REAE 5334
Real Estate Appraisal Project

Of property located at
8901 Directors Row Dallas, TX

Instructor:
Dr. Andrew Hansz

Students:
Bronwyn Justice
Dmitri Tisnoi
Jaekab Kim

12/09/2006
## TABLE OF CONTENT

### PART ONE
- LETTER OF TRANSMITTAL ................................................................. 2
- PHOTOS OF THE PROPERTY ............................................................ 3
- PURPOSE OF THE APPRAISAL .......................................................... 5
- IDENTIFICATION OF PROPERTY ......................................................... 5
- HISTORY OF PROPERTY ................................................................. 6
- REGIONAL ANALYSIS .......................................................................... 8
- NEIGHBORHOOD ANALYSIS .............................................................. 14
- TAXES AND ASSESSMENT ANALYSIS ................................................. 20
- SITE DATA AND ANALYSIS ............................................................... 22
- DESCRIPTION AND ANALYSIS OF IMPROVEMENT .............................. 26
- HIGHEST AND BEST USE ANALYSIS .................................................. 27

### PART TWO
- COST APPROACH ................................................................................. 29
- SALES COMPARISON APPROACH ........................................................ 34
- INCOME APPROACH ........................................................................... 41
- RECONCILIATION ................................................................................ 47

### ADDENDA .......................................................................................... 48
December 9, 2006

RE: 8901 Directors Row Dallas, TX

To Whom It May Concern:

In accordance with your request, we have completed an appraisal report of the above-described property. The purpose of this appraisal is to form an opinion as to the market value of the subject property as of December 9, 2006.

The subject’s gross leasable area of 16,000sf and lot size of 48,896.00, which is information obtained by Dallas County Appraisal District. The value estimate contained within this report specifically assumes this information to be correct.

Based upon the data, analyses and reasoning contained in the attached report, the leased fee market value of the subject improved property, as is, and as of December 9, 2006 is $ 485,000.00 (four hundred eighty five thousand)

This letter simply transmits the attached report. The value sated in the preceding in the subject to the definitions, assumptions and limiting conditions fully discussed in the report.

We appreciate the opportunity to be of service. If you have any questions regarding the conclusions or contents of this report, please feel free to contact us.

Respectfully Submitted,

Bronwyn Justice
Dmitri Tisnoi
Jaekab Kim
SUBJECT PHOTOGRAPHS

FRONT

FRONT PARKING

WAREHOUSE SECTION

WEARHOUSE

OFFICE AREA

BREAK ROOM
PURPOSE OF APPRAISAL

The purpose of our appraisal is to form an opinion as to the market value of a leased fee interest in the subject-improved property as is, of December 9, 2006.

IDENTIFICATION OF PROPERTY

The subject is a 16,000sf building located on a 1.1225-acre lot per Tax records the street address is 8901 Directors Row
In Dallas, Dallas, County, Texas.

The subject property has the legal description (per tax records)

1: BROOK HOLLOW IND DIST
2: BLK 53/7940 LT 5 & ABND DART ROW
3: ACS 1.1225
4: VOL97127/4546 DD07011997 CO-DC
5: 7940 053 005 2DA7940 053
## HISTORY OF THE PROPERTY

**Owner / Legal Description**

<table>
<thead>
<tr>
<th>Year</th>
<th>Owner</th>
<th>Legal Description</th>
</tr>
</thead>
</table>
| 2006 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630 | 1: BROOK HOLLOW IND DIST  
2: BLK 53/7940 LT 5 & ABND DART ROW  
3: ACS 1.1225  
4: VOL97127/4546 DD07011997 CO-DC  
5: 7940 053 005 2DA7940 053 |
| 2005 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630 | 1: BROOK HOLLOW IND DIST  
2: BLK 53/7940 LT 5  
3: 150X300 DIRECTORS ROW & PROFIT  
4: VOL97127/4546 DD070197 CO-DALLAS  
5: 7940 053 005 2007940 053 |
| 2004 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630 | 1: BROOK HOLLOW IND DIST  
2: BLK 53/7940 LT 5  
3: 150X300 DIRECTORS ROW & PROFIT  
4: VOL97127/4546 DD070197 CO-DALLAS  
5: 7940 053 005 2007940 053 |
| 2003 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630 | 1: BROOK HOLLOW IND DIST  
2: BLK 53/7940 LT 5  
3: 150X300 DIRECTORS ROW & PROFIT  
4: VOL97127/4546 DD070197 CO-DALLAS  
5: 7940 053 005 2007940 053 |
| 2002 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630  
UNASSIGNED | 1: BROOK HOLLOW IND DIST  
2: BLK 53/7940 LT 5  
3: 150X300 DIRECTORS ROW & PROFIT |
<table>
<thead>
<tr>
<th>Year</th>
<th>Address</th>
<th>Notes</th>
</tr>
</thead>
</table>
| 2001 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630 UNASSIGNED | 4: VOL97127/4546 DD070197 CODALLAS  
5: 7940 053 005 2007940 053 |
| 2000 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630 UNASSIGNED | 1: BROOK HOLLOW IND DIST  
2: BLK 53/7940 LT 5  
3: 150X300 DIRECTORS ROW & PROFIT  
4: VOL97127/4546 DD070197 CODALLAS  
5: 7940 053 005 2007940 053 |
| 1999 | ENGLISH O B  
4500 ROLAND AVE APT 707  
DALLAS, TEXAS 752191630 UNASSIGNED | 1: BROOK HOLLOW IND DIST  
2: BLK 53/7940 LT 5  
3: 150X300 DIRECTORS ROW & PROFIT  
4: VOL97127/4546 DD070197 CODALLAS  
5: 7940 053 005 2007940 053 |
REGIONAL ANALYSIS

Real estate values reflect the influence of four primary forces that motivate human activity: social trends, economic conditions, governmental policies and environmental factors. The purpose of the regional data is to describe and analyze the area within which the interactions of the four major forces influence properties similar to the subject. This section will analyze past trends for insight into possible future trends affecting the value of real estate.

The Dallas/Ft. Worth Metroplex is situated in a central location within a five-state economic region that consists of Texas, Oklahoma, New Mexico, Louisiana, and Arkansas. Dallas is the major hub city of the Dallas/Ft. Worth Consolidated Metropolitan Statistical Area (CMSA), the ninth largest CMSA in the nation with more than 5.6 million residents in 2003.

This CMSA consists of 11 contiguous counties in North Central Texas encompassing 8,360 square miles. The counties include Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Dallas, Tarrant, and Wise. By 2010 Dallas/Ft. Worth is expected to be the fourth largest CMSA in the nation.

Physical Forces

Location - The Dallas/Ft. Worth metroplex is situated in the northern portion of Texas. Dallas which is located east of FortWorth is the second largest city in Texas and the seventh largest in the United States. Fort Worth is the fourth largest city in Texas. When the Dallas and Fort Worth Metropolitan Statistical Area's (MSA's) are combined, they make up the largest metropolitan area in Texas. The Dallas area has become a major distribution point, not only for Texas, but for bordering states such as Oklahoma, Arkansas, and Louisiana.

Access - The Dallas/Ft. Worth area is served by five major interstate highways (IH-35, IH-30, IH-20, IH-635, & IH-820) that provides excellent access to all areas of the metroplex. Dallas Area Rapid Transit (DART) provides local passenger transportation service through an extensive bus network and a light rail line.

During 2000 Dallas experienced extensive improvements in the construction of President George Bush Turnpike (State Highway 190) through the northern suburban communities. The eastern portion of this roadway was completed in 2002 and will connect the city of Garland on the east to the city of Irving/DFW International Airport on the west with a six lane limited access tollroad. The $2.9 billion dollar package to speed up construction of 53 miles of the DART light rail system was passed in August, 2000 in an effort to connect the northern suburbs of Richardson, Plano and Farmers Branch to the Dallas CBD and DFW Airport.

Dallas and Fort Worth are well known for their air services. The Dallas/Ft. Worth International Airport is the third largest and one of the busiest airports in the world. The airports four terminals and seven runways serviced nearly 60 million passengers in 2004, of which over three million were international travelers. In 2000, D/FW Airport initiated a $2.5 Billion expansion that will include a new international terminal, a people mover system that will enable passengers to make connections in 30 minutes or less, additional parking system facilities, airfield improvements, and an eighth
runway. The DFW Airport expansion is expected to create an additional 31,000 jobs by 2010 and generate 30 billion dollars of economic activity. Other airports of importance include Dallas’ Love Field and Fort Worth’s Meacham and Alliance Airports (the world’s largest and fastest growing industrial/freight airport).

Social and Economic Forces

**Government** - The Dallas City Government is structured in the typical council-manager form in which the Mayor and 14 council members serve as board of directors for municipal business, with the city manager responsible to the council for the administration of business policies the council has established. The city maintains an AAA bond rating as set by Standard & Poor's credit rating systems. State and city sales tax are collected at a rate of 8.25% within the city.

Likewise, the City of Fort Worth operates under council-manager form of government with a Mayor and 8 district council members. Standard and Poor’s has given Fort Worth an AA bond rating. State and city sales tax are collected at a rate of 8.25% within the city.

**Population Profile** - Population trends affect employment, retail spending, housing, bank deposits, and many other key demand parameters analyzed in determining real estate productivity. Population growth, stability or decline is strong indicators of real estate viability within an area. According to the U. S. Census Bureau, the Dallas/Fort Worth area population increased from 4,111,750 in 1990, to 5,119,950 in 2000. This calculates to an average annual growth rate of over 2.5% and equates to more than 275 residents being added every day during this ten year period. The population was estimated at 5,652,077 in 2003.

The following population and employment data represents historic trends, including the projected statistics for 2010 as prepared by the North Central Texas Council of Governments (NCTCOG). Projections are based on 1990 census data, 2000 census preliminary figures and utilize an urban Growth Simulation Model in conjunction with an extensive review process.

The resulting projections are similar to projections prepared by Chase Econometrics and the U.S. Bureau of Census.

The following statistics represent NCTCOG Policy Planning Area.
Central Appraisal Districts within each county provide uniform appraisals to various local taxing authorities such as cities, counties and school districts. These political subdivisions may each impose ad valorem taxes on real and personal property. Several tax exemptions exist, and one of the most significant is the homestead exemption. Each political subdivision in Texas exempts not less than $3,000 of the assessed value of resident’s homesteads. A change to the Texas Constitution was approved by Texas voters in August of 1997 that raised exemption levels from the previous level of $5,000 up to the current level of $15,000 for each residential homestead for school district tax purposes.
Employment Profile

The following are recent employment figures for the DFW Metroplex:

<table>
<thead>
<tr>
<th>Year</th>
<th>Period</th>
<th>Labor Force</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>Annual</td>
<td>2,849,803</td>
<td>3.6%</td>
</tr>
<tr>
<td>2001</td>
<td>Annual</td>
<td>2,896,825</td>
<td>4.7%</td>
</tr>
<tr>
<td>2002</td>
<td>Annual</td>
<td>2,970,814</td>
<td>6.8%</td>
</tr>
<tr>
<td>2003</td>
<td>Annual</td>
<td>2,985,307</td>
<td>6.8%</td>
</tr>
<tr>
<td>2004</td>
<td>Annual</td>
<td>2,965,575</td>
<td>5.9%</td>
</tr>
<tr>
<td>2005</td>
<td>May</td>
<td>3,003,045</td>
<td>5.2%</td>
</tr>
<tr>
<td>2005</td>
<td>June</td>
<td>3,019,648</td>
<td>5.2%</td>
</tr>
<tr>
<td>2005</td>
<td>July</td>
<td>3,033,699</td>
<td>5.0%</td>
</tr>
<tr>
<td>2005</td>
<td>August</td>
<td>3,030,669</td>
<td>5.0%</td>
</tr>
<tr>
<td>2005</td>
<td>September</td>
<td>3,028,100</td>
<td>5.1%</td>
</tr>
<tr>
<td>2005</td>
<td>October</td>
<td>3,040,800</td>
<td>4.8%</td>
</tr>
<tr>
<td>2005</td>
<td>November</td>
<td>3,048,935</td>
<td>5.0%</td>
</tr>
<tr>
<td>2005</td>
<td>December</td>
<td>3,043,178</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics

Employment and job growth has improved over the last two years. It has been predicted by many economists, however, that the job growth for the D/FW Metroplex may have peaked in 2001.

The following table lists the largest employers in the Dallas and Fort Worth areas. This table was published by the Real Estate Center.

Dallas Top Ten Employers

<table>
<thead>
<tr>
<th>Employer</th>
<th>Sector</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Instruments HQ</td>
<td>Electronics</td>
<td>7,800</td>
</tr>
<tr>
<td>Parkland Memorial Hospital</td>
<td>Health care</td>
<td>6,950</td>
</tr>
<tr>
<td>UT Southwestern Medical Center</td>
<td>Health care</td>
<td>5,893</td>
</tr>
<tr>
<td>Baylor University Medical Center</td>
<td>Health care</td>
<td>5,751</td>
</tr>
<tr>
<td>Compusec Campus</td>
<td>Communications</td>
<td>5,800</td>
</tr>
<tr>
<td>NorthPark Center</td>
<td>Retail</td>
<td>4,536</td>
</tr>
<tr>
<td>Delta Air Lines Inc</td>
<td>Transportation</td>
<td>4,300</td>
</tr>
<tr>
<td>United Parcel Service Inc</td>
<td>Mail</td>
<td>4,300</td>
</tr>
<tr>
<td>Presbyterian Hospital Dallas</td>
<td>Health care</td>
<td>4,100</td>
</tr>
<tr>
<td>Children's Medical Center Dallas</td>
<td>Health care</td>
<td>4,000</td>
</tr>
</tbody>
</table>

Source: North Central Texas Council of Govt. June-2004
Employment also affects the real estate market since an overall increase in total employment translates into more space used for office employees, more retail space to sell goods and services, and more money flowing through the area economy.

Sectors such as Finance/Insurance/Real Estate, Services and Miscellaneous, and Government, which typically consist of white collar jobs, experienced an increase in employment which should help support the office, retail and residential real estate markets.

Housing, Households and Income Profile

The DFW Metroplex consists of two large metropolitan statistical areas that are many times combined. As previously described there are distinct differences between Dallas and Fort Worth/Arlington. To appreciate this difference in respect to incomes, households and housing we have elected to present an executive summary of each segment for each of the two MSA’s and also present a combined profile. The data was derived from Demographicsnow.com and is based on the most current data available through the U.S. Bureau of Census and proprietary models utilized by the Bureau and Demographicsnow.com

Dallas MSA

Households: There are currently 1,270,559 households in Dallas. The number of households has risen by 26.83% since 1990. It is estimated that the number of households will be 1,369,674 five years from now, which represents an increase of 7.80% from the current year. The average household size in Dallas is 2.61 persons.

Income: The current year median household income for Dallas is $44,204, compared to the US average which is currently $39,618. The median household income has risen by 37.28% since 1990. It is estimated that the median household income will be $45,525 five years from now, which represents a change of 2.99% from the current year. The current year per capital income in Dallas is $30,943, compared to the US average, which is $24,219. The current year average household income is $79,829, compared to the US average which is $62,563.
Fort Worth/Arlington MSA

Households There are 618,155 households in Fort Worth/Arlington. The number of households has changed by 22.10% since 1990. It is estimated that the number of households will be 660,051 five years from now, which represents a change of 6.78% from the current year. The average household size is 2.63 persons.

Income The median household income for Fort Worth/Arlington is $39,625, compared to the US average which is currently $39,618. The median household income has increased 25.04% since 1990. It is estimated that the median household income will be $41,091 five years from now, which represents a change of 3.70% from the current year. The current year per capita income is $24,587, compared to the US average, which is $24,219. The current year average household income is $63,658, compared to the US average which is $62,563.

Conclusion

The preceding market overviews underscore the major trends which have occurred in the D/FW area as a result of the interaction of the four predominant forces that affect real estate values (environmental, political, economic, and sociological). As employment grew in the mid-1990s, the economy strengthened. After several years of continued growth, the regional real estate market was considered fully recovered in 1999. However, the apartment and office market appears to be slightly overbuilt; this can be seen from the slight drop in occupancies even though there has been a rise in rental rates. The area experienced record levels of apartment and office construction for the three year period ending the second half of 2000. However, demand also remained at a strong level during the same time frame. Post 9/11, the regional economy much like the national economy suffered. Both the apartment and office markets remain overbuilt with significant vacancies in both sectors. Further, both the single family housing and retail sectors remain relatively strong.
Define and support boundaries

A neighborhood is defined as *"a portion of a larger community in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have more than a casual community of interest, and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well defined natural or man-made barriers, or they may be more or less well defined by a distinct change in land use, or in the character of the inhabitants."*

**Neighborhood boundaries**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH</td>
<td>Stemmons Fwy and Regal Row</td>
</tr>
<tr>
<td>SOUTH</td>
<td>Trinity River south of Irving Boulevard</td>
</tr>
<tr>
<td>EAST</td>
<td>Stemmons Fwy and Inwood Rd</td>
</tr>
<tr>
<td>WEST</td>
<td>Regal Row</td>
</tr>
</tbody>
</table>

The above selected neighborhood is highlighted by the well defined boundaries; and is located in the heavily industrial area right on the west border of Dallas with Irving. The neighborhood is surrounded by the trinity river from the south, some industrial and some residential developments from the East, Industrial and residential development from the North. It also has a Brook Hallow Golf Course located by the North Boundary of the subject Neighborhood.

The subject property is located in predominantly industrial district. Transportation supply is excellent, so is the supply of labor. The neighborhood is fully developed so there is no room for expansion or growth.

The market area is in the mature stage of its life cycle. Land uses are as follows:
The majority of the development located within the market area is divided between high-density commercial/office and light industrial uses. Much of the commercial/office development was constructed in the late 1970s and early 1980s. However, much of the light industrial development was constructed earlier, during the 1960s and early 1970s. Favorable factors contributing to the early development of the area included the availability of appropriately zoned land, the area’s close proximity to Dallas’ Central Business District (CBD), close proximity to Dallas’ Love Field Airport and a concentrated highway infrastructure.

Certain areas are considered to be in transition. Older properties have been razed to permit new development. Most recent construction has included restaurant and lodging facilities, principally along Stemmons Freeway.

There are no residential uses in the market neighborhood.

### Demographics

<table>
<thead>
<tr>
<th>Housing</th>
<th>1-mi.</th>
<th>3-mi.</th>
<th>5-mi.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000 Total Housing Units</td>
<td>11</td>
<td>14,423</td>
<td>87,423</td>
</tr>
<tr>
<td>2000 Occupied Housing Units</td>
<td>11</td>
<td>13,286</td>
<td>82,500</td>
</tr>
<tr>
<td>2000 Owner Occupied Housing Units</td>
<td>11</td>
<td>5,592</td>
<td>33,073</td>
</tr>
<tr>
<td>2000 Renter Occupied Housing Units</td>
<td>n/a</td>
<td>9,200</td>
<td>54,329</td>
</tr>
<tr>
<td>2000 Vacant Housing Units</td>
<td>n/a</td>
<td>629</td>
<td>4,950</td>
</tr>
<tr>
<td>% 2000 Occupied Housing Units</td>
<td>100.00%</td>
<td>55.64%</td>
<td>64.37%</td>
</tr>
<tr>
<td>% 2000 Owner Occupied Housing Units</td>
<td>100.00%</td>
<td>38.77%</td>
<td>23.86%</td>
</tr>
<tr>
<td>% 2000 Renter Occupied Housing Units</td>
<td>0.00%</td>
<td>66.97%</td>
<td>55.51%</td>
</tr>
<tr>
<td>% 2000 Vacant Housing Units</td>
<td>0.00%</td>
<td>4.26%</td>
<td>5.65%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population Change</th>
<th>1-mi.</th>
<th>3-mi.</th>
<th>5-mi.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employees</td>
<td>13,085</td>
<td>94,377</td>
<td>266,375</td>
</tr>
<tr>
<td>Total Establishments</td>
<td>976</td>
<td>6,017</td>
<td>22,684</td>
</tr>
<tr>
<td>2000 Total Population</td>
<td>20</td>
<td>31,148</td>
<td>292,981</td>
</tr>
<tr>
<td>2005 Total Households</td>
<td>8</td>
<td>15,109</td>
<td>69,580</td>
</tr>
<tr>
<td>Population Change 1990-2000</td>
<td>-68</td>
<td>9,237</td>
<td>48,482</td>
</tr>
<tr>
<td>Household Change 1990-2000</td>
<td>-22</td>
<td>2,965</td>
<td>15,115</td>
</tr>
<tr>
<td>% Population Change 1990-2000</td>
<td>-77.27%</td>
<td>21.67%</td>
<td>22.85%</td>
</tr>
<tr>
<td>% Household Change 1990-2000</td>
<td>-73.03%</td>
<td>20.45%</td>
<td>26.00%</td>
</tr>
<tr>
<td>Population Change 2000-2005</td>
<td>-1</td>
<td>2,634</td>
<td>9,959</td>
</tr>
<tr>
<td>Household Change 2000-2005</td>
<td>-3</td>
<td>1,308</td>
<td>7,083</td>
</tr>
<tr>
<td>% Population Change 2000-2005</td>
<td>-4.76%</td>
<td>5.51%</td>
<td>8.11%</td>
</tr>
<tr>
<td>% Households Change 2000-2005</td>
<td>-27.27%</td>
<td>9.40%</td>
<td>8.59%</td>
</tr>
<tr>
<td>Population</td>
<td>1-yr.</td>
<td>3-yr.</td>
<td>5-yr.</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>2005 Male Population</td>
<td>287,114</td>
<td>135,000</td>
<td></td>
</tr>
<tr>
<td>2005 Female Population</td>
<td>24,204</td>
<td>116,002</td>
<td></td>
</tr>
<tr>
<td>% 2005 Male Population</td>
<td>65.00%</td>
<td>52.79%</td>
<td>53.61%</td>
</tr>
<tr>
<td>% 2005 Female Population</td>
<td>35.00%</td>
<td>47.27%</td>
<td>46.39%</td>
</tr>
<tr>
<td>2005 Age 0-9 n/a</td>
<td>7,283</td>
<td>22,738</td>
<td></td>
</tr>
<tr>
<td>2005 Age 10-19</td>
<td>7,643</td>
<td>32,998</td>
<td></td>
</tr>
<tr>
<td>2005 Age 20-24</td>
<td>9,029</td>
<td>32,637</td>
<td></td>
</tr>
<tr>
<td>2005 Age 25-34</td>
<td>2,993</td>
<td>12,525</td>
<td></td>
</tr>
<tr>
<td>2005 Age 35-49</td>
<td>3,960</td>
<td>19,200</td>
<td></td>
</tr>
<tr>
<td>2005 Age 50-64</td>
<td>4,015</td>
<td>24,493</td>
<td></td>
</tr>
<tr>
<td>2005 Age 65-69</td>
<td>4,003</td>
<td>23,826</td>
<td></td>
</tr>
<tr>
<td>2005 Age 70-74</td>
<td>3,754</td>
<td>19,632</td>
<td></td>
</tr>
<tr>
<td>2005 Age 75-79</td>
<td>3,248</td>
<td>16,963</td>
<td></td>
</tr>
<tr>
<td>2005 Age 80-84</td>
<td>2,639</td>
<td>13,599</td>
<td></td>
</tr>
<tr>
<td>2005 Age 95+</td>
<td>1,980</td>
<td>11,069</td>
<td></td>
</tr>
<tr>
<td>% 2005 Age 0-9</td>
<td>0.00%</td>
<td>14.13%</td>
<td>12.00%</td>
</tr>
<tr>
<td>% 2005 Age 10-20</td>
<td>5.88%</td>
<td>14.86%</td>
<td>12.70%</td>
</tr>
<tr>
<td>% 2005 Age 21-24</td>
<td>5.88%</td>
<td>6.28%</td>
<td>5.42%</td>
</tr>
<tr>
<td>% 2005 Age 25-34</td>
<td>0.00%</td>
<td>5.00%</td>
<td>4.97%</td>
</tr>
<tr>
<td>% 2005 Age 35-49</td>
<td>0.00%</td>
<td>7.72%</td>
<td>7.64%</td>
</tr>
<tr>
<td>% 2005 Age 50-64</td>
<td>5.00%</td>
<td>0.00%</td>
<td>9.23%</td>
</tr>
<tr>
<td>% 2005 Age 65-74</td>
<td>11.76%</td>
<td>8.15%</td>
<td>9.34%</td>
</tr>
<tr>
<td>% 2005 Age 75-79</td>
<td>11.76%</td>
<td>7.30%</td>
<td>7.82%</td>
</tr>
<tr>
<td>% 2005 Age 80-84</td>
<td>5.00%</td>
<td>7.62%</td>
<td>7.47%</td>
</tr>
<tr>
<td>% 2005 Age 95+</td>
<td>5.00%</td>
<td>4.05%</td>
<td>4.05%</td>
</tr>
<tr>
<td>% 2005 Age 10-20</td>
<td>5.00%</td>
<td>0.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>% 2005 Age 21-24</td>
<td>5.00%</td>
<td>4.97%</td>
<td>5.00%</td>
</tr>
<tr>
<td>% 2005 Age 25-34</td>
<td>5.00%</td>
<td>7.72%</td>
<td>7.64%</td>
</tr>
<tr>
<td>% 2005 Age 35-49</td>
<td>5.00%</td>
<td>6.28%</td>
<td>5.42%</td>
</tr>
<tr>
<td>% 2005 Age 50-64</td>
<td>5.00%</td>
<td>0.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>% 2005 Age 65-74</td>
<td>5.00%</td>
<td>1.82%</td>
<td>1.82%</td>
</tr>
<tr>
<td>% 2005 Age 75-79</td>
<td>5.00%</td>
<td>1.82%</td>
<td>1.82%</td>
</tr>
<tr>
<td>% 2005 Age 80-84</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>% 2005 Age 95+</td>
<td>5.00%</td>
<td>0.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>2005 White Population</td>
<td>25,414</td>
<td>146,008</td>
<td></td>
</tr>
<tr>
<td>2005 Black Population</td>
<td>7,646</td>
<td>22,846</td>
<td></td>
</tr>
<tr>
<td>2005 American Indian/Alaska Native</td>
<td>1,182</td>
<td>7,948</td>
<td></td>
</tr>
<tr>
<td>2005 Other Population (incl 2+ Races)</td>
<td>315</td>
<td>2,525</td>
<td></td>
</tr>
<tr>
<td>2005 Hispanic Population</td>
<td>126,461</td>
<td>73,174</td>
<td></td>
</tr>
<tr>
<td>2005 Non-Hispanic Population</td>
<td>24,423</td>
<td>150,007</td>
<td></td>
</tr>
<tr>
<td>% 2005 White Population</td>
<td>50.00%</td>
<td>45.48%</td>
<td>56.23%</td>
</tr>
<tr>
<td>% 2005 Black Population</td>
<td>25.00%</td>
<td>18.74%</td>
<td>29.02%</td>
</tr>
<tr>
<td>% 2005 American Indian/Alaska Native</td>
<td>2.03%</td>
<td>2.93%</td>
<td></td>
</tr>
<tr>
<td>% 2005 Other Population (incl 2+ Races)</td>
<td>70.00%</td>
<td>29.66%</td>
<td></td>
</tr>
<tr>
<td>% 2005 Hispanic Population</td>
<td>50.00%</td>
<td>56.23%</td>
<td>56.23%</td>
</tr>
<tr>
<td>% 2005 Non-Hispanic Population</td>
<td>35.00%</td>
<td>40.10%</td>
<td></td>
</tr>
<tr>
<td>2000 Non-Hispanic White</td>
<td>9,045</td>
<td>74,434</td>
<td></td>
</tr>
<tr>
<td>2000 Non-Hispanic Black</td>
<td>7,920</td>
<td>24,071</td>
<td></td>
</tr>
<tr>
<td>2000 Non-Hispanic Amer Indian/Alaska Native</td>
<td>342</td>
<td>2,986</td>
<td></td>
</tr>
</tbody>
</table>
Linkage Attributes

A network of traffic arteries provides good access to the market area. Stemmons Freeway (IH-35) provides excellent access to the area. Stemmons Freeway provides access to IH 635, the inner loop around Dallas, and the Dallas CBD. It is also the primary transportation and trucking route between Dallas and Austin and San Antonio to the south.

Other major carriers in the area include Mockingbird Lane (north-south curving east-west) and SH-183 (John Carpenter Freeway), which traverses northwest-southeast before bending to the west.

The market area is situated approximately four miles northwest of the Dallas Central Business District, which normally can be reached in driving time of less than five minutes. Accessibility to the Dallas Central Business District is by Stemmons Freeway. Dallas Area Rapid Transit (DART) provides scheduled bus service from the area to downtown Dallas.

Although not physically located within the subject market area, Love Field Airport is a dominant economic force influencing the market area. Air traffic is currently limited to commuter air service and private/corporate aircraft.
Occupancy

Occupancy in the subject submarket has historically tended to keep pace with Dallas County; over the past year, however, the submarket’s occupancy level has considerably lagged the overall Dallas County market. The submarket’s 1st quarter 2005 occupancy rate of 71.7% was the lowest figure since 1996. As of June 2005, the Stemmons submarket occupancy rate was 5.1% less than the overall Dallas County area. Negative absorption (-464,391 square feet) occurred in the first quarter 2005.

Vacancy rates for buildings constructed prior to 1980 and after 1980 are segregated below:

<table>
<thead>
<tr>
<th>Vacancy Analysis for properties built before 1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Vacant SF</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>1,658,551</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vacancy Analysis for properties built after 1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Vacant SF</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>1,945,048</td>
</tr>
</tbody>
</table>

Older office properties currently have a lower vacancy rate than the newer properties (24.3% versus 32.7%). The submarket has a minimal amount of sublease space available. In total, the subject submarket reported a total vacancy rate of 28.3% at the end of 1st quarter 2005.

Public Services

All public utilities and services are available and adequately serve the subject market area. Utility providers are as follows:

<table>
<thead>
<tr>
<th>Utility</th>
<th>Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>TXU Electric</td>
</tr>
<tr>
<td>Gas</td>
<td>TXU Gas</td>
</tr>
<tr>
<td>Sewerage</td>
<td>City of Dallas</td>
</tr>
<tr>
<td>Water</td>
<td>City of Dallas</td>
</tr>
<tr>
<td>Waste Removal</td>
<td>Community Waste Disposal</td>
</tr>
<tr>
<td>Telephone</td>
<td>Southwestern Bell</td>
</tr>
</tbody>
</table>

These services are priced competitively with other areas in the Metroplex. The City of Dallas provides police and fire protection, water and sewerage services, and public transportation is provided by DART. The area is served by the Dallas Independent School District.
Conclusion

In summary, the subject market area is one of Dallas’ older and more established commercial and industrial markets. Although the general oversupply of office space in Dallas has halted new development since the mid-1980s, the relatively low price level of this market has created an attractive (from a financial viewpoint) alternative location for many businesses not requiring more high profile locations, i.e., Las Colinas, North Dallas or Uptown.

The area’s central Metroplex location and easy accessibility are likely to continue to sustain long term demand for industrial space located within the area. Nevertheless, current warehouse occupancy rates remain at historically low levels. Industrial properties located therein appeal primarily to value-oriented tenants.
TAXES AND ASSESSMENT ANALYSIS

The property falls under the taxing jurisdiction of the City of Dallas, Dallas County (including hospital district & college district) and Dallas Independent School District. As of the date of appraisal, all taxes were current with no known taxes, interest or penalties outstanding. Because assessed value is typically the result of a mass appraisal process based more on statistical probability than individual property characteristics, it should be noted that there is frequently a difference between assessed value and market value for an individual property. The following tables show the current along with the historical taxable value of the subject property and total taxes.

### - Historical Taxable Value -

<table>
<thead>
<tr>
<th>Year</th>
<th>City</th>
<th>ISD</th>
<th>County</th>
<th>College</th>
<th>Hospital</th>
<th>Special District</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$0</td>
</tr>
<tr>
<td>2005</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$0</td>
</tr>
<tr>
<td>2004</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$0</td>
</tr>
<tr>
<td>2003</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$364,800</td>
<td>$0</td>
</tr>
<tr>
<td>2002</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$0</td>
</tr>
<tr>
<td>2001</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$0</td>
</tr>
<tr>
<td>2000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$350,000</td>
<td>$0</td>
</tr>
<tr>
<td>1999</td>
<td>$438,170</td>
<td>$438,170</td>
<td>$438,170</td>
<td>$438,170</td>
<td>$438,170</td>
<td>$0</td>
</tr>
</tbody>
</table>

### - Estimated 2006 tax rates and total taxes -

<table>
<thead>
<tr>
<th>Taxing Jurisdiction</th>
<th>City</th>
<th>School</th>
<th>County</th>
<th>College</th>
<th>Hospital</th>
<th>Special District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Rate per $100</td>
<td>DALLAS</td>
<td>DALLAS ISD</td>
<td>DALLAS COUNTY</td>
<td>DALLAS CO COMMUNITY COLLEGE</td>
<td>PARKLAND HOSPITAL</td>
<td>UNASSIGNED</td>
</tr>
<tr>
<td>$0.7417</td>
<td>$1.68836</td>
<td>$0.2192</td>
<td>$0.0816</td>
<td>$0.254</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Taxable Value</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$480,000</td>
<td>$0</td>
</tr>
<tr>
<td>Estimated Taxes</td>
<td>$3,560.16</td>
<td>$8,104.13</td>
<td>$1,052.16</td>
<td>$391.68</td>
<td>$1,219.20</td>
<td>$0.00</td>
</tr>
<tr>
<td>Tax Ceiling</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total Estimated Taxes:</strong></td>
<td><strong>$14,327.33</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Estimated 2006 taxable values for subject and comparables are as follows:

<table>
<thead>
<tr>
<th>Property Address</th>
<th>Taxable Value</th>
<th>Age</th>
<th>Size (SF)</th>
<th>Taxable Value / SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>106 Regal Row</td>
<td>1,918,410</td>
<td>1974</td>
<td>63,770</td>
<td>30.08</td>
</tr>
<tr>
<td>8516 Directors Row</td>
<td>301,500</td>
<td>1957</td>
<td>10,050</td>
<td>30.00</td>
</tr>
<tr>
<td>7300 Ambassador</td>
<td>561,420</td>
<td>1975</td>
<td>11,389</td>
<td>49.29</td>
</tr>
<tr>
<td><strong>Avg.</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>32.64</strong></td>
</tr>
<tr>
<td><strong>Subject Property</strong></td>
<td><strong>480,000</strong></td>
<td>1960</td>
<td>16,000</td>
<td>30.00</td>
</tr>
</tbody>
</table>

The above tax comparables are all similar buildings in the area and bracket the current assessment on the subject. The comparables range in estimated taxable value per square foot from $30.00 to $49.29 with an average of $32.64/ SF. The subject’s taxable value is within the range of the comparables on a per square foot basis.

Also, this assessed taxable value of the subject property is similar to our opinion of value.
SITE DATA AND ANALYSIS

The subject site is located on the west side of Stemmons Freeway (IH-35E) and the north side of Irving Boulevard, Dallas, Dallas County, Texas. A synopsis of the site’s salient features follows. No survey was provided the appraisers.

**Approximate Size:**
48,896.0000 SQUARE FEET

**Shape:**
Rectangular

**Approximate Frontages:**
200 feet along west side of Profit street; and 80 feet on Directors Row
Access:
Rated above-average and provided by Stemmons Freeway (IH-35E) and Empire Central. Stemmons Freeway is an eight-lane freeway that serves as one of the city’s major north-south traffic arteries. It is also a part of the federal interstate highway system; it links Dallas to major Texas cities (Austin and San Antonio) and Mexico to the south and the midwestern section of the United States to the north. Empire Central is an intra-neighborhood carrier linking subject to Love Field to the east and SH-183 to the west.

Visibility:
Visibility is rated low since the subject property is a 1 story building and has no frontage along the major highways.

Soil Analysis:
Although no soil analysis has been obtained, an inspection of the existing building did not reveal any apparent evidence of structural damage caused by unstable soil. However, such a determination lies outside the scope of this appraisal assignment. Such a determination should be made by a qualified professional.

Hazardous Substances:
The existence of hazardous material, which may or may not be present in or on the property, was not observed by the appraisers. The appraisers, however, are not trained to detect these substances. A qualified professional in the field should be consulted if the presence of hazardous substances is suspected.

Utilities:
Adequate public utilities are available to the site.

Encumbrances:
Typical building line setbacks, utility easements, fire lane and access easements exist. Although it is possible that other typical easements encumber the site, our appraised value assumes the aforementioned easements and any other typical easements that may exist would not be detrimental to the site’s utility or marketability.

Zonning:

<table>
<thead>
<tr>
<th>State Code</th>
<th>Zoning</th>
<th>Frontage (ft)</th>
<th>Depth (ft)</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COMMERCIAL IMPROVEMENTS</td>
<td>150</td>
<td>0</td>
<td>48,896.0000 SQUARE FEET</td>
</tr>
<tr>
<td></td>
<td>INDUSTRIAL/RESEARCH DISTRICT</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Topography:
The site is generally level and at grade. Drainage appears adequate. Because the appraisers were not provided a topography map, exact elevations are unknown.
Flood zone:
Flood insurance rate map, community panel number 48113C 0330J, dated August 23, 2001 published by the Federal Emergency Management Agency, indicates that the subject is located within Zone X, an area of 500-year flood, or 100-year flood with average depths of less than one foot or with drainage areas less than one square mile, or an area protected by levees from 100-year flood. Given the amount of existing surrounding development within the Zone B flood designation, subject’s location within the floodplain area is not considered detrimental to its marketability or value.
Surrounding Land Usage:
**North:** Warehouses, High-rise offices
**East:** Stemmons Freeway; office; motel, sexually-oriented business
**South:** Convenience store; fast food
**West:** Flex; office warehouse

**Conclusion:**
The previously described physical features make the subject site adequately suited for development with its highest and best use. Apart from the floodplain influence, there are no observable detrimental physical influences that would have a negative effect on the value or marketability of the subject site.
DESCRIPTON AND ANALYSIS OF IMPROVEMENTS

Current Use: The building is currently being used for a distribution center.

Stories & Dimensions: The building one story and is 80 feet wide by 200 feet long.

Quality and Type of Construction: The building is constructed with a wood frame, but now metal is used. The walls are constructed brick over blocks. This type of construction is due to the requirements at the time the building was constructed. The foundation has some problems; however foundation problems are common for this area of town.

Building Layout: The outside of the building is 80 feet by 200 feet, with an office space and shed in the back. The office area is 57 feet wide air conditioned space. The ceiling has new acoustic tile and lighting. The carpet is glue down in fairly good condition in the office area. The walls are freshly painted and are about 8.5 feet high. The bathroom in the office area meets the American Disabilities Act requirements. A break room is also contained in the area with a sink, stove, cabinets, and refrigerator. The warehouse area has bricks on the outside and blocks on the inside. The warehouse area is lit the high intensity lighting which is superior quality over regular lighting. There a four gas heaters and no fire sprinklers installed. The installation of fire sprinklers is not required due to grandfather rule. The potential investor will need to note that fire insurance rates could be hire due to the missing system.

Age and Condition: The building was built in 1960 which makes it around 50 years of age. According to the [www.dcad.org](http://www.dcad.org) certified 2006 appraisal the quality and condition of the building is average. This assessment was confirmed upon a site visit as well.

Separation of short & long lived items:

Effective Age: The building is in average condition therefore the effective age is around the age of the building of 43 years.

Economic Life: Based on the similar properties in the market the Economic Life of this property is about 60 years. The property has a long economic life functioning as a warehouse distribution center because that is all that is in the area. The area is not zoned for any other type of commercial property. When the area starts to have other types of developments in the space would the economic life be shorter.
HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined as follows:

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

The highest and best use analysis is a critical determinant of value. Market Value is based on the assumption that a potential purchaser will pay no more for a property than the price which reflects their analysis of the most probable use of the land or property as improved. Additionally, the highest and best use conclusions contained in this section provide the foundation for the Market Value analysis. The regional, neighborhood, and site analyses are of critical importance in concluding a highest and best use, as the conclusion must be based on motivations evident in the marketplace.

The previously stated definition indicates that there are two types of highest and best use analyses. First, the highest and best use of the land as vacant must be considered. In this section, the site is analyzed as if there were no improvements located on the property. This analysis helps the reader to understand how the current economic forces affect the subject site, as if vacant.

The second method analyzes the subject property as if improved. The use which is existing may differ from the site's highest and best use. This section will resolve any differences between the highest and best use "as vacant" and the highest and best use "as improved." The highest and best use of the subject property must meet the four criteria outlined below:

1. Physically Possible
2. Legally Permissible
3. Financially Feasible
4. Maximally Productive

(AS VACANT)

Physically Possible:
The subject site consists of an rectangular shaped tract containing 48,896 square feet, which is sufficient to support a medium scale development. Visibility is pretty good and access is average from the main street. All utilities are reportedly available to the subject site in sufficient quantities for immediate development. The topography of the site is generally same level with other sites. Also, the site appears to be readily developable. The soil structure and composition of the site appears capable of supporting most structures that might reasonably be proposed for the subject site. Based on the site's physical characteristics, shape and topography, as well as the availability of utilities, a number of potential medium scale uses are physically possible. These uses would include warehouse, research center, or other industrial use.

Legally Permissible:
The subject site is located within the city limits of Dallas, Texas and is subject to zoning ordinances. The subject is zoned with Industrial/ Research. Commercial uses including office and retail uses are not permitted. Another potential constraint could stem from deed restrictions. Deed restrictions are private restrictions which limit the use of a site and are either already in place when the site is
acquired or filed with proposed development and/or site plans. No unusual instances of restrictions were noted during our visit.

**Financially Feasible:**
In analyzing the financially feasible uses of the subject site, as vacant, all physically possible and legally permissible uses that are considered to produce a positive return are considered to be financially feasible uses. In estimating the possible, financially feasible uses of the subject site, surrounding land use patterns were considered. In analyzing land use patterns in the subject neighborhood, it was noted that a majority of uses in the immediate area are warehouses and industrial uses. Therefore, other development except industrial uses would not appear cost feasible for the subject site. The subject is located at nearby highway. Given the sites location, physical attributes and legal constraints, warehouse development appears most logical. Therefore, based on our analysis, financially feasible uses of the subject site, as if vacant, would be for warehouse development.

**Maximally Productive:**
As concluded in the previous paragraph, the financially feasible use of the subject site would be warehouse development. An analysis of the market in the area of the subject site indicates that rental rates and occupancies are at or near cost feasible levels. Given the preceding data, it is our opinion that, as of the date of the appraisal, the maximally productive use of the subject site would be for warehouse development same to the existing improvements.

**(AS IMPROVED)**
The highest and best use of any existing property can be determined by utilizing the "marginal dollar concept". This concept suggests that the improvements on the property are the property's highest and best use as long as the existing improvements contribute at least one additional dollar of value over the land value of the subject, as if unimproved. It would not be feasible to raze the improvements unless the value of the site, as vacant and less demolition costs, exceeds the value of the property as improved.

The subject site is improved with warehouse center which appears to be a conforming use. Additionally, the improvements appear functionally and adequately designed for their intended use. The subject property exhibits qualities and physical aspects similar to surrounding properties in the neighborhood and surrounding communities. Therefore, the subject appears to be in conformance with the overall area.

Based on our analysis of the market, the improvements not only add value to the subject site, they also represent the maximally profitable use of the site, as improved. The value of the Property is well above the value of the site as if vacant. Because the value of the anticipated income stream generated by the improvements exceeds the value of the land as if vacant, the subject improvements as warehouse are considered representative of the site’s highest and best use as improved.
COST APPROACH

Introduction

The Cost Approach is one of the classical methods of appraisal. It assumes that market value of new building is similar to the cost of constructing it today. Cost Approach is based on the idea of acquiring a similar parcel of land and construction of similar buildings. For appraisal purpose, there are two possible types of construction cost: reproduction and replacement cost. The reproduction cost is the cost to construct the building today, replicating it in exact detail. In contrast, replacement cost is the money required to construct a building of equal utility. This approach to value may be used with either residential or commercial properties but is not applicable to vacant land. This approach to value is based on estimating a cost to construct a building, subtracting depreciation, and adding a value for the land. Complexities of this approach are determining physical deterioration, functional and external obsolescence, if any. This approach is generally considered to establish an upper limit of value, particularly for single family residential properties. The major limitation of this approach is that it is not highly reliable in estimating value of older structures due to difficulties in estimating a cost new and then estimating depreciation.

*Summary of Cost Approach*

Estimated new construction cost of structure
- Estimated depreciation
= Indicated value of building
+ Estimated land as vacant
= Indicated market value by the cost approach

The Cost Approach to value typically involves the following steps:

1. Estimate the value of the site as if vacant and available to be put to highest and best use as of the date of the appraisal.
2. Estimate the reproduction cost new of the improvements.
3. Estimate all elements of accrued depreciation including physical deterioration, functional obsolescence and external obsolescence.
4. Subtract total accrued depreciation from reproduction cost new of the improvements to determine the present value of the improvements.
5. Add the estimated depreciated value of all site improvements.
6. Add the total present value of all improvements to the estimated site value to arrive at the value of the property.
Land Value

* Description of comparable land sales

- Comparable land sale 1
  Location: 2133 Empire Central Dallas, TX 75219, Dallas County
  Lot size: 40,040 SF
  Sale price: $160,000
  Sale date: Oct 2005

- Comparable land sale 2
  Location: Sec of Commerce Street & Postal Way, Dallas, TX 75212, Dallas County
  Lot size: 46,500 SF
  Sale price: $305,000
  Sale date: Dec 2005
  Property description: 4.65 Acres--Can Divide. All utilities available to site. Zoned Industrial.

- Comparable land sale 3
  Location: 8718 Stoneview Dr, Dallas, TX 75237, Dallas County
  Lot size: 19,800 SF
  Sale price: $155,000
  Sale date: Jan 2006
  Property description: Commercial land in industrial park.

* Comparable land sales grid

<table>
<thead>
<tr>
<th>Comparison</th>
<th>Subject</th>
<th>Comparable1</th>
<th>Comparable2</th>
<th>Comparable3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales price</td>
<td>160,000</td>
<td>305,760</td>
<td>155,000</td>
<td></td>
</tr>
<tr>
<td>Land Sq.ft</td>
<td>48,896</td>
<td>40,040</td>
<td>46,500</td>
<td>19,800</td>
</tr>
<tr>
<td>Price per s.f</td>
<td>4.00</td>
<td>6.58</td>
<td>7.83</td>
<td></td>
</tr>
<tr>
<td>Sales Date</td>
<td>Current</td>
<td>- 12month</td>
<td>- 10month</td>
<td>- 9month</td>
</tr>
<tr>
<td>Location</td>
<td>a little superior</td>
<td>superior</td>
<td>very superior</td>
<td></td>
</tr>
</tbody>
</table>

* Description of individual land sale adjustment

- Sales Date: - 0.01 per s.f / month
- Location:

<table>
<thead>
<tr>
<th>Location</th>
<th>very superior</th>
<th>superior</th>
<th>a little superior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point per s.f</td>
<td>-4</td>
<td>-2</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>a little inferior</th>
<th>inferior</th>
<th>very inferior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point per s.f</td>
<td>+0.5</td>
<td>+2</td>
<td>+4</td>
</tr>
</tbody>
</table>

* Reconciliation
Sales price                          160,000              305,760              155,000
Land Sq.ft.       48,896          40,040              46,500              19,800
Price per s.f                          4.00                  6.58                  7.83
Sale date         Current          +0.12               +0.10               +0.09
Location                        -0.5                   -2                   -4
Adjusted price per s.f. 3.62           4.68                3.92
Adjusted avg per s.f: 4.07 ( [3.62+4.68+3.92] / 3 )
→ Estimated subject land price : $199,006 (48,896s.f x 4.07)

Cost New
* Definition of cost new
There are two possible types of new construction cost: reproduction and replacement cost. The reproduction cost is the cost to construct the building today, replicating it in exact detail. In contrast, replacement cost is the money required to construct a building of equal utility. The theoretical base for the cost approach is reproduction cost. However, reproduction cost is often difficult to estimate because the building may include materials that are no longer available or no longer permitted by current construction standard. As a result, replacement cost is often used since it is easier to obtain.

Building costs for this property

RSMeans QuickCost Estimator

Project Title:  Brook Hollow
Model:  Warehouse
Construction:  Tiltup Concrete Panels / Steel Frame
Location:  DALLAS, TX
Stories:  1
Story Height (l.f.):  24
Floor Area (s.f.):  16,000
Data Release:  2006
Wage Rate:  Union
Basement:  Not included

<table>
<thead>
<tr>
<th>Cost Ranges</th>
<th>Low</th>
<th>Med</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total:</td>
<td>$781,200</td>
<td>$868,000</td>
<td>$1,085,000</td>
</tr>
<tr>
<td>Contractor's Overhead &amp; Profit:</td>
<td>$195,300</td>
<td>$217,000</td>
<td>$271,250</td>
</tr>
<tr>
<td>Architectural Fees:</td>
<td>$50,084</td>
<td>$55,649</td>
<td>$69,562</td>
</tr>
<tr>
<td>Total Building Cost:</td>
<td>$1,026,584</td>
<td>$1,140,649</td>
<td>$1,425,812</td>
</tr>
</tbody>
</table>

Final cost new price: $1,026,584
**Depreciation Estimates**

*Definition of depreciation*
Accrued depreciation is the difference between the market value of a building and its cost, so it is deducted from cost new to arrive at an indicated market value.

Three types of depreciation are recognized.
1. Physical deterioration: loss in value brought about by wear and tear, acts of nature, or actions of the elements.
2. Functional obsolescence: loss in value because of a property’s inability to provide a service relative to a new property properly designed for the same use.
3. External obsolescence: loss in value of a site or property because of external or environmental factors that unfavorably affect the flow of income or benefits from the property, such as noxious odors, unpleasant sight, and increased traffic due to more intensive uses introduced into a residential neighborhood.

*Depreciation estimation technique*

1. Breakdown Method
   - Physical (curable) : $550,000
   - Physical (incurable) : $200,000
   - Functional (curable) : 0
   - Functional (incurable) : 0
   - External : 0
   - There are no functional and external depreciation for the subject property.

2. Effective Age/ Economic Life Tech
   - Economic life of similar building : 60 years
   - Chronological age : 46 years
   - Effective age : 43 years
   - Accrued depreciation % : 0.72 (43/60)
   - Accrued depreciation : $735,719 (0.72 x $1,026,584)

3. Modified Effective Age/ Economic Life Tech
   - Reproduction cost new : $1,026,584
   - Physical & functional depreciation, curable : $550,000
     $476,584
   - Economic life of similar building : 60 years
   - Effective age : 33 years
   - Accrued depreciation for incurable items : $262,121 (476,584x 33/60)
   - Depreciated value of improvements : $214,463
   - Plus land value : $199,006
   - Estimated market value : $413,469

We concluded that Effective age/ economic life tech is most reliable depreciation data for our project.
Reconciliation and Value Estimate

\[
\begin{align*}
&\text{\$1,026,584 (estimated new construction cost of structure)} \\
&- \quad \text{\$ 735,719 (accrued depreciation)} \\
&= \quad \text{\$ 290,865 (indicated value of building)} \\
&+ \quad \text{\$ 199,006 (estimated land as vacant)} \\
&= \quad \text{\$ 489,871 (indicated market value by the cost approach)} \\
\end{align*}
\]

Rounded to \$490,000

The Cost Approach is not much important here for the use in the appraisal of the subject property because it typically is most applicable when appraising a new or nearly new property. Generally, this approach provides the reader with the knowledge that the estimate of market value is less than the current replacement cost new, plus land value.
SALES COMPARISON APPROACH

The sales comparison approach involves a direct comparison of the property being appraised to similar properties that have sold in similar markets to derive a value indication for the subject. Carefully verified and analyzed market data is considered to be a good reflection of value when it represents typical actions and reactions of buyers, sellers, users, and investors.

While all approaches are market oriented with respect to the information utilized in each, this approach involves the comparison of the subject single or multi-tenant warehouse/distribution center with other similar use properties. As a result, this approach is considered to be an interpretation of what has taken place within the market.

This approach is based on the principle of substitution, which implies that a prudent person will not pay more to buy a property than it would cost to buy a comparable substitute property. Several units of comparison are typically developed in the valuation of income-producing properties. Two appropriate for use herein are defined below.

**The Gross Income Multiplier (GIM)** is obtained by dividing sales price by potential gross annual rental income. The resultant GIM, is a good valuation tool if reasonably comparable properties are used.

**Sales price per square foot (SP/SF)** of gross building area is a unit of comparison which expresses the relationship between price/value and the size of a structure. This is a reliable indicator of value assuming a high degree of comparability. The weakness of this unit of comparison is that it does not directly differentiate between the respective income-generating capabilities of somewhat dissimilar properties.

Comparables considered reasonably similar to the subject and used to estimate its value are listed subsequently. The sales all took place in the last 22 month. It is important to note that we have considered additional comparables, but decided to go with the ones selected by the teacher for subsequent analysis, and consider them as the most appropriate and reliable at this time.

**Summary of Market Data**

The foregoing market data represent the best available at this time. All are recent sales of warehouse buildings in the Dallas area. All the comparables are located in the same West Brookhollow Ind. submarket with the subject property; and the location of each comparable relative to the subject is shown on the preceding location map. No adjustments for real property rights conveyed, financing terms or conditions of sale are necessary because of the following reasons:

1. The real property rights conveyed in the sales and valued in the subject are similar because they consist of the leased fee interest on an “as if stabilized” basis, subject is assumed to be leased “at market”;

2. The units of comparison of the sales comparables are based on cash or cash equivalency; and

3. The conditions of sale reflected by each comparable meet the definition of market value.
## SUMMARY OF COMPARABLES

<table>
<thead>
<tr>
<th>Comp #</th>
<th>Property / Address</th>
<th>Sale Date</th>
<th>YBuilt/ Age</th>
<th>SF/NRA</th>
<th>Condition</th>
<th>Amenities</th>
<th>NOI/SF</th>
<th>Net Gross Inc. Ratio</th>
<th>OAR</th>
<th>SP/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp 1</td>
<td>Resource Bldg Materials 106 Regal Row, Dallas, TX 75247</td>
<td>1/19/2006</td>
<td>1974/32</td>
<td>64,620</td>
<td>Avarage</td>
<td>70 parking, Fire Sprinklers</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$31.62</td>
</tr>
<tr>
<td>Comp 2</td>
<td>8516 Directors Row, Dallas, TX 7524</td>
<td>6/29/2005</td>
<td>1957/49</td>
<td>10,050</td>
<td>Good</td>
<td></td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$30.91</td>
</tr>
<tr>
<td>Comp 3</td>
<td>DFW Imaging Inc 7300 Ambassador, Dallas, TX 75247</td>
<td>2/10/2005</td>
<td>1975/31</td>
<td>18,714</td>
<td>Good</td>
<td>40 parking</td>
<td>31,690</td>
<td>NAV</td>
<td>NAV</td>
<td>$29.92</td>
</tr>
<tr>
<td>Comp 4</td>
<td>Published BUNZL USA 7800 Sovereign Row, Dallas, TX 75247</td>
<td>1/14/2005</td>
<td>1956/51</td>
<td>25,544</td>
<td>Avarage</td>
<td></td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$28.38</td>
</tr>
<tr>
<td>Comp 5</td>
<td>5124 Sharp St Dallas, TX 75247 -6020</td>
<td>2/28/2006</td>
<td>1970/36</td>
<td>46,830</td>
<td>Avarage</td>
<td>Fire Sprinklers</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$27.88</td>
</tr>
<tr>
<td>Comp 6</td>
<td>535 Regal Published Dallas, TX 75247</td>
<td>5/27/2005</td>
<td>1959/47</td>
<td>25,575</td>
<td>Good</td>
<td>90 parking</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$27.37</td>
</tr>
<tr>
<td>Comp 7</td>
<td>8425 Directors Row Dallas, TX 75247</td>
<td>12/2/2005</td>
<td>1974/32</td>
<td>33,100</td>
<td>Good</td>
<td></td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$25.48</td>
</tr>
<tr>
<td>Subject</td>
<td>8901 Directors Row, Dallas, TX 75247</td>
<td>1960/47</td>
<td>16,000 Sq. Ft</td>
<td>Good</td>
<td>15 Parking</td>
<td></td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td></td>
</tr>
</tbody>
</table>
## QUALITATIVE ANALYSIS

<table>
<thead>
<tr>
<th>Comp #</th>
<th>Property / Address</th>
<th>Location</th>
<th>Effective Age</th>
<th>Appeal/Design</th>
<th>Amenities</th>
<th>Income Producing Abilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp 1</td>
<td>Resource Bldg Materials</td>
<td>Superior</td>
<td>Superior</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td></td>
<td>106 Regal Row, Dallas, TX 75247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comp 2</td>
<td>8516 Directors Row, Dallas, TX 7524</td>
<td>Similar</td>
<td>Inferior</td>
<td>Similar</td>
<td>Similar</td>
<td>Inferior</td>
</tr>
<tr>
<td>Comp 3</td>
<td>DFW Imaging Inc</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Slt. Superior</td>
</tr>
<tr>
<td></td>
<td>7300 Ambassador, Dallas, TX 75247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comp 4</td>
<td>Published BUNZL USA</td>
<td>Similar</td>
<td>Inferior</td>
<td>Inferior</td>
<td>Similar</td>
<td>Superior</td>
</tr>
<tr>
<td></td>
<td>7800 Sovereign Row, Dallas, TX 7524</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comp 5</td>
<td>5124 Sharp St Dallas, TX 75247 -6020</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Similar</td>
<td>Superior</td>
</tr>
<tr>
<td>Comp 6</td>
<td>535 Regal Published Dallas, TX 7524</td>
<td>Superior</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Comp 7</td>
<td>8425 Directors Row Dallas, TX 7524</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
<td>Similar</td>
<td>Superior</td>
</tr>
</tbody>
</table>

**Subject**

- Property: 8901 Directors Row, Dallas, TX 75247
- Effective Age: 1960/47
- Size: 16,000 Sq. Ft
- Parking: 15
We have selected sales provided by the teacher. The market data represent the best available at this time. The location of each of these specific sales relative to the subject was shown on the prior page map. A summary of the comparables, segregated by physical units of comparison, was provided on the previous pages. Note that all indices are based on cash, or cash equivalency where appropriate.

A search has been made for the most recent comparable sale data. The seven sales used herein are considered the best available upon which sale data have been provided. Adjustments to the comparable sales are made in the following categories:

1. **Age/condition** adjustments account for the superiority/inferiority for the age/condition on the value of a property. All other things being equal, newer buildings sell for more per square foot than older buildings. The age/condition adjustment is based on observed differences between subject’s effective age and that of each comparable.

2. **Appeal, Design** account for construction components, design/ appeal and quality of materials.

3. **Location** adjustments account for the impact on value of time distance relationships between a site and common origins and destinations as forms of access, visibility, area demographic characters and the overall reputation of a given street or neighborhood.

4. **Income Producing** abilities adjustments account for differences in square footage of the improvements and individual offices. Typically, market data suggest that the size of a building (all other factors being equal) is directly proportional to the income it produces, i.e., the larger the building, larger amount of rent and vice versa. Simply, a larger building with similar characteristics to a smaller building will typically have higher PGI.

5. **Amenities** refer to on-site features such as parking spaces, fire sprinklers, lighting, # of Docks, Hi Doors, Truss Height, Truck Well.
## Comparative Analysis Grid

<table>
<thead>
<tr>
<th>Comp #</th>
<th>Property / Address</th>
<th>SP/SF</th>
<th>Location</th>
<th>Effective Age</th>
<th>Appeal/Design</th>
<th>Amenities</th>
<th>Income Producing Abilities</th>
<th>Total Adjustment</th>
<th>Adjusted SP/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp 1</td>
<td>Resource Bldg Materials</td>
<td>31.62</td>
<td>-5%</td>
<td>-5%</td>
<td>0</td>
<td>-5%</td>
<td>-10%</td>
<td>-25%</td>
<td>23.72</td>
</tr>
<tr>
<td>106 Regal Row, Dallas, TX 75247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comp 2</td>
<td>8516 Directors Row, Dallas, TX 7524</td>
<td>30.91</td>
<td>0%</td>
<td>+5%</td>
<td>0</td>
<td>0</td>
<td>1%</td>
<td>+6%</td>
<td>32.76</td>
</tr>
<tr>
<td>Comp 3</td>
<td>DFW Imaging Inc</td>
<td>29.92</td>
<td>-5%</td>
<td>-5%</td>
<td>-5%</td>
<td>-5%</td>
<td>-1%</td>
<td>-21%</td>
<td>23.64</td>
</tr>
<tr>
<td>7300 Ambassador, Dallas, TX 75247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comp 4</td>
<td>Published BUNZL USA</td>
<td>28.38</td>
<td>0%</td>
<td>+5%</td>
<td>+5%</td>
<td>0</td>
<td>-2%</td>
<td>+8%</td>
<td>30.65</td>
</tr>
<tr>
<td>7800 Sovereign Row, Dallas, TX 75247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comp 5</td>
<td>5124 Sharp St, Dallas, TX 75247 –6020</td>
<td>27.88</td>
<td>-5%</td>
<td>-5%</td>
<td>-5%</td>
<td>0</td>
<td>-6%</td>
<td>-21%</td>
<td>22.03</td>
</tr>
<tr>
<td>Comp 6</td>
<td>535 Regal Published Dallas, TX 75247</td>
<td>27.37</td>
<td>-5%</td>
<td>0</td>
<td>0</td>
<td>-5%</td>
<td>-2%</td>
<td>-12%</td>
<td>20.57</td>
</tr>
<tr>
<td>Comp 7</td>
<td>8425 Directors Row, Dallas, TX 75247</td>
<td>25.48</td>
<td>0%</td>
<td>-5%</td>
<td>-5%</td>
<td>0</td>
<td>-4%</td>
<td>-14%</td>
<td>21.91</td>
</tr>
<tr>
<td>Subject</td>
<td>8901 Directors Row, Dallas, TX 75247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1960/47</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,000 Sq. Ft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15 Parking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The SP/SF range of the comparables after adjustments is $20.55 to $33.07/SF. Prior to adjusting, the SP/SF range is much lesser - $25.48 to $31.62/SF.

All of the comparable sales were transacted within the last 22 months, were originally constructed between 1957 and 1975 and are considered to be Industrial type buildings.

All of the comparables are located in the subject submarket and we assume that all of them were sold under similar circumstances – the sole tenant occupying the entire building will vacate within 17 months of the purchase. Nos. 1, 3 and 5 are slightly superior to subject in location since they are located near the major roads/highways.

All of the comparables are given weight in our reconciliation. The median adjusted SP/SF figure is $23.64/SF. The mean adjusted SP/SF figure is $25.00/SF. A $24.34/SF unit of measure is selected for subject.

The resulting market value opinion, as is, as of December 1st, 2006, utilizing the SP/SF method (using adjustments based on physical characteristics) is as follows:

| 16,000 SF @ $24.34 = $389,000 | Rounded to $390,000 |
INCOME APPROACH

According to The Real Estate Valuation Principles and Applications by Kenneth Lust the income approach is “the value of a property in a function of the income it is expected to produce.” The income approach process the expected income into a value of estimates.

The income approach has two valuation methods, the discounted cash flow analysis and the direct capitalization method. The discounted cash flow analysis is a detailed forecast of the income for a specific holding period. The direct capitalization method is a ratio used to Assess the income value of an investment over a year period. In direct capitalization the net operating income is estimated by market data derived from rental rates & expenses. For the purpose of this appraisal the direct capitalization method will be used.

A location map and the rent comparable used in the analysis are presented on the following pages.

Rent Analysis

The following chart summarizes the rent comparables detailed on the preceding pages:

**Summary of Industrial/Distribution Rent Comparables**

<table>
<thead>
<tr>
<th>Comp. #</th>
<th>Name/Location</th>
<th>NRA SQ</th>
<th>Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Resource Bldg Materials 106 Regal Row, Dallas, TX 75247</td>
<td>64,620</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Midco Sling &amp; Cable 8516 Directors Row, Dallas, TX 7524</td>
<td>10,050</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>DFW Imaging Inc 7300 Ambassador, Dallas, TX 75247</td>
<td>18,714</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>BUNZL USA 7800 Sovereign Row, Dallas, TX 75247</td>
<td>25,544</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td>Kay Zynolyte Products Company 5124 Sharp St Dallas, TX 75247 - 6020</td>
<td>46,830</td>
<td>100%</td>
</tr>
<tr>
<td>6</td>
<td>Rudy’s Tortillas Corporation White Hall Laboratories 535 Regal Dallas, TX 75247</td>
<td>25,575</td>
<td>100%</td>
</tr>
<tr>
<td>7</td>
<td>Leather Coatings , Inc. 8425 Directors Row Dallas, TX 75247</td>
<td>33,100</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Averages</strong></td>
<td></td>
<td>32,062</td>
<td>93%</td>
</tr>
<tr>
<td><strong>Subject</strong></td>
<td>8901 Directors Row, Dallas, TX 75247</td>
<td>16,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Rent Comparable One: A large warehouse distribution center located of Regal Row in Dallas, Texas. The tenant is Resource Bldg Materials. This comparable is considered superior to the subject property due to the age and square footage; however it is similar to the subject property in reference to location.
**Rent Comparable Two:** This comparable is a smaller warehouse/distribution building. The company that occupies the space is Redford Products. It is located in the west Brookhollow Industrial District. This comparable is considered inferior to the subject property due to age and square footage.

**Rent Comparable Three:** This comparable is a single tenant industrial building. It is owned by Group 701 LLC. Due to the property’s age net rent able square footage and lot size this property is superior.

**Rent Comparable Four:** Comparable Four is a single tenant industrial building. It is located in Dallas, Texas. It is owned by Dick Cole who resides in Dallas. This property would be considered similar to the subject property in terms of age and condition. The square footage is superior to the subject property.

**Rent Comparable Five:** This comparable is owned by BFC Investment. This property is a single tenant industrial building. Due to the square footage and age this property is considered superior to the subject property.

**Rent Comparable Six:** Comparable six is a multi-tenant industrial building, occupied by two tenants. The tenants are Rudy’s Tortilla Corporation and White Hall Corporation. This property is considered superior to the subject property due to the age, square footage and lot size.

**Rent Comparable Seven:** Comparable seven is occupied by Leather Coatings Ltd and is a multi-tenant industrial building. The location is the Brookhollow Industrial District in Dallas, TX. The comparable is superior to the subject property due to age and square footage.

**Comparison to Subject:**

<table>
<thead>
<tr>
<th>Comparable</th>
<th>Comparison to Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Superior</td>
</tr>
<tr>
<td>2</td>
<td>Inferior</td>
</tr>
<tr>
<td>3</td>
<td>Superior</td>
</tr>
<tr>
<td>4</td>
<td>Similar</td>
</tr>
<tr>
<td>5</td>
<td>Superior</td>
</tr>
<tr>
<td>6</td>
<td>Superior</td>
</tr>
<tr>
<td>7</td>
<td>Superior</td>
</tr>
</tbody>
</table>
Average rental rate in Dallas/Ft. Worth market

According to The CoStar Industrial Report “The average quoted asking rental rate for available Industrial space was $4.73 per square foot per year at the end of the second quarter 2006 in the Dallas/Ft. Worth market area. This represented a 2.6% increase in quoted rent rates from the end of the first quarter 2006, when rents were reported at $4.61 per square foot. Additional data was also derived from DFW Real Smart & the Rodday report for the subject property rental rate to be used for the Pro Forma. According to both sources the minimum asking rate is $4.00 per square foot. For purposes of calculation on the Performa a rate of $4.50 was used which is slightly higher than the minimum asking price but lower than the DFW average.

Vacancy and credit losses

In the direct capitalization approach the gross income must be adjusted for vacancy and credit losses. In Real Estate Valuation Principles and Applications by Kenneth M. Lusht Vacancy and Credit Loss is described as:

“Only in certain cases (such as a single-tenant Property) will an appraiser feel comfortable assuming that the potential gross income will actually be collected. In most cases, a portion of the potential gross will be lost trough (1) vacant space and (2) rent loss for delinquent tenants. These two elements are included in the vacancy allowance.”

For purposes of this appraisal the vacancy and credit loss of 85% of the potential gross income will be used. The percentage is based on market data derived the Roddy Report. The vacancy rate is based on industrial averages in the DFW metroplex for the current period.
Expenses

It is assumed that the tenant will have a triple net lease and will be responsible for certain expenses. The investor will be responsible for property taxes, insurance, reserves. The tenant will be responsible for utilities, management fees, and insurance for contents, repairs & maintenance. An inflation rate of 3% will be used for 2007 on all expenses.

Real Estate Taxes: The subject property is subject to taxation by the local Dallas County Taxing authority. The tax liability data has been derived from the Tax Assessors web-site www.dcad.org.

Insurance: The subject property insurance is based on the information provided by the professor for this project. However, during our research we have contacted a few sources including quote from Nationwide Insurance Company. It was quoted at $5,825.00 per year for an umbrella hazard and liability insurance policy.

Reserves for Replacement: The reserve for replacement is an account used set aside funds for future capital repairs that will be needed in the future. This reserve is for structural elements as exterior walls, roofing, foundation, mechanicals, paving etc. An allowance of 2% of the potential gross income will be used.

Additional Expenses: Other expenses that are taken into account for the Pro Forma calculation are maintenance, leasing costs, management & accounting, & Capital replacement.
Direct capitalization

The following table is the 2-year pro-forma for the subject property.

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Potential Gross Income</strong></td>
<td>$72,000</td>
<td>$74,160</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Potential Gross Income</strong></td>
<td>$72,000</td>
<td>$74,160</td>
</tr>
<tr>
<td><strong>Less Vacancy &amp; Collect Loss 7%</strong></td>
<td>($5,040)</td>
<td>($5,191)</td>
</tr>
<tr>
<td><strong>Effective Gross Income</strong></td>
<td>$66,960</td>
<td>$68,969</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Less Operating Expenses</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes</td>
<td>($14,327)</td>
<td>($14,327)</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>($1,600)</td>
<td>($1,600)</td>
</tr>
<tr>
<td>Maintenance</td>
<td>($3,037)</td>
<td>($3,037)</td>
</tr>
<tr>
<td>Leasing Cost</td>
<td>($3,200)</td>
<td>($3,200)</td>
</tr>
<tr>
<td>Management &amp; Accounting</td>
<td>($3,240)</td>
<td>($3,337)</td>
</tr>
<tr>
<td>Capital Replacement</td>
<td>($800)</td>
<td>($800)</td>
</tr>
<tr>
<td>Reserves 2%</td>
<td>($1,440)</td>
<td>($1,440)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>($27,644)</td>
<td>($27,741)</td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>$39,316</td>
<td>$41,228</td>
</tr>
<tr>
<td><strong>Operating Expense Ratio</strong></td>
<td>38%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Conclusion

In the direct capitalization method, overall value was obtained by dividing the net operating income by the cap rate of 7%. The cap rate is the US national average according to the research firm Real Capital Analytics Inc. This method is easily understood by investors and is the most reliable. The overall rate best reflects the actions of market participants, as well as requiring the least amount of assumptions by the appraiser.

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cap Rate</strong></td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td><strong>VALUE</strong></td>
<td>$561,657</td>
<td>$562,000</td>
</tr>
</tbody>
</table>

FINAL VALUE FOR INCOME APPROACH IS $561,627

Rounded to $560,000
RECONCILIATION & FINAL VALUE ESTIMATE

Reconciliation is the process whereby the final value opinion is derived from the various indications of value. The procedure evaluates the quantity and quality of available data and draws a conclusion based on the most applicable indicators. In appraising the subject property, we have utilized two approaches to value and have arrived at the following conclusions:

* Cost Approach : $490,000
* Sales Comparison Approach : $390,000
* Income Approach : $560,000

The Sales Comparison Approach is generally considered to be a pretty reliable indicator of value, as it best reflects actions of buyers and sellers in the marketplace. When data is available and reliable, the Sales Comparison Approach is given substantial weight. The inherent weakness in this approach, however, is that no two properties are identical, and reliable data is not always available. In the case of the subject property, adequate current data was available for comparisons. As a result, this approach is considered to render a fairly reliable indication of value for the subject. All of the sales employed in this analysis were considered to be generally similar to the subject property. Additionally, each was considered to be within the general vicinity of the subject as they are all located within the area.

The Sales Comparison Approach was considered to be a pretty reliable method of valuation, and was generally utilized to support the value indicated by the Income Capitalization Approach, which was also considered to be a very reliable indicator of value for the subject property. The value opinion appears to be adequately supported and within a reasonable range.

However, the Cost Approach is not much important here for the use in the appraisal of the subject property because it typically is most applicable when appraising a new or nearly new property. Generally, this approach provides the reader with the knowledge that the estimate of market value is less than the current replacement cost new, plus land value.

In determining the final value opinion for the subject property, 50% and 40% weights were given to the Income Approach and the Sales Comparison Approach respectively. Additional 10% weight was given to the Cost Approach. Based on the analysis contained in the report herein, the "as is" market value of the subject property based on a 12 month marketing period, as of December 9, 2006, is considered reasonable at:

| FOUR HUNDRED EIGHTY FIVE THOUSAND DOLLARS |
| $485,000 |
ADDENDA
SALES COMPARABLES

SALE 1

106 Regal Row
Resource Bldg Materials
Dallas, TX 75247 - 5606
Warehouse/Distribution of 64,620 SF Sold for $2,043,000

Buyer:
Dolores Tignor Family LP
c/o Kurt A. Tignor
407 Kiowa Dr W
Lake Kiowa, TX 75240-9591
(940) 665-2252

Seller:
Regal Row Properties, LP
c/o Bill Melton
2607 Walnut Hill La Suite 101
Dallas, TX 75220-5638
(214) 351-0077

VITAL DATA

Sale Date: 01/19/2006
Sale Price: $2,043,000
Status: Confirmed

Escrow/Contract: 60 days
Days on Market: 120 days
Building SF: 64,620 Rentable

Exchange: Tax Dfrd
Net Price/SF: $31.62

Conditions: None
Pot Office: 7%

Cap Rate: N/A

Land Area SF: 127,396
Down Pmnt: $1,123,000

Acres: 2.925
Pct Down: 55%

$/SF Land Gross: $16.04
Doc No: 2006000-24067

$/SF Land Net: $5.77
Trans Tax: N/A

Year Built: 1974 Age 32
Zoning: IR, Dallas

Coverage: 51%
Lot Dim: Irregular

Parking Spaces: 70
FAR: .51

Parking Ratio: 1.08/1000 SF
Improv Ratio: 64%

Frontage: 475' Regal Row
Corner: Yes

Comp No: DAC-25966-03-0620
Submarket: West Brookhollow Ind

Property Type: Industrial

INCOME/EXPENSE

Information not available.

FINANCING

1st Bank of Texas
Bal/Pmt: $920,000
Net Spendable (rate): N/A (N/A)

LISTING BROKER

Warehouse Properties, Inc
(214) 634-7777
Bill Melton

BUYERS BROKER

Jim Svidron
property characteristics
major tenants
Resource Building Materials, Inc., R/C Investments, Paster Fitting Systems

property features

Pct Office: 7%
Truss Height: 0'-22'
Dock Hi: Yes
Dock Hi Dri, Capacity: 5, 5
Grade Level Doors: 1
Power: Heavy

Truck Well: Yes
Truck Well Dri, Capacity: 5, 5
Rail Served: NO
Fire Sprinklers: YES

building

Address: 106 Regal Row
Yr Built: 1974
Serial: AB095X
SF: 64,620
Bldgs: 1
Stories: 1
Construction: Conc tilt-up
Veneer: Brick
Condition: Average
Comments:

Total Buildings: 1

parking

Composition: Asphalt
Open: 70
Open Tandem: 70
Covered: Average
Covered Tandem: Average
Total Spaces: 70
Parking Ratio: 1.08/1000 SF

plat map

Map: 32-Y
Legal: Lot 1A & Lot 1B blk A/7703 Walton Company Add vol 95160 pg 528

Comps No: DAC-25966-03-0620
Parcel Number: 007763000A01A0000 007763000A01B0000
Title Co: Commerce Title
This site map is derived from MapQuest.com Inc. No opinion is expressed concerning the accuracy of any information contained herein.

**Description**

- **Exchange:** This was the buyer's upleg in a 1031 exchange.
- **Zoning:** Property consists of multiple parcels and is zoned IR, Industrial Research.

**Total Assessed:** $2,188,010  
**Year Assessed:** 2006

**Doc Num / Transfer Tax**  
20060606-24047 (W/av)

**Recording Date:** 02/21/2006

**CoStar Contact:** Donald Cavan  
**Date:** 07/11/2006

**Email:** qualitycontrol@coastar.com  
**Phone:** (800) 613-1330

**New Date:** 01/19/2006  
**Updated Date:** 07/11/2006
SALE 2

8516 Directors Row Published

Dallas, TX 75247 - 5502
Warehouse/Distribution of 10,050 SF Sold for $310,500

buyer
Redboar Products, L.P.
c/o Jeff Hecker
9215 Premier
Dallas, TX 75247-5409
(214) 637-1381

seller
Robert O. Fulford
c/o Robert Fulford
PO Box 6700053
Dallas, TX 75247
(972) 450-3375

vital data

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Date:</td>
<td>06/29/2005</td>
<td>Sale Price:</td>
<td>$310,500</td>
</tr>
<tr>
<td>Escrow/Contract:</td>
<td>N/Av</td>
<td>Status:</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Days on Market:</td>
<td>N/Av</td>
<td>Building SF:</td>
<td>10,050 Rentable</td>
</tr>
<tr>
<td>Exchange:</td>
<td>None</td>
<td>Price/SF:</td>
<td>$30.90</td>
</tr>
<tr>
<td>Conditions:</td>
<td>None</td>
<td>Pct Office:</td>
<td>N/Av</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cap Rate:</td>
<td>N/Av</td>
</tr>
<tr>
<td>Land Area SF:</td>
<td>25,221</td>
<td>Down Pmnt:</td>
<td>$110,500</td>
</tr>
<tr>
<td>Acres:</td>
<td>0.579</td>
<td>Pct Down:</td>
<td>36%</td>
</tr>
<tr>
<td>$/SF Land Gross:</td>
<td>$12.31</td>
<td>Doc No:</td>
<td>2005130-14589</td>
</tr>
<tr>
<td>$/SF Land Net:</td>
<td>$4.43</td>
<td>Trans Tax:</td>
<td>N/Av</td>
</tr>
<tr>
<td>Year Built:</td>
<td>1957</td>
<td>Zoning:</td>
<td>IRD-Dallas</td>
</tr>
<tr>
<td>Age:</td>
<td>48</td>
<td>Lot Dim:</td>
<td>Irregular</td>
</tr>
<tr>
<td>Coverage:</td>
<td>3%</td>
<td>FAR:</td>
<td>.4</td>
</tr>
<tr>
<td>Parking Spaces:</td>
<td>Not Available</td>
<td>Improv Ratio:</td>
<td>64%</td>
</tr>
<tr>
<td>Parking Ratio:</td>
<td>N/Av</td>
<td>Corner:</td>
<td>No</td>
</tr>
<tr>
<td>Frontage:</td>
<td>245' Directors</td>
<td>Submarket:</td>
<td>West Brookhollow Ind</td>
</tr>
<tr>
<td>Comp No:</td>
<td>DAC-59258-11-0920</td>
<td>Property Type:</td>
<td>Industrial</td>
</tr>
</tbody>
</table>

income/expense

Information not available.

listing broker
Grubb & Ellis
Preston Rd
Dallas, TX 75254 -7876
(972) 450-3232
Robert Fulford

buyers broker
Stream Realty Partners, L.P.
E John Carpenter Fwy
Irving, TX 75062 - 3929
(214) 267-0434
Jason Moser

financing

1st Gateway National Bank
Bal/Pmnt: $200,000
Net Spendable (rate): N/Av (N/Av)
property characteristics

major tenants

, Midco Sling & Cable

property features

Pct Office: N/A
Truss Height: 14-0
Dock Hi: Yes
Dock Hi Drs, Capacity: 2, 2
Grade Level Doors: N/A
Power: N/A

truck well: N/A
Truck Wld Drs, Capacity: N/A, N/A
Rail Served: No
Fire Sprinklers: N/A

building

Address
8516 Directors Row

Yr Built
1957

Serial
AB03GJ

SF Bldgs 10,050 1 1 Masonry Brick Good
Stories
Construction

Veneer

Condition

Comments

Total Buildings: 1

plat map

Map: 33-5
Legal: Per city blk 55-7040 Brook Hollow Industrial District No 5 vol 82044 pg 697
Comp No: DAC-55255-11-0520 Parcel Number: 000007792870000000 Title Co: Republic Title of Texas, Inc.

No Plat Map Available

site map

This site map is derived from MapQuest.com Inc. No opinion is expressed concerning the accuracy of any information contained herein.
* Sale Price: Reportedly sale price was $310,500.

Total Assessed: $212,781
Year Assessed: 2005

Doc Num / Transfer Tax
2905130-14589  (N/AV)

Recording Date: 07/06/2005

Costar Contact: Donald Cavan
Date: 11/01/2005
Email: qualitycontrol@costar.com
Phone: (800) 613-1303
Dued Date: 06/29/2005
Updated Date: 11/05/2005
SALE 3

7300 Ambassador Published
DFW Imaging, Inc
Dallas, TX 75247 -4802
Single Tenant Industrial Building of 18,714 SF Sold for $560,000

buyer
Group 701, LLC
c/o Marzinh Darati
7300 Ambassador Row
Dallas, TX 75247
(972) 620-2299

seller
Keyland Investments L.P.
c/o Jessie Lin
1320 Chemical St
Dallas, TX 75207
(214) 630-3544

vital data
Sale Date: 02/10/2005  Sale Price: $560,000
Escrow/Contract: 4 months  Status: Confirmed
Days on Market: 365 days  Building SF: 18,714 Rentable
Exchange: No  Price/SF: $29.92
Conditions: None  Pct Office: N/A
                  Cap Rate: 5.66%
Land Area SF: 78,177  Down Pmnt: N/A
Acres: 1.795  Pct Down: N/A
$/SF Land Gross: $7.16  Doc No: 2005030-02181
$/SF Land Net: $5.30  Trans Tax: N/A
Year Built: 1975  Age 30  Zoning: IR, Dallas
Coverage: N/A  Lot Dim: Irregular
Parking Spaces: 40  FAR: 0.24
Parking Ratio: 2.31/1000 SF  Improv Ratio: 26%
Frontage: 221' Ambassador Row  Submarket: West Brookhollow Ind
           225' W Mockingbird Row
Comp No: DAC-54307-04-0520  Property Type: Industrial

income/expense
GSI derived from market income of $2.99 per sf/yr industrial gross as reported by CoStar Advisor for the W. Brookhollow submarket, with submarket vacancy of 0.7% reported, estimated expenses of $1 per sf/yr.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Scheduled Income:</td>
<td>$55,206 (Vacancy 8.7%)</td>
</tr>
<tr>
<td>Effective Gross Income:</td>
<td>$50,404</td>
</tr>
<tr>
<td>Other Expenses:</td>
<td>$18,714</td>
</tr>
<tr>
<td>Total Expenses 37.13%:</td>
<td>($18,714)</td>
</tr>
<tr>
<td>Net Annual Income:</td>
<td>$31,690</td>
</tr>
<tr>
<td>Cap Rate:</td>
<td>5.66%</td>
</tr>
</tbody>
</table>

financing
1st Wilshire State Bank (VIR)
Bal/Pmt: $807,000
Net Spendable (rate): N/A (N/A)

listing broker
Unknown
buyers broker
Capstone Commercial
15950 Dallas Pkwy
Dallas, TX 75248 -6615
(214) 523-9044
Eric J Morgan
property characteristics

property features

- Pct Office: N/A
- Truck Well: N/A
- Truss Height: 12-14
- Truck Well Dirs, Capacity: N/A, N/A
- Dock Hi: Yes
- Rail Served: NO
- Dock Hi Dirs, Capacity: 1, N/A
- Fire Sprinklers: N/A
- Grade Level Doors: N/A
- Power: N/A

building

<table>
<thead>
<tr>
<th>Address</th>
<th>Yr Built</th>
<th>Serial</th>
<th>SF</th>
<th>Bldgs</th>
<th>Stories</th>
<th>Construction</th>
<th>Veneer</th>
<th>Condition</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7300 Ambassador Rov</td>
<td>1975</td>
<td>AB002B</td>
<td>16,714</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Buildings: N/A

parking

<table>
<thead>
<tr>
<th>Composition</th>
<th>Open</th>
<th>Open Tandem</th>
<th>Covered</th>
<th>Covered Tandem</th>
<th>Total Spaces</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asphalt</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

Total Spaces: 40

Parking Ratio: 2.31/1000 SF

plot map

Map: 33-T   Legal: Por blk 15/7040 Brook Hollow Industrial District 4 vol 31 pg 113

Comp No: DAC-34307-04-0320 Parcel Number: 0000077910100000100 Title Co: Stewart Title
This site map is derived from MapQuest.com Inc. No opinion is expressed concerning the accuracy of any information contained herein.

Description

* Condition: Buyer reported there were some plumbing problems after moving into the building.

* Area Map: Property is near the busy intersection of Interstate 55/Highway 77, Highway 128 and Highway 356/Irving Boulevard.

Total Assessed: $425,000
Year Assessed: 2004

Doc Num / Transfer Tax
2005009-00161 (N/A)

Recording Date: 02/25/2005

CoStar Contact: Donald Cavan
Date: 04/14/2005
Email: qualitycontrol@costar.com
Phone: (800) 613-3303
Deed Date: 02/10/2005
Updated Date: 04/20/2005
SALE 4

7800 Sovereign Row Published
BUNZL USA
Dallas, TX 75247 - 4820
Single Tenant Industrial Building of 25,544 SF Sold for $725,000

buyer
Dick Cole
5003 Lilac Ln
Dallas, TX 75209-3329
(214) 358-1447

seller
Marks Investments, GP
c/o Paul Marks
5718 Orchid Ln
Dallas, TX 75230-4022

vital data

<table>
<thead>
<tr>
<th>Sale Date:</th>
<th>01/14/2005</th>
<th>Sale Price:</th>
<th>$725,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escrow/Contract:</td>
<td>30 days</td>
<td>Status:</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Days on Market:</td>
<td>30 days</td>
<td>Building SF:</td>
<td>25,544 Rentable</td>
</tr>
<tr>
<td>Exchange:</td>
<td>No</td>
<td>Price/SF:</td>
<td>$28.38</td>
</tr>
<tr>
<td>Conditions:</td>
<td>None</td>
<td>Rent Office:</td>
<td>18%</td>
</tr>
<tr>
<td>Cap Rate:</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Area SF:</td>
<td>54,080</td>
<td>Down Payment:</td>
<td>$725,000</td>
</tr>
<tr>
<td>Acres:</td>
<td>1.242</td>
<td>Lot Size:</td>
<td>100%</td>
</tr>
<tr>
<td>$/SF Land Gross:</td>
<td>$13.41</td>
<td>Lot Dim:</td>
<td>260 x 208</td>
</tr>
<tr>
<td>$/SF Land Net:</td>
<td>$9.52</td>
<td>Zoning:</td>
<td>IR, Dallas</td>
</tr>
<tr>
<td>Year Built:</td>
<td>1956</td>
<td>Lot:</td>
<td>47</td>
</tr>
<tr>
<td>Coverage:</td>
<td>47%</td>
<td>Improvement:</td>
<td>29%</td>
</tr>
<tr>
<td>Parking Spaces:</td>
<td>Not Available</td>
<td>Corner:</td>
<td>No</td>
</tr>
<tr>
<td>Parking Ratio:</td>
<td>N/Av</td>
<td>Submarket:</td>
<td>West Brookhollow Ind</td>
</tr>
<tr>
<td>Frontage:</td>
<td>260' Sovereign</td>
<td>Property Type:</td>
<td>Industrial</td>
</tr>
</tbody>
</table>

It was reported that the property sold at a 10% cap rate based on income at time of sale. Property was 100% occupied by BUNZL USA at closing.

| Cap Rate: | 10.0% |

listing broker
Trammell Crow Company
Ross Ave
Dallas, TX 75201 -2787
(214) 979-6100
Jake Marks

buyers broker
Henry S. Miller Commercial
Spring Valley Rd
Dallas, TX 75244 -3946
(972) 419-4000
Nathan Denton

financing

Not Applicable - all cash sale
Net Spendable (rate): N/Av (10.0%)
property characteristics

major tenants
Bunzl USA

property features

Pct Office: 18%
Truss Height: 16'
Dock Hi: Yes
Dock Hi Drs. Capacity: 3, 3
Grade Level Doors: N/A
Power: N/A

Truck Well: No
Truck Well Drs. Capacity: 0, 0
Rail Served: N/A
Fire Sprinklers: NO

building

<table>
<thead>
<tr>
<th>Address</th>
<th>Yr Built</th>
<th>Serial</th>
<th>SF</th>
<th>Blds</th>
<th>Stories</th>
<th>Construction</th>
<th>Veneer</th>
<th>Condition</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7900 Sovereign Row</td>
<td>1956</td>
<td>AB037L</td>
<td>25,544</td>
<td>1</td>
<td>1</td>
<td>Conc tilt-up</td>
<td>Average</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Buildings: 1

plat map

Map: 33-X  
Legal: Blk 8/7940 Brook Hollow Industrial District 1 vol 20 pg 465

Comps No: DAC-54290-09-0520  Parcel Number: 00000778493000000 Title Co: American Title
This site map is derived from MapQuest.com Inc. No opinion is expressed concerning the accuracy of any information contained herein.

**Description**

Reportedly, at the time of the sale there was no deferred maintenance.

**Total Assessed:** $889,980

**Year Assessed:** 2005

**Doc Num / Transfer Tax**

2005015-00126 (N/A/)

**Recording Date:** 01/24/2005

**Costar Contact:** Donald Cavan

**Date:** 09/28/2005

**Email:** qualitycontrol@costar.com

**Phone:** (800) 613-1103

**Due Date:** 01/14/2005

**Updated Date:** 09/28/2005
SALE 5

5124 Sharp St Published

Dallas, TX 75247 - 6020

Single Tenant Industrial Building of 46,830 SF Sold for $1,305,620

buyer

BFC Investment, LLC
C/o Chi Won Suh
1250 E Victoria St
Carson, CA 90746-1666
(310) 900-1000

seller

Charter Industrial, L.P.
C/o Phillip C. Scheuble
1845 Woodall Rodgers Fwy Suite 1700
Dallas, TX 75201-2287
(214) 999-1010

vital data

Sale Date: 02/28/2006
Sale Price: $1,305,620
Escrow/Contract: 30
Status: Confirmed
Days on Market: apx 180 days
Building SF: 46,830 Rentable
Exchange: Tax Defrd
Pct/SP: $27.88
Conditions: None
Pct Office: 3%
Cap Rate: N/A

Land Area SF: 78,521
Down Pmnt: $400,620
Acres: 1.803
Pct Down: 35%
$/SF Land Gross: $16.63
Doc No: 200600074603
$/SF Land Net: $2.83
Trans Tax: N/A

Year Built: 1970
Zoning: IR-Dallas
Age: 36
Lot Dim: 233 x 337
Coverage: 60%
FAR: .6
Parking Spaces: 50
Corner: No
Parking Ratio: 1.07/1000 SF
Submarket: West Brookhollow Ind

Frontage: 233' Sharp St
Improv Ratio: 83%
Comp No: DAC-87630-07-0620
Property Type: Industrial

income/expense

Buyer is an owner/user.

listing broker

Unknown

buyers broker

John Bowles Company
17400 Dallas Pkwy
Dallas, TX 75287 - 7335
(972) 267-7000
Quinton Mathews

financing

1st Center Bank (VIR)
Bal/Pnt: $845,000
Net Spendable (rate): N/A (N/A)

prior sale

Date/Doc No: 05/10/2001 (2001092-0344)
Sale Price: N/A
Comps No: DAC-51283-10-0120
property characteristics

major tenants
Kay, Zynolyn Products Company

property features
- Pct Office: 3%
- Truss Height: 20'-20'
- Dock Hi: Yes
- Dock Hi Drs, Capacity: 4, 4
- Grade Level Doors: N/Av
- Power: N/Av
- Truck Well: N/Av
- Truck Well Drs, Capacity: N/Av, N/Av
- Rail Served: NO
- Fire Sprinklers: YES

building

<table>
<thead>
<tr>
<th>Address</th>
<th>Yr Built</th>
<th>Serial</th>
<th>SF</th>
<th>Bldgs</th>
<th>Stories</th>
<th>Construction</th>
<th>Veneer</th>
<th>Condition</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5124 Sharp St</td>
<td>1970</td>
<td>AB03A2</td>
<td>46,830</td>
<td>1</td>
<td>1</td>
<td>Conc bld-up</td>
<td>Brick</td>
<td>Average</td>
<td></td>
</tr>
</tbody>
</table>

Total Buildings: 1

parking

<table>
<thead>
<tr>
<th>Composition</th>
<th>Open</th>
<th>Open Tandem</th>
<th>Covered</th>
<th>Covered Tandem</th>
<th>Total Spaces</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asphalt</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td>50</td>
<td>Average</td>
</tr>
</tbody>
</table>

Total Spaces: 50
Parking Ratio: 1.07/1000 SF

plat map

Map: 33-Y Legal: Lots 8 & 9 & par lot 7 blk 2/7697 Inwood Industrial District 1st Installment vol 24 pg 211

Comps No: DAC-87630-02-620 Parcel Numbers: 0000076597400000 Title Co: Texas Title
This site map is derived from MapQuest.com Inc. No opinion is expressed concerning the accuracy of any information contained herein.

**Exchange:** This was the buyer's upleg in a 1031 exchange.

**Total Assessed:** $1,180,110

**Year Assessed:** 2006

**Doc Num / Transfer Tax:** 200600074802 (H/AV)

**Recording Date:** 02/28/2006

**CoStar Contact:** Donald Cavan

**Date:** 07/26/2006

**Email:** qualitycontrol@costar.com

**Phone:** (800) 613-1193

**Dead Date:** 02/28/2006

**Updated Date:** 07/26/2006
SALE 6

535 Regal Published
Dallas, TX 75247 - 5207
Multi-Tenant Industrial Building of 25,575 SF Sold for $700,000

Buyer:
Mr. Rory E Sterling
c/o Custom Floor Service
5031 Lakewana St
Dallas, TX 75247-6209
(214) 630-7202

Seller:
Rudolph & Carmen Guerra
c/o Rudy's Tortillas Corp.
12235 Snow White Dr
Dallas, TX 75244-7356
(214) 634-7839

vital data
Sale Date: 05/27/2005
Sale Price: $700,000
Status: Confirmed
Escrow/Contract: 5/2005
Building SF: 25,575 Rentable
Days on Market: 120 days
Price/SF: $27.27
Conditions: None
Pct Office: 10%
Cap Rate: N/A

Land Area SF:
125,017
Down Pmnt: $140,000
Acres:
2.870
Pct Down:
20%
$/SF Land Gross:
$5.60
Doc No.:
2005107-07109
$/SF Land Net:
$3.36
Tran Tax:
N/A
Year Built:
1959
Zoning:
IRD-Dallas
Age:
46
Lot Dim:
Irregular
Coverage:
4%
FAR:
.2
Parking Spaces:
90
Corner:
No
Parking Ratio:
3.52/1000 SF
Improvement:
40%
Frontage:
300' Regal Row
Comp No:
DAC-27334-08-0520
Submarket:
West Brookhollow Ind
Property Type:
Industrial

income/expense
Buyers is an owner/user:

listing broker
Robert Lynn Company
3030 Lyndon B Johnson Fwy
Dallas, TX 75234 - 7781
(214) 637-1770
Ryan Wilson
buyers broker
Bates & Myers Company
2705 Irving Blvd
Dallas, TX 75207 - 2307
(214) 630-7077
Clint Riley, Clint Riley

financing
1st State Bank & Trust Co.
Ball/Pmt: $560,000
Not Spendable (rate): N/A (N/A)
property characteristics
major tenants
Rudy's Tortillas Corporation, , White Hall Laboratories

property features

Pct Office: 10%
Truss Height: 16'-0
Dock Hi: N/A
Dock Hi Drs, Capacity: N/A, N/A
Grade Level Doors: 4
Power: N/A

building

<table>
<thead>
<tr>
<th>Address</th>
<th>Yr Built</th>
<th>Serial</th>
<th>SF</th>
<th>Bidgs</th>
<th>Stories</th>
<th>Construction</th>
<th>Veneer</th>
<th>Condition</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>535 Regal Row</td>
<td>1959</td>
<td>A803HW</td>
<td>25,575</td>
<td>1</td>
<td>1</td>
<td>Conc block</td>
<td>Brick</td>
<td>Good</td>
<td></td>
</tr>
</tbody>
</table>

Total Buildings: 1

parking

<table>
<thead>
<tr>
<th>Composition</th>
<th>Open</th>
<th>Open Tandem</th>
<th>Covered</th>
<th>Covered Tandem</th>
<th>Total Spaces</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asphalt</td>
<td>90</td>
<td></td>
<td></td>
<td></td>
<td>90</td>
<td>Good</td>
</tr>
</tbody>
</table>

Total Spaces: 90
Parking Ratio: 3.52/1000 SF

plat map

Map: 32-V
Legal: Por blk S1/7940 Brookhollow Industrial District 5 vol 40 pg 71

Comps No: DAC-27334-08-0520 Parcel Number: 0000077912500000 Title Co: Republic Title of Texas, Inc.
This site map is derived from MapQuest.com Inc. No opinion is expressed concerning the accuracy of any information contained herein.

Description

* Sale Price: Reportedly sale price was $700,000.

* Notes: Reportedly property is currently on sale for $900,000.

Total Assessed: $626,021
Year Assessed: 2005

Doc. No.: Transfer Tax
2005107-07108 {H/M/D}

Recording Date: 06/02/2005

CoStar Contact: Donald Cavan
Date: 08/10/2005
Email: qualitycontrol@costar.com
Phone: (800) 813-1303
Due Date: 09/27/2005
Updated Date: 08/11/2005
SALES 7

8425 Directors Row Published
Dallas, TX 75247-5528
Multi-Tenant Industrial Building of 33,100 SF Sold for $843,500

buyer
Seal Tex
c/o Chris Hillen, Pres.
8908 Chancellor
Dallas, TX 75247-5312
(214) 688-7770

seller
Leather Coatings, Inc.
c/o Jorge Escobar
8425 Directors
Dallas, TX 75247-5528
(214) 920-9524

vital data
Sale Date: 12/02/2005
Sale Price: $843,500
Status: Unconfirmed

Days on Market: apx 180 days
Building SF: 33,100 Rentable

Conditions: Direct
Price/SF: $25.48

Land Area SF: 84,506
Rent: N/A

Acres: 1.940
Cap Rate: N/A

$/SF Land Gross: $9.98
Tax: N/A

$/SF Land Net: $3.29
Trans Taxi: N/A

Year Built: 1974
Zoning: IR, Dallas

Age: 31
Irregular

Coverage: 39%
Lot Dim: .39

Parking Spaces: Not Available
FAR: 67%

Parking Ratio: N/A
Improv Ratio: No

Frontage: 480' Directors (est)
Submarkets: West Brookhollow Ind

Comp No: DAC-16715-12-0520
Property Type: Industrial

income/expense

listing broker
Robert Lynn Company
Lyndon B Johnson Fwy
Dallas, TX 75234 -7781
(214) 637-1770

Ryan Wilson, Jeff Mercer

buyers broker
Stream Realty Partners, L.P.
E John Carpenter Fwy
Irving, TX 75062 -3929
(214) 267-0434

Jason Moser, Jason Moser

financing
1st Comerica Bank
Bal/Pmt: $482,488
Net Spendable (rate): N/A (N/A)
property characteristics
major tenants
Leather Coatings, Inc. (A)

property features
- Pct Office: N/A
- Truck Well: N/A
- Truss Height: 18'-0"
- Truck Well Drs, Capacity: N/A, N/A
- Dock Hi: N/A
- Rail Served: N/A
- Dock Hi Drs, Capacity: N/A, N/A
- Fire Sprinklers: N/A
- Grade Level Doors: N/A
- Power: N/A

building

<table>
<thead>
<tr>
<th>Address</th>
<th>Yr Built</th>
<th>Serial</th>
<th>SF Bldgs</th>
<th>Stories</th>
<th>Construction</th>
<th>Vener</th>
<th>Condition</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>0425-0435 Directors Row</td>
<td>1974</td>
<td>A000VB</td>
<td>33,100</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Buildings: N/A

plat map

Map: 32-W    Legal: Brook Hollow Ind Dist
Comp No: DAC-16715-12-0520 Parcel Number: 000000770314000000 Title Co: Republic Title
This site map is derived from MapQuest Inc. No opinion is expressed concerning the accuracy of any information contained herein.

**Description**

*Notes: Building was 36% occupied atos. Reportedly, 21,000 SF was being marketed at $1.35 industrial gross, which the buyer has occupied.*

**Total Assessed:** $770,400  
**Year Assessed:** 2005

**Doc. Rec. / Transfer Tax**  
2005036-05754  
**(8/2005)**

**Recording Date:** 12/05/2005

**CoStar Contact:** Donald Cavan  
**Date:** 12/26/2005  
**Email:** qualitycontrol@coaster.com  
**Phone:** (800) 613-1303  
**Status:** 12/02/2005  
**Updated Date:** 12/20/2005
### TABLES OF COMPARABLE SALES

#### SUMMARY OF COMPARABLES

<table>
<thead>
<tr>
<th>Comp #</th>
<th>Property / Address</th>
<th>Sale Date</th>
<th>YBuilt / Age</th>
<th>SF/NRA</th>
<th>Condition</th>
<th>Amenities</th>
<th>NOI/SF</th>
<th>Net Gross Inc. Ratio</th>
<th>OAR</th>
<th>SP/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp 1</td>
<td>Resource Bldg Materials 106 Regal Row, Dallas, TX 75247</td>
<td>1/19/2006</td>
<td>1974/32</td>
<td>64,620</td>
<td>Average</td>
<td>70 parking, Fire Sprinklers</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$31.62</td>
</tr>
<tr>
<td>Comp 2</td>
<td>8516 Directors Row, Dallas, TX 75247</td>
<td>6/29/2005</td>
<td>1957/49</td>
<td>10,050</td>
<td>Good</td>
<td></td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$30.91</td>
</tr>
<tr>
<td>Comp 3</td>
<td>DFW Imaging Inc 7300 Ambassador, Dallas, TX 75247</td>
<td>2/10/2005</td>
<td>1975/31</td>
<td>18,714</td>
<td>Good</td>
<td>40 parking</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$29.92</td>
</tr>
<tr>
<td>Comp 4</td>
<td>Published BUNZL USA 7800 Sovereign Row, Dallas, TX 75247</td>
<td>1/14/2005</td>
<td>1966/51</td>
<td>25,544</td>
<td>Average</td>
<td></td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$28.38</td>
</tr>
<tr>
<td>Comp 5</td>
<td>5124 Sharp St Dallas, TX 75247 -6020</td>
<td>2/28/2006</td>
<td>1970/36</td>
<td>46,830</td>
<td>Average</td>
<td>Fire Sprinklers</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$27.88</td>
</tr>
<tr>
<td>Comp 6</td>
<td>535 Regal Published Dallas, TX 75247</td>
<td>5/27/2005</td>
<td>1958/47</td>
<td>25,575</td>
<td>Good</td>
<td>90 parking</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$27.37</td>
</tr>
<tr>
<td>Comp 7</td>
<td>8425 Directors Row Dallas, TX 75247</td>
<td>12/2/2005</td>
<td>1974/32</td>
<td>33,100</td>
<td>Good</td>
<td></td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
<td>$25.48</td>
</tr>
</tbody>
</table>

| Subject | 8901 Directors Row, Dallas, TX 75247 | 1960/47 | 16,000 Sq. Ft | Good | 15 Parking |

#### QUALITATIVE ANALYSIS

<table>
<thead>
<tr>
<th>Comp #</th>
<th>Property / Address</th>
<th>Location</th>
<th>Effective Age</th>
<th>Appeal/Design</th>
<th>Amenities</th>
<th>Income Producing Abilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp 1</td>
<td>Resource Bldg Materials 106 Regal Row, Dallas, TX 75247</td>
<td>Superior</td>
<td>Superior</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Comp 2</td>
<td>8516 Directors Row, Dallas, TX 75247</td>
<td>Similar</td>
<td>Inferior</td>
<td>Similar</td>
<td>Similar</td>
<td>Inferior</td>
</tr>
<tr>
<td>Comp 3</td>
<td>DFW Imaging Inc 7300 Ambassador, Dallas, TX 75247</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Similar</td>
</tr>
<tr>
<td>Comp 4</td>
<td>Published BUNZL USA 7800 Sovereign Row, Dallas, TX 75247</td>
<td>Similar</td>
<td>Inferior</td>
<td>Inferior</td>
<td>Similar</td>
<td>Superior</td>
</tr>
<tr>
<td>Comp 5</td>
<td>5124 Sharp St Dallas, TX 75247 -6020</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Comp 6</td>
<td>535 Regal Published Dallas, TX 75247</td>
<td>Superior</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Comp 7</td>
<td>8425 Directors Row Dallas, TX 75247</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
<td>Similar</td>
<td>Superior</td>
</tr>
</tbody>
</table>

| Subject | 8901 Directors Row, Dallas, TX 75247 | 1960/47 | 16,000 Sq. Ft | 15 Parking |

#### Comparative Analysis Grid

<table>
<thead>
<tr>
<th>Comp #</th>
<th>Property / Address</th>
<th>SP/SF</th>
<th>Location</th>
<th>Effective Age</th>
<th>Appeal/Design</th>
<th>Amenities</th>
<th>Income Producing Abilities</th>
<th>Total Adjustment</th>
<th>Adjusted SP/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp 1</td>
<td>Resource Bldg Materials 106 Regal Row, Dallas, TX 75247</td>
<td>31.62</td>
<td>-5%</td>
<td>-5%</td>
<td>0</td>
<td>-5%</td>
<td>-10%</td>
<td>-25%</td>
<td>23.72</td>
</tr>
<tr>
<td>Comp 2</td>
<td>8516 Directors Row, Dallas, TX 75247</td>
<td>30.91</td>
<td>0%</td>
<td>+5%</td>
<td>0</td>
<td>0</td>
<td>1%</td>
<td>+6%</td>
<td>32.76</td>
</tr>
<tr>
<td>Comp 3</td>
<td>DFW Imaging Inc 7300 Ambassador, Dallas, TX 75247</td>
<td>29.92</td>
<td>-5%</td>
<td>-5%</td>
<td>-5%</td>
<td>-5%</td>
<td>-1%</td>
<td>-21%</td>
<td>23.64</td>
</tr>
<tr>
<td>Comp 4</td>
<td>Published BUNZL USA 7800 Sovereign Row, Dallas, TX 75247</td>
<td>28.36</td>
<td>0%</td>
<td>+5%</td>
<td>+5%</td>
<td>0</td>
<td>-2%</td>
<td>+8%</td>
<td>30.65</td>
</tr>
<tr>
<td>Comp 5</td>
<td>5124 Sharp St Dallas, TX 75247 -6020</td>
<td>27.88</td>
<td>-5%</td>
<td>-5%</td>
<td>-5%</td>
<td>0</td>
<td>-6%</td>
<td>-21%</td>
<td>22.03</td>
</tr>
<tr>
<td>Comp 6</td>
<td>535 Regal Published Dallas, TX 75247</td>
<td>27.37</td>
<td>-5%</td>
<td>0</td>
<td>0</td>
<td>-5%</td>
<td>-2%</td>
<td>-12%</td>
<td>20.57</td>
</tr>
<tr>
<td>Comp 7</td>
<td>8425 Directors Row Dallas, TX 75247</td>
<td>25.48</td>
<td>0%</td>
<td>-5%</td>
<td>-5%</td>
<td>0</td>
<td>-4%</td>
<td>-14%</td>
<td>21.91</td>
</tr>
</tbody>
</table>

| Subject | 8901 Directors Row, Dallas, TX 75247 | 1960/47 | 16,000 Sq. Ft | 15 Parking |
Industrial sales down in 2006, but prices jump

Investment sales of Chicago-area industrial real estate have fallen by more than a third this year, compared to last year’s record pace, but in an odd twist prices have risen sharply.

The amount of properties sold fell 35% to nearly 33 million square feet during the first nine months of this year compared to the same period in 2005, according to a report by real estate firm Trammell Crow Co.

Yet average prices on a per-square-foot basis have shot up more than 20% to nearly $50 a foot between January and September, compared to the same period last year, the report says.

Ordinarily, prices and transaction volume move in the same direction. But the paradox of the current market is a consequence of a lengthy period of investment activity.

“The market is a little pickier. Everything’s been sold,” says investment sales expert James Carpenter, senior vice-president in Trammell Crow’s Chicago office.

Total dollar volume of sales have fallen 56% to $1.6 billion during the first nine months of 2006, compared to the same period in 2005.

A similar decline in the market is likely next year, but it will still be a high level by historical standards, he says.

“’07 will be slower than ’06,” he says.

The paradox of rising prices but slowing activity reflects several additional factors, including the continued shift toward higher prices, and lower yields, called capitalization rates, like the bond market, prices and “cap rates” move in opposition directions. When prices rise, cap rates fall.

The average cap rate on a Chicago industrial deal was 8.9% during the first nine months of 2006, compared to a historical average of 9.1%, according to Anderson Co.

And although prices are rising, cap rates are stable and should remain so next year, Mr. Carpenter says.
Comparable Land Sale 1

<table>
<thead>
<tr>
<th>Sale Details</th>
<th>Sales Price: $100</th>
<th>Sales Price: $500,000</th>
<th>Lot Size: 40,000 SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Date:</td>
<td>Oct 2009</td>
<td></td>
<td>Industrial (land)</td>
</tr>
<tr>
<td>Location:</td>
<td>Dallas, TX</td>
<td></td>
<td>3,000 sf</td>
</tr>
</tbody>
</table>

The information above has been derived from a reliable source, but is not independent of the seller or the listing agent. It is intended to be convenient and comparable. The potential for a better deal exists in the market, and it should be evaluated by an independent research. This information is to be only used as a guide for potential buyers and investors in the market of comparable properties. This information is subject to change, and should be verified by an independent research before any decision is made.

Source: LocalNet Inc.
Comparable Land Sale 3