

Complete, Summary Appraisal Report
of a
**MULTI-TENANT INDUSTRIAL FACILITY
LORAX CORPORATION
ONE CURTIS MATHES PARKWAY
ATHENS, HENDERSON COUNTY, TEXAS**

Prepared for
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Date of Appraisal: November 15, 2001
Effective Date of Valuation: November 14, 2001

EXECUTIVE SUMMARY

Property Type: Multi-Tenant Industrial Facility

Location: One Curtis Mathes Parkway

Legal Description: Part of the John A. Clark Survey, Abstract 168 and the R.A. Clark Survey, Abstract Number 171

City/County/State: Athens/Henderson/Texas

Mapsco: Out

Date of Report: November 15, 2001

Effective Date of Valuation: November 14, 2001

Estimated Marketing Time: 12 Months



Purpose of Appraisal: Estimate the Market Value of the Leased Fee Interest in "As Is" Condition

Appraiser: C. Lance McDade, MAI

SITE DATA

Gross Land Area (Acres): 44.3350

Gross Land Area (SF): 1,931,233

Zoning: "HI", Heavy Industrial

Shape: Irregular

Road Frontage: South side of FM-2495, west side of Athens Brick Company Road

Topography: Gently sloping

Utilities: All available

Flood Plain: None

IMPROVEMENT DATA

Construction Type: One-story, concrete block, concrete tilt-wall, prefabricated metal, pitched metal roof and flat built-up roof, dock high and grade level overhead doors, 22' clear ceiling height, 6% office area

Number of Buildings: 3

Year Built: 1962-1986

Rentable Building Area (SF): 705,475

Occupancy: 100% (52% owner-occupied)

Land-to-Building Ratio: 2.74:1.0

Highest and Best Use (As Is): Industrial usage

VALUE CONCLUSIONS "AS IS"

Sales Comparison Approach:

\$10,300,000

Income Approach:

\$10,500,000

Market Value Estimate:

\$10,400,000

RECONCILIATION AND FINAL VALUE ESTIMATE

All important facts and data concerning the subject property have been investigated and analyzed in detail. The resulting indications of value, in "as is" condition, via the following approaches were:

Sales Comparison Approach	\$10,300,000
Income Approach	\$10,500,000

The **Sales Comparison Approach** is considered a generally reliable method because the Sale Price per Square Foot unit of comparison is market based. The Sale Price per Square Foot unit of comparison requires a comparison of each property's physical attributes with those of the subject property. Adjustments were made for size, age/condition, location and utility characteristics which appeared to affect their respective sales price. Overall, this approach was given substantial weight since the sales transactions reflect investor perceptions of current market trends.

The **Income Approach** is generally considered to be one of the most appropriate valuation method when the property has rental income-producing potential. The income potential of the subject property was estimated on the basis of prevailing economic rental trends and actual rent levels of similar properties in the local market area. It is believed that the potential gross income, stabilized vacancy rate and operating expense estimates projected in this analysis are reasonable and well-supported. This approach was also given consideration in this reconciliation.

After consideration of the strengths and weaknesses of each approach, the **Sales Comparison Approach** and **Income Approach** were each given consideration in this reconciliation. In conclusion, the estimated market value of the leased fee interest in the subject property, as of November 14, 2001, in "as is" condition, was:

TEN MILLION FOUR HUNDRED THOUSAND DOLLARS

(\$10,400,000)