date. Thank you for your attention to this matter.

Sincerely,

Angela K. Washington

AKW/yjr

Enclosures

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

CONTRACT OF SALE

This Contract of Sale (this "Contract") is made and entered into by and between 15211 Addison Road Joint Venture ("Seller") and The Town of Addison, Texas ("Buyer").

ARTICLE I Defined Terms

1.1 **Definitions.** As used herein, the following terms shall have the meanings indicated:

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"Closing Date" means the date specified in Section 7.1 hereof on which the Closing is to be held.

"Deed" means the Warranty Deed to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit E.

"Effective Date" means the date on which Buyer and Seller have both fully executed this Contract.

"Parkway Easement" means the easement document to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit F.

"Permitted Exceptions" means, with respect to the Property, all validly existing and presently recorded public utility easements, emergency access easements, and building set back lines.

"Property" means:

(1) that certain tract of land described in Exhibit A, attached hereto, together with any building or other structure or improvements, including, without limitation, fixtures, presently situated thereon, and together with all privileges, rights, easements, hereditaments, and other rights appurtenant thereto;

(2) that certain tract of land described in Exhibit B, attached hereto, which property shall be used perpetually for public right-of-way purposes; and

(3) also includes that certain tract of land described in Exhibit C, attached hereto, which property shall be used temporarily for construction purposes.

"Purchase Price" means the total consideration to be paid by Buyer to Seller for the purchase of the Property as set forth in Section 3.1.

"Remainder" means the property described in Exhibit D, save and except that property described in Exhibit A and that property described in Exhibit B.

“Temporary Construction Easement” means the easement document to be executed by Seller in favor of Buyer, in the form attached hereto as Exhibit G.

“Title Company” means Republic Title of Texas, Inc., 2626 Howell Street, 10th Floor, Dallas, Texas 75204.

1.2 Other Defined Terms. Certain other defined terms shall have the respective meanings assigned to them elsewhere in this Contract.

ARTICLE II **Agreement of Purchase and Sale**

2.1 Agreement. On the terms and conditions stated in this Contract under threat of condemnation, Seller hereby agrees to sell and convey the Property to Buyer, and Buyer, in consideration of the performance of the agreements of Seller contained in this Contract and in reliance on the representations and warranties, of Seller and subject to any conditions precedent contained in this Contract, hereby Seller agrees to convey the Property to Buyer and Buyer agrees to purchase the Property from Seller.

ARTICLE III **Compensation**

3.1 Purchase Price. The Purchase Price to be paid by Buyer to Seller for the property, any damages to the Remainder, and to avoid the cost and expense of litigation shall be \$318,947.00, \$25,000.00 of which shall be compensation for the temporary construction easement. The Purchase Price is payable by Buyer in cash at Closing.

ARTICLE IV **Representations, Warranties and Covenants**

4.1 Seller’s Representations and Warranties. Seller represents and warrants to Buyer as follows:

(a) Seller is the sole owner of the Property and has the full right, power, and authority to sell and convey the Property as provided in this Contract and to carry out Seller’s obligations hereunder, and all requisite action necessary to authorize Seller to enter into this Contract and to carry out its obligations hereunder has been, or by the Closing will have been, taken.

(b) Except as provided in Paragraph 4.3, Seller has not received notice from any governmental authority that there are, to the best of Seller's information, knowledge, and belief, there does not exist, and Seller has not used or deposited (and to the best of Seller's knowledge no prior owner or current or prior tenant has used or deposited), any Hazardous Substances, as hereinafter defined, at, on, or under the Property in violation of the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation Recovery Act, the Federal Water Pollution

Control Act, the Federal Environmental Pesticides Act, the Clean Water Act, the Clean Air Act, all so-called Federal, State and Local "Superfund" and "Superlien" statutes, and all other statutes, laws, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability (including strict liability) or standards of conduct concerning any hazardous substances (collectively the "Hazardous Substance Laws"). For purposes of this Contract, the terms Hazardous Substances shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency and the list of toxic pollutants designated by Congress or the Environmental Protection Agency or under any Hazardous Substance Laws. Hazardous Substances shall also include Radon gas and asbestos.

(c) Neither the Property nor any part thereof, is now subject to any litigation, or other legal or administrative proceeding, and Seller has no knowledge of any facts that might result in any such litigation or proceeding. Seller has not received notice from any governmental or quasi-governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any federal, state, county or city statute, ordinance, code, rule or regulation or stating that any investigation is being commenced or is contemplated regarding any of the foregoing.

4.2 Buyer's Representations and Warranties. Buyer has the full right, power, and authority to buy the Property as provided in this Contract and to carry out Buyer's obligations hereunder.

4.3 Seller's Existing Environmental Report(s). Seller has provided the following existing environmental reports to Buyer:

Report by David Cornish and Company dated June 19, 1996

Report by The Environment Company dated July 1996

Report by The Environment Company dated July 25, 1996

Seller makes no representation express or implied as to the accuracy or completeness of any such reports other than that Seller has provided all such reports in Seller's possession.

ARTICLE V

Title

5.1 Title Policy. At the Closing, Seller, at Buyer's sole cost and expense, shall cause a standard Texas owner's policy of title insurance (the "Title Policy") to be furnished to Buyer. The Title Policy shall be issued by the Title Company in the amount of \$318,947.00, and insuring that the Buyer has indefeasible fee simple title to that portion of the Property described in Exhibit A and a perpetual right-of-way easement in the Property described in Exhibit B. The Title Policy may contain only the standard printed exceptions and the Permitted Exceptions (except as otherwise provided in Paragraph 7.2).

ARTICLE VI
Conditions to Buyer's Obligations

6.1 Conditions to Buyer's Obligations. The obligations of Buyer hereunder to consummate the transaction contemplated hereby are subject to the satisfaction, as of the Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by Buyer at or prior to the Closing):

(a) All representations and warranties of the Seller shall be true on and as of the Closing Date.

(b) The Property, or any material part thereof, shall not have been and shall not be threatened to be materially or adversely affected in any way as a result of litigation, any action by the United States or any other governmental authority, flood or act of God.

(c) Seller shall have complied with all of the terms and conditions of the Contract.

ARTICLE VII
Closing

7.1 Date and Place of Closing. The Closing shall take place in the offices of the Title Company. The Closing Date shall be thirty (30) days after the Effective Date. The Closing Date may be extended or accelerated by the mutual agreement of the parties.

7.2 Items to be Delivered at the Closing.

(a) **Seller.** At the Closing, Seller shall deliver or cause to be delivered to Buyer the following items:

(i) The Deed, duly executed and acknowledged by Seller, subject only to the Permitted Exceptions;

(ii) The Parkway Easement, duly executed and acknowledged by Seller;

(iii) The Temporary Construction Easement, duly executed and acknowledged by Seller;

(iv) An affidavit, in a form reasonably acceptable to Buyer, in compliance with Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, stating under penalty of perjury the Seller's United States identification number and that Seller is not a non-resident alien; provided, however, that if Seller fails to deliver this affidavit, Buyer shall be entitled to withhold from the Purchase Price and pay to the Internal Revenue Service the amounts required by Section 1445, and applicable regulations promulgated thereunder;

(v) The Title Policy;

(vi) Sufficient evidence that Seller has authority to sell the Property and to execute all closing documents on behalf of Seller; and

(vii) Such other documents as the Title Company may request in order to close this Contract and issue the Title Policy (including, without limitation, such affidavits as the Title Company may reasonably request in order that the Title Policy will not contain exceptions for parties in possession or tenants in possession under unrecorded leases, or to the extent necessary to determine that the Seller is not the same individual as may be identified in any abstracts of judgment, bankruptcy filings, that there are no unpaid debts for work that has been done or materials furnished in connection with the Property and that there are no unrecorded mechanic's or materialmen's liens upon the Property, etc.).

(b) **Buyer.** At the Closing, Buyer shall deliver to Seller:

(i) The Purchase Price; and

(ii) Such other documents as the Title Company may request in order to close this Contract and issue the Title Policy.

7.3 Property Taxes. Seller has and shall assume the obligation to pay property taxes and assessments for prior years and for the current year 2003 through the Closing Date only.

7.4 Possession at Closing. Except as necessary to provide 90 days notice to tenants as discussed in Paragraph 9.8~~At Closing~~, Seller shall deliver possession of the Property to Buyer at Closing.

7.5 Costs of Closing. Buyer shall pay all recording fees attributable to the transfer of title to the Property and all of the closing or escrow fees of the Title Company. Each party shall pay its own attorneys' fees and expenses.

ARTICLE VIII **Defaults and Remedies**

8.1 Seller's Defaults; Buyer's Remedies. In the event that Seller should fail to consummate the transaction contemplated herein for any reason, except Buyer's default, Buyer, as its sole and exclusive remedy, may either: (i) terminate this Contract by written notice delivered to Seller on or before the Closing Date, or (ii) enforce specific performance of this Contract against Seller requiring Seller to convey the Property to Buyer. Buyer shall also be entitled to pursue condemnation of the Property.

8.2 Buyer's Default; Seller's Remedies. In the event that Buyer should fail to consummate the transaction contemplated herein for any reason, except default by Seller or the nonsatisfaction of any of the conditions to Buyer's obligations, set forth herein, Seller, as its sole and exclusive remedy, may either: (i) terminate this Contract by written notice delivered to Buyer on or before the Closing Date; or (ii) sue Buyer to enforce specific performance of this Contract.

ARTICLE IX **Miscellaneous**

9.1 **Notices.** All notices, demands, requests, and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered, upon the earlier to occur of (a) actual receipt, and (b) upon the deposit of the original in a regularly maintained receptacle for the United States mail, registered or certified, postage prepaid, addressed as follows:

Seller:

15211 Addison Road Joint Venture
3333 Earhart, Suite 250
Carrollton, Texas 75006

With copy to:

Addison Wilson III
5500 Preston Road, Suite 330
Dallas, Texas 75205

Buyer:

The Town of Addison
5300 Belt Line Road
Dallas, Texas 75254
Attn: Ron Whitehead

With a copy to:

Kenneth C. Dippel
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202

9.2 **Governing Law.** This Contract is being executed and delivered, and is intended to be performed in the State of Texas and the laws of Texas govern the validity, construction, enforcement, and interpretation of this Contract. Venue for any action under this Contract lies in Dallas, County, Texas.

9.3 **Entirety and Amendments.** This Contract embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property, and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

9.4 **Parties Bound.** This Contract is binding upon and inures to the benefit of Seller and Buyer, and their respective heirs, personal representatives, successors, and assigns.

9.5 **Further Acts.** In addition to the acts and deeds recited in this Contract and contemplated to be performed, executed, and/or delivered by Seller to Buyer, Seller and Buyer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the

Closing or after the Closing any and all further acts, deeds, and assurances as are reasonably necessary to consummate the transactions contemplated hereby, as long as no liability or expense is incurred in connection therewith.

9.6 Environmental Testing and Remediation.

(a) Seller shall allow and hereby grants to Buyer the right of access to the Property and the Temporary Construction Easement Area immediately upon execution of this Contract for the purpose of performing environmental and other inspections and investigations and collecting necessary samples for testing.

(b) In connection with the Buyer's activities on the Easement Area under the Temporary Construction Easement, Seller acknowledges and understands that following Closing, Buyer will be removing structures and buildings from the Easement Area, which structures and buildings are identified and shown on Exhibit H attached hereto and incorporated herein (the "Structures"). In the removal of the Structures, Buyer will be responsible for the treatment and handling of environmental contamination and hazards, if any, located within the Structures ("Buyer's Environmental Responsibility"). However, except for Buyer's Environmental Responsibility, Seller is, and shall remain, solely responsible and liable for any and all environmental contamination, hazards, waste, or any other environmental issue(s) on, in, under, or above the Easement Area and any and all improvements, structures, or facilities located thereon or therein, including, without limitation, any environmental contamination, hazards, waste, or other environmental issue(s) in the surface or subsurface of the Temporary Construction Easement Area on which the Structures are located. The terms of this paragraph shall survive the Closing hereof.

9.7 Notification of Demolition. Buyer shall notify Seller at least 14 days prior to the date Buyer commences demolition.

9.8 Vacation of Premises by Tenants. Seller shall ensure that the Property is free of all tenants no later than 90 days after the execution of this Contract. Buyer shall not be responsible for relocation costs or any other costs in connection with the vacation of tenants, tenant leases or any other tenant matter. Seller, at Seller's cost, agrees to indemnify, hold harmless, and defend Buyer, its officers, and employees from and against claims or suits for injuries, damages, loss, or liability arising out of or in connection with any tenant's vacation of the premises, termination or nonrenewal of leases or any other matter related to or resulting from any action taken pursuant to or because of this Contract. Seller may retain all rents from Tenants until such time as Tenants are required to vacate.

9.9 Survival. Except as otherwise provided herein, all warranties, representations and agreements contained herein shall survive the Closing hereof; provided however, that each party acknowledges that all representations and warranties of the other party are in writing and contained herein, and that neither party has made, nor received nor relied upon any oral or other representation not expressly contained herein.

9.10 Counterpart Execution. This Contract may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

9.11 Assignment. Buyer shall have no power or right to assign this Contract without the prior written consent of Seller.

9.12 Maintenance of the Property. Between the Effective Date and the Closing, Seller shall:

(a) Maintain the Property in good repair, reasonable wear and tear excepted, except that in the event of a fire or other casualty, damage or loss, Seller shall have no duty to repair said damage other than as provided in this Contract;

(b) Advise Buyer promptly of any litigation, arbitration or administrative hearing concerning or affecting the Property of which Seller has knowledge or notice;

(c) Immediately notify Buyer of any material injury or damage to the Property or any portion thereof;

(d) Not, without the prior written consent of the Buyer, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the property which are not delinquent) security interest, encumbrance or charge, or conditional sale or other title retention document, other than the Permitted Exceptions ~~for or~~ matters that will be released or bonded around, at or prior to Closing, and should any of the foregoing become attached hereafter in any manner to any part of the Property without the prior written consent of Buyer, Seller shall cause the same to be promptly discharged and released; and

(e) Not and shall use best efforts not to allow and permit the release of Hazardous Materials of any kind in, under, or above the Property, any improvements thereon, or into or onto the surface water, ground water, soil or subsurface of the Property.

Executed: _____, 2003

SELLER:

15211 Addison Road Joint Venture

By: _____
Kim B. Forsythe, Venture Manager

Executed: _____, 2003

BUYER:

The Town of Addison

By: _____
Ron Whitehead, City Manager

EXHIBIT E

After Recording Return To:
Angela K. Washington
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

RIGHT-OF-WAY DEED

DATE: _____, 2003

GRANTOR: 15211 ADDISON ROAD JOINT VENTURE
3333 Earhart, Suite ~~140~~250
Carrollton, Texas 76006

GRANTEE: TOWN OF ADDISON, TEXAS
5300 Belt Line Road
Dallas, Texas 75254
(Dallas County, Texas)

CONSIDERATION:

Two Hundred Ninety Three Thousand Nine Hundred Forty Seven DOLLARS AND No/100 (\$293,947.00) in hand paid by Grantee, the receipt and sufficiency of which is acknowledged by Grantor.

PROPERTY (INCLUDING ANY IMPROVEMENTS):

A tract of land, herein referred to as Parcel 2, containing approximately 4,628 square feet of land, and more particularly described in Exhibit A (Parcel 2 Field Note Description), and depicted on Exhibit B (Parcel 2 Survey Depiction), which are attached hereto and incorporated herein by reference.

CONVEYANCE:

For the consideration described above, Grantor hereby grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and to hold it to Grantee, Grantee's heirs, executors, administrators, successors, and assigns forever. ~~Grantor binds Grantor and Grantor's heirs, executors, administrators, successors, and assigns forever.~~ Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, 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.

MISCELLANEOUS:

(a) Nothing in this instrument shall be construed as a waiver by Grantee of any utility connection charge or other charges imposed by ordinance or Charter of the Town of Addison.

EXHIBIT E

(b) The Property hereby conveyed may be used as a public right-of-way for the passage of vehicular and pedestrian traffic, including (without limitation) streets, roads, sidewalks, utilities, drainage, and other customary uses of public right-or-way. Improvements may be on such grade and according to such plans and specifications as will, in the opinion of Grantee, best serve the public purpose.

(c) The consideration described above shall be deemed full compensation for the conveyance of the Property, and for any diminution in value that may result to the remaining property of Grantor by virtue of Grantee's use of the Property.

(d) When the context requires it, singular nouns and pronouns include the plural.

EXECUTED effective as of the day first written above.

15211 Addison Road Joint Venture

By: _____
Kim B. Forsythe, Venture Manager

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 Kim B. Forsythe, Manager of 15211 Addison Road Joint Venture, known to me to be the identical person who executed the within and foregoing document, 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.

Notary Public, State of Texas
Print Name: _____

My Commission Expires:

[SEAL]

EXHIBIT F

**After Recording Return To:
Angela K. Washington
Cowles & Thompson, P.C.
901 Main Street, Suite 4000
Dallas, Texas 75202**

**TOWN OF ADDISON
PARKWAY EASEMENT**

STATE OF TEXAS

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

That 15211 Addison Road Joint Venture, hereinafter referred to as Grantor, for and in consideration of the sum of Ten and no/100 (\$10.00) and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, does by these presents grant, sell and convey unto the Town of Addison of the County of Dallas, State of Texas, its successors and assigns, hereinafter termed Grantee, a perpetual easement and right-of-way in, under, over, along and across the property described in attached Exhibit A (Field Note Description) and depicted on attached Exhibit B (Survey Depiction).

This easement and right-of-way with all rights and privileges hereby granted may be used for the purpose of constructing, operating, repairing, reconstructing and perpetually maintaining sidewalks, landscaping, irrigation, wiring, lights and any and all other parkway related uses in, over, through and under the premises hereinabove described. Grantee, its employees, agents, and licensees shall at all times have the right and privilege to access the perpetual easement herein granted. Grantor agrees not to construct or place within the premises described above any buildings, fences, shrubs, trees or other improvements, without the prior written consent of Grantee.

To have and to hold the same, together with all and singular the rights and hereditaments thereunto in anywise belonging unto Grantee, its successors and assigns, for the purposes of the perpetual easement herein granted.

And Grantor hereby binds itself, its heirs, executors, agents and assigns to warrant and defend all and singular the above described easement and rights unto Grantee, its successors and assigns, against every person whosoever lawfully claiming or to claim the same or any part thereof by, through, or under Grantor, but not otherwise.

EXECUTED this _____ day of _____, 2003.

15211 ADDISON ROAD JOINT VENTURE

By _____
Kim B. Forsythe, Venture Manager

EXHIBIT F

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 Kim B. Forsythe, Venture Manager on behalf of 15211 Addison Road Joint Venture, a Texas Joint Venture, 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]

EXHIBIT G

TEMPORARY CONSTRUCTION EASEMENT

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF DALLAS

§

§

THAT 15211 ADDISON ROAD JOINT VENTURE, hereinafter called GRANTOR of the County of Dallas, State of Texas, for and in consideration of the sum of Twenty Five Thousand Dollars and No/100 (\$25,000.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, sold and conveyed, and does by these presents grant, sell and convey to the Town of Addison, hereinafter called GRANTEE of the County of Dallas and State of Texas, a temporary and exclusive easement and right to pass over, along, under and across (the "Easement") that certain lot, tract or parcel of land situated in the Town of Addison, Dallas County, Texas, and being more particularly described in EXHIBIT A attached hereto and incorporated herein (the "Easement Area," and being a portion of GRANTOR's property).

In connection with GRANTEE's activities on the Easement Area, GRANTOR acknowledges and understands that GRANTEE will be removing structures and buildings from the Easement Area, which structures and buildings are identified and shown on EXHIBIT B attached hereto and incorporated herein (the "Structures"). In the removal of the Structures, GRANTEE will be responsible for the treatment and handling of environmental contamination and hazards, if any, located within the Structures ("GRANTEE's Environmental Responsibility"). However, except for GRANTEE's Environmental Responsibility, GRANTOR is, and shall remain, solely responsible and liable for any and all environmental contamination, hazards, waste, or any other environmental issue(s) on, in, under, or above the Easement Area and any and all improvements, structures, or facilities located thereon or therein, including, without limitation, any environmental contamination, hazards, waste, or other environmental issue(s) in the surface or subsurface of the Easement Area on which the Structures are located.

This temporary construction easement shall only be used by GRANTEE and its contractors in connection with the demolition of structures necessary to the completion of the Arapaho Road Extension Project. GRANTEE shall clear the property of debris caused by GRANTEE's demolition activity, but shall not rebuild any structures demolished on the Easement Area.

This temporary construction easement shall terminate six (6) months from the date of ~~the Notice to Proceed with demolition~~ Closing, as defined in the Contract of Sale attached hereto, ("Closing") or upon the completion of ~~such~~ demolition, whichever is earlier. If necessary to complete the demolition, this temporary construction easement may be extended by GRANTEE at a cost of \$833.00 per day. In no event, however, shall such extension exceed 24 months from the date of ~~the Notice to Proceed~~ Closing. Grantee agrees to execute a Quitclaim and Release acknowledging termination of this Easement upon request of Grantor.

EXHIBIT G

TO HAVE AND TO HOLD the Easement and Easement Area, together with all and singular and 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 successors and assigns, to **WARRANT AND FOREVER DEFEND** all and singular the Easement and Easement Area 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.

EXECUTED this _____ day of _____, 2003.

**GRANTOR
15211 ADDISON ROAD JOINT VENTURE**

By: _____
Kim B. Forsythe, Venture Manager

**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 Kim B. Forsythe, Manager of 15211 Addison Road Joint Venture, a Texas Joint Venture, 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, State of Texas
Print Name: _____

MY COMMISSION EXPIRES:

[SEAL]

DISTRIBUTION

DATE: 5-31-02

TO: Miche

FROM: Michele Covino, City Manager's Office

SUBJECT: Cowles & Thompson Invoice

Attached items for your review:

1. Addison Pl. J/W

2. Metro Truck

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

Review date and return to me ASAP for payment processing

6/4
TD: MNC

COWLES & THOMPSON, P.C.

Matter: 3305-60963

May 24, 2002

Invoice # 227271

MR RON WHITEHEAD

ADDISON ROAD JOINT VENTURE - JOE'S GARAGE (KIM FORSYTH)

Current Fees 250.00 ✓

Total Current Charges 250.00 ✓

APPROVED: *RLS*
DATE: 6/4/02

APPROVED: _____

DATE: _____

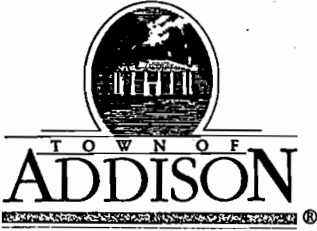
APPROVED: _____

DATE: _____

This invoice does not reflect payments received after the invoice date

PLEASE RETURN THIS PAGE WITH REMITTANCE TO

Cowles & Thompson P.C., 901 Main Street, Suite 4000, Dallas, TX 75202



OFFICE OF THE CITY MANAGER

(972) 450-7000 • FAX (972) 450-7043

Post Office Box 9010 Addison, Texas 75001-9010

5300 Belt Line Road

July 16, 2001

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

— Also owns JOE'S AutoBody

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

Dear Mr. Forsythe:

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

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

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

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

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

Sincerely,

Ron Whitehead
City Manager

*Joe's
Auto
Body*

AN APPRAISAL REPORT OF

THE 15211 ADDISON ROAD JOINT VENTURE
±1.6188 ACRES
LOCATED AT THE
SOUTHWEST 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

APRIL 13, 2001

PREPARED BY

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

HIPES & ASSOCIATES

REAL ESTATE
APPRAISERS/CONSULTANTS

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

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

April 13, 2001

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

**Re: The 15211 Addison Road Joint Venture Property
Arapaho Road Acquisition**

Dear Mr. Murphy:

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

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

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$147,618.00 as of April 11, 2001 based upon my independent appraisal and the exercise of my professional judgement;

That on April 11, 2001, and various other dates, I personally inspected in the field the property herein appraised; that I afforded Mr. Kim Forsythe, the property owner or his representative, the opportunity to accompany me at the time of inspection;

The comparable sales relied upon in making said appraisal were as represented by the photographs contained in the appraisal and were inspected on April 11, 2001, and various other dates;

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

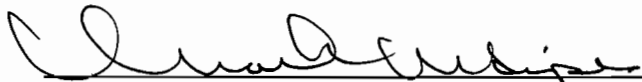
That I understand that such appraisal is to be used in connection with the acquisition of land area for a public project by the Town of Addison, Texas, and that such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal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

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

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

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

Respectfully submitted,



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

25 APRIL 2001

Date

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

SUMMARY OF SALIENT FACTS

**±0.0558 Acres out of ±1.6188 acres at the SW/c of Intersection of Addison Road/Arapaho Road
15211 Addison Road Joint Venture - Owner
Addison, Texas**

Date of the Appraisal:	April 11, 2001
Value Estimated:	Market Value - Just Compensation
Property Rights Appraised:	Fee Simple
Property Appraised:	A ±0.0558 acre tract out of a ±1.6188 acre tract, located at the SW/c of Addison Rd. & Arapaho Rd., Addison, Texas.
Property Zoned:	PD; office, retail, restaurant, car wash
Highest & Best Use:	
"As vacant":	To be developed for a commercial use compatible with neighboring land uses.
"As improved":	Interim neighborhood services use, until such time as redevelopment is warranted.
Estimates of Fee Simple Value:	
<u>Whole Property</u>	
Land Value (Sales Comparison):	\$705,160
Cost Approach:	\$ N/A
Income Approach (Interim Value- Improv.):	\$123,298
Sales Comparison Approach:	\$ N/A
Whole Property:	\$828,458
<u>Part Taken:</u>	\$147,618
<u>Remainder Before the Take:</u>	\$680,840
<u>Remainder After the Take:</u>	
Land Value (Sales Comparison):	\$851,050
Cost Approach:	\$ N/A
Income Approach:	\$ N/A
Sales Comparison Approach:	\$ N/A
Final Value Estimate: JUST COMPENSATION	\$147,618

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Purpose of the Appraisal

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

Definition of Market Value

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

Scope of the Appraisal

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

Property Rights Appraised

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

Effective Date of Valuation

The effective date of valuation is April 11, 2001. The inspection date of the subject was April 11, 2001, and various other dates. The date of this report is April 13, 2001.

Identification of the Subject Property

The property being appraised is a ± 0.0558 Acre ($\pm 2,432$ SF) tract of land out of a 1.6188 Acre (70,516 SF) tract, located at the southwest corner of Arapaho Road and Addison Road, in the Town of Addison, Dallas County, Texas. This is an area principally developed with commercial, industrial, and airport service uses.

The acquisition through the subject property is comprised of a strip taking along the north side of the subject, adjacent to the existing Arapaho 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 Block 1, Lot 2, Addison Car Care Addition, and a part of the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, containing a total of ± 1.6188 acres of land area.*

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

History of the Subject Property

No property ownership information was provided to the appraiser for this appraisal assignment. However, data contained in the appraiser's files indicates that the current owner acquired the subject property on August 7, 1996, from Carwash Properties North V, LP, as recorded in Volume 96156, Page 4963, of the Dallas County Deed Records. No previous ownership history is known. The subject property was purchased, in part, to provide for additional parking for restaurant properties to the south of the subject.

Ad Valorem Tax Information

The DCAD Acct. # for the subject is 10000610010020100. The DCAD appraised value for the subject is \$12.00/SF, with total improvements valued at \$38,100, for the year 2000. Total taxable value is reported as \$884,290.

Estimated Marketing/Exposure Time

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

Several purchase contracts have been presented to, and declined by, the subject property owner. These contracts range up to a per square foot value of $\pm \$12.50$. These contracts appear to represent speculative interest based on the proposed extension of Arapaho Road.

CITY DATA

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

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

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

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

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

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

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

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

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

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

NEIGHBORHOOD ANALYSIS AND TRENDS

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

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

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

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

SUBJECT PROPERTY

Site Data

The subject tract is near rectangular, the west side curving along the railroad right-of-way, based on information provided in a site plan. Plats indicate approximately $\pm 245'$ of boundary with the west right-of-way line of Addison Road and $\pm 228'$ of frontage along the south side of existing (but unimproved) Arapaho Road. Total land area is ± 1.6188 acres, or $\pm 70,516$ SF, as shown on the survey provided by the Town of Addison and a survey/site plan provided by the owner. Addison Road is a four-lane undivided street, with a center turn lane. The improved portion of Arapaho Road terminates to the east of the subject property, where it is a concrete divided multi-lane road. The Arapaho Road right-of-way along the north side of the subject is unimproved and currently utilized for access, parking and storage. The subject appears to be at grade with Addison Road/Arapaho Road.

Physical Characteristics

The subject site is basically level with no major drainage problems noted. Site grading appears to be such to carry surface water from the entire site to the south and east and the drainage in Addison Road. This is generally effective except in very heavy rainfalls. Apparently off-site drainage capacity is sufficient. The subject property is not located in a HUD designated flood plain area according to Town of Addison, Texas Community Panel No. 481089 0005 A, effective July 16, 1980. Access in and out of the site is accomplished from existing frontage along Addison Road adjacent to the east. Additional access, via unimproved Arapaho Road right-of-way, is available along the north side of the site. A 25' access easement across the south adjoining property connects the subject property with Lot 1, Sambuca II/Filling Station Addition to the south, which is under common ownership with the subject.

Zoning: The existing improvements are considered "non-conforming" under the Town's current zoning ordinances. The subject property is zoned "PD", a planned development zoning allowing for office, retail, restaurant, and car wash development, under the Town of Addison's ordinances. This is a fairly broad classification providing for a wide variety of commercial usages. Due to the location of the subject tract proximate to Addison Airport, a 20' maximum building height restriction is imposed on any building improvements. The actual development of the subject would require specific plan approval by the Town. Those uses probable under the Town's current zoning would likely be most appropriate for the subject property. Those uses currently existing on the subject site do not reflect the probable future uses available for the site, and are considered to represent only interim improvements.

Utilities

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

Easements and Restrictions

As set forth in the Assumptions and Limiting Conditions of this report, there was not available to the appraiser in the preparation of this appraisal a current survey and/or title policy. It is assumed from a review of plats and public information that there are no, other than standard utility easements, easements affecting the subject property which are not shown on the site plans/plats, and further, that there are no private deed restrictions that would hinder its current use or future development. It is suggested that these assumptions be verified by competent parties. Easements shown on the plats available to the appraiser indicate a 24' emergency access and utility easement along the west side of the subject, a 10' drainage easement and a 20' construction easement extending from Addison Road to the railroad. Typical utility easements are presumed to service the site.

Site Improvements

The subject property is improved with 4 buildings, and a mixture of concrete and asphalt paving. These buildings are currently utilized primarily for automotive repair services and represent a mix of tenants under a master lease.

The building situated near the northeast corner of the site, facing Addison Road, is a concrete block, one story structure styled as "Joe's Garage" at 15293 Addison Road. The southeast side of this building is a partial glass store-front providing offices for the largely open garage area which occupies the balance of the building. Overhead garage doors provide access into the building from the east. This building appears to have a flat metal roof and approximately 8,818 SF of floor area. Overall condition is rated as only "fair".

Abutting the aforementioned building on the west is a partial two story concrete block building. This second building has a ground floor area of $\pm 7,341$ SF and an improved second story floor area estimated at $\pm 1,800$ SF. The construction of this building is similar to that of the first building. It was not possible to inspect the second floor area of this building. Various tenants occupy this building whose uses range from ornamental iron/welding to automotive repair. Overall condition is considered to be only "fair". This building is bisected by the existing right-of-way of Arapaho Road.

To the west, and slightly south, of the two main buildings is a smaller concrete block building containing approximately 1,706 SF in a single story structure. This building was locked at the time of inspection. It is utilized by a muffler shop. To the south of this building is a metal storage building in poor condition, also apparently utilized as storage.

Basically, that area to the south of the building improvements is improved with concrete paved/stripped parking. This paved area is utilized as over-flow parking for restaurant properties to the south of the intervening car wash property. The concrete paved parking area is in very good condition.

All of the building improvements are estimated to represent only interim contributory value to the subject site, given their relatively poor condition and non-conforming-use status.

HIGHEST AND BEST USE

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

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

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

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

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

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

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

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

Physically Possible Uses

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

Legally Permissible Uses

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

Financially Feasible

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

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

Maximally Productive

Based on the subject's zoning, current operational results and market analysis, it is estimated that the maximally productive utilization of the site as a retail/service or restaurant/fast-food site is substantiated. The subject site, as developed with the older industrial-style improvements representing a fairly high land-to-building ratio, is significantly under utilized. Eventual redevelopment would maximize the utility of the site.

Highest and Best Use As Vacant Land

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

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

Highest and Best Use As Improved

Analysis of the subject property indicates that the currently existing improvements provide interim contributory value to the property. While the improvements do not represent the estimated Highest and Best Use of the property "as improved", the existing improvements do provide for income

which, in effect, carry the cost of holding the property until redevelopment is judged to be appropriate. The current rental rates for the improvements provide for an adequate return on the value of the site, but no return "on" or "of" the value of those improvements. Hence, the existing improvements represent only interim contributory value to the site.

It is unlikely that the subject property would sell for any greater amount with the existing improvements than without. It is likely that the subject may sell for a greater value without the existing improvements because a potential purchaser would not have to suffer the expense of removing those improvements prior to redeveloping 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, ±301' south of Arapaho Rd., also fronts south side of Arapaho Rd., Addison, TX

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

Grantor: Daryl N. Snadon

Grantee: Rail Hotels Corporation

Date of Sale: February 5, 1999

Recorded: 99024/1020

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

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

Cash Equivalency: \$10.00/SF

Size: ±68,877 SF; 1.5812 Acres

Zoning: C-1, commercial

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

Verified By: Jim Durbin - Broker 972.661.1011

Mapsco #: D-14C

Land Sale Comparable #2



Location: 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

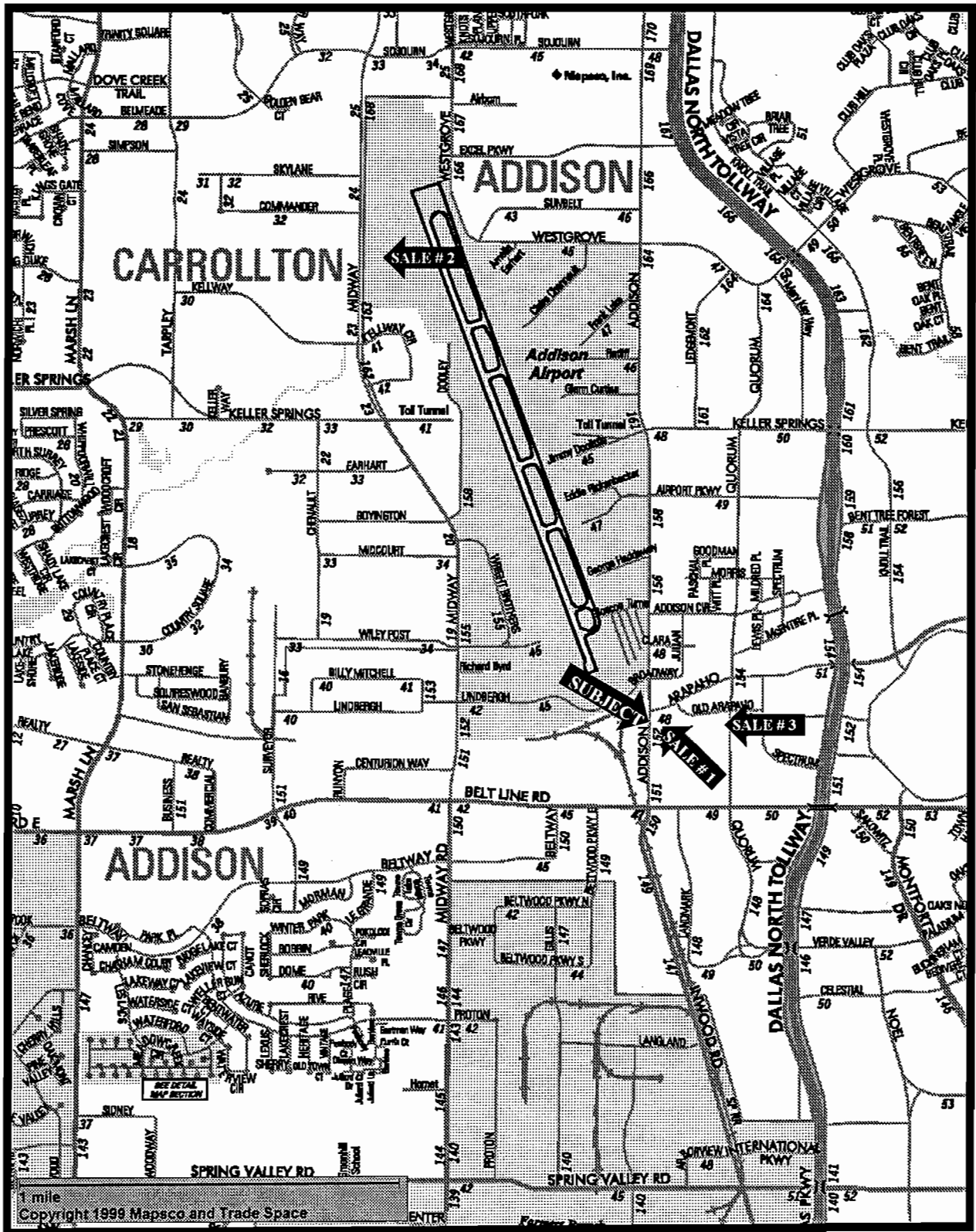
Zoning: PD, planned development - commercial

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

SALE 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	04/01	N/A	±70,516	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 across Addison Road from the subject, is ± 2 years old and requires an upward adjustment for time due to perceived market growth. Sale #2 is ± 1 year old and requires a modest upward adjustment for time.

Location

In this portion of the adjustment process the appraiser considers locational aspects of the comparable sales as opposed to the subject. Such aspects as quality and quantity of surrounding development, adjacent land uses, and other perceived physical amenities are considered. Due to the lack of paired sales characteristics in the comparables, the adjustments are qualitative. Sale #1 is across Addison Road from the subject and wraps around the corner of Addison Road and improved Arapaho Road. The location of this sale allows for somewhat greater building density than is allowable for the subject tract. This sale is adjusted downward to reflect this locational characteristic. 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. Additionally the greater building density allowable make it superior to the subject, requiring a stronger downward adjustment consideration.

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. The density of development allowable on the subject is restricted to a maximum building height of 20'. In the "Location" adjustments previously discussed, the density of development due to airport influence was considered. Therefore, no "utility" adjustment will be made in this analysis; the components of site "utility" being address in zoning, location, etc. *Being located adjacent to the south end of the Addison Airport runway will make the approval process for any planned development of the subject site extremely rigorous and potentially very restrictive. This could/would have a significant impact on the estimated market value*

for the subject property. For the purpose of this appraisal, it is presumed that a reasonable level of development would be allowable by the FAA and the Town of Addison.

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

Sight/View

This factor considers (1) how the property is presented to the public and (2) what the impact of surrounding property characteristics affect subject property. 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 a downward adjustment to the subject to reflect this sale's superior access/frontage. This sale wraps around the corner 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 dual frontage of this sale. Sale #3 is a true corner location and has superior general and immediate access/frontage as compared to the subject. This sale requires a significant downward adjustment to reflect these differences. Sale #2 is considered to be comparable to the subject in terms of access/frontage.

Size

The subject property is ±70,516 SF in size. Sales #1 and #2 are considered to be of a size range comparable to that of the subject property. The sales range in size from 58,414 SF to 68,877 SF. 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.

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	- 5%	+10%	-20%
Access/Frontage	- 5%	-0-	-20%
Zoning	-0-	+10%	-0-
Size Adjustment	-0-	-0-	+10%
Sight/View	-0-	-0-	-0-
Adjustment Factor	-10%	+20%	-30%
Adjusted Price \$/SF	\$9.90	\$10.14	\$9.74

Market Value Estimate - Subject Site

After adjustments, the comparable sales range from \$9.74/SF to \$10.14/SF. The average of the adjusted sales price is calculated at \$9.93/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 is very similar in size and location to the subject. Sale #2 is very similar in size and proximity to the airport. Sale #3 is very recent, but much larger than the subject and on the fringe of the subject primary neighborhood. 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 \$10.00 per square foot of the land area. The subject is estimated to contain ±70,516 SF of land area according to the documents provided. Therefore:

<u>Site Area</u>	<u>Value Estimate</u>	<u>Total</u>
±70,516 SF	\$10.00/SF	\$705,160

ESTIMATED MARKET VALUE - WHOLE PROPERTY "SITE", Say \$705,160

COST APPROACH TO VALUE

The Cost Approach will not be developed for the subject property. The improvements represent only a short-term interim value due to: 1) non-conforming uses; 2) deferred maintenance (physical deterioration); 3) significant functional obsolescence; and, 4) significant economic obsolescence.

The improvements are considered to be misplaced on the site which indicates the market value the subject site represents. The improvements are estimated to have a short-term, interim, value due to their capacity to produce a limited income which at least provides for a return on the value of the site.

The interim value of the subject improvements will be evaluated in the Income Approach section of this report.

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 leased to three tenants: Sambuca Jack's restaurant (which is under common ownership with 15211 Addison Road J.V) leases a portion of the subject for additional restaurant parking; Joe's Muffler leases a metal building for parts storage; and Tommy Nell, who master leases the three concrete block buildings along the north side of the site. As of the appraisal date, the leases are summarized as follows:

<u>Tenant</u>	<u>Property Leased</u>	<u>Lease Rate</u>
Sambuca Jack's	Surface Parking	\$1,750/month
Joe's Muffler	Metal Storage Bld.	200/month
Tommy Nell	Master Lease 3 Bld.	<u>6,350/month</u>
Total		\$8,300/month
		<u>x 12 months</u>
Potential Gross Annual Income		\$99,600

It is estimated that the property owner is responsible for one-half of the ad valorem taxes, liability insurance coverage, a small management/accounting expense, and a typical lease commission under prevailing market conditions.

A fairly high vacancy and collection loss is estimated for the current operating characteristics of the subject. Sambuca Jack's enjoys a variable rental rate depending on restaurant activity. The unusual mix of tenants under the Tommy Nell master lease, as well as being responsible for one-half the ad valorem tax estimate combine to result in a higher-than-market vacancy/collection loss.

Lease Conditions

The lease/rental structure for the subject property is unusual in that the subject was purchased primarily to provide for overflow parking for the restaurants to the south. The balance of the site was ultimately to be sold as market conditions improved and as Arapaho Road was actually extended through and beyond the subject. The existing improvements were retained based on their ability to provide interim income and offset the "carrying costs" of owning the property.

As a consequence, the leases are established on annual terms, but considered on a month-to-month basis. The month-to-month basis is necessitated by the pending Arapaho Road construction. The leases are cancelable upon 90 days written notice.

For the purpose of this analysis, the rentals of the subject property will be treated as typical leases which recognize uncertain external economic considerations. The projected income for the subject property is based on existing and currently negotiated terms. The expenses for the subject are based on estimates of expenses which are considered typical in the current market.

No comparable lease survey data is included. Leases of auto body repair shops and welding shops situated on \$10.00/SF sites were not available. The annual lease rate of ±\$3.87/SF indicated by the Tommy Nell master lease is indicative of older industrial properties on ±\$1.00/SF sites.

The value of the Income Approach based on the actual performance of the subject property is that the resulting net operating income (NOI) can be used to estimate 1) the contributory value of the existing improvements (As Improved Value, less Land Value, leaves Improvement value), and provide for an estimate of the discounted value of a interim income stream.

**Pro-Forma Operating Income Statement
15211 Addison Road JV**

Potential Gross Income	\$99,600
Less Vacancy & Collection Loss @ 15%	<u>-14,940</u>
Effective Gross Income Estimate	84,660
 Less Expenses:	
Admin./Mgt. @ 3%	\$ 2,540
Leasing Commission @ 3%	2,540
50% Ad Valorem (est. mkt. val.)	7,500
Insurance (liability)	<u>1,500</u>
Total Estimated Expenses	<u>-14,080</u>
 Indicated Net Operating Income	 \$70,580

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 obviously not any properties similar to the subject from which to derive capitalization rates, recent sales of office/warehouse properties were analyzed for overall rate estimates.

Three sales occurring from 02/00 to 09/00, which were leased at the date of sale indicated capitalization rates of 10.2% to 12%. Given what appears to be a slightly strengthening market for properties of the age and class of the comparables, a capitalization rate more reflective of the lower end of the displayed range is judged to be appropriate for the subject as of the appraisal date. A lower capitalization rate translates the net operating income into a higher indicated market value for a given property. This loose analysis supports an R_o for the subject property of 10.0%. Thus:

<u>Proforma NOI</u>		<u>R_o</u>		<u>Indicated Value</u>
\$70,580	+	10.0%	=	\$705,800

The estimated market value of the subject site via the Sales Comparison Approach is \$705,160. The capitalized value estimate for the whole property "as improved" is only \$705,800.

These results indicate that the improvements to the subject site have a contributory value of \$640. Improvements that generate the level of income displayed by the subject improvements barely provide for an adequate return "on" the value of the site, and no return "on" or "of" the value of the improvements.

The obvious conclusion is that the improvements are of no contributory value to the subject site. Of the NOI produced, only \$64 goes to providing a return "on" and "of" the improvements. In all probability, the cost of removing the existing improvements to redevelop the site exceeds their contributory value.

However, it is estimated that the subject improvements have a remaining economic life, or interim value, of three years; the current time estimate for the substantial completion of Arapaho Road at the subject. Therefore, the contributory value of the improvements to the subject property is properly valued as the discounted value of the income stream provided by those improvements over their estimated remaining economic life.

The annual net operating income stream attributable to the interim improvements is estimated at \pm \$49,580. This figure is the result of taking the NOI of \$70,580 and deducting the \$21,000 parking lease income from it. The building improvements do not affect the parking lot lease. Discounting a \pm \$49,580 income for 3 years at 10% (the same rate as the capitalization rate) yields a present worth of \$123,298 for the contributory value of the interim income stream provided by the misplaced improvements on the subject site.

In the case of the subject property, redevelopment of the site would provide a maximum return after the construction of the Arapaho Road extension. In the interim, any income provided by the existing improvements would reduce either 1) the cost basis in the site, or more likely, 2) offset the carry cost of the site (taxes, interest, economic opportunity cost, etc.).

Therefore, it is estimated that the present value of the discounted cash flow provided by the subject's existing improvements should be added to the estimated market value of the subject site to arrive at an estimate of value for the Whole Property.

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". Not only do the subject improvements not reflect the highest and best use of the site, those improvements represent a non-conforming use. Additionally, sales of improved properties which support improvements which have only an estimated 3 years remaining economic life were not available within the market with which to compare 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 interim contributory value of the improvements to the subject site is estimated through the Income Approach. The estimated interim contributory value of the subject improvements is combined with the estimated market value of the subject site to derive an estimate of value for the Whole Property. The Income Approach was developed to 1) test the Highest & Best Use estimate and to 2) estimate the interim contributory value of the income stream provided by the non-conforming improvements. Due to the age, condition, economic obsolescence of the improvements, and their short interim life, the Cost Approach to Value was not developed. Therefore;

Sales Comparison Approach - Land:	\$705,160
Improvements - Contributory Value:	<u>\$123,298</u>
WHOLE PROPERTY	\$828,458

PART TAKEN - VALUATION

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

The Part Taken consists of a strip of land varying from $\pm 9'$ to $\pm 18'$ wide, along the north side of the subject from east to west, roughly parallel, and adjacent, to the existing unimproved Arapaho Road right-of-way; a length of roughly $\pm 215'$. The land area within the proposed acquisition contains $\pm 2,432$ 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 part taken.

Within the acquisition area are portions of two concrete block buildings and a limited amount of asphalt paving associated with the paved parking area. No other items of contributory value were noted within the acquisition area.

From the Land Valuation section of this report, the estimated value of the subject site is \$10.00 per square foot of land area. Considered as severed land with no self-sustaining economic value, the land area in the Part Taken is properly valued as a pro-rata share of the subject site value.

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

Part Taken - Fee Simple

Land Area:	2,432 SF @ \$10.00/SF	\$ 24,320
Improvements:		
Buildings	Interim Income Value* (see pg. 23)	<u>\$123,298</u>
Total		\$147,618

*Note: A portion of two buildings containing an estimated 17,959 SF are being bisected by the Taking. Due to the age, design, and appeal of the buildings in relation to the revenue those buildings can generate, the cost-to-cure the bisections (all load bearing walls), exceeds their contributory value to the subject site. However, it is recognized that the rental of the building improvements provide a return on the value of the site (or offset holding costs) and without those improvements, in the short term, the property suffers an interim economic loss. It is judged that the non-bisected concrete block building ($\pm 1,706$ SF) and metal storage building would not generate enough income to warrant their continued operation as rental properties. Therefore, the contributory value of those two improvements has been included in the building value estimate in the Taking.

REMAINDER BEFORE THE TAKE - VALUATION

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

There will be no remaining improvements of contributory value situated on the Remainder Before the Take. It is presumed that any remainder buildings, bisected or intact, will be removed from the site in the interest of having an unencumbered site for future development.

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

<u>Remainder Components</u>	<u>Unit Value</u>	<u>Component</u>
Land Area 68,084 SF	\$10.00/SF	\$680,840
Improvements None of Contributory Value		\$ -0-
Total		\$680,840

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

REMAINDER AFTER THE TAKE - VALUATION

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

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

The Remainder After the Take no longer represents quasi-interior tract of land. The Remainder will be situated at the southwest corner of the controlled intersection of two concrete divided thoroughfares; Arapaho Road and Addison Road., with in excess of 470' of frontage along Arapaho and Addison Roads. As such, the Highest and Best Use estimate for the Remainder After the Take is superior in time to that of the original parent tract.

The size and shape of the Remainder is sufficient for independent economic development. This remainder tract is 68,084 SF in size. It is probable that any necessary changes in zoning would be available to the subject Remainder, given the new locational attributes of the Remainder.

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

The sales selected to estimate the value of the Whole Property site are judged to be the best sales currently available with which to value the Remainder After the Take. The reader is referred to the comparable sale data pages in the land valuation section of this report. The following pages will present a summary of the analysis and conclusions in estimating the probable market value of the Remainder After the Take.

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	04/01	N/A	±68,840	Commercial

Analysis & Adjustments of Sales

All of the sales transferred in "fee simple" interest. No unusual financing considerations were reported for any of the sales. A brief discussion of the comparison of each of the comparable sales with the subject is summarized in the following paragraphs.

Sale #1

Sale #1 occurred ±2 years ago and is judged to require an upward adjustment to reflect the strengthening market since that time. This sale wraps around the southeast corner of Arapaho Road and Addison Road, while the subject Remainder represents an actual corner property. This sale is adjusted upward to reflect the subject's superior frontage/access. There is still greater utility in the location of this sale than the Remainder, due to the allowable density of development. A slight downward adjustment is appropriate to reflect this utility of location. The size and zoning of the two properties is considered comparable.

Sale #2

A slight upward adjustment is required for "time", as this sale occurred ±1 year ago. The location of this sale is consider inferior to that of the Remainder, as this sale is located on a less intensely developed portion of Midway Road. The zoning of this sale allows for less intense development than that available for the Remainder, requiring an upward adjustment to the comparable price. The size of this sale and the Remainder is considered comparable. The corner location of the Remainder is distinctly superior to the interior street frontage of this comparable, requiring an upward adjustment for frontage/access.

Sale #3

No time adjustment is required for Sale #3. A location adjustment is warranted due to this sale's proximity to the Tollway and greater utility in density of development, this sale being located further removed from Addison Airport. A downward adjustment is applied to this sale for these conditions. No access/frontage adjustment is required as both the Remainder and this sale represent corner locations. The size of this sale requires an upward adjustment to the Remainder based on the same principals as the Whole Property comparison.

The following grid displays the relative adjustments to the comparable sales;

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	- 5%	+10%	-20%
Access/Frontage	+15%	+20%	-0-
Zoning	-0-	+10%	-0-
Size Adjustment	-0-	-0-	+10%
Sight/View	-0-	-0-	-0-
Adjustment Factor	+10%	+40%	-10%
Adjusted Price \$/SF	\$12.10	\$11.83	\$12.52

Market Value Estimate - Remainder Site

The comparable sales prices range from \$11.83/SF to \$12.52/SF after adjustments. The average of the adjusted sales is \$12.15/SF. Based on the lack of recent physically close land sales, tempered by a stable-to-growing market, it is the appraiser's opinion that a value for the Remainder After the Take is indicated at the upper limit of the adjusted sales prices. Essentially, the Remainder After the Take represents a "pad site" situated at a controlled intersection of two prominent streets. Thus:

<u>Usable Site Area</u>		<u>Value Estimate/SF</u>	=	<u>Total</u>
68,084 SF	x	\$12.50/SF	=	\$851,050

**ESTIMATED MARKET VALUE OF
REMAINDER, Called**

\$851,050

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	\$680,840
Remainder After the Take	<u>\$851,050</u>
Total	(\$170,210)

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

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

ESTIMATE OF JUST COMPENSATION \$147,618

APPRAISER'S CERTIFICATE

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

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



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

ADDENDUM

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

ASSUMPTIONS AND LIMITING CONDITIONS
(Read Carefully)

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

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

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

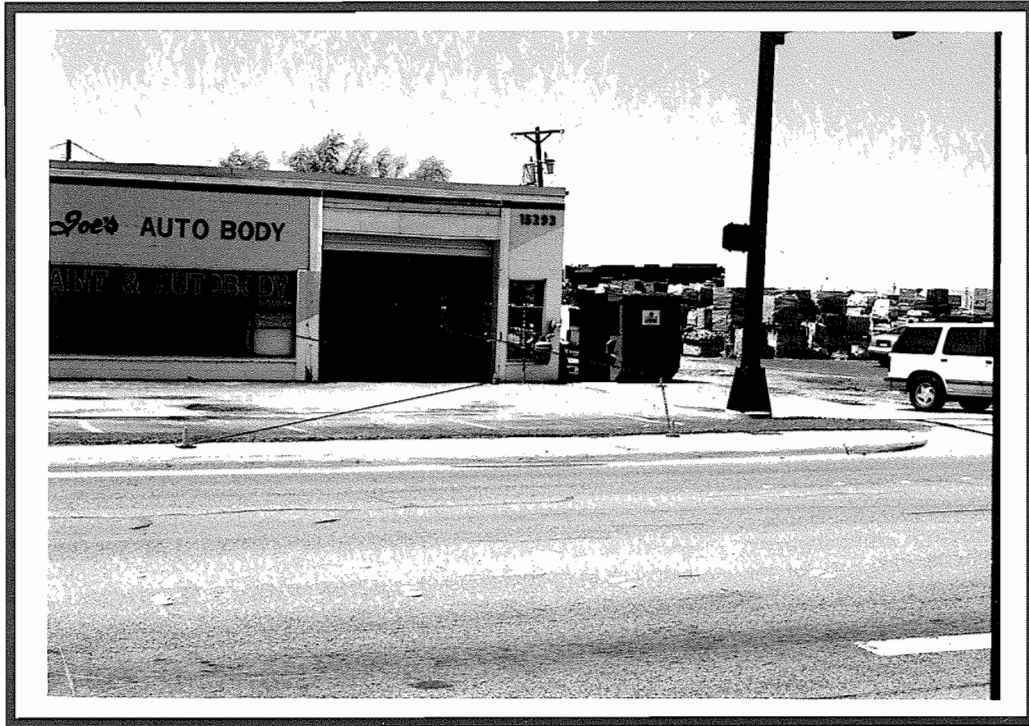
8. That there are no latent defects or any hidden or any unapparent conditions of the Property, subsoil, or structures which would render the Property more or less valuable. (No responsibility is accepted or assumed by Appraiser for any such conditions or for analyses or engineering which may be required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

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

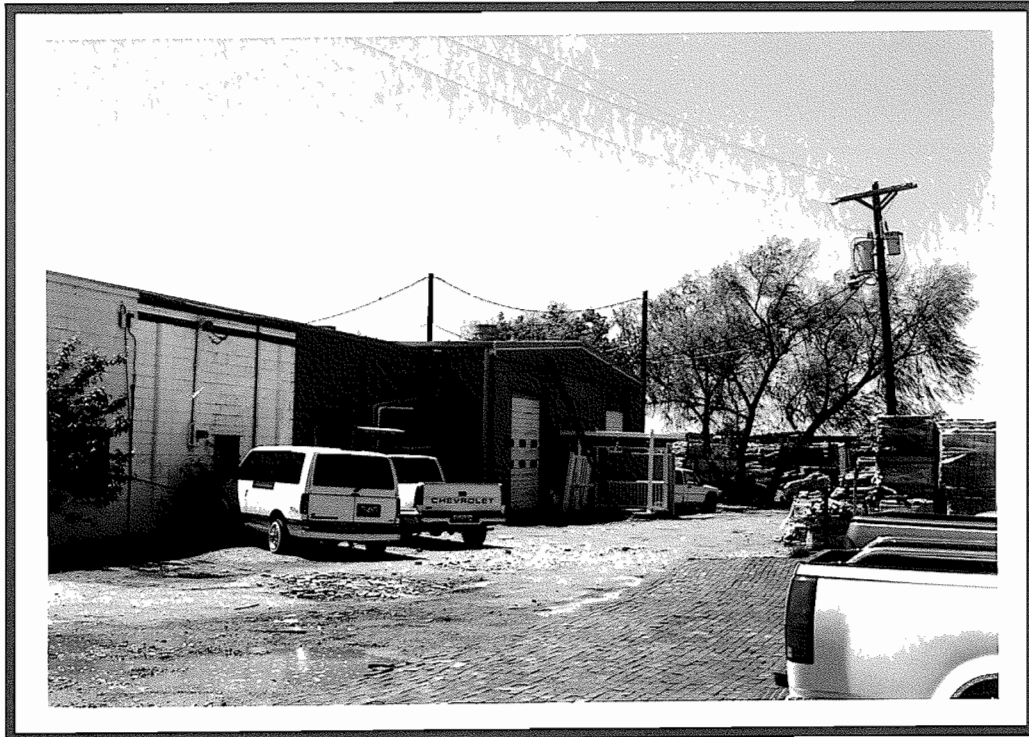
succeed or materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way forecast the conditions of a future real estate market; the Appraiser can only reflect, without warranty what the investment community, as of the date of the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

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

SUBJECT PHOTOGRAPHS

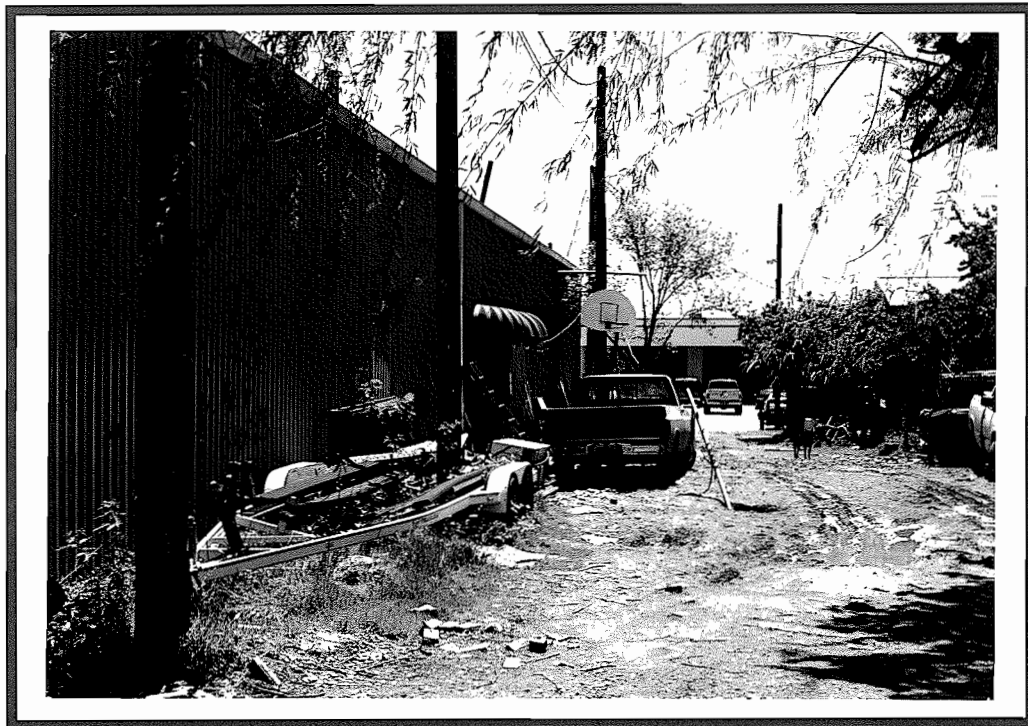


View of proposed R.O.W., looking west from Addison Rd.; view of Joe's Garage.



View of the north side/building bisection; Arapaho road R.O.W. on the left.

SUBJECT PHOTOGRAPHS



View of the west side of the interior bisected building (partial 2 story).

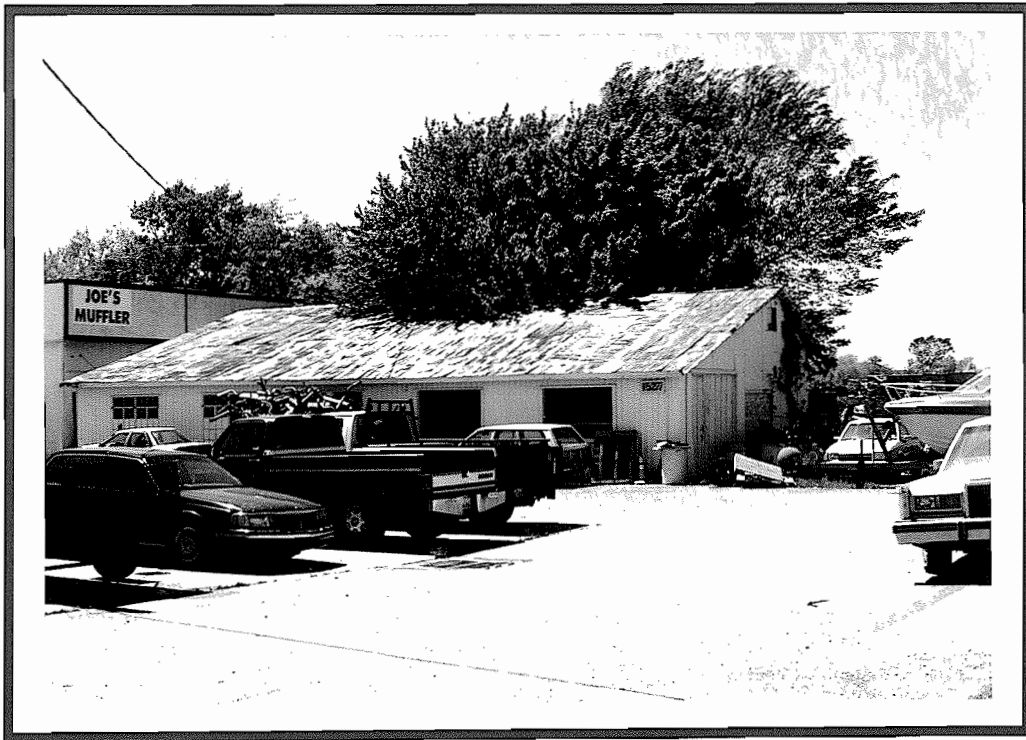


View of the south side of the partial 2 story building from site interior.

SUBJECT PHOTOGRAPHS



View of the smallest concrete block bld. near the northwest corner of the site.



View of the metal storage building on the west interior side of the subject site.

SUBJECT PHOTOGRAPHS



View north along Addison Road from the subject property.



View south along Addison Road from the subject property.

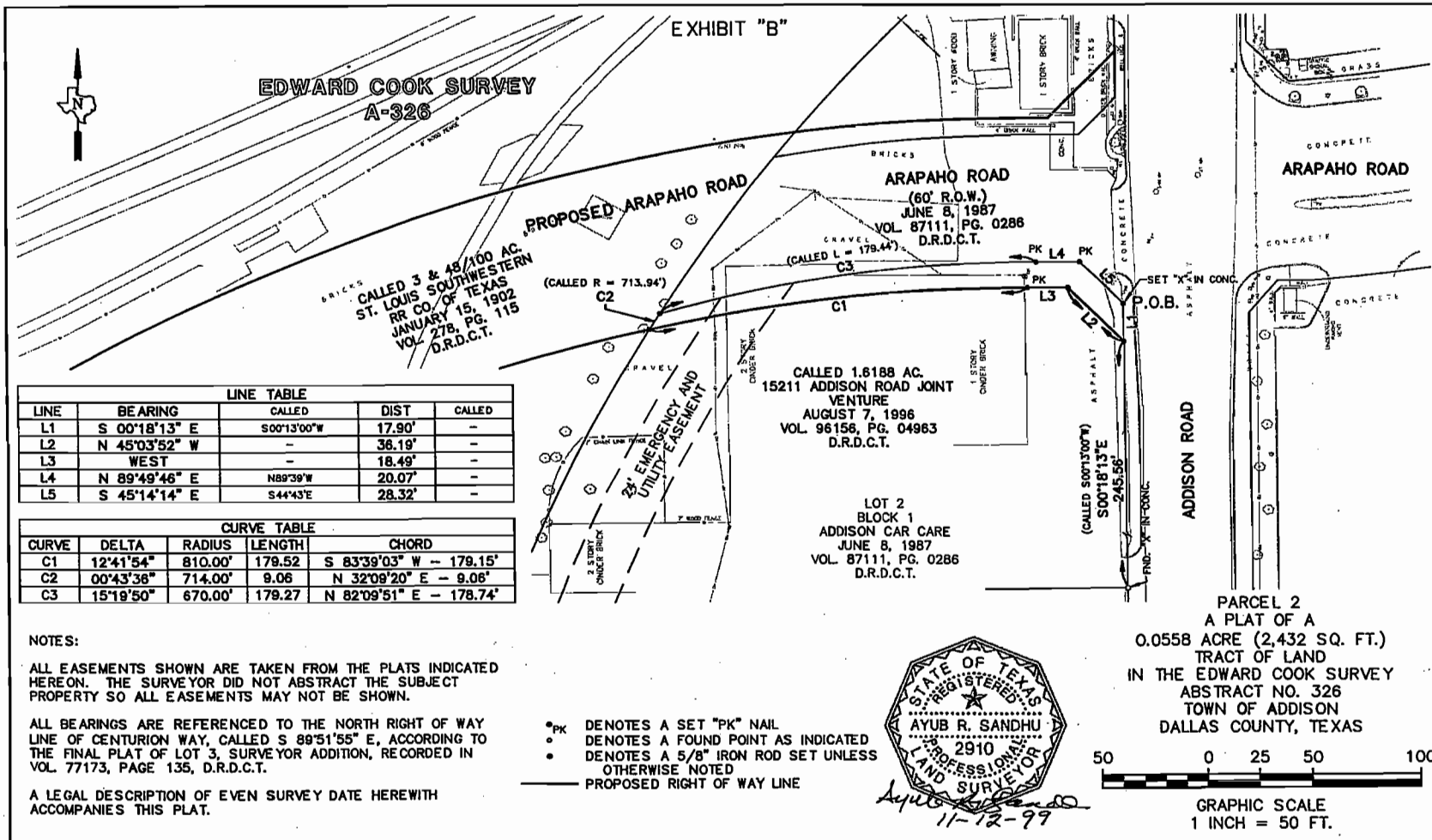
SUBJECT PHOTOGRAPHS



View west along Arapaho Road from the subject property.



View east along Arapaho Road from the subject property.



Parcel 2
Field Note Description
Arapaho Road Project
Town of Addison
Dallas County, Texas

BEING a description of a 0.0558 acre (2,432 square foot) tract of land situated in the Edward Cook Survey, Abstract Number 326, Town of Addison, Dallas County, Texas, being a portion of a called 1.6188 acre tract of land conveyed to 15211 Addison Road Joint Venture on August 7, 1996 and recorded in Volume 96156, Page 04963 of the Deed Records of Dallas County, Texas, said called 1.6188 acre tract being a portion of Lot 2, Block 1 of Addison Car Care, an addition to the Town of Addison as evidenced by the map recorded on June 8, 1987 and recorded in Volume 87111, Page 0286 of said Deed Records; said 0.056 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at an "X" in concrete set at the South end of a cut back corner located at the Southwest intersection of Addison Road (variable width) with Arapaho Road (60 feet wide) as dedicated by said plat of Addison Car Care, said point also being the most Easterly Northeast corners of said Lot 2 and said called 1.6188 acre tract, from said point an "X" in concrete found for the Southeast corner of said called 1.6188 acre tract bears South $00^{\circ}18'13''$ East (called South $00^{\circ}13'00''$ West) a distance of 245.56 feet;

THENCE, SOUTH $00^{\circ}18'13''$ EAST (called South $00^{\circ}13'00''$ West), along the common East line of said called 1.6188 acre tract and West Right of Way line of said Addison Road, a distance of 17.90 feet to a 5/8 inch iron rod set in the proposed South right of way line of Arapaho Road;

THENCE, along the proposed South right of way line of Arapaho Road the following courses and distances:

NORTH $45^{\circ}03'52''$ WEST, a distance of 36.19 feet to a 5/8 inch iron rod set for an angle point;

WEST, a distance of 18.49 feet to a "PK" nail set for the point of beginning of a tangent curve to the left;

PARCEL 2 - ARAPAHO ROAD PROJECT

WESTERLY, along the arc of said curve to the left having a radius of 810.00 feet, a central angle of $12^{\circ}41'54''$, a chord bearing South $83^{\circ}39'03''$ West for 179.15 feet, for an arc distance of 179.52 feet to a 5/8 inch iron rod set in a curve of the common Northwest line of said called 1.6188 acre tract and the Southeast line of a called 3 & 48/100 acre tract of land conveyed to St. Louis Southwestern Railway Company of Texas on January 15, 1902 as evidenced by the deed recorded in Volume 278, Page 115 of said Deed Records;

THENCE, NORTHEASTERLY, departing said proposed right of way line of Arapaho Road, along said common line and the arc of a non-tangent curve to the right having a radius of 714.00 feet (called 713.94 feet), a central angle of $00^{\circ}43'36''$, a chord bearing North $32^{\circ}09'20''$ East for 9.06 feet, for an arc distance of 9.06 feet to a 5/8 inch iron rod set for the common Northwest corner of said called 1.6188 acre tract and Southwest corner of the dedication of said Arapaho Road by said plat of Addison Car Care;

THENCE, EASTERLY, departing said common line and along the common North line of said called 1.6188 acre tract and existing South right of way line of said Arapaho Road, along a non-tangent curve to the right having a radius of 670.00 feet, a central angle of $15^{\circ}19'50''$, a chord bearing North $82^{\circ}09'51''$ East for 178.74 feet, for an arc distance of 179.27 feet (called 179.44 feet) to a "PK" nail set for the point of tangency of said curve;

THENCE, NORTH $89^{\circ}49'46''$ EAST (called North $89^{\circ}39'$ West), continuing along said common line, a distance of 20.07 feet to a "PK" nail set for the North corner of the aforementioned cut back corner;

THENCE, SOUTH $45^{\circ}14'14''$ EAST (called South $44^{\circ}43'$ East), departing said common line, along said cutback corner and the Northeast line of said called 1.6188 acre tract, a distance of 28.32 feet to the **POINT OF BEGINNING**;

CONTAINING an area of 0.0558 acres or 2,432 square feet of land within the metes recited.

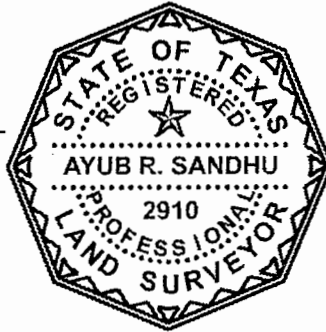
PARCEL 2 - ARAPAHO ROAD PROJECT

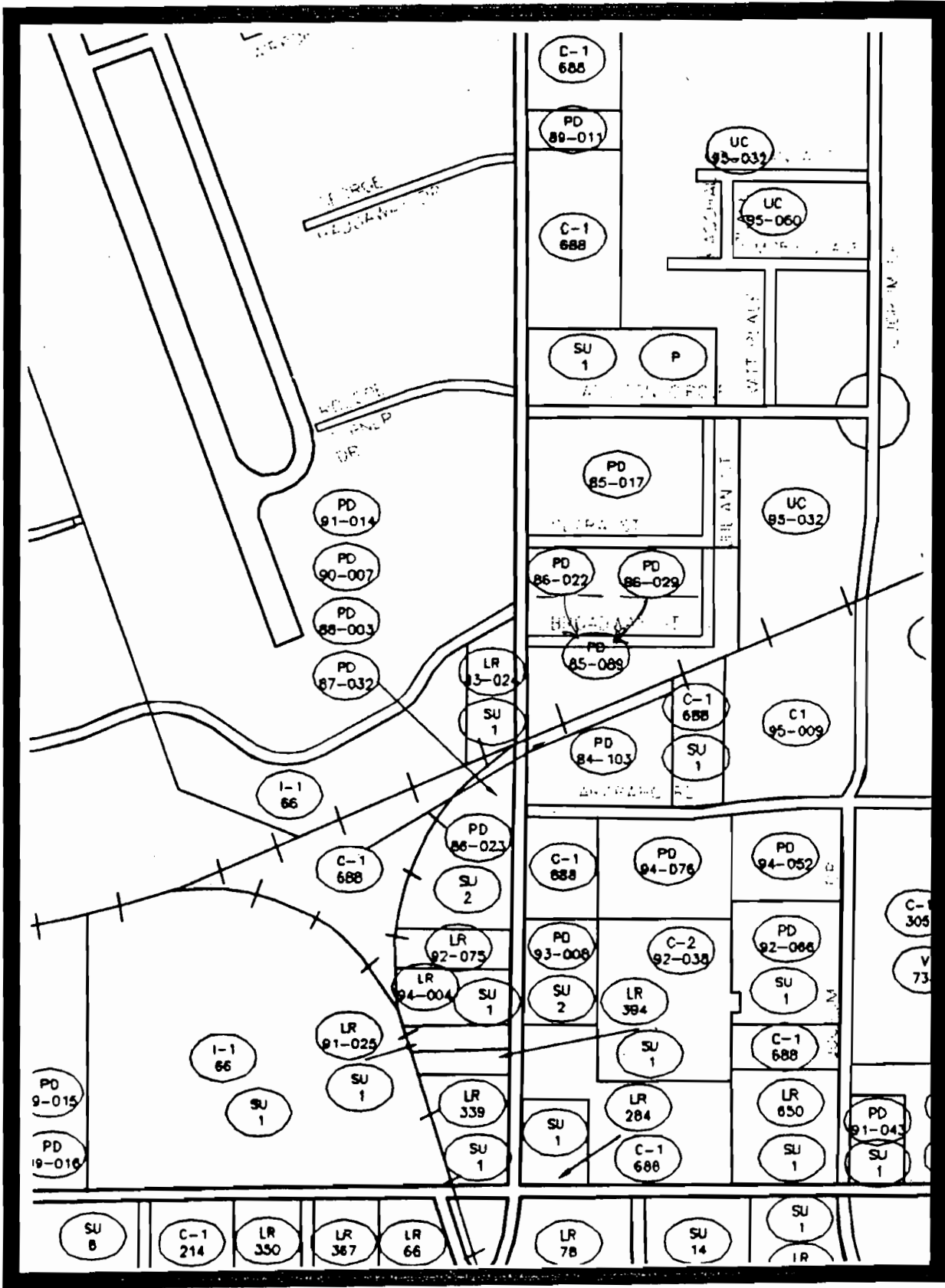
All bearings are referenced to the North Right of Way line of Centurion Way, called S 89°51'55" E, according to the final plat of Lot 3, Surveyor Addition, recorded in Vol. 77173, Page 135, Deed Records of Dallas County, Texas.

A plat of even survey date herewith accompanies this description.

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

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





ZONING MAP

MARK A. HIPES
Qualifications

Location of Office

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

Education

Southern Methodist University

* Bachelor of Business Administration - Quantitative Analysis

* Master of Business Administration - Finance

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

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

Appraisal Courses, Seminars

American Institute of Real Estate Appraisers

* Course IIa - Case Studies in Real Estate Valuation

* Course IIb - Valuation Analysis & Report Writing

Society of Real Estate Appraisers

* Course 101 - Principals of Real Estate Appraisal

* Course 201 - Income Property Valuation

* Course R2 - Report Writing

Standards of Professional Practice

Various Seminars on Valuation & Litigation

Experience

02/87 to Present

Hipes & Associates

Independent Real Estate Appraiser

03/79 to 02/87

Dallas County Department of Public Works

Eminent Domain Appraiser

09/71 to 03/79

Self Employed

Financial Analysis/Real Estate Analysis

Types of Properties Appraised

Regional Malls

Industrial/Manufacturing

Automobile Dealerships

Shopping Centers

Apartments

Hospitals

Office

Farms/Ranches

Railroads

Office/Warehouses

Proposed Developments

Churches

Service Stations

Educational Facilities

Airports

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

Extensive work in Eminent Domain & other forms of litigation valuation

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

DALLAS AREA RAPID TRANSIT

METRO BRICK CO. INC

PROPOSED ROW

PARCEL 1

ADDISON RD.

EXISTING ROW

ARAPAHO ROAD

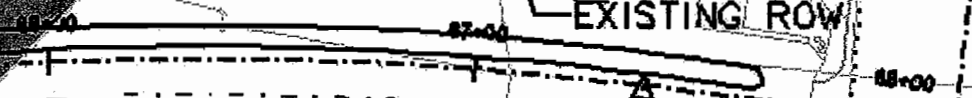
EXISTING ROW

PARCEL 2

ADDISON ROAD JOINT VENTURE

PROPOSED ROW

Adison Public



DALLAS AREA RAPID TRANSIT

METRO BRICK CO. INC

PROPOSED ROW

PARCEL 1

ADDISON RD

EXISTING ROW

ARAPAHO ROAD

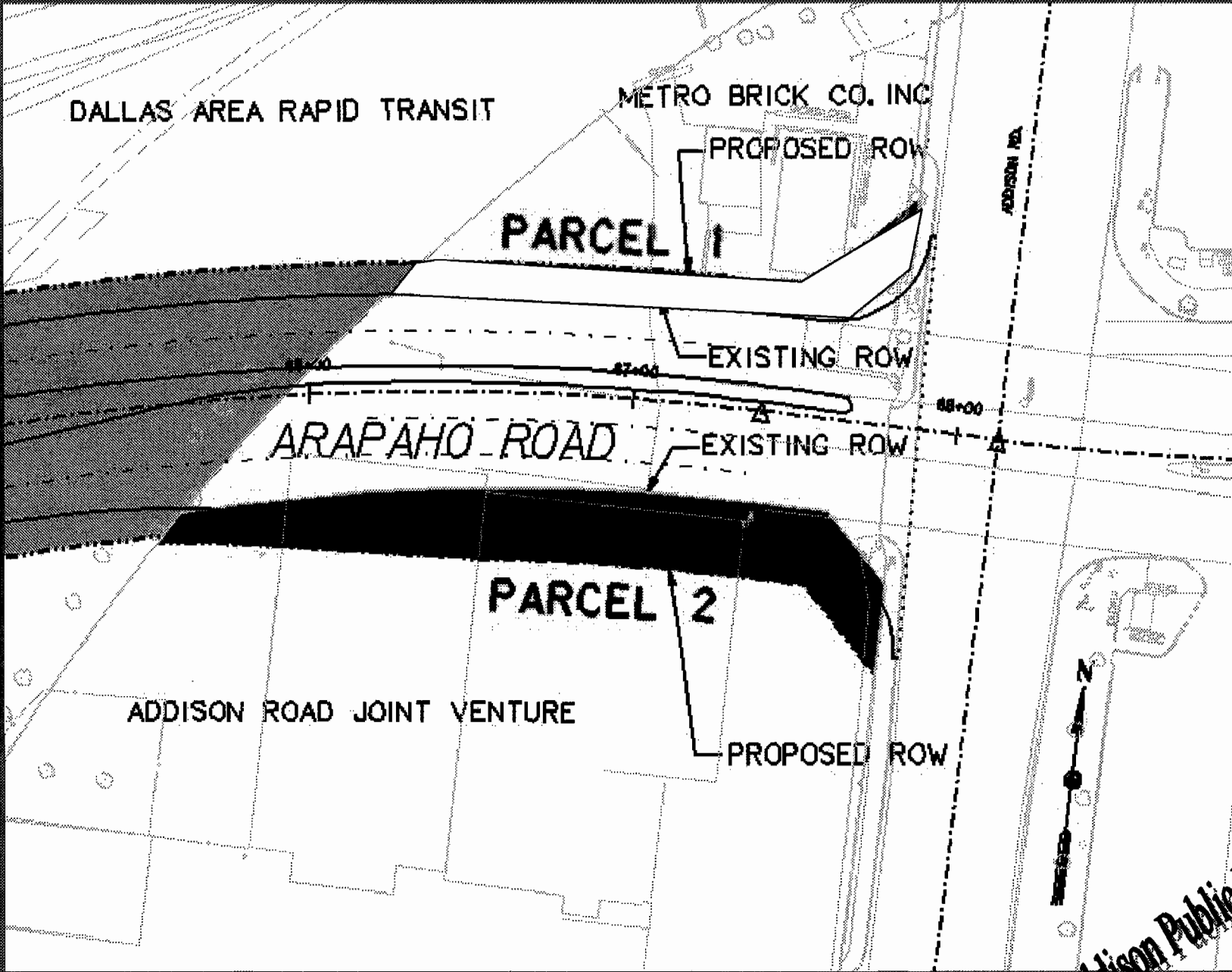
EXISTING ROW

PARCEL 2

ADDISON ROAD JOINT VENTURE

PROPOSED ROW

ADDISON Public Works



DALLAS AREA RAPID TRANSIT

METRO BRICK CO. INC

PROPOSED ROW

PARCEL 1

ADDISON RD

EXISTING ROW

ARAPAHO ROAD

EXISTING ROW

PARCEL 2

ADDISON ROAD JOINT VENTURE

PROPOSED ROW

Addison Public Works

