



Dallas Central Appraisal District

September 10, 2009

Mr. Ron Hatlett
Tax Relief for Pollution Control Property Program
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2009 SEP 15 AM 11:21
CHIEF CLERKS OFFICE

Re: Use Determination application 13868 filed by American Marazzi Tile Inc., 359 Clay Rd., Sunnyvale, Texas 75182

Dear Mr. Hatlett:

On behalf of the Dallas Central Appraisal District, I should like to respectfully protest the granting of a positive use determination of 100% on the "new clay storage facility" as denoted in the attached Use Determination issued by the TCEQ for the above referenced property/projects.

In the application the owner states that the "new clay storage facility was constructed to control fugitive particulate emissions from the clay piles". The cost of said building is indicated to be \$2,614,838 or \$57.59 per square foot. That may, indeed, be the purpose of this building but our inspection reveals that it is nothing more than a very large pre-engineered steel warehouse that could serve any number of roles fit for such a storage facility. I could understand the finding for equipment attached to or within the structure that captures or retains the so-called fugitive particulate but I take exception to the fact that a 45,402 square foot warehouse with a 48 foot clear height, concrete slab floors, concrete-based exterior walls topped by pre-engineered steel panels should be exempt from taxation because someone elects to store clay within the walls. This building would have a myriad of uses for any number of users and should be considered and valued for just what it is...a storage warehouse.

I am enclosing a file photograph and the file sketch of the referenced building for your review. In addition I am enclosing an appraisal report as of January 1, 2009 for the entire facility.

It is my recommendation that the use determination of 100% for this structure be rescinded and placed at 0% that it may be fully taxable.

Very truly yours,

W. Kenneth Nolan, CTA, RTA, RPA
Executive Director/Chief Appraiser

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

USE DETERMINATION

The Texas Commission on Environmental Quality has reviewed Use Determination Application 13868, filed by

AMERICAN MARAZZI TILE INC
AMERICAN MARAZZI TILE INC
359 CLAY RD
SUNNYVALE TX 75182

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2009 SEP 15 AM 11:22
CHIEF CLERK'S OFFICE

The pollution control property/project listed in the Use Determination Application is:

Installed three new dust collectors, hoods, and dust collection systems. Constructed eleven new stacks and modified one existing stack. Constructed a new clay storage facility. Installed wastewater treatment systems. Constructed a storm water diversion system.

The outcome of the review is:

A positive use determination of 100% for the three new dust collectors, hoods, and dust collection systems; the new clay storage facility, the wastewater treatment systems, and the stormwater diversion system. A positive use determination of the 100% of portion of the costs of the eleven new stacks and the one modified stack that is related to pollution control. The pollution control portion of a stack is that portion of the stack height that is additional to the stack height required to operate the equipment attached to the stack.

This equipment is considered to be pollution control equipment and was installed to meet or exceed federal or state regulations.

A handwritten signature in black ink, appearing to read "Mark R. Vickery".

Executive Director

8/18/2009

Date

6. **CONTACT NAME**

A. Company/Organization Name	<u>American Marazzi Tile, Inc.</u>
B. Name of Individual to Contact:	<u>Steven Wiederwax</u>
C. Mailing Address (Street or P.O. Box):	<u>359 Clay Road</u>
D. City, State, and Zip:	<u>Sunnyvale, TX 75182</u>
E. Telephone number and fax number:	<u>972-226-0110 972-226-0389</u>
F. E-Mail address (if available):	<u>swiederwax@marazzitile.com</u>

7. **RELEVANT RULE, REGULATION, OR STATUTORY PROVISION**

For each media, please list the specific environmental rule or regulation that is met or exceeded by the installation of this property.

MEDIUM	Rule/Regulation/Law
Air	40 CFR Part 60:672 40 CFR Part 60:Appendix A, 30 TAC 116.111, 30 TAC 111.151
Water	40 CFR 122:26, 403.1, and 403.2
Waste	

8. **DESCRIPTION OF PROPERTY (Complete for all applications)**

Describe the property and how it will be used at your facility. **Do not simply repeat the description from the Equipment & Categories List.** Include sketches of the equipment and flow diagrams of the processes where appropriate. Use additional sheets, if necessary.

(1) Air, Dust Collection System (ECLs: A-1 and A-180) These systems include three new dust collectors, hoods, dust collection systems to reduce emissions of particulate matter into the atmosphere. These systems collect, filter, and exhaust particulate matter either generated by "affected facilities" regulated by 40 CFR Part 60, Subpart OOO, Non Metallic Processing Plants or 30 TAC 111.151. These systems provide exceed the standards for collection and filtration of particulates to meet emission limitations required by Subpart OOO and/or 30 TAC 111.151 and limit ground level concentrations of hazardous substances to below the Health Effects Screening Levels established by the TCEQ.

(2) Stacks (ECLs 181 and 182): Eleven new stacks and one stack was modified in order to exhaust emissions from either the baghouses noted in (1) above or from other new process equipment. Stacks were constructed or modified to meet the standard stack heights required by 30 TAC 111.151.

(3) Fugitive Emission Control (ECL A-6): A new clay storage facility was constructed to control fugitive particulate emissions from the clay piles to comply with 40 CFR Part 60 Subpart OOO, 30 TAC 111.151, and Special Conditions 11 and 15 or permit no. 19841.

(4) Wastewater Treatment Systems (ECLs 58 and 59): These systems collect and treat process wastewater to remove contaminants from the water to levels required by the National Pollution Discharge Elimination Systems standards and the criteria established by the North Texas Municipal Water District.

(5) Stormwater Diversion System (ECL W-57): This system is designed to control and divert stormwater runoff from manufacturing process areas. This system reduce pollutant loading of stormwater runoff that enters the waters of Texas to the levels required by the National Pollution Discharge Elimination Systems standards for stormwater control.

Land: If a use determination is being requested for land, provide a legal description and an accurate drawing of the property in question.

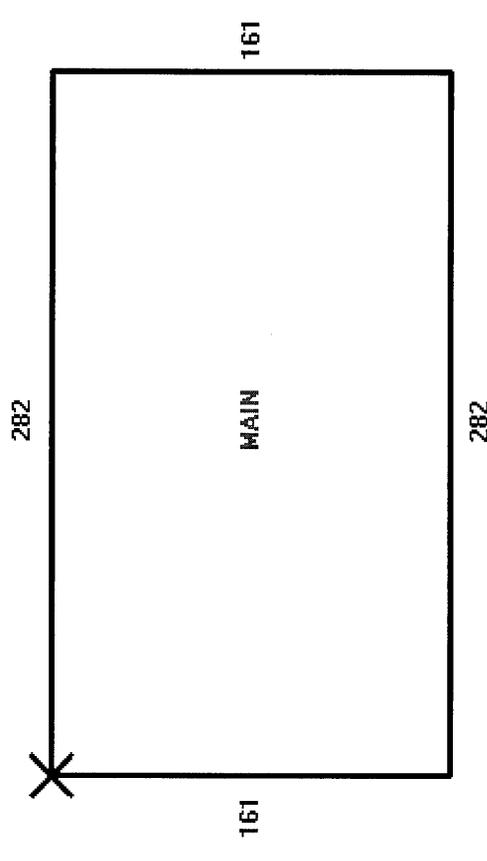
File Edit View Tools Window Help

Find JE Print Alert Owner Land Phys Value Features Sketch Comment Media Permit Sales Exempt ECU Cap HS Equity ARB

History Appr Yr 2009 PlatViewer ARB VSS View Images 207 Messages

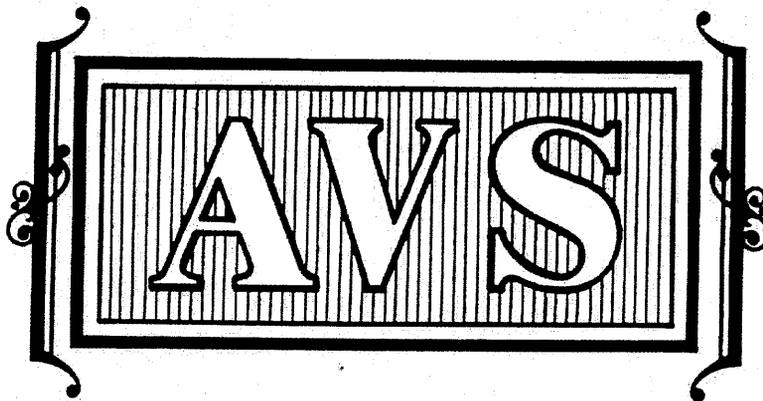
Address: 359 CLAY RD Account #: 65004027510010000 Tax Obj ID: 65004027510010008
Value: \$19,500,000 Method: INCOME Reval Year: 2009

Tool 1 [Navigation icons: Home, Back, Forward, Stop, Refresh, Print, Copy, Paste, Undo, Redo, Erase, Lasso, Pan, Zoom, etc.]



Scale: 1:20 X: Y: AREA: 45,402.00 25% VIEW DCADSV10.DBPRD THREADGJ 21250 DOCKED 9/10/2009 3:31 PM

6500402751001 -



BC62
50V
Pg 3

ADVANCED VALUATION SYSTEMS, INC.

SELF-CONTAINED APPRAISAL REPORT

**American Marazzi Tile
359 Clay Road
Sunnyvale, Dallas County, Texas**

At the Request of

**Mr. J. Mart Armstrong
The Armstrong Company
P.O. Box 1010
McKinney, Texas**

**As of
January 1, 2009**

ADVANCED VALUATION SYSTEMS, INC.

TABLE OF CONTENTS

	Page
Letter of Transmittal	2
Assumptions and Limiting Conditions	5
Summary of Pertinent Facts and Conclusions	7
 NATURE OF THE ASSIGNMENT	
Identification of the Property	9
Identifying Description	9
Intended Use/User of the Appraisal	9
Definition of Market Value	10
Property Rights Appraised	10
Statement of Ownership	10
Date of Appraisal	11
Scope of Assignment	11
Competency Statement	12
Property History	12
 REGIONAL, CITY, AND NEIGHBORHOOD ANALYSIS	
Regional and Area Data	14
Neighborhood Analysis	34
 PROPERTY DESCRIPTION	
Land Description	43
Public and Private Land Use Controls	51
Tax and Assessment Data	53
Description of Existing Improvements	54
 HIGHEST AND BEST USE	
Highest and Best Use	63
Highest and Best Use as if Vacant	64
Highest and Best Use as Improved	65
 VALUATION AND ANALYSIS	
Cost Approach to Value	70
Sales Comparison Approach to Value	92
Income Capitalization Approach to Value	117
Conclusion - Fee Simple Estate	118
 EXHIBITS	
A - Certificates of the Appraisers	
B - Qualifications of the Appraisers	
C - Subject Photographs and Identifying Description	



ADVANCED VALUATION SYSTEMS, INC.

June 30, 2009

**Mr. J. Mart Armstrong
The Armstrong Company
P.O. Box 1010
McKinney, Texas**

**Reference: Real Estate Appraisal Assignment
American Marazzi Tile
359 Clay Road
Sunnyvale, Dallas County, Texas 75182**

Dear Mr. Armstrong:

In response to our agreement to prepare a Self-Contained Appraisal Report of the above-referenced property, we have personally conducted an inspection of the real estate. This inspection was made in order to estimate the Market Value of the Fee Simple Estate in the real estate as of January 1, 2009. Hence, this assignment constitutes a retrospective value opinion as defined in Statement on Appraisal Standards No. 3 of the Uniform Standards of Professional Appraisal Practice (2008-2009 Edition).

The appraised property comprises a 114.810-acre land parcel that is improved with an integrated single-tenant manufacturing facility that has a total gross building area of approximately 1,070,826 square feet. The buildings were constructed between 1981 and 2008. The real estate is located within the northwest quadrant of Clay Road and Scyene Road, Town of Sunnyvale, Dallas County, Texas. The street address is 359 Clay Road.

In addition to a physical inspection and analysis of the subject property, other matters considered pertinent to and indicative of Market Value have been examined. Such influences include social, economic, governmental, and environmental characteristics of the neighborhood together with an assessment of prevailing market trends and market sales. John S. Trabold III, MAI has inspected the subject property, the neighborhood and the comparable sales.

12750 MERIT DRIVE . SUITE 200 . DALLAS, TX 75251 . 972-490-4554 . FAX 972-385-0187

This appraisal was made in conformity with and subject to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The analysis, opinions, and conclusions of this appraisal also conform to Title XI of the Federal Financial Institutions Reform Recovery, and Enforcement Act of 1989 (*FIRREA*) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute. The results of this investigation are presented in a Self-Contained Appraisal Report as identified by the Uniform Standards of Professional Appraisal Practice. As such, the report presents discussions of the data, reasoning and analysis that were used in the appraisal process to develop the appraisers' opinion of value.

The appraisal was based upon a personal inspection of the property and the investigation and analysis of data obtained for this assignment. The appraisers are unbiased with respect to the parties involved and have no present or contemplated future interest in the property appraised. Accordingly, statements are true to the best of the appraisers' knowledge and compensation for making the appraisal has in no manner been contingent upon the value conclusion reported herein.

The accompanying report describes the three approaches to value and the conclusions derived by the application of each approach. Specific Assumptions and Limiting Conditions, which are an integral part of the appraisal process, are listed on Pages 5 and 6 of this Self-Contained Appraisal Report.

Based upon our inspection of the subject property and the investigation and analysis of data obtained, we have formed the opinion that the Market Value of the Fee Simple Estate in the subject property, and subject to the definitions, certifications and limiting conditions set forth in the attached Self-Contained Appraisal Report, as of January 1, 2009, was:

NINETEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$19,500,000)

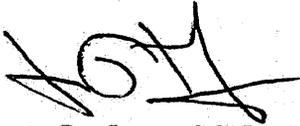
The estimated marketing period for the property is approximately twelve to eighteen months. The estimate is based upon interviews with participants active in the local market, published surveys, historical marketing periods and projected demographics. Exposure time is defined in The Dictionary of Real Estate Appraisal, Fourth Edition, Page 105 as: "1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort." The exposure time associated with the subject property is also estimated to be approximately twelve to eighteen months.

Respectfully submitted,

ADVANCED VALUATION SYSTEMS, INC.



John S. Trabold III, MAI



Jimmy Pat James, MAI

Assumptions and Limiting Conditions

In compliance with Standards Rule 2-2(a) (x) of the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation, certain assumptions and limiting conditions pertaining to this appraisal have been made for the information and protection of the appraisers, the client, and others using this report.

This appraisal was made with the following general assumptions:

- 1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.*
- 2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.*
- 3. Responsible ownership and competent property management are assumed.*
- 4. The information provided by others is believed to be reliable. However, no warranty is given for its accuracy.*
- 5. All engineering is assumed to be correct. The plot plans and illustrative materials in this report are included only to assist the reader in visualizing the property.*
- 6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.*
- 7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.*
- 8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.*
- 9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national, government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.*
- 10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise noted in the report.*
- 11. The distribution, if any, of the total valuation in this report between the land and improvements applies only under the stated program of utilization. The separate allocation between land and buildings must not be used in conjunction with any other appraisal and is invalid if so used.*
- 12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with proper written qualification and only in its entirety.*

13. *The appraisers herein by reason of this appraisal are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.*
14. *Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.*
15. *All terminology and analyses, as of the appraisal date, were derived from the Appraisal Institute's The Appraisal of Real Estate, 12th and 13th Editions; and The Dictionary of Real Estate Appraisal, 4th Edition.*
16. *In reference to the Americans with Disabilities Act ("ADA"), a specific compliance survey and analysis of the subject property in order to determine whether or not the property or improvements are in conformity with ADA requirements has not been provided. The appraisers have not made, nor are qualified to make such an analysis and survey. It is a possibility that a compliance survey, in conjunction with a detailed analysis of ADA requirements could place the subject property in non-compliance with the Act. If such an occurrence were to exist, the estimated Market Value reflected within this appraisal report could be negatively impacted. As such, it is recommended that an expert within this field be retained to provide a professional opinion regarding the subject's compliance status. Considering the preceding, the Market Value estimate contained in this appraisal report does not reflect any potential costs associated with a possible non-compliance with ADA.*
17. *The building areas used in this appraisal were obtained from information provided by representatives of American Marazzi Tile. The appraisers reserve the right to amend this Self-Contained Appraisal Report if it is determined that the provided areas are inaccurate.*
18. *Please note that the appraised property consists of 114.810 acres and associated improvements of the American Marazzi Tile manufacturing facility. The subject property is identified by the Dallas Central Appraisal District as commercial account 65004027510010000.*
19. *The intended use of the appraisal is for the exclusive use of The Armstrong Company to assist in ad valorem tax appeal litigation. Please note that the comparable data used in this report is considered confidential and proprietary. The use or sharing of this data is expressly prohibited.*

Summary Of Pertinent Facts And Conclusions

PROPERTY TYPE:	A single-tenant manufacturing facility.
LOCATION:	359 Clay Road, Town of Sunnyvale, Dallas County, Texas.
DATE OF VALUE ESTIMATE:	January 1, 2009. Hence, this assignment constitutes a retrospective value opinion as defined in Statement on Appraisal Standards No. 3 of the Uniform Standards of Professional Appraisal Practice (2008-2009 Edition).
DATES OF INSPECTION:	May 8 and 9, 2009.
PROPERTY RIGHTS APPRAISED:	Fee Simple Estate.
INTENDED USE OF APPRAISAL:	For the exclusive use of The Armstrong Company to assist in ad valorem tax appeal litigation.
LAND SIZE:	The subject site as a whole is irregular in shape and contains a land area of 114.810 acres, or 5,001,118 square feet.
ZONING:	I, Industrial District by the Town of Sunnyvale.
EXISTING IMPROVEMENTS:	An integrated single-tenant manufacturing facility. In total, the improvements comprise a total gross building area of approximately 1,070,826 square feet. The buildings were constructed between 1981 and 2008.
PROPERTY INCLUSIONS:	The real estate comprising land, land improvements, buildings, and fixed building service equipment.
PROPERTY EXCLUSIONS:	Supplies, materials on hand, inventories, company records, and any current or intangible assets that may exist. This assignment also excludes silos, presses, vertical dryers, conveyors, racks, kilns, robotics and other items classified as personal property.

Summary Of Pertinent Facts And Conclusions (con't)

HIGHEST AND BEST USE

AS IF VACANT:

For large-scale construction upon economic justification.

AS IMPROVED:

For continued operation as an integrated single-tenant manufacturing facility.

OCCUPANCY:

The subject property is currently owner-occupied.

VALUE INDICATIONS - Fee Simple Estate

Cost Approach:

\$21,300,000

Sales Comparison Approach:

\$19,300,000

Income Capitalization Approach:

Not Applicable

MARKET VALUE - Fee Simple Estate:

\$19,500,000

ESTIMATED EXPOSURE TIME:

Twelve to Eighteen Months

ESTIMATED MARKETING PERIOD:

Twelve to Eighteen Months

APPRAISERS

Mr. John S. Trabold III, MAI and Mr. Jimmy Pat James, MAI

Factual Descriptions

Introduction

Identification of the Property

This appraisal was made in order to estimate the Market Value of the Fee Simple Estate in the real estate as of January 1, 2009. The appraised property comprises a 114.810-acre land parcel that is improved with an integrated single-tenant manufacturing facility. The total gross building area of the improvements is approximately 1,070,826 square feet. The buildings were constructed between 1981 and 2008. The real estate is located within the northwest quadrant of Clay Road and Scyene Road, Town of Sunnyvale, Dallas County, Texas. The street address is 359 Clay Road.

Identifying Land Description

A legal description of the subject property is located as Exhibit C to this Self-Contained Report.

Intended Use/User of the Appraisal

The intended use of the appraisal is for the exclusive use of **The Armstrong Company** to assist in ad valorem tax appeal litigation. As such, it is understood that this report may be produced for deposition and trial. Additionally, it may be relied upon by the courts to establish a reasonable basis of Market Value for the tax year 2009. However, note that the comparable data used in this report is considered confidential and proprietary. The use or sharing of this data is expressly prohibited.

Definition of Market Value

Market Value, as used in this report, is defined by the **TEXAS PROPERTY TAX CODE, 2009 EDITION, SECTION 1.04 (7)** as:

"Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- (A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;*
- (B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and*
- (C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.*

Market Value "As Is" is defined as the Market Value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.

Property Rights Appraised

The property rights appraised are those of the Fee Simple Estate. Fee Simple Estate is defined in *The Dictionary of Real Estate Appraisal, Fourth Edition*, Page 113 as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Statement of Ownership

As of the appraisal date, the subject property is reportedly owned by **American Marazzi Tile, Inc.**

Date of Appraisal

The date of the appraisal is January 1, 2009. Hence, this assignment constitutes a retrospective value opinion as defined in Statement on Appraisal Standards No. 3 of the Uniform Standards of Professional Appraisal Practice (2008-2009 Edition).

Scope of Assignment

This appraisal involves the estimation of the Market Value of the Fee Simple Estate in the real estate as of January 1, 2009. The appraised property comprises a 114.810-acre land parcel that is improved with an integrated single-tenant manufacturing facility that comprises a total gross building area of approximately 1,070,826 square feet. The buildings were constructed between 1981 and 2008. The real estate is located within the northwest quadrant of Clay Road and Scyene Road, Town of Sunnyvale, Dallas County, Texas. The street address is 359 Clay Road.

The appraisal assignment was undertaken to estimate, as of January 1, 2009, the Market Value of the Fee Simple Estate in the subject property. In preparing this appraisal, John S. Trabold III, MAI has:

- inspected the subject property as well as the subject neighborhood (on May 8 and 9, 2009). Mr. William Houghton with **American Marazzi Tile, Inc.**, was the property escort on May 8, 2009;
- gathered general data including information of social, economic, government and environmental forces that affect property value;
- determined the Highest and Best Use of the underlying land and the Highest and Best Use as Improved of the property that is the subject of this assignment; and
- attempted to the best of the appraisers' ability to confirm pertinent data. The appraisers analyzed this data and considered application of the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach to value. Because of the physical characteristics of the subject property, the Income Capitalization Approach was determined to be unreliable. Hence, the Sales Comparison Approach and the Cost Approaches were executed. The indications of these two traditional approaches to value were then reconciled into a single estimate of Market Value of the Fee Simple Estate in the property identified within this Self-Contained Appraisal Report.

Mr. Jimmy Pat James, MAI then reviewed the completed report in its entirety.

Competency Statement

John S. Trabold III, MAI and Jimmy Pat James, MAI have valued numerous industrial, office, retail and multi-family projects throughout the United States over the past twenty years. Additionally, Mr. Trabold, MAI and Mr. James, MAI have performed numerous appraisals, reviews, consultations and evaluations of single-tenant manufacturing plants, office buildings and corporate headquarters across the United States during the past twenty years. Mr. Trabold, MAI and Mr. James, MAI have specialized in the appraisal of commercial and industrial property throughout the United States. Both Mr. James and Mr. Trabold hold the MAI designation through the Appraisal Institute. Mr. Trabold is also a Certified General Real Estate Appraiser (TX-1320520-G) by the State of Texas as is Mr. James (Certified General Real Estate Appraiser TX-1320515-G). Accordingly, the appraisers have the professional competency required to appraise the subject property.

Property History

The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice Standard Rule 1-5 states:

When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business:

- (a) analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal; and**
- (b) analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.**

The subject property comprises a 114.810-acre tract of land and associated improvements owned by American Marazzi Tile, Inc. The only transaction that has transpired within the mandated three-year time period involves the acquisition of a 23.4749-acre site that was purchased to develop Plant 2. **HOWARD RICKY CUMBY and REX EVERETT CUMBY** sold the site to **AMERICAN MARAZZI TILE, INC.,** a Texas corporation on February 20, 2007 for a reported consideration of \$1,411,145.

Regional and Area Data

The value of real property reflects and is influenced by the interaction of four basic forces that motivate human activity. These forces are divided into four major categories: social trends, economic circumstances, governmental controls and regulations, and environmental conditions.

Environmental Considerations

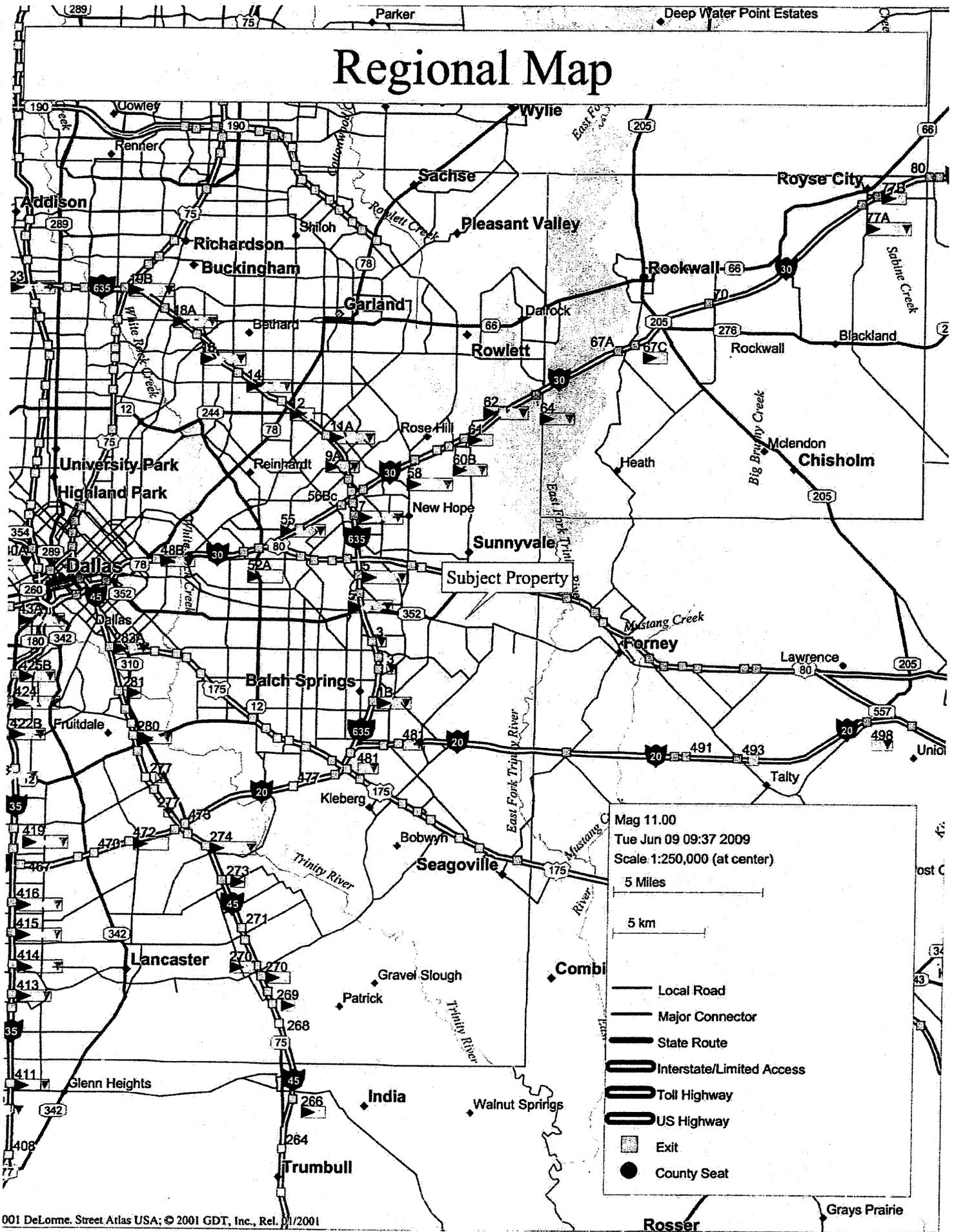
Environmental considerations that influence property value include geographic location, climate, topography and soils and transportation facilities.

Geographic Location

The Town of Sunnyvale is located in north central Texas within the Dallas-Fort Worth Consolidated Metropolitan Statistical Area (CMSA), which consists of the nine counties of Dallas, Tarrant, Collin, Denton, Rockwall, Ellis, Kaufman, Johnson and Parker. This area is commonly referred to as the "Metroplex." The Metroplex lies approximately 300 miles northwest of the Gulf of Mexico, 240 miles northwest of Houston, 230 miles south of Oklahoma City and 200 miles north of Austin, the State Capitol. The Dallas/Fort Worth Metroplex's central location is equally close to North America's four largest business centers: New York, Chicago, Los Angeles, and Mexico City. The Dallas/Fort Worth Metroplex is located in the Central Time Zone.

A regional map is presented on the following page.

Regional Map



Transportation Facilities

Dallas/Fort Worth is an established major transportation center for the United States and the world. Direct flight time between Dallas/Fort Worth and any city in the continental U.S. averages four hours or less. The Dallas/Fort Worth International Airport (D/FW Airport) is located directly between the cities of Dallas and Fort Worth. The D/FW Airport is the world's fifth-busiest airport (fourth in the nation) in terms of passengers served. In 2007, the airport handled 711,878 operations and served 59,786,476 passengers and 798,432 tons of cargo. Nearly 2,000 daily flights depart D/FW Airport to 160 destinations, including 31 foreign cities. Dallas/Fort Worth International Airport is the world headquarters for American Airlines. The airport, completed in 1974, covers 29.8 square miles and is the second-largest in the U.S. in terms of land area. D/FW Airport has four terminals with 132 aircraft boarding gates, seven runways and three control towers. Recent capital improvement projects at D/FW International Airport include a 4.8-mile Automated People Mover (APM) System, which opened in the first quarter of 2005. Also, in July 2005, the new International Terminal D opened. This 2.1 million square-foot terminal features 28 wide-body swing-gates, a three-level roadway system, a 100,000- square-foot concession area, an 8,100-space parking structure, and an integrated 298-room, 12-story Grand Hyatt Hotel with a rooftop swimming pool.

Air transportation is also provided by three Dallas County airports and three Tarrant County airports. The Dallas County airports are: Dallas Love Field near downtown Dallas; Dallas Executive Municipal Airport in southwestern Dallas County; and Addison Airport in far northern Dallas County. Dallas Love Field, three miles northwest of downtown Dallas, is a central hub for regional business and commuter travel. Dallas Love Field is headquarters for Southwest Airlines. In 2008, Love Field handled 7,953,385 passengers. This represented a 15.6% increase in passenger traffic from 2007. Addison Municipal Airport, in northern Dallas County, and Dallas Executive Municipal Airport, in southwestern Dallas County, provide service to private and corporate aircraft.

The major Tarrant County airports are Fort Worth Alliance, Meacham International Airport, and Arlington Municipal Airport. Meacham Field, located north of the Fort Worth Central Business District, and Arlington Municipal Airport, in southeastern Tarrant County, provide service to most private and corporate aircraft in Tarrant County.

Fort Worth Alliance Airport, located 10 miles north of the Fort Worth Central Business District, officially opened in December 1989. The airport has become the focal point of a burgeoning 7,500-acre industrial and mixed-use master-planned development known as "Alliance Gateway." Over 130 companies currently employ about 20,000 people in the airport development.

Rail service in the region is provided by 6 major railways and 13 off-line carriers. More than 175 common carrier trucking lines offer freight service. Several bus lines provide regional and national bus service. Two Metroplex-area transportation authorities provide local public transportation: Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority (The T).

The Dallas/Fort Worth Metroplex features excellent access to the matrix of Interstate, U.S. and State Highway systems serving the central and southwestern United States. The area is served by six interstate highways. Interstate Highways 20 and 30 provide east/west access and Interstate Highways 35 and 45 provide north/south access. Two major loops, Interstate Highway 635 in Dallas County and Interstate Highway 820 in Tarrant County, connect with major highways and thoroughfares throughout their respective regions.

Other important controlled-access highways in the Dallas/Fort Worth area include: U.S. Highways 67, 75, 80, 175, 287, 377 and 380; State Highways 114, 121, 161, 183 and 360; the Dallas North Tollway; and the President George Bush Turnpike.

Governmental Controls and Regulations

Governmental controls influencing property values include zoning ordinances, building codes and police and fire protection. The State of Texas has no personal or corporate income tax; nor does it have a state property or unitary tax. In Texas, property taxes are assessed locally. In Texas, property is assessed at 100% of fair market value. The State of Texas imposes a franchise tax upon all corporations that do business in the State.

Financial incentives available to businesses include: tax abatements, fee rebates, enterprise zones, freeport tax exemptions, foreign trade zones and expedited permitting. Locating in one of the Dallas/Fort Worth's Foreign Trade Zones allows a company to eliminate, reduce or defer tariffs on imported items. Foreign trade zone goods are not subject to property tax.

Each municipality within the Metroplex has its own zoning ordinances and building codes. The remaining unincorporated areas are regulated by their respective counties. Police and fire protection are available to all areas of the Metroplex and paid by the respective city and county revenues.

Social Trends

The primary social trends that directly influence real estate values are related to population. The following statistics are available through the North Central Texas Council of Governments (NCTCOG). Since Census 2000, rapid growth has occurred in the North Central Texas (NCT) region. The region's population increased by almost 1,170,000 residents (23%) and accounts for nearly one-third of the total population growth in the State of Texas.

Within the region since 2000, Tarrant County experienced the greatest numeric increase by adding 333,931 residents, followed by Collin, Dallas and Denton Counties (256,375; 233,300; and 182,574 persons, respectively). These four counties captured 86% of the region's total growth during the period 2000-2007. Dallas County is the second most populated county in the state of Texas, ranking behind only Harris County (Houston in southeast Texas). The "core" counties of Dallas, Tarrant, Collin, and Denton have continued to dominate regional growth.

Between January 1, 2007 and January 1, 2008, the Dallas-Fort Worth CMSA added nearly 125,000 persons for a population of 6,201,100. The region has averaged more than 100,000 in growth per year since 1995.

Several cities in the North Central Texas region have experienced phenomenal growth rates since the 1990 census. By the year 2030, the population within the NCTCOG region is projected to increase to approximately 9.1 million persons and 5.4 million jobs. This would represent an increase of almost 4 million persons and just over 2 million jobs.

Economic Circumstances

The Metroplex's unique location in the south-central section of the nation has made it a wholesale headquarters and distribution hub for approximately 50 million people in an 11-state region. There are more than 140,000 businesses in the Dallas area and more than 5,000 corporate headquarters. In 2006, *Fortune* 500 included 19 companies headquartered in the Dallas/Fort Worth area. *Forbes* magazine has judged Dallas as the 25th best city in which to conduct business; Fort Worth was ranked 60th. The following table profiles the Top 20 DFW Employers.

Top 20 DFW Employers

Employer	Sector	Employees
Wal-Mart Stores, Inc.	Retail	32,100
AMR Corp./American Airlines	Airline	25,225
Dallas ISD	Education	19,871
Texas Health Resources	Health care	17,000
Baylor Health Care System	Health care	16,250
AT&T	Telecommunications	15,650
Lockheed Martin Aeronautics Co.	Military aircraft	15,379
U.S. Postal Service	Government	13,850
City of Dallas	Government	12,311
HCA North Texas	Health care	12,130
Kroger Food Stores	Retail grocery	11,500
Verizon Communications	Telecommunications	11,500
Countrywide Home Loans	Financial services	11,170
Citigroup Inc.	Financial services	10,817
Fort Worth ISD	Education	10,031
Texas Instruments	Semiconductor	9,700
UT Southwestern Medical Center	Health care	9,500
Albertsons Inc.	Retail grocery	9,107
Chase	Financial services	8,500
Target Corporation	Retail	8,104

Source: Greater Dallas Chamber Economic Development Guide May-2007

Labor and Employment

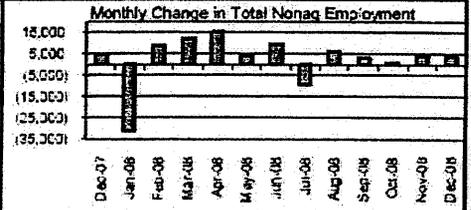
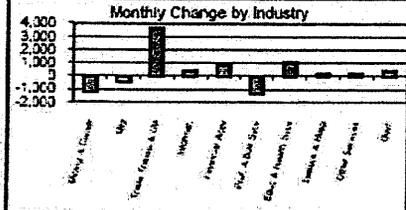
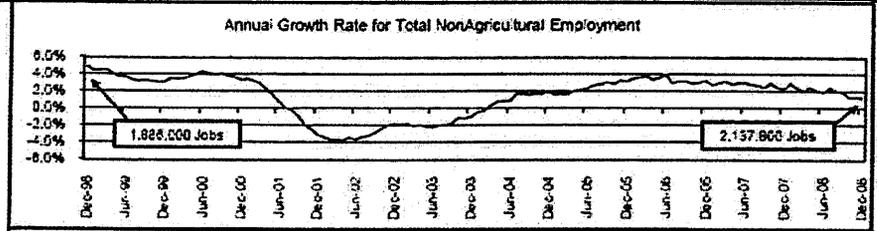
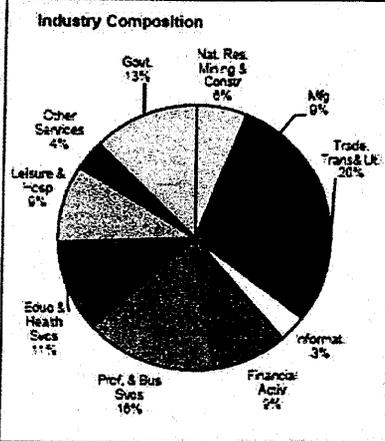
The economic diversification of the Metroplex is one of the area's most significant assets. Diversification supports strong resistance to sharp economic recessions and allows quick responsiveness in periods of expansion. The statistics on the following page compares the Dallas-Fort Worth MSA's non-farm employment change from 1997-2007 with other metropolitan areas of Texas. The subsequent pages profile area employment as of December 2008.

Texas Metropolitan Area Nonfarm Employment Change

Metropolitan Area	1997	2007	Percent Change
Sherman-Denison	43,900	43,800	-0.2
Wichita Falls	61,300	62,500	2.0
San Angelo	43,900	44,900	2.3
Beaumont-Port Arthur	157,400	164,300	4.4
Abilene	62,000	65,700	6.0
Victoria	46,200	50,900	10.2
Texarkana	50,800	56,200	10.6
Corpus Christi	158,800	176,000	10.8
El Paso	243,100	270,900	11.4
Lubbock	114,900	128,500	11.8
Amarillo	97,800	111,900	14.4
Waco	94,800	108,800	14.8
Odessa	50,000	59,400	18.8
Dallas-Fort Worth-Arlington	2,452,900	2,941,700	19.9
Texas	8,608,500	10,359,200	20.3
Longview	79,500	95,800	20.5
Killeen-Temple-Fort Hood	100,600	121,400	20.7
College Station-Bryan	74,600	90,200	20.9
Tyler	76,900	93,400	21.5
San Antonio	684,400	832,400	21.6
Houston-Sugar Land-Baytown	2,064,400	2,549,600	23.5
Brownsville-Harlingen	97,400	123,600	26.9
Austin-Round Rock	566,300	757,300	33.7
Laredo	60,200	86,200	43.2
McAllen-Edinburg-Mission	133,900	210,200	57.0
Midland	133,900	210,200	57.0

Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Dallas-Plano-Irving MD (Coflin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, Rockwall) **December-2008**



Employment by Industry

	Dec-2008	Nov-2008	Dec-2007	Monthly Change Actual	Monthly Change %	Annual Change Actual	Annual Change %
Total Nonagricultural	2,137,800	2,134,000	2,110,000	3,800	0.2%	27,800	1.3%
Mining & Construction	130,200	131,400	127,600	-1,200	-0.9%	2,600	2.0%
Manufacturing	189,400	189,900	158,400	-500	-0.3%	-9,300	-4.5%
Trade, Transp. & Utilities	433,300	429,600	429,700	3,700	0.9%	3,600	0.6%
Information	71,800	71,400	72,600	400	0.6%	-800	-1.1%
Financial Activities	189,100	188,300	126,000	900	0.4%	3,100	1.7%
Profes. & Business Services	339,700	341,000	339,800	-1,300	-0.4%	-100	0.0%
Education & Health Services	237,700	236,600	225,600	1,100	0.5%	12,100	5.4%
Leisure & Hospitality	199,800	199,600	193,100	200	0.1%	6,700	3.5%
Other Services	76,700	76,500	75,400	200	0.3%	1,300	1.7%
Government	270,100	269,700	261,800	400	0.1%	8,300	3.2%

Size Class of Industries as of June 2008

Size Class	Employees Per Firm	Number of Firms	Employment in Size Class	% of Total Employment
9	1000+	233	634814	30.4%
8	500-999	341	241104	11.5%
7	250-499	668	228950	11.0%
6	100-249	1035	204497	14.1%
5	50-99	2766	190939	9.1%
4	20-49	6094	214645	10.3%
3	10-19	8790	110640	5.7%
2	5-9	13254	67485	4.2%
1	1-4	40258	78901	3.7%
0	0	8788	0	0.0%
TOTAL		84017	2094433	100.0%

Comments for December 2008

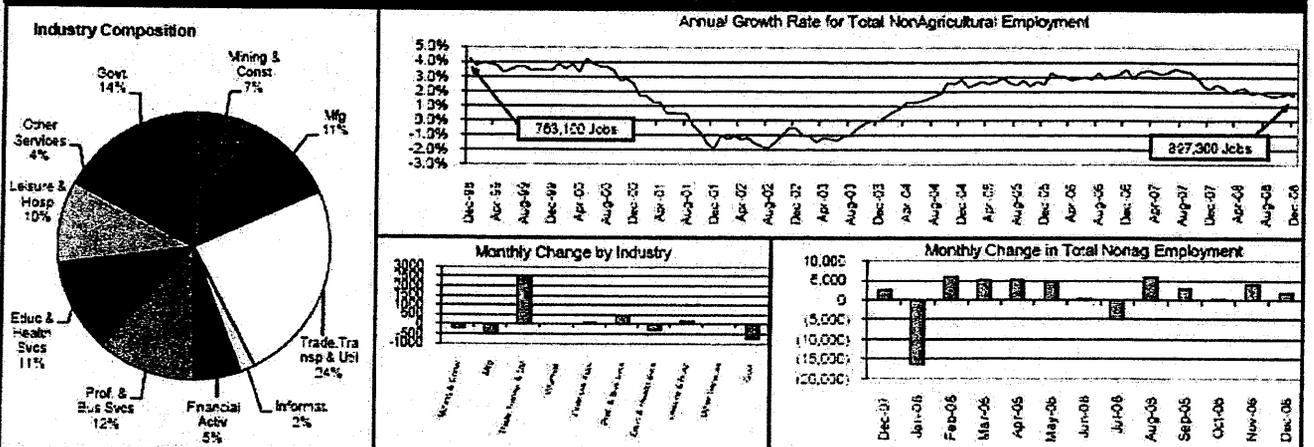
Total Nonagricultural Employment in the Dallas - Plano - Irving area was 2,137,800 in December. This was a gain of 3,800 positions over the month, and 27,800 over the year. The annual growth rate was 1.3 percent. Retail Trade expanded by 3,400 jobs in December at a rate of 1.6 percent. This was the eight consecutive month of no over-the-month losses. The gain in December was the second largest over the past twelve months. Most of the expansion can be attributed to the holiday shopping season. Manufacturing decreased by 500 positions over the month. This was the fourth consecutive month of negative movement over the month. Trade, Transportation and Utilities gained 3,700 positions in December. This was a 0.9 percent increase over last month. For the year, this industry has gained 3,600 jobs. Government gained 400 jobs over the month, for a 3.2 percent gain. The expansion was due to gains in Local Government. Local Government has lost employment in December in five of the last eight years. However, this is second consecutive December, in which there was positive movement.

- Largest Private Sector Employers - Employer Reported, June 2008**
- Administaff Companies II LP
 - AMS Business Sol. & Sterling Personnel
 - Bank of America NA
 - Countrywide
 - Electronic Data Systems Corp.
 - Galtex
 - Raytheon Company
 - Target Stores
 - Texas Instruments Inc.
 - Wal-Mart Associates Inc.

Unemployment Information (all estimates are in thousands)

	Dallas-Plano-Irving MD				Texas (Actual)				United States (Actual)			
	C.L.F.	Emp.	Unemp.	% Rate	C.L.F.	Emp.	Unemp.	% Rate	C.L.F.	Emp.	Unemp.	% Rate
Dec-2008	2,120.3	1,994.1	126.2	6.0	11,833.3	11,162.7	670.6	5.7	154,349.0	143,350.0	10,999.0	7.1
Nov-2008	2,127.7	2,093.7	124.0	5.8	11,865.3	11,200.6	664.7	5.6	154,824.0	144,609.0	10,215.0	6.5
Dec-2007	2,096.5	1,997.4	89.1	4.3	11,575.1	11,081.7	493.4	4.3	153,705.0	146,334.0	7,371.0	4.8

Fort Worth - Arlington MD (Johnson, Parker, Tarrant, Wise) December-2008



Employment by Industry	Size Class of Industries as of June 2008											
	Dec-2008	Nov-2008	Dec-2007	Monthly Change Actual	Monthly Change %	Annual Change Actual	Annual Change %	Size Class	Employees Per Firm	Number of Firms	Employment in Size Class	% of Total Employment
Total Nonagricultural	897,300	895,600	881,800	1,700	0.2%	15,500	1.8%	9	100+	86	248437	28.4%
Mining & Constr.	64,700	64,900	62,600	-200	-0.3%	1,500	3.0%	9	500-999	129	89163	10.3%
Manufacturing	98,200	98,600	99,300	-400	-0.4%	-1,100	-1.1%	7	250-499	268	95406	10.6%
Trade, Transp., & Utilities	217,800	215,300	214,200	2,500	1.2%	3,600	1.7%	2	100-249	838	126761	14.0%
Information	16,400	16,400	16,600	0	0.0%	-200	-1.2%	5	50-99	1247	86673	10.0%
Financial Activities	49,300	49,200	48,500	100	0.2%	600	1.6%	4	20-49	3198	97883	11.3%
Profes., & Business Services	106,600	106,300	104,600	500	0.5%	2,200	2.1%	3	10-19	3001	63341	7.2%
Education & Health Services	101,300	101,600	99,200	-300	-0.3%	2,100	2.1%	2	5-9	6026	36655	4.6%
Leisure & Hospitality	98,700	88,500	85,600	200	0.2%	3,100	3.6%	1	1-4	18913	33181	3.8%
Other Services	33,000	33,000	32,700	0	0.0%	300	0.9%	0	0	3119	0	0.0%
Government	121,100	121,300	118,300	-700	-0.6%	2,800	2.4%					
TOTAL										35123	866382	100.0%

Comments for December 2008

Total Nonagricultural employment in the Fort Worth - Arlington area increased by 1,700 jobs or 0.2 percent in December. Retail Trade employment increased by 2,200 jobs as employers continued to hire staff in anticipation of the holiday shopping season. Professional and Business Services added 500 staff over the month. Employment in Transportation, Warehousing and Utilities and Leisure and Hospitality expanded by 200 jobs each in December. Local Government decreased by 800 jobs as workers hired for the November elections were furloughed. Leisure and Hospitality employment gained 3,100 jobs or 3.6 percent over the year. Professional and Business Services added 2,200 positions since December 2007, while Education and Health Services added 2,100 jobs over the same time period. Total Nonagricultural Employment in the Fort Worth - Arlington area increased by 15,500 jobs or 1.8 percent since December 2007.

Largest Private Sector Employers - Employer Reported, June 2008

- American Airlines Inc.
- Cook Children's Medical Center
- Harris Methodist Fort Worth
- JP Morgan Chase Bank NA
- Kroger Texas LP
- Lockheed Martin Corp.
- North Hills Hospital
- Textron Service Center
- United Parcel Service Inc.
- Wal-Mart Associates Inc.

Unemployment Information (all estimates are in thousands)

	Fort Worth - Arlington MD				Texas (Actual)				United States (Actual)			
	C.L.F.	Emp.	Unemp.	% Rate	C.L.F.	Emp.	Unemp.	% Rate	C.L.F.	Emp.	Unemp.	% Rate
Dec-08	1,056.2	966.8	89.4	5.6	11,833.3	11,162.7	670.6	5.7	154,349.0	143,350.0	10,999.0	7.1
Nov-08	1,058.0	999.8	58.2	5.5	11,885.3	11,200.6	684.7	5.8	154,824.0	144,609.0	10,015.0	6.5
Dec-07	1,032.2	960.1	72.1	4.1	11,575.1	11,081.7	493.4	4.3	153,705.0	146,334.0	7,371.2	4.8

Quality of Life

Within the Dallas/Fort Worth area there are approximately 40 professional and community theaters, 13 symphony and chamber orchestras, four ballet groups, two opera associations, 20 museums and 100 galleries. More than 60 lakes and reservoirs within a 100-mile-radius cover approximately 550,000 acres. Dallas/Fort Worth is one of the few metropolitan areas nationwide with four major professional sports teams. Dallas/Fort Worth also hosts two PGA Tour events; the Byron Nelson Classic at Las Colinas Sports Club in Las Colinas and The Colonial Invitational at Colonial Country Club in Fort Worth. Texas Motor Speedway hosts two NASCAR events two Indy-Car races. Dallas/Fort Worth is one of the leading professional sports markets in the United States.

The Dallas/Fort Worth area has a moderate cost of living, below the national average, and considerably lower than the east and west coast cities. Dallas/Fort Worth is one of the most affordable metropolitan areas in the country to buy or rent a home. Dallas is a shopping destination, with 26.3 square feet of retail space for every person in Dallas, 42% more than the national average.

Trade and Distribution

Of the major U.S. distribution centers, D/FW offers the lowest distribution cost to the top 50 U.S. consumer markets, according to the North Texas Commission. Ninety-three percent of the continental U.S. population can be reached from the Dallas/Fort Worth area within two days truck transit time. The Dallas/Fort Worth area is projected to become the primary product distribution center for the entire Western Hemisphere by the end of the century. D/FW International Airport is the nation's largest inland port, it typically enplanes more than one-half of all air cargo in Texas.

Dallas Market Center, the world's first (and largest) wholesale mart, covers more than 150 acres and comprises six buildings: the World Trade Center; Informant; Trade Mart; International Apparel Mart; the Menswear Mart; and Market Hall. Dallas Market Center contains 6.9 million square feet and hosts 400,000 buyers who conduct nearly \$7.5 billion in wholesale sales annually. The Dallas Market Center is the second leading fashion and apparel center in the nation. The Dallas area is the nation's fourth largest industrial market with more than 400 million square feet of warehouse and distribution space.

International Business

The Dallas/Fort Worth area is a popular location for international business. There are 1,138 manufacturers exporting from the Dallas/Fort Worth area, more than any other metropolitan area in the state and representing 23.6% of all manufacturers in the D/FW area. Dallas recently ranked as the number one city for international corporate location. Thirty-one foreign consulates, six foreign trade offices and 12 foreign banks serve the Dallas/Fort Worth area. The North American Commission for Labor Cooperation, the only tri-national NAFTA office in the U.S., is located in Dallas. Additionally, the NAFTA Customs Center and the International Mediation Center is located in Dallas. There are four foreign trade zones at eight sites within the Dallas/Fort Worth area. Since 1990, the number of foreign destinations served out of D/FW International Airport has more than doubled.

Tourism

Dallas ranks number two in the nation of leading convention cities in the United States in attendance, attracting nearly four million delegates who contribute in excess of \$4 billion to the local economy while attending more than 3,600 conventions annually. The Dallas Convention Center, with more than two million square feet of space, is the largest convention center in Texas. This facility has 1,000,000 square feet of exhibit space. This includes 726,726 square feet of prime, contiguous exhibit space along with a 203,000 square foot column-free exhibit hall (largest in the United States). The Dallas Convention Center also has a 9,816-seat arena and a theater with a 1,770-person capacity. Dallas has approximately 47,000 hotel rooms and more restaurants per capita than New York City. Dallas is the number one visitor destination in Texas, attracting 14.2 million visitors annually.

Petroleum

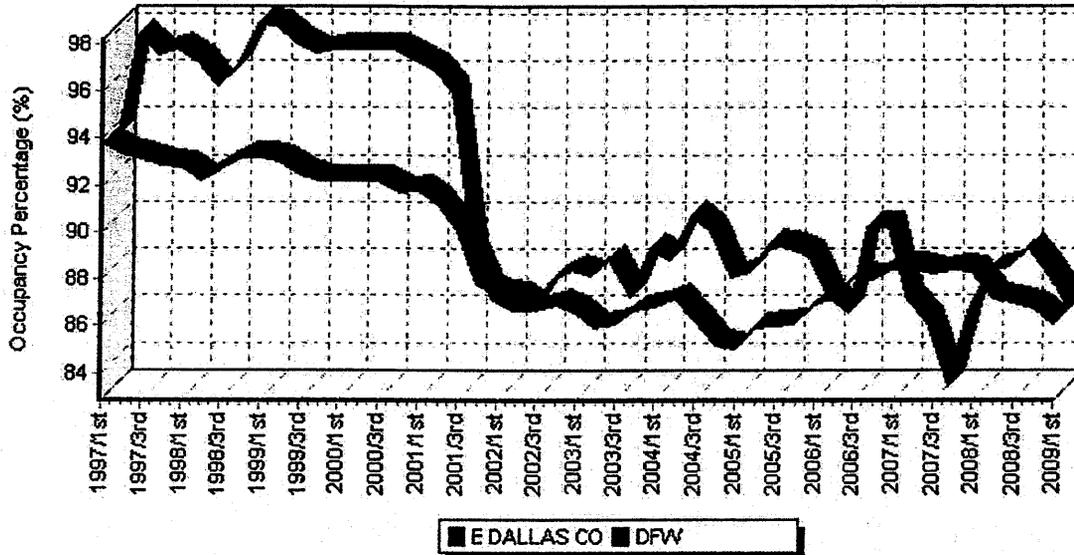
An important new catalyst of the DFW economy is the natural gas play known as the Barnett Shale. Tarrant County is the eastern edge of 2.1-trillion-cubic-foot natural gas field that lies beneath 5,000 square miles in 17 counties. Some experts claim the Barnett Shale is the largest onshore

natural gas field in the United States. The shale represents a very hard rock formation; however, improvements in extraction technology have made this field commercially viable. Development of the field, especially in Tarrant County, is hampered by the fact that much of the county is now developed.

Real Estate

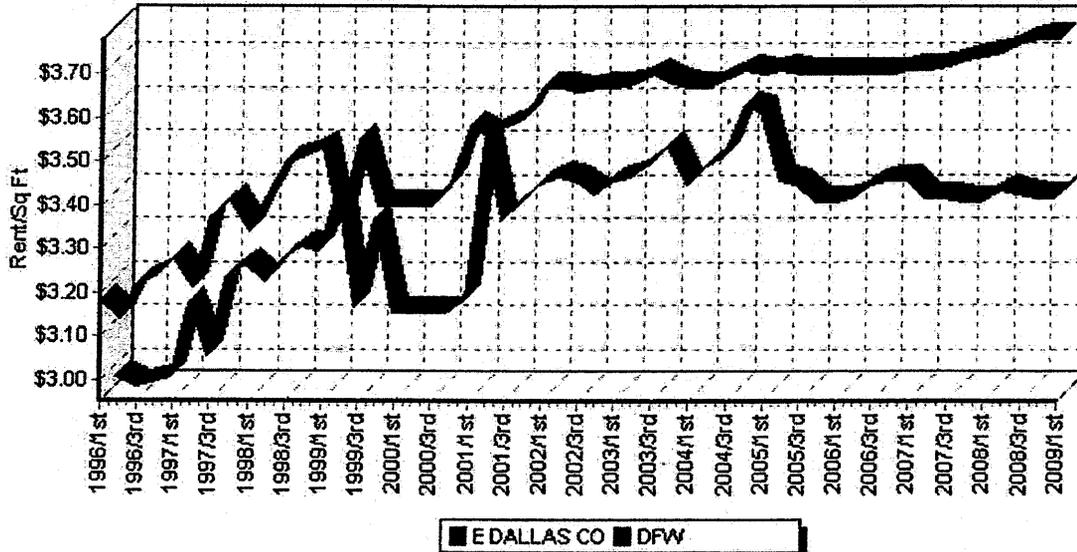
According to DFW RealSmart, the subject property is located within the submarket designated as "East Dallas County". This market comprises 18,625,490 square feet of warehouse space (as of first quarter 2009) within 234 buildings. The buildings are predominately (166) classified as being single-tenant. This market currently reports an overall occupancy of 16,029,617 square feet, which translates to an occupancy level of 86.06%. This occupancy level is slightly below the historical 13-year average of 90.54%. The East Dallas County submarket also reports an overall average rental rate of \$3.42 per square foot. Comparatively, the overall DFW Area market reports an average rental rate of \$3.78 per square foot. The graphs on the following page depict the occupancy level and rental rates of this submarket since 1996/1997.

E DALLAS CO - Warehouse Industrial Total Occupancy



All Rights Reserved (C)2001-2008 Roddy Information Services
DFWRealSmart.com

E DALLAS CO-Warehouse Industrial Total Rent



All Rights Reserved (C)2001-2008 Roddy Information Services
DFWRealSmart.com

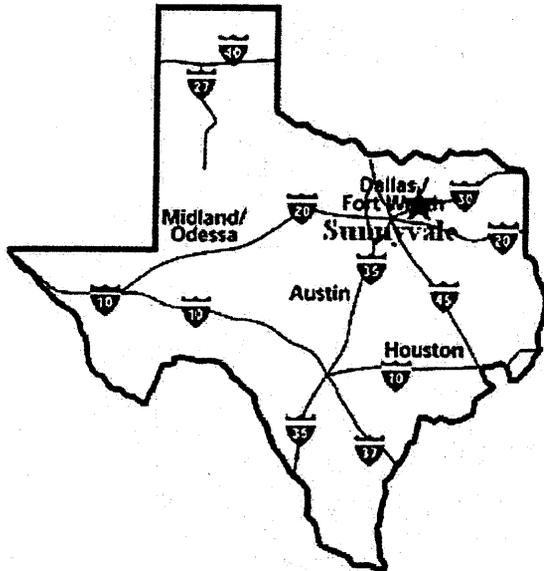
Conclusion

In summary, the interaction of the environmental, governmental, social and economic forces has contributed to the diversified economic base of the Metroplex. Future economic growth is anticipated to be fueled by the trade and services sectors. The growth of the economy should translate into the continued growth of the local real estate markets. Quality of life should continue to remain good due to the abundance of cultural and recreational facilities. The Metroplex is in an excellent position for future growth as it has a strong and diverse employment base that enables it to weather economic cycles better than many other areas of the country. Dallas/Fort Worth and the region have excellent accessibility to North America's major markets.

Sunnyvale

The subject property is located within the Town of Sunnyvale. This town is generally bound by Kaufman County to the east, Mesquite to the south and west, and the Cities of Dallas and Garland to the north. This community reports a 2009 population of 4,533, an increase of 68.3% from the 2000 census. Additional community information is presented on the following pages.

Dallas County



Town of Sunnyvale, County of Dallas, State of Texas, located 15 miles East of Downtown Dallas and adjacent to the cities of Mesquite and Garland

POPULATION

Year	2009 (est.)	2000 Census	1990
City	4,533	2,693	2,228
County	2,377,477	2,218,899	1,852,810

CITY GOVERNMENT

Type	General Law
Number on Council	6
Municipal Police	
Paid Firefighters	3
Volunteer Firefighters	35
City Zoning Body	Yes
Master Plan	Yes

TRANSPORTATION

Air Service	
Dallas Love Field	
Runway Length	8,800'
Runway Surface	Concrete/Asphalt
Lighted	Yes
Fuel	Yes
Instrument Landing System	Yes
Dallas/Fort Worth International	
Runway Length	29,000'
Runway Surface	Concrete
Lighted	Yes
Fuel	Yes
Instrument Landing System	Yes
Mesquite Metro/Hudson	
Runway Length	6,000'
Runway Surface	Concrete
Lighted	Yes
Fuel	Yes
Instrument Landing System	Yes
Airports Within 1 Hr.	
International	Dallas/Fort Worth International
Regional	Dallas Love Field
Municipal	Mesquite Metro/Hudson

Rail Service Providers

Union Pacific Railroad

Freight Carriers

ABF Freight Systems; Central Freight Lines; Gulf Coast Transport; J. B. Hunt Transport; Merchants Fast Motor Lines; MS Carriers; Roadway Express; SAIA Motor Freight Lines; Tex-Pack; United Parcel Service; Yellow Freight System

Oncor Economic Development Department

(214) 486-5456 (Fax)

www.locationtexas.com | mike.mckinney@oncor.com

Last Modified

05/27/2009

Oncor Economic Development Department uses reasonable efforts to include accurate and up-to-date information in this profile; we make no warranties as to the accuracy of the material. We assume no liability or responsibility for any errors or omissions in the content of this profile.

WAGE DATA

Occupation Title	Entry-Level Wage (\$/hr)	
	Low	High
Production Classifications		
Assembler, General	7.50	15.00
Electrician	10.50	25.00
Electronics Assembler	7.36	10.00
Forklift Operator	7.80	15.50
Janitor, any industry	7.00	13.68
Laborer, General	6.75	13.00
Machinist/Related Occup.	9.16	17.10
Maintenance, General	6.75	13.50
Mechanic (Maintenance)	8.00	17.00
Molding Machine Operator	7.50	16.00
Semiconductor Processor	7.00	7.16
Sewing Machine (Garment)	6.75	8.50
Sheet Metal Worker	7.00	9.52
Truck Driver, Lt., any ind.	7.92	16.51
Warehouse Worker	10.00	26.00
Welder, Production	9.00	26.00
Office, Clerical, and Technical Classifications		
Accountant/Auditor	25.00	51.00
Computer Operator	12.00	19.00
Computer Programmer	23.00	42.00
Customer Service Rep.	7.50	15.00
Electronic Technician	8.00	11.50
General Office Clerk	7.50	10.00
Key Data Entry Oper.	7.50	9.27
Secretarial	8.50	20.00
Shipping & Rec. Clerk	8.50	16.83
Telemarketing	6.75	12.75

TAXATION

Tax Rate (per \$100 Assessed Value) - 2008	
Dallas County	\$0.228100
Sunnyvale City	\$0.377960
Sunnyvale ISD	\$1.370000
Dallas Co Hospital	\$0.254000
Dallas Co Comm College	\$0.089400
Total	\$2.319460

Municipal Sales Tax	1.000%
State Sales Tax Rate	6.250%
Economic Development Tax	4A Sales Tax 0.500%
Other Sales Taxes	4B Sales Tax 0.500%
Total	8.250%

INCENTIVES

Tax Abatement	Yes
Enterprise Zone	Yes
Industrial Foundation	No
Foreign Trade Zone	No
Reinvestment Zone	Yes
Freeport Exemption	Yes Triple
Other Incentives	Yes
4A Sales Tax Grants, Impact fee reductions, TX Capital Fund	

Oncor Economic Development Department
 (214) 486-5456 (Fax)
 www.locationtexas.com | mike.mckinney@oncor.com

Last Modified
 05/27/2009

Oncor Economic Development Department uses reasonable efforts to include accurate and up-to-date information in this profile; we make no warranties as to the accuracy of the material. We assume no liability or responsibility for any errors or omissions in the content of this profile.

UTILITIES

Electric Energy Delivery		Oncor Electric Delivery
Reliability	99.935829	
Transmission Voltage	69 KV, 138 KV, 345 KV	
Service Voltage	120/208, 120/240, 240/480, 277/480	

Natural Gas		Atmos Energy
BTU Content Per Cubic Foot	1,050	

Water Supplier		North Texas Municipal Water District
Source		
Max. Daily Sys. Capacity	1,500,000 gallons	
Max. Daily Use to Date	1,420,000 gallons	
Pressure on Mains	65 psi	
Storage Capacity	400,000 gallons	
Size of Mains	6-12"	
System Looped	Yes	
Projects Under Construction		

Sewer System	
Treatment Plan Types	Inactivated Sludge (By Contract with Garland & Mesquite)
Maximum Capacity	87,000,000 gallons
Max. Daily Use to Date	350,000 gallons
Projects Under Construction	

Telephone Service	
SBC	
Digital Available	Yes
Analog Available	No
Electromechanical	No
Make and Model	5-ESS
Software Level	5E4
Fiber Optics	Yes
Switched 56 Kbps	Yes
High Capacity Digital (T-1)	Yes
Digital Data Service	Yes
911 Available	Yes
Other Network Services	
AT&T	

Oncor Economic Development Department
 (214) 486-5456 (Fax)
 www.locationtexas.com | mike.mckinney@oncor.com

Last Modified
 05/27/2009

Oncor Economic Development Department uses reasonable efforts to include accurate and up-to-date information in this profile; we make no warranties as to the accuracy of the material. We assume no liability or responsibility for any errors or omissions in the content of this profile.

COMMUNITY INFORMATION

Climate	
Annual Average Temperature	0.0 F
Annual Average High Temperature	95.0 F
Annual Average Low Temperature	36.0 F
Annual Average Precipitation	35.9"
Annual Average Snowfall	0.0"
Elevation	531.0'

Health	
Total Hospital Beds in City	50
Total Doctors (Medical) in City	15

Media	
Daily Papers	0
Weekly Papers	2
Local TV	Yes
Cable TV Available	Yes

Recreation	
Parks	5
Area Lakes	1
Country Clubs	0
Health Centers	0
Public Golf Courses	0
Theaters	0
Tennis Courts	2
Bed & Breakfast Facilities	0
Hotel & Motel Rooms	0
Libraries	1
Other	

Houses of Worship	
Assembly of God; Baptist; Bible Church; Charismatic; Methodist	

Finance	

Attractions	
Lake Ray Hubbard - 6 Marinas; Mesquite Rodeo	

EDUCATION

Sunnyvale (2007)		
Budget	\$7,935,741.00	
	Number of Schools	Total Enrollment
Elementary	1	274
Middle School	1	258
High School	1	230

Private Schools	
Number of Schools	
Enrollment	

Area Colleges and Universities	
Amber University, Garland; Eastfield College, Mesquite; East Texas State University, Commerce; Richland College, Dallas; Southern Methodist University, Dallas; Texas Christian University, Fort Worth; Texas Woman's University, Denton; University of Dallas, Irving; University of North Texas, Denton; University of Texas at Arlington; University of Texas at Dallas, Richardson	

Vocational Program Available	Yes
State Industrial Job Training Available	Yes

Oncor Economic Development Department
 (214) 486-5456 (Fax)
 www.locationtexas.com | mike.mckinney@oncor.com

Last Modified
 05/27/2009

Oncor Economic Development Department uses reasonable efforts to include accurate and up-to-date information in this profile; we make no warranties as to the accuracy of the material. We assume no liability or responsibility for any errors or omissions in the content of this profile.

MAJOR AREA EMPLOYERS

Employer	Industry	Number of Employees	Union Affiliation
American Marzaai Tile	Tile	450	
Associated Truss & Lumber	Wood Trusses and Commercial Lumber	300	
Dal-Tile	Warehouse & Distribution	300	
Gulf Coast Transport	Trucking	300	
Vince Hagen	Steel - Batch Plant Components	200	
Performance Pulsation	Pressure Vessels	60	
Millard Refrigerated Services	Warehouse/Distribution	51	None
Fed Ex	Distribution Center	50	
Daniel Steel	Steel Reinforcing Rods	50	
Adell of Texas	Automotive Parts	45	
Direct Buy	Home Furnishing Warehouse	45	
Accura Systems	Aluminum Curtain Wall Systems	40	
Components Plus	Steel Building Components	30	
Fence Supply	Fence Components	20	
Dermascope	Publishing & Media	15	
Jot'em Down	Wood Furniture	10	
Spa Warehouse	Spas	10	
Southwest Equipment Company	Irrigation Equipment	8	
APAC	Asphalt	5	
Aston Industries	Conveyor Equipment	2	

Oncor Economic Development Department

(214) 486-5456 (Fax)

www.locationtexas.com | mike.mckinney@oncor.com

Last Modified

05/27/2009

Oncor Economic Development Department uses reasonable efforts to include accurate and up-to-date information in this profile; we make no warranties, as to the accuracy of the material. We assume no liability or responsibility for any errors or omissions in the content of this profile.

Neighborhood Analysis

Overview

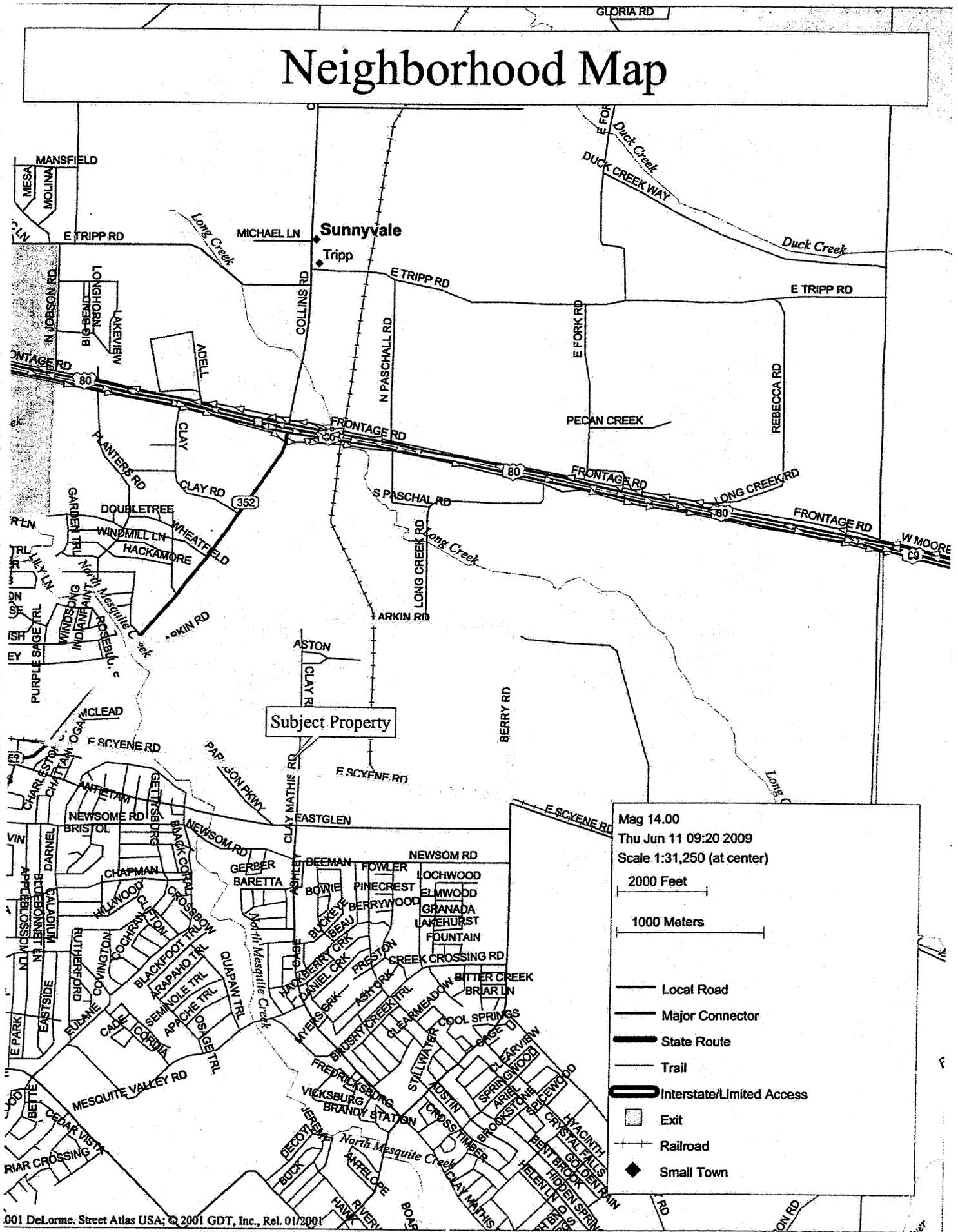
A neighborhood is defined as a group of complementary land uses. Neighborhood data and analysis are provided to objectively measure the impact of social, governmental and environmental forces influencing values in the subject neighborhood and, in turn, the value of the subject property. The following neighborhood analysis is based on the inspection dates of May 8 and 9, 2009.

Neighborhood Boundaries

The appraised property is physically located at 359 Clay Road within the Town of Sunnyvale, Dallas County, Texas. The subject neighborhood represents a commercial and industrial area that is generally bound by Collins Road to the west, Long Creek Road/Larkin Road to the north, Scyene Road to the south and Berry Road to the east.

The appraised property is located within the south-central portion of the subject neighborhood. A map and aerial of the subject neighborhood are located on the following pages.

Neighborhood Map



Mag 14.00
 Thu Jun 11 09:20 2009
 Scale 1:31,250 (at center)

2000 Feet

1000 Meters

- Local Road
- Major Connector
- State Route
- Trail
- Interstate/Limited Access
- Exit
- Railroad
- ◆ Small Town

001 DeLorme, Street Atlas USA; © 2001 GDT, Inc., Rel. 01/2001



Transportation

The subject neighborhood represents a growing industrial and commercial corridor of Sunnyvale, Texas. The primary artery in Sunnyvale is U.S. Highway 80. U.S. Highway 80 is an east-west United States highway. As the "0" in the route number indicates, it was originally a cross-country route, from the Atlantic Ocean to the Pacific Ocean. However, the entire segment west of Dallas, Texas, has been decommissioned in favor of various interstate highways and state highways. Currently, the highway's eastern terminus is in Tybee Island, Georgia, at the Atlantic Ocean. Its western terminus is at the border of Dallas and Mesquite, Texas, at an intersection with Interstate Highway 30. This artery has a full interchange with Collins Road (State Highway 352).

State Highway 352 is a Texas State Highway running from Dallas east to Mesquite. The route mainly runs along Scyene Road. The highway was designated in 1943 from U.S. Highway 80 in Mesquite west to U.S. Highway 175 southeast of Dallas, and was extended into Dallas in 1964 when U.S. Highway 175 was relocated to the west. State Highway 352 begins at a junction with Interstate Highway 30 in Dallas. It heads east from this junction through Dallas to an intersection with Loop 12. The highway continues to the east to an intersection with Interstate Highway 635 in Mesquite. State Highway 352 reaches its eastern terminus at U.S. Highway 80 in Sunnyvale. Within the subject neighborhood, this artery is known as Collins Road.

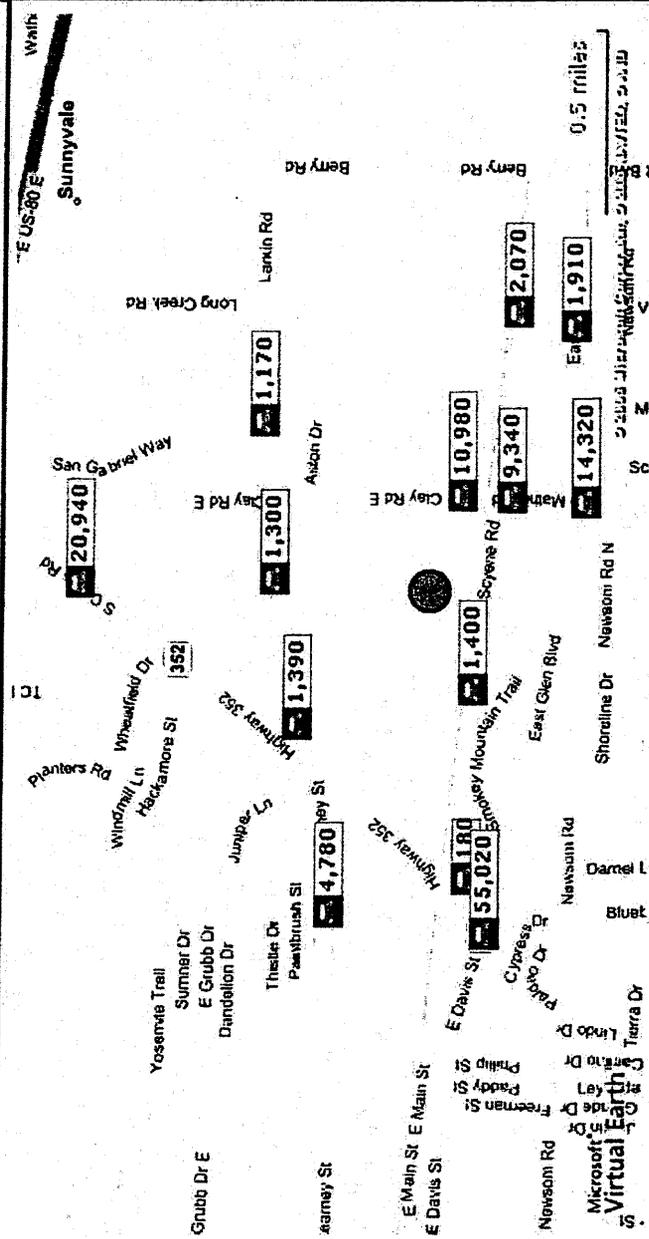
Neighborhood traffic counts are presented on the following page and are provided by CoStar.

Traffic Count Report

Matazzi Tile Plant

359 Clay Rd, Sunnyvale, TX 75182

Building Type: Industrial
 RBA: 528,808 SF
 Land Area: 31.58 AC
 Total Available: 0 SF
 Warehouse Avail: -
 Office Avail: -
 % Leased: 100%
 Rent/SF/Yr: -



Street	Cross Street	Cross Str Dist	Count Year	Avg Daily Volume	Volume Type	Miles from Subject Prop
1 Clay Rd	E Clay Rd	0.09 S	2004	10,980	ADT	.28
2 E Scyene Rd	Paragon Pky	0.44 E	2004	1,400	ADT	.30
3 Clay Rd	E Scyene Rd	0.05 N	2004	9,340	ADT	.34
4 Long Creek Rd	Highway 352	0.47 W	2004	1,300	ADT	.43
5 Clay Mathis Rd	Eastglen Blvd	0.02 N	2004	14,320	ADT	.49
6 Long Creek Rd	Highway 352	0.07 W	2004	1,390	ADT	.51
7 Long Creek Rd	Larkin Rd	0.32 E	2004	1,170	ADT	.65
8 Savanah St	Eastglen Blvd	0.09 SW	2004	180	ADT	.80
9 E Scyene Rd	Clay Rd	0.51 W	2004	2,070	ADT	.80
10 Eastglen Blvd	Berry Rd	0.44 E	2004	1,910	ADT	.83

This copyrighted report contains research licensed to Advanced Valuation System - 21691.

Neighborhood Trends

As indicated on the neighborhood map, the subject neighborhood represents a commercial and industrial area of Sunnyvale. The commercial development within the subject neighborhood is primarily located along the frontages of Collins Road. Development along this artery has been spurred by The Texas Regional Medical Center at Sunnyvale, which is being constructed at the northwest corner of Clay Road and Collins Road. Upon completion, this facility will comprise 117,000 square feet and will have 70 licensed beds on a 29-acre site. The total cost of the project is estimated to be \$66 million. To the direct west of The Texas Regional Medical Center, a new speculative medical office building is under construction. Other improvements located along Collins Road include: T-Bone Tune; Clark Electric; Dish Network; A-Team Auto Repairs; Sunnyvale Professional Plaza; New Covenant Baptist Church; A&A Marble & Granite; Riverstone School; Tino's Restaurant; and Valero.

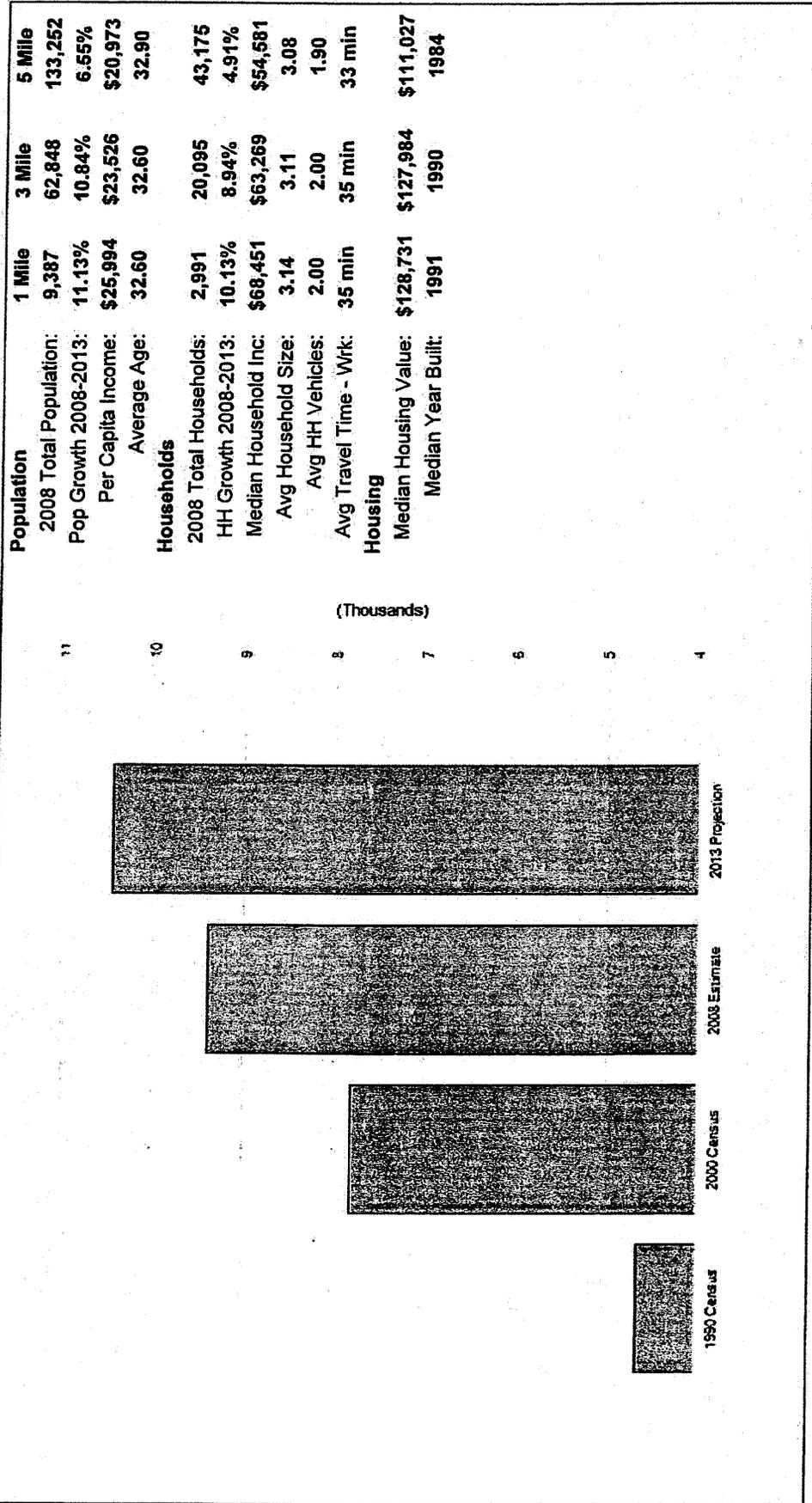
Industrial development is concentrated along Clay Road. Improvements include FedEx Freight, American Marazzi Tile, Accura Systems and the Sunnyvale Center Industrial Park. The Sunnyvale Center Industrial Park includes an 89,650-square-foot manufacturing building, an 81,850-square-foot warehouse and a 31,262-square-foot manufacturing building. There are also several smaller businesses within this development, including General Product Support, Performance Pulsation, Components Plus, Vince Hagan Company, Prentex, Inc., Garland Modification Center and Allen Transportation. Another prominent development within the subject neighborhood is the Dallas Water Utilities City of Dallas East Side Water Treatment Plant (405 Long Creek Road).

Neighborhood Social Conditions

Pertinent demographics for the subject neighborhood, as obtained from CoStar is included on the following page. It reflects a one-mile, three-mile and five-mile radii that extends from the subject property.

Population for 1 Mile Radius

359 Clay Rd, Sunnyvale, TX 75182



Population	1 Mile	3 Mile	5 Mile
2008 Total Population:	9,387	62,848	133,252
Pop Growth 2008-2013:	11.13%	10.84%	6.55%
Per Capita Income:	\$25,994	\$23,526	\$20,973
Average Age:	32.60	32.60	32.90
Households			
2008 Total Households:	2,991	20,095	43,175
HH Growth 2008-2013:	10.13%	8.94%	4.91%
Median Household Inc:	\$68,451	\$63,269	\$54,581
Avg Household Size:	3.14	3.11	3.08
Avg HH Vehicles:	2.00	2.00	1.90
Avg Travel Time - Wrk:	35 min	35 min	33 min
Housing			
Median Housing Value:	\$128,731	\$127,984	\$111,027
Median Year Built:	1991	1990	1984

Governmental and Environmental Considerations

The subject property is located within the Town of Sunnyvale, Texas. This immediate surrounding area is predominately commercial and industrial in character. Overall, the neighborhood is well-preserved and features a great deal of conformity within its geographic boundaries. All public services are available to the neighborhood including utilities, police and fire protection. Real estate tax rates are similar to other communities within the Metroplex.

The terrain lends itself to most types of development due to its lack of dramatic topography. Streets and thoroughfares, as well as utilities, are adequate. Adjoining land uses of the subject property will be discussed in the Property Description section of this Self-Contained Appraisal Report.

Neighborhood Conclusion

In summary, the subject neighborhood represents a commercial and industrial area that is generally bound by Collins Road to the west, Long Creek Road/Larkin Road to the north, Scyene Road to the south and Berry Road to the east. The subject neighborhood is approximately 30% developed as of the appraisal date and is considered to be in the growth phase of its life cycle. The Texas Regional Medical Center at Sunnyvale, which is being constructed at the northwest corner of Clay Road and Collins Road, should continue to fuel growth in the subject neighborhood (especially along Collins Road). Upon completion, this facility will comprise 117,000 square feet and will have 70 licensed beds on a 29-acre site. A continuation of growth is projected for the subject neighborhood into the foreseeable future.

SECTION III
PROPERTY DESCRIPTION

Land Description

Overview

Land or site description and analysis are conducted to provide:

- 1) A description of the property being appraised;
- 2) A basis for the analyzing of comparable sales;
- 3) A basis for allocating values to the land and the improvements;
- 4) An understanding of the property being appraised and its present use; and
- 5) A foundation for determining the property's highest and best use.

The following is a discussion of the pertinent factors influencing value of the subject land parcel. This information was based upon a provided site plan. The site plan was reportedly made by *VILBIG & ASSOCIATES, INC.* on March 21, 2007. This appraisal inherently assumes that the physical condition of the site has not materially changed since the date of the site plan.

Location

The subject real estate is located within the northwest quadrant of Clay Road and Scyene Road, Town of Sunnyvale, Dallas County, Texas. The street address is 359 Clay Road.

Size and Configuration

The subject site (as a whole) is irregular in shape and contains a gross land area of approximately 114.810 acres, or 5,001,118 square feet (per the provided survey). It is noted that the Dallas Central Appraisal District's records indicate a land area of 115.0844 acres. This differential is considered insignificant in the determination of the Market Value of the subject property.

Frontages

Based on information provided by the survey, the subject site features a frontage of 2,341.42 lineal feet along the west side of Clay Road. The subject site also has 2,730.30 feet of frontage along the northern side of the Union Pacific Railroad, which parallels Scyene Road. The subject site has three curb cuts along Clay Road.

Easements and Restrictions

Based upon information provided by representatives of **American Marazzi Tile, Inc.**, and a physical inspection of the subject property, the subject site does not appear to be encumbered by any easements, restrictions or encumbrances that would preclude overall site development. According to the provided documents, the subject site is reportedly encumbered by several utility, access and drainage easements that are associated with the existing improvements.

Soils

No engineering study was made to determine the soil and subsoil conditions. The soils and subsoils of the subject land parcel appear to be adequate for industrial construction, as evidenced by the existing industrial structures located in the immediate area, in addition to the existing building improvements on the subject site.

Topography and Drainage

The developed portion of the subject tract is gently sloping but relatively level and at grade with both Clay Road and Scyene Road. The westernmost part of the slopes down approximately 20 to 25 feet. Flood Insurance Rate Map number 48113C0390J, dated August 23, 2001, revealed that the majority (over 95%) of the subject site is designated within Flood Zone "X". Flood Zone "X" represents areas of minimal flood hazard from the principal source of flood in the area and determined to be outside of the 0.2 percent annual chance floodplain. This zone is relatively typical of properties located within the subject neighborhood and should not affect potential site development. Drainage is reportedly good on the subject property and is facilitated by a series of retention ponds. The far southwestern part (estimated to be less than one percent of the subject site) is within a designated 100-year floodplain.

Utilities

All public utilities, including water, storm sewer, sanitary sewer, electric power, natural gas and telephone services are available to the subject property as a whole.

Street Improvements

The subject site has three curb cuts along Clay Road. Clay Road is a four-lane, 85-foot-wide, paved artery with a continuous center median. It is improved with concrete curbs and gutters. This artery provides convenient access to Collins Road to the north which, in turn, interconnects with U.S. Highway 80. Scyene Road is an east-to-west artery that extends easterly from 2nd Avenue South (south of the Cotton Bowl) into a merge with Main Street in Mesquite. Scyene Road is an integral part of State Highway 352. Within the subject neighborhood, Scyene Road is a two-lane artery without concrete curbs or gutters. Within the subject neighborhood, the Union Pacific Railroad extends parallel to the north side of Scyene Road.

Hazardous Waste

There did not appear to be any potentially hazardous concerns located on the subject site. The conclusion contained in this Self-Contained Appraisal Report is based on the assumption that no hazardous materials exist within the subject parcel or in the surrounding area.

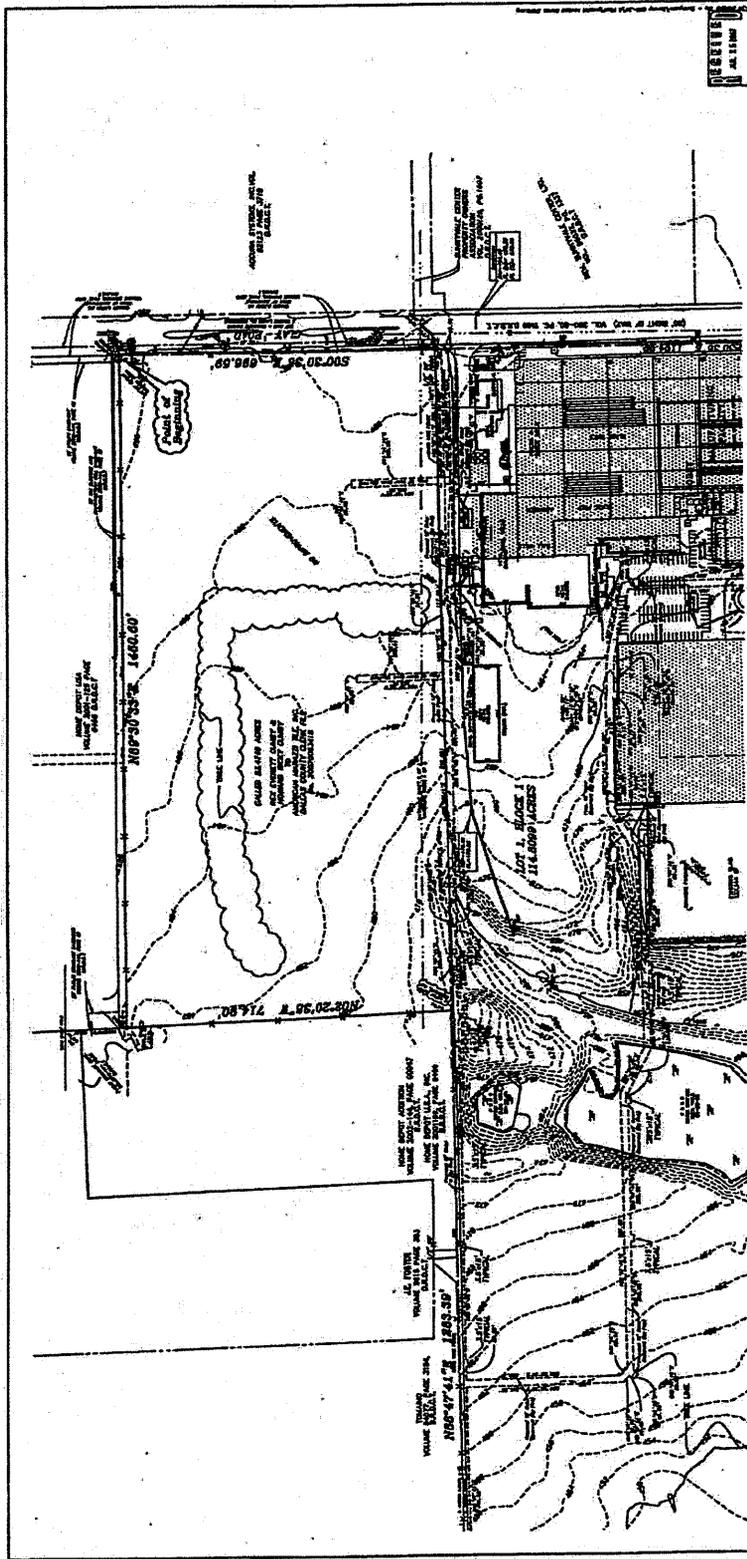
Endangered Species

No endangered species or endangered habitats were observed during our inspection of the property. However, the appraisers are not qualified to detect such species or their habitats, and it is recommended that an expert in this field be consulted.

Functional Adequacy and Conclusion

The real estate is generally located within the northwest quadrant of Clay Road and Scyene Road, Town of Sunnyvale, Dallas County, Texas. The street address is 359 Clay Road.

The subject site is irregular in shape and contains a gross land area of approximately 114.810 acres, or 5,001,118 square feet. Based on information provided by the survey, the subject site features a frontage of 2,341.42 lineal feet along the west side of Clay Road. The subject site also has 2,730.30 feet of frontage along the northern side of the Union Pacific Railroad, which parallels Scyene Road. The subject site has three curb cuts along Clay Road. The tract reportedly has complete public utilities available. Based on this analysis, the subject parcel is considered functionally adequate for numerous uses, including industrial development. A copy of the survey (two pages) provided for the subject property is located on the following pages. An aerial and a floodplain map follow the survey.



REVISION
 LOT 1, BLOCK 1
AMERICAN MARAZZI TILE ADDITION
 114.8099 ACRES
 SURVEYED IN THE SAME, ANDREWS SURVEY, ABSTRACT 39
 & SITUATED IN THE SAME, ANDREWS SURVEY, ABSTRACT 40
 DALLAS COUNTY, TEXAS

SCALE: 1" = 100'
 SHEET 1 OF 3
 SHEET 2 OF 3
 SHEET 3 OF 3

THIS IS A PARTIAL MAP OF A LARGER MAP OF THE
 SAME AREA, AND IS NOT TO BE CONSIDERED AS A
 COMPLETE MAP OF THE SAME AREA.

THIS IS A PARTIAL MAP OF A LARGER MAP OF THE
 SAME AREA, AND IS NOT TO BE CONSIDERED AS A
 COMPLETE MAP OF THE SAME AREA.

THIS IS A PARTIAL MAP OF A LARGER MAP OF THE
 SAME AREA, AND IS NOT TO BE CONSIDERED AS A
 COMPLETE MAP OF THE SAME AREA.

LEGEND

PROPERTY LINE
 EASEMENT LINE
 1/2" = 1" = 100'

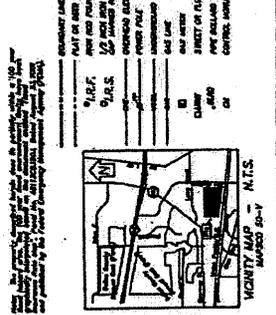
UTILITY LINE
 WATER MAIN
 GAS
 ELECTRIC
 TELEPHONE

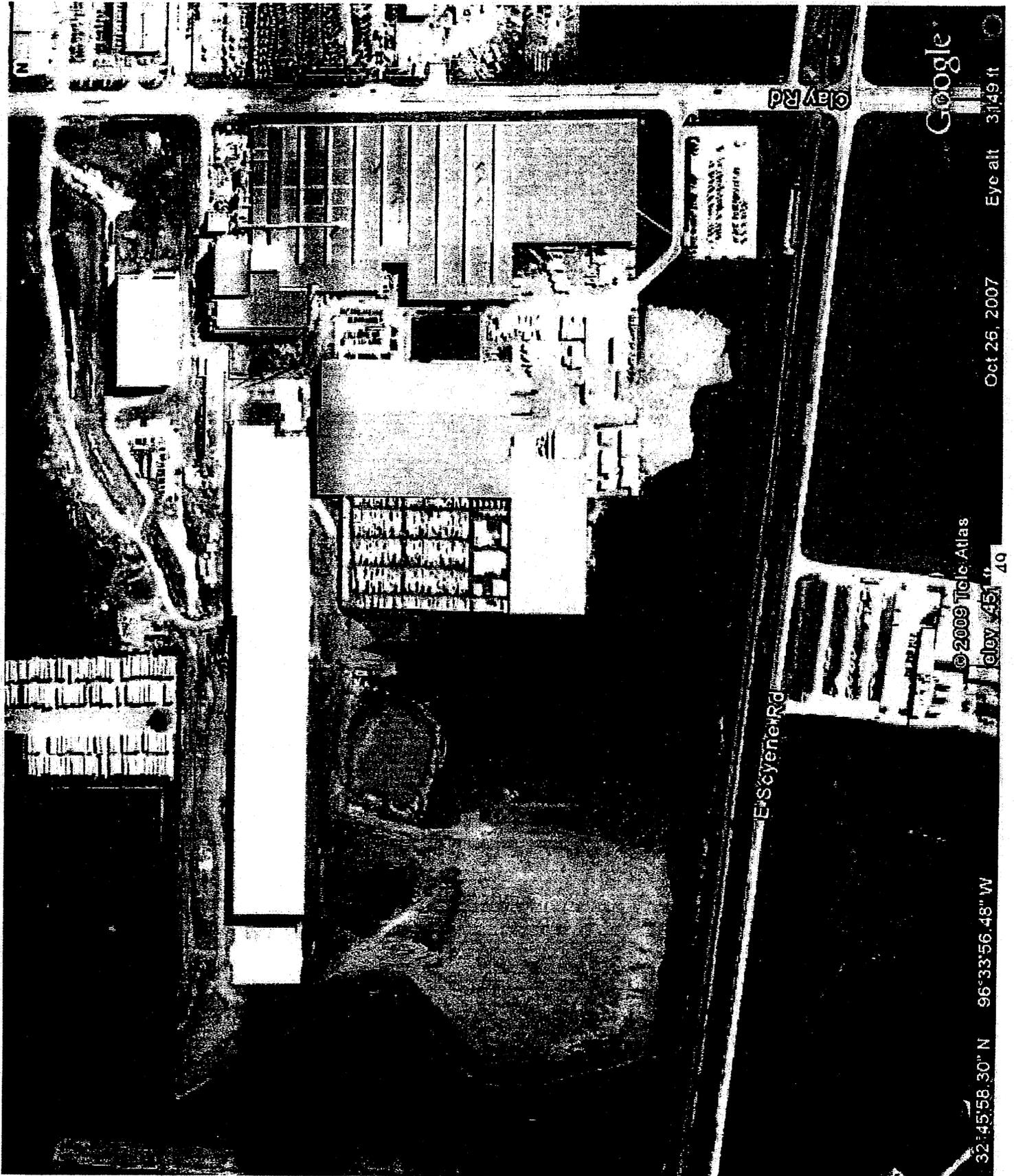
ROAD
 DRIVE
 ALLEY

ENCLOSURE
 FENCE
 WALL

CONTOUR
 5' = 1' = 100'

ADDITIONAL NOTES:
 ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
 ALL ANGLES ARE IN DEGREES AND MINUTES.
 ALL BEARINGS ARE TRUE BEARINGS.





Google

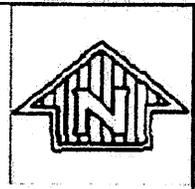
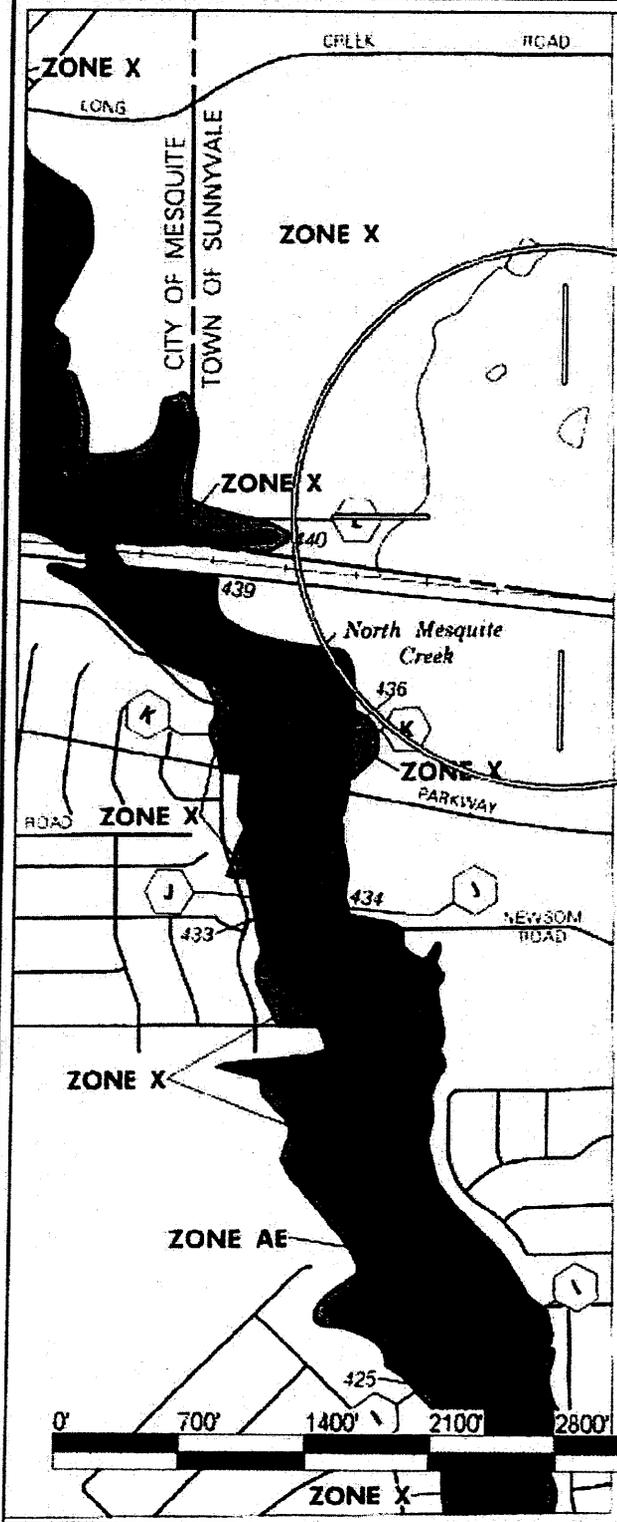
Eye alt 3149 ft

Oct 26, 2007

© 2009 Tele Atlas

Elev 451 ft

32°45'58.30" N 96°33'56.48" W



FLOODSCAPE
Flood Hazards Map
Map Number
48113C0390J
Effective Date
August 23, 2001

Powered by FloodSource
877.77.FLOOD
www.floodsource.com

© 1999-2009 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

Public and Private Land Use Controls

Usage of property may be limited by public or private land use controls. Public land use controls include: zoning regulations; subdivision rules and regulations; board of health covenants (typically related to water and sewer services); wetland regulations; floodplain water resource and aquifer protection districts; endangered species act legislation; and/or county planning commissions and other overlay or floating districts. The site is restricted by the existing easements and restrictions discussed in the preceding Land Description section of this Self-Contained Appraisal Report. The subject property is also subject to the I, Industrial District zoning classification by the Town of Sunnyvale. This district is "intended to provide for general manufacturing uses in locations which are suitable based upon adjacent land uses, access to transportation and the availability of public services and facilities."

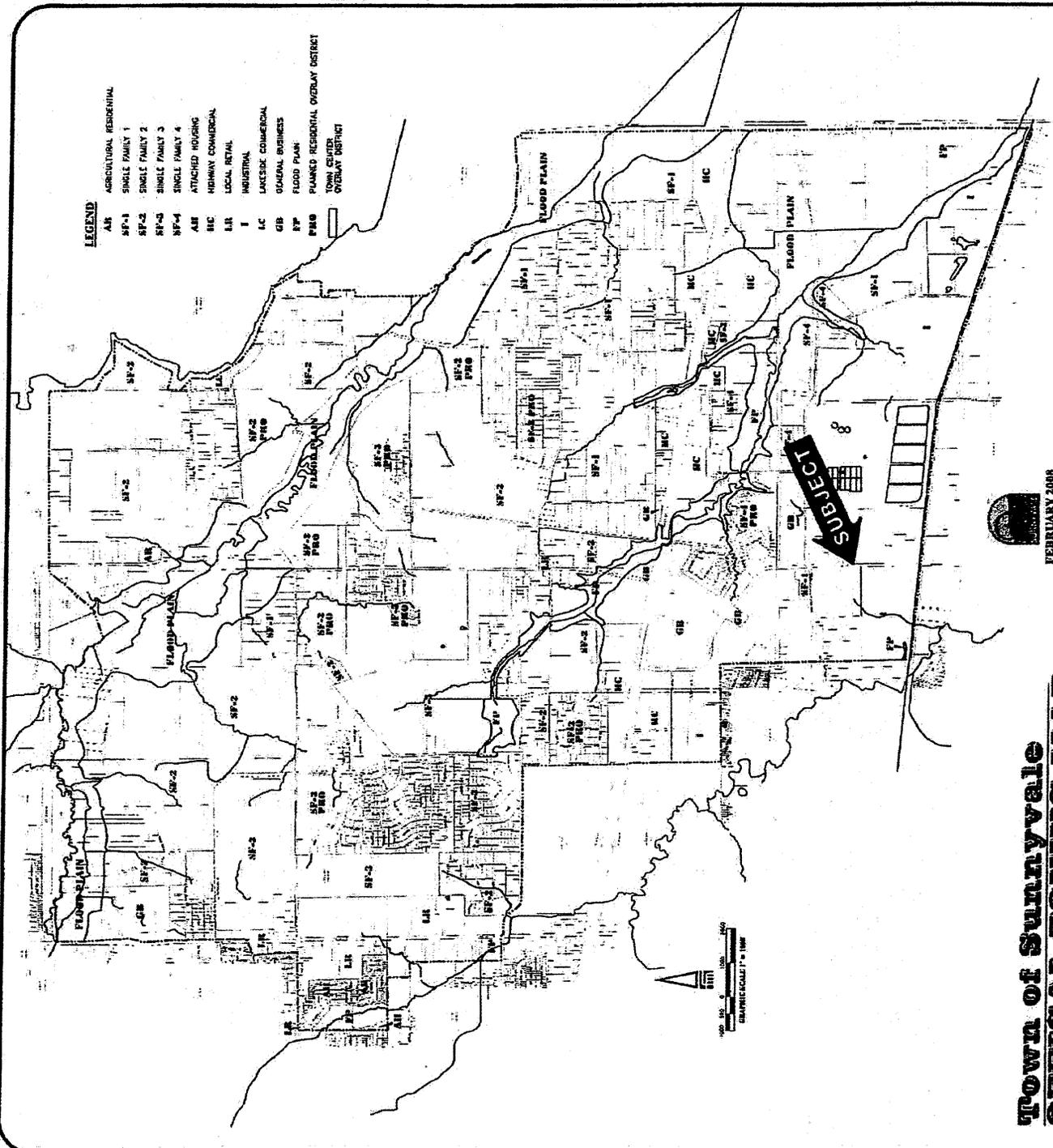
The development standards for this zoning classification are summarized in the following table.

I, Industrial District	
Maximum Height	Six stories unless the setback from all lot lines by the standard setback plus one foot for each one foot above such height limit.
Front Yard Set Back	40 feet
Side Yard Set Back	25 feet
Maximum Lot Coverage	No more than 75 percent

Mr. Steve Gilbert with the Town of Sunnyvale indicated that the existing improvements, to the best of his knowledge, represent a legal, conforming use. A copy of the applicable zoning map is located on the following page. Note that Mr. Gilbert indicated that American Marazzi Tile received a variance so that a sprinkler system would not be required as most of the components in the buildings are not flammable.

LEGEND

- AR5 AGRICULTURAL RESIDENTIAL
- SF-1 SINGLE FAMILY 1
- SF-2 SINGLE FAMILY 2
- SF-3 SINGLE FAMILY 3
- SF-4 SINGLE FAMILY 4
- AH ATTACHED HOUSING
- HC HIGHWAY COMMERCIAL
- LC LOCAL RETAIL
- I INDUSTRIAL
- IC LAKESIDE COMMERCIAL
- GB GENERAL BUSINESS
- FP FLOOD PLAIN
- PRB PLANNED RESIDENTIAL OVERLAY DISTRICT
- TOV TOWN CENTER OVERLAY DISTRICT



THIS MAP WAS PREPARED FOR AND ISSUED TO THE TOWN OF SUNNYVALE BY THE SUNNYVALE PLANNING DEPARTMENT. IT IS THE PROPERTY OF THE TOWN OF SUNNYVALE. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE TOWN OF SUNNYVALE. SEE THE ORDINANCE IN QUESTION.

FEBRUARY 2008

**Town of Sunnyvale
OFFICIAL ZONING MAP**

EFFECTIVE DATE: OCTOBER 21, 2008

Tax and Assessment Data

The appraised property is subject to tax assessment by the Dallas Central Appraisal District under commercial account 65004027510010000. The following table summarizes the appraised value and reported assessed value for the subject property for the 2009 tax year.

Real Estate Assessment Summary				
Property Account	Land	Improvements	Total	Assessed Value
65004027510010000	\$3,290,370	\$23,328,010	\$26,618,380	\$26,618,380.00

The reported ratio of assessed value to appraised value is 100%. Based upon the analysis within this report, it is recommended that the appraised value on this property be contested.

Description of the Existing Improvements

The following description of the improvements is based upon a personal inspection of the property, a review of architectural drawings as well as information provided by several individuals with **American Marazzi Tile, Inc.**

Design, Layout and Usage

The appraised property comprises a 114.810-acre land parcel that is improved with an integrated single-tenant manufacturing plant that comprises a total combined gross building area of 1,070,826 square feet. The building area is allocated as follows: Plant 1 (447,258 square feet); warehouse (260,687 square feet); Plant 2 (320,393 square feet); and clay storage (42,488 square feet). The plants, warehouse and clay storage buildings are fully integrated. The improvements were originally constructed in 1981 as a manufacturing plant for **American Marazzi Tile, Inc.** The plant is used for the manufacture of clay tiles. According to the Onco Economic Development Department, the plant employs 450 people. Overall, the subject improvements are considered to be in good condition.

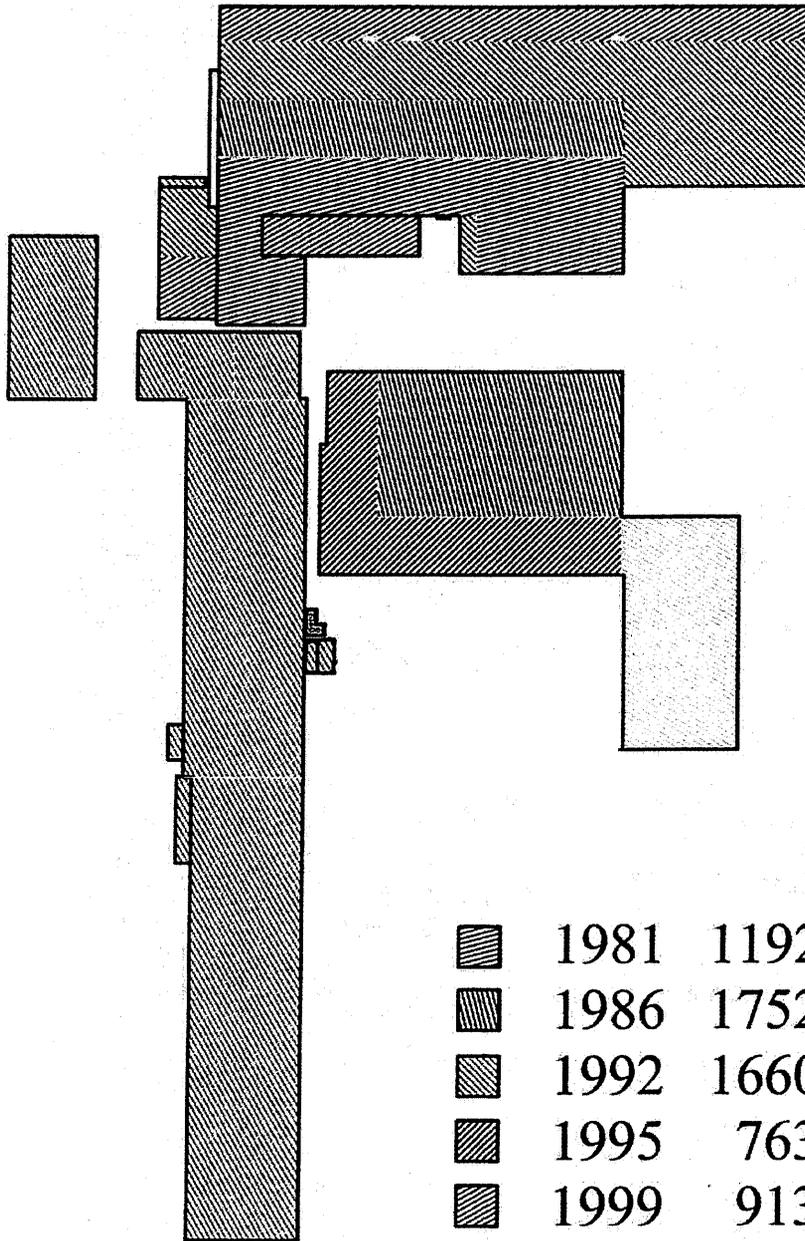
The campus features three driveways extending from Clay Road. Parking for employees and visitors is concentrated in two lots (southeast corner of site and central portion of site). The property features a small two-story office/showroom area within Plant 1. It reportedly comprises a gross building area of 28,000 square feet. The finish-out typically includes floor tiles, and suspended 2' X 4' acoustical tiles suspended in a metal grid. The lights are recessed fluorescent fixtures. The perimeter offices have 5/8-inch drywall partitioning over metal studs.

Plant 1 was originally constructed in 1981 as a 119,247-square-foot building. It was then expanded in 1986, 1992, and 1999. To the west of Plant 1, a warehouse was constructed in 1986. It was later expanded in 1995 and 2001. In 2008, Plant 2 and the clay storage buildings were constructed to the north of the warehouse and to the west of Plant 1. The majority of the buildings feature exterior walls comprised of tilt-up concrete panels (lower section), metal panels (middle section) and translucent panels (upper section). The framing is steel and the roofs are medium-pitch standing seam steel panels.

These buildings are not climate-controlled and do not feature sprinkler systems. The subject property was constructed in various stages between 1981 and 2008. The chronology of the construction is summarized in the following chart.

American Marazzi Tile, Inc. Construction History					
Designation	Area (SF)	YOC	Percent Whole	Effective Age	Weighted Age
Original Plant	119,247	1981	11.136%	28	3.1181
Exp. Mfg./Orig. Whse	175,267	1986	16.367%	23	3.7645
Exp. Mfg.	166,036	1992	15.505%	17	2.6359
Exp. Whse.	76,320	1995	7.127%	14	0.9978
Exp. Mfg.	91,375	1999	8.533%	10	0.8533
Exp. Whse.	80,000	2001	7.471%	8	0.5977
New Mfg.	362,581	2008	33.860%	1	0.3386
Total	1,070,826		100.000%		12.3059

Building plans are located on the following pages.



	1981	119247 SQ FT
	1986	175267 SQ FT
	1992	166036 SQ FT
	1995	76320 SQ FT
	1999	91375 SQ FT
	2001	80000 SQFT
	2008	362581 SQ FT

Basic Construction

The subject improvements have been constructed in phases, with original construction taking place in 1981. It has been expanded in numerous phases, with the last one taking place in 2008. The following details are based on a visual inspection and tour of the subject property as well as information gleaned from a set of architectural drawings. The following is a summary of basic construction components:

Basic Construction

Foundation

Drilled concrete piers and pier caps with perimeter concrete grade beams. The manufacturing plants slabs reportedly vary in thickness, however, the slabs typically are 6-inch thick with #3 rebar 16 inches on center.

Exterior Walls

The majority of the manufacturing plants feature exterior walls comprised of tilt-up concrete panels (lower section), metal panels (middle section) and translucent wall panels (upper section). The exterior heights range from 24 feet to 46 feet. There are also a few high-bay areas that extend up to 85 feet.

Roofing

The roofing systems have been constructed in phases since 1981. The roofs are typically standing seam metal with a low slope. The roofs are supported by steel frames and girders. Column spacing varies per section, but they include: 25' X 50', 25' X 60', 30' X 62'-6".

Finish Out

The interior office/showroom finish-out is standard. The perimeters have limited 5/8" drywall partitioning over 3-5/8" metal studs. The floors in the office/showroom are typically covered with ceramic tiles. The ceilings feature 2' X 4' suspended acoustical tile in a metal grid system. The lighting is predominately recessed fluorescent fixtures. The manufacturing plants have concrete floors. The bays are open to the roof decking. Lighting in the manufacturing areas are a combination of halide fixtures and suspended fluorescent tube lights. Natural lighting is also prevalent with the partial translucent exterior wall panels.

HVAC	The only climate-control is included in the office/showroom areas. The manufacturing areas feature gas-fired space heaters.
Other Amenities	None of the property has a sprinkler system.
Electrical	Electrical service is provided by one utility feed at Clay Road. From there, it is sent to three meters, two at primary voltage (12,470 volts, 3 phase) for each manufacturing facility and one at secondary voltage (480 volts, 3 phase) for the offices. After the meters, the primary voltage is reduced to 480 volts through a series of nine transformers ranging from 2,000 KVA to 4,000 KVA. The power from the 480 volt secondary source is further reduced to 120/240v.
Land Improvements	Land improvements include concrete-paved driveways and parking lots (reportedly 660,000 square feet). The parking lots feature two-lamp fixtures on aluminum poles. There are reportedly 319 parking spaces. The subject also has 6,200 lineal feet of perimeter chain-link fencing.

Hazardous Waste

The value conclusion contained in this Self-Contained Appraisal Report is based on the assumption that no hazardous materials exist within the subject parcel or in the surrounding area.

Condition of Improvements

The subject improvements were originally constructed in 1981. Numerous additions were made to the property through 2008. The weighted effective age of the subject improvements is approximately 12 years. Maintenance of the campus has been continuous. Based on an on-site inspection and continuous maintenance, the subject property's physical condition is considered to be similar to its chronological age. Thus, the overall effective age of the improvements is estimated to be 12 years. Overall, the subject's construction quality and workmanship are considered good.

Functional Utility

The overall concept of the subject property (a single-tenant integrated manufacturing facility containing a total gross building area of approximately 1,070,826 square feet) is generally considered to be harmonious and compatible with other developments in the region. Thus, the current market conditions are such that the maximum functional utility of the subject property is its continued use as an integrated single-tenant manufacturing facility. Therefore, it is concluded that the improvements are considered functionally adequate for their intended use. However, as with many manufacturing plants of this vintage, the subject suffers from incurable physical deterioration. The subject property also suffers from functional obsolescence and/or external obsolescence. These items are generally associated with the current economic conditions as well as the subject's size, age and design.

While the appraisers are not qualified to make an ADA inspection or assessment, the appraisers did not note any apparent ADA problems. The value conclusion stated in this Self-Contained Appraisal Report is based on the assumption that no ADA infractions exist at the subject property.

Economic Life Analysis

Economic life is defined as "the period of time over which improvements to real estate contribute to property value". The economic and physical life of a property can differ; however, the physical life is usually longer. The shorter economic life is generally attributed to functional obsolescence.

The Marshall Valuation Service is a nationally-recognized cost estimating service which publishes surveys indicating the normal useful life of various types of improvements. These surveys are based upon detailed studies of actual mortality, condition, and typical ages at which major renovation or change in occupancy occur. These life expectancy studies do not include cases of mortality from the economic obsolescence or poor business management. The typical life expectancy for the subject improvements is approximately 45 years. The 45-year economic life estimate is further supported by the analysis of historical age tendencies of improvements of other similar buildings in the southwestern United States.

Occupancy

The subject property is currently occupied and used by **American Marazzi Tile**.

Conclusion

The appraised property comprises a 114.810-acre land parcel that is improved with an integrated single-tenant integrated manufacturing facility that comprises a total gross building area of approximately 1,070,826 square feet. This campus, originally constructed between 1981 and 2008, serves as a manufacturing facility for **American Marazzi Tile**. Overall, the subject improvements suffer from incurable physical deterioration (as described in detail in *Cost Approach* section of this Self-Contained Appraisal Report) as well as incurable functional obsolescence and/or external obsolescence. The subject improvements are generally designed with adequate considerations for utility and functional factors related to tenancy. The improvements are estimated to have an economic life of 45 years, and feature an overall effective age of 12 years as of the appraisal date.

SECTION IV
HIGHEST AND BEST USE
ESTIMATE

Highest and Best Use

The term "Highest and Best Use" is an economic concept that provides the basis for Market Value analysis. It is essential that the Highest and Best Use conclusions relate to the motivations in the marketplace for the subject property. Highest and Best Use is defined in *The Dictionary of Real Estate Appraisal, Fourth Edition*, Page 135 as:

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

The following tests must be applied in determining the Highest and Best Use of a property:

The use must be legal.

The use must be probable; that is, it must be likely and not based on surmise.

The demand for such use must exist.

The use must provide the highest return to the land and to the property as a whole.

In estimating the Highest and Best Use of both land as if vacant and the property as improved, the following criteria must be met:

Legally Permissibility - Determination of such uses that are legally permitted for the subject site.

Physically Possibility - Analysis of the physically possible uses for the subject site.

Financially Feasibility - Determination of a physically possible and legally permissible use that would provide a positive return to the subject site.

Maximally Productivity - Determination of which financially feasible use would provide the highest return to the subject site.

The Highest and Best Use of the land as if vacant is not always the Highest and Best Use of the property as improved. The existing use will continue, however, until the land value in its Highest and Best Use as vacant exceeds the value of the existing use and the cost of its removal. Therefore, the Highest and Best Use analysis considers the property under two primary scenarios: 1) the Highest and Best Use of the land as if vacant, and 2) Highest and Best Use of the property as improved. These two scenarios are correlated into one final estimate of Highest and Best Use. This final estimate will govern the valuation of the subject property.

Highest and Best Use of the Land as if Vacant

The first stage of the Highest and Best Use analysis assumes the land is vacant. The four criteria in determining the Highest and Best Use of vacant land are discussed separately.

Legally Permissible Use

The subject property is subject to the I, Industrial District zoning classification by the Town of Sunnyvale. This district is "intended to provide for general manufacturing uses in locations which are suitable based upon adjacent land uses, access to transportation and the availability of public services and facilities." Accordingly, a variety of industrial uses are considered legally permissible.

Physically Possible Use

Size, shape, area, topography, soil composition, and availability of utilities affect uses to which land can be developed. The real estate is located at the northwest quadrant of Clay Road and Scyene Road, Town of Sunnyvale, Dallas County, Texas. The street address is 359 Clay Road.

The subject site, as a whole, is irregular in shape and contains a gross land area of approximately 114.810 acres, or 5,001,118 square feet. The tract reportedly has complete public utilities available. Based on this analysis, the subject parcel is considered functionally adequate for a number of potential uses.

Financially Feasible and Maximally Productive Use

The third factor that must be determined is what are the feasible uses of the subject site. The subject property is generally located at the northwest quadrant of Clay Road and Scyene Road within the Town of Sunnyvale, Dallas County, Texas. This area includes several local businesses, with many of the businesses related to manufacturing. The immediate subject neighborhood was approximately 30% built-out as of the effective date of the appraisal and was predominately industrial and commercial in character. The vacant land within the area is generally scattered among existing developments. The neighborhood was (and is) currently in its growth stage. The Texas Regional Medical Center at Sunnyvale, which is being constructed at the northwest corner of Clay Road and Collins Road, should continue to attract businesses to the subject neighborhood. Upon completion, this facility will comprise 117,000 square feet and will have 70 licensed beds on a 29-acre site. Overall, the neighborhood market remains desirable.

In the final analysis, a determination must be made as to which feasible use is the Highest and Best Use. The physical characteristics of the subject property generally do not restrict development. Additionally, based on the principle of conformity and the current improvements in the subject neighborhood on sites similar in size and location to the subject property, it can reasonably be concluded that the most likely development of the subject property would be large-scale development. Based upon the current economic climate coupled with the subject site's physical characteristics and legal constraints, the maximally productive use of the subject site is considered to be for large-scale construction upon economic justification.

Highest and Best Use of the Property as Improved

The Highest and Best Use of a property as improved determines the capital expenditure, if any, that is required to convert, rehabilitate, or remodel the present property to its maximally productive use.

The appraised property comprises a 114.810-acre land parcel that is improved with an integrated single-tenant manufacturing plant that comprises a total combined gross building area of 1,070,826 square feet. The building area is allocated as follows: Plant 1 (447,258 square feet); warehouse (260,687 square feet); Plant 2 (320,393 square feet); and clay storage (42,488 square

feet). The plants, warehouse and clay storage buildings are fully integrated. The improvements were originally constructed in 1981 as a manufacturing plant for **American Marazzi Tile, Inc.** The plant is used for the manufacture of clay tiles.

Overall, the subject improvements suffer from incurable physical deterioration (as described in detail in the Cost Approach section of this Self-Contained Appraisal Report) as well as functional obsolescence and/or external obsolescence. The subject improvements were generally designed with adequate considerations for utility and functional factors related to tenancy. The improvements are estimated to have an economic life of 45 years, and feature an effective age of 12 years as of the appraisal date. As such, the Highest and Best Use as improved would be for the continued operation of the subject site and improvements as an integrated manufacturing facility. The improvements are in good condition and are generally functional for their current use, as an integrated, single-tenant manufacturing facility. In determining the Highest and Best Use of the Property as Improved, the appraisers also considered the possibility of conversion to multi-tenant use. However, several factors are prohibitive of a conversion. The subject improvements were originally designed for and have always been utilized for single-tenant occupancy. Secondly, the infrastructure and circulation of the campus dictates that a conversion to multi-tenancy would require a significant expenditure. Additionally, there are limited points of entry to the buildings. Also, several building areas are designed specifically for single-tenant use, including the office/showroom and manufacturing area integration, and specific designs of the buildings. None of these physical features are conducive to multi-tenant conversion and the conversion of the subject complex to multi-tenancy is considered to be cost prohibitive. Therefore, it is the appraisers' opinion that the Highest and Best Use of the Property as Improved, is to continue its present use as an integrated single-tenant manufacturing facility.

Correlation of Highest and Best Use

The preceding analysis concluded that the Highest and Best Use of the land as if vacant and available is to be for the construction of large-scale development upon economic justification. Additionally, the Highest and Best Use of the property as currently improved is for operation as an integrated single-tenant integrated manufacturing facility. This concluded Highest and Best Use estimate will govern the Valuation section of this Self-Contained Appraisal Report.

SECTION V
VALUATION
AND ANALYSIS

VALUATION

Overview

In earlier sections of this report, the valuation problem and property characteristics were defined. Information regarding the interaction of four basic forces that motivate human activity (environmental conditions, governmental controls and regulations, social forces, and economic conditions) and how they affect the overall industrial market as well as the subject property were analyzed. Additionally, the Highest and Best Use of the subject property was established. This analysis contemplated applying the three traditional approaches to determine the Market Value of the Fee Simple Estate in the property. The three traditional approaches to value are: 1) the Cost Approach; 2) the Sales Comparison Approach; and 3) the Income Capitalization Approach. However, properties physically similar to the subject property are rarely leased. Moreover, typical sellers and purchasers in the marketplace rarely consider the potential income characteristics of a property physically similar to the subject property. Thus, only the Cost Approach and Sales Comparison Approach were considered. The indications of these two traditional approaches to value were then reconciled into a single estimate of Market Value of the Fee Simple Estate in the property identified within this Self-Contained Appraisal Report.

The Cost Approach to Value is based on the principle of substitution. Under this approach, an estimate is made of the current cost of replacement new of the improvements. Accrued depreciation consisting of physical deterioration, functional obsolescence, and/or external obsolescence is then deducted from this amount to arrive at a depreciated cost of the improvements. The underlying land value is then added to the depreciated cost estimate, resulting in a value indication.

The Sales Comparison Approach to Value is based on the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Under this approach, similar properties recently sold or currently for sale in the local market are typically analyzed and compared to the subject property. Differences between the comparable sales and the subject property are adjusted to the subject, based on market evidence, and The adjusted sales prices correlated into an indication of value.

After arriving at an indication of value for the applicable approaches to value, the results are then correlated into a single indication of value based on quantity, quality and reliability of the data analyzed.

Cost Approach to Value

The Cost Approach is based on the principle of substitution, defined in *The Dictionary of Real Estate Appraisal, Fourth Edition*, Page 67 as "a set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."

In the Cost Approach, an estimate is conducted of the difference in worth to a potential buyer between the property appraised and a newly constructed building with optimal utility. The first step in the Cost Approach to value is to estimate the underlying land value. The next stage involves the estimation of the replacement cost new of the appraised improvements. Accrued depreciation due to physical deterioration, functional obsolescence and external obsolescence is then deducted from the replacement cost new. The resulting depreciated value of the improvements is then added to the estimated land value to arrive at a final value conclusion.

Estimate of Land Value

The first step in the Cost Approach to value is to estimate the underlying land value. The land is valued separately, assuming it is vacant and available for development to its Highest and Best Use. Forming an opinion of value for the subject tract involved the investigation, inspection, and gathering of data regarding similar vacant tracts within the local area. A comparative analysis was conducted of these transactions, and the sale prices were adjusted for the following six characteristics:

- 1) Property Rights Conveyed
- 2) Financing
- 3) Conditions of Sale
- 4) Market Conditions (Time)
- 5) Location
- 6) Physical Characteristics

The individual adjustments to the land sales were made based upon generally accepted appraisal techniques, including qualitative and quantitative analysis.

Scope of Investigation

The market investigation revealed two sales and two listings of comparable land parcels located within the Sunnyvale area. The sales were confirmed through Dallas County public records, as well as sources deemed knowledgeable regarding the details of the transaction.

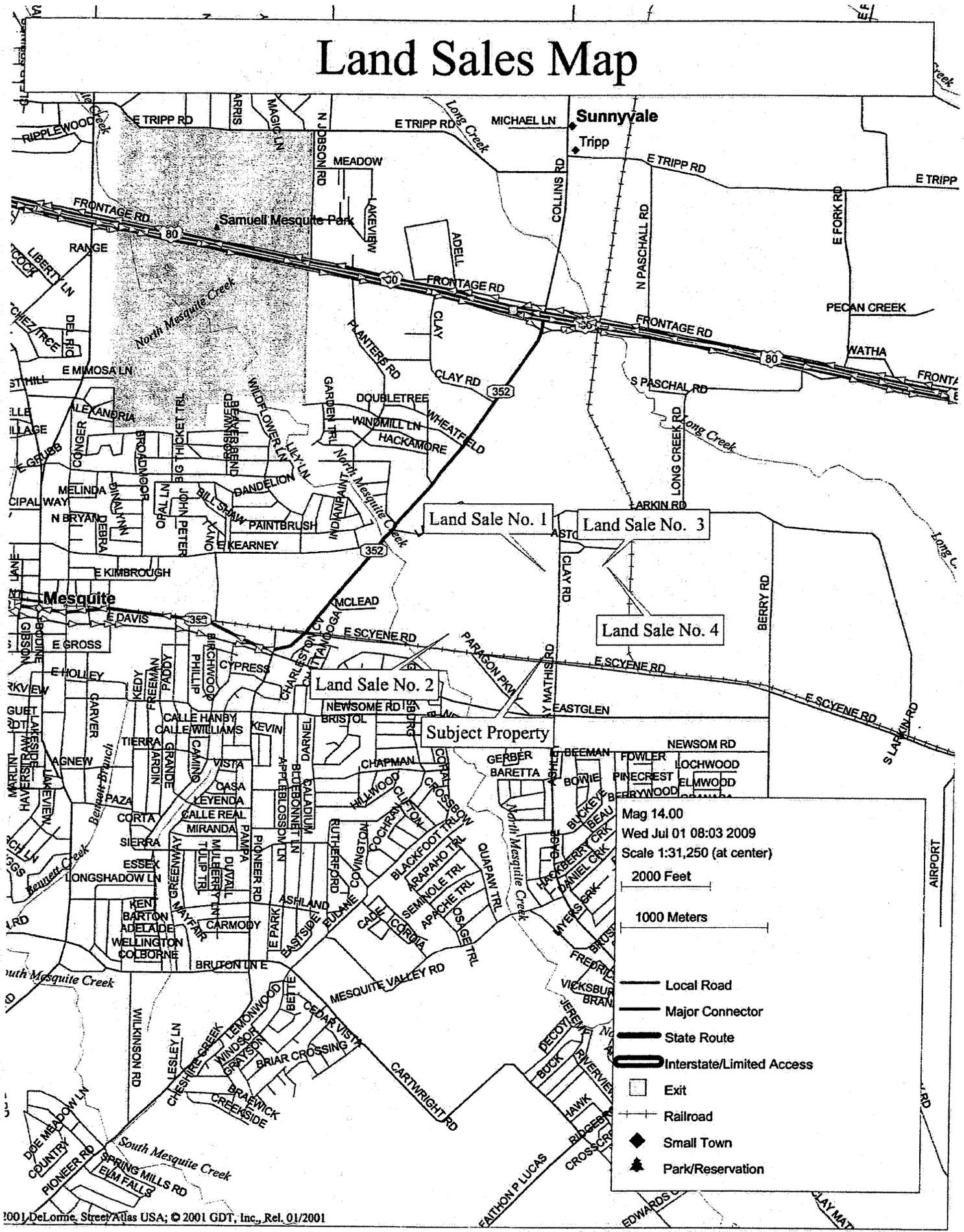
Unit of Comparison

Individual tracts of land within the area are typically bought and sold on the basis of price per square foot of land area. Thus, for this appraisal, the price per square foot of land area will be analyzed.

Land Sales

The following transactions and listings are considered to be the best available market indicators for valuation of the subject site. As previously stated, all four indicators consist of comparable land parcels that are located within Sunnyvale. A map showing the location of these transactions in relation to the subject property is included on the following page. A thorough discussion of each sale follows the sales map.

Land Sales Map



© 2001 DeLorme, Street Atlas USA; © 2001 GDT, Inc., Rel. 01/2001

Land Sale No. 1

Location	West side of Clay Road, 1,644.83 feet north of Scyene Road Sunnyvale, Dallas County, Texas
Grantor	HOWARD RICKY CUMBY and REX EVERETT CUMBY
Grantee	AMERICAN MARAZZI TILE, INC., a Texas corporation
Date of Sale	February 20, 2007
Instrument	SPECIAL WARRANTY DEED
Recording	Document 20070063418 of Dallas County Clerk, Texas
Sale Price	\$1,411,145
Per Square Foot	\$1.38
Per Acre	\$60,113
Financing	Cash to Seller
Land Size (Square Feet)	1,022,569
Land Size (Acres)	23.475
Zoning	I
Shape	Irregular
Frontages	696.59 feet along the west side of Clay Road
Topography	Level and at street grade
Utilities	Public water, sewer, gas, electricity
Easements	None detrimental
Comments	Land Sale No. 1 was acquired for the expansion of the American Marazzi Tile plant.

Land Sale No. 2

Location	160 Long Creek Road Mesquite, Dallas County, Texas
Broker	Henry S. Miller Brokerage, LLC
Grantee	Not Applicable
Date of Sale	Current Listing
Instrument	Listing Agreement
Recording	Not Yet Recorded in Dallas County Clerk
Sale Price	\$3,995,900
Per Square Foot	\$2.58
Per Acre	\$112,561
Financing	Cash to Seller
Land Size (Square Feet)	1,546,380
Land Size (Acres)	35.500
Zoning	Agricultural
Shape	Irregular
Frontages	Adequate along the south side of Long Creek Road
Topography	Level and at street grade
Utilities	Public water, sewer, gas, electricity
Easements	None Detrimental
Comments	Land Sale No. 2 is the current listing of a land parcel located directly west of the subject property. The property is located along the south side of Long Creek Road and also fronts the north side of the Union Pacific Railroad.

Land Sale No. 3

Location	330 Clay Road Sunnyvale, Dallas County, Texas
Broker	The Jackson Company
Grantee	Not Applicable
Date of Sale	Current Listing
Instrument	Listing Agreement
Recording	Not Yet Recorded in Dallas County Clerk
Sale Price	\$878,387
Per Square Foot	\$1.85
Per Acre	\$80,660
Financing	Cash to Seller
Land Size (Square Feet)	474,368
Land Size (Acres)	10.890
Zoning	I
Shape	Irregular
Frontages	Adjacent to private drive from Clay Road
Topography	Level and at street grade
Utilities	Public water, sewer, gas, electricity
Easements	None Detrimental
Comments	Land Sale No. 3 is the current listing of a land parcel located directly east of Clay Road. This property is located directly east of the subject property. It is part of the Sunnyvale Center Industrial Park.

Land Sale No. 4

Location	Sunnyvale Center Industrial Park Sunnyvale, Dallas County, Texas
Grantor	Sunnyvale Center, Ltd.
Grantee	FVJV, Ltd.
Date of Sale	June 30, 2005
Instrument	WARRANTY DEED
Recording	Document 20052707757 of Dallas County Clerk, Texas
Sale Price	\$705,332
Per Square Foot	\$1.00
Per Acre	\$43,560
Financing	Cash to Seller
Land Size (Square Feet)	705,332
Land Size (Acres)	16.192
Zoning	I
Shape	Irregular
Frontages	Interior lot within the Sunnyvale Center Industrial Park
Topography	Level and at grade with the private drives
Utilities	Public water, sewer, gas, electricity
Easements	None Detrimental
Comments	Land Sale No. 4 represents the 2005 sale of a 16.192-acre site. A portion of the lot was later developed and another portion is for sale (discussed as Land Sale No. 3).

American Marazzi Tile
 359 Clay Road
 Sunnyvale, Texas

LAND COMPARABLES SUMMARY

#	LOCATION	DATE OF SALE	LAND AREA (NET ACRES)	LAND AREA (SF)	ADJUSTED SALE PRICE	PRICE PER SF
1	West side of Clay Road, 1,644.83 feet north of Scylene Road Sunnyvale, Dallas County, Texas	20-Feb-07	23.475	1,022,569	\$1,411,145	\$1.38
2	160 Long Creek Road Mesquite, Dallas County, Texas	Current Listing	35.500	1,546,380	\$3,995,900	\$2.58
3	330 Clay Road Sunnyvale, Dallas County, Texas	Current Listing	10.890	474,368	\$878,387	\$1.85
4	Sunnyvale Center Industrial Park Sunnyvale, Dallas County, Texas	30-Jun-05	16.192	705,332	\$705,332	\$1.00
	Subject: 359 Clay Road Sunnyvale, Texas	Current	114.810	5,001,118	?	?

The aforementioned comparables represent the best available sales and listings of comparable land parcels within Sunnyvale. The appraised property is subject to the same external influences as all four comparables. As previously mentioned, each of the four market indicators is adjusted for: 1) property rights conveyed; 2) financing terms; 3) conditions of sale; 4) market conditions; 5) location; and 6) physical characteristics.

Property Rights Conveyed

Property rights consist of both the physical real estate and the rights involved in ownership of the land. In analyzing the land transactions, all involve the exchange of the Fee Simple Estate in the land. Therefore, no other adjustments for property rights conveyed were required in determining the Market Value of the subject land parcel.

Financing Terms

Financing arrangements may change the transaction prices of two identical properties. Therefore, favorable financing terms of the comparable sales must be investigated to determine which sales, if any, require adjustments to reflect normal market financing terms. Analysis of the comparables indicate that all sales were made on either a cash basis, or with the grantee obtaining financing at prevailing market rates, and no adjustments were necessary.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale significantly affect transaction prices. Investigation of the comparable sales revealed that all involved arm's-length transactions reflecting typical buyer and seller motivations, and no adjustments were necessary for this element of comparison. It is noted that Land Sale Nos. 2 and 3 are actually listings. Thus, the prices are subject to negotiation. Accordingly, the prices of Land Sale Nos. 2 and 3 have been adjusted downward 20% for representing current askings.

Market Conditions (Time)

An adjustment for market conditions may be required to the comparables if property values have appreciated or depreciated between the time of occurrence and the appraisal date. All of the sales comparables have occurred since June 2005. Interviews with participants in the local real estate market confirmed that the sale prices of land within this particular area of Sunnyvale have remained relatively constant as there is an ample supply of available land still remaining within the area. Based upon conversations with local professionals as well as current economic conditions, no adjustment for market conditions was applied.

Location

Adjustments for location may be required if the locational attributes of the comparable market indicators differ significantly from those of the subject property. The subject property is located in the northwest corner of Clay Road and Scyene Road. All of the land sales analyzed are located in close proximity. Land Sale No. 2 is closest in proximity to Collins Road, which has the greatest concentration of commercial development within the subject neighborhood. Thus, Land Sale No. 2 has been adjusted downward 20% for location. The remaining comparables are considered to be similar to the subject property in terms of location. No further adjustments for location were deemed necessary.

Physical Characteristics

Major physical characteristics of the comparable land parcels that require adjustments include parcel configuration, visibility/frontage/access, size, soil conditions, easements, topography, zoning/restrictions and availability of public utilities. Analysis of the comparables indicates that most all are relatively similar in terms of parcel configuration, soil conditions, zoning/restrictions, easements, topography and availability of public utilities. Therefore, the primary physical characteristic variances between the comparable sales and subject site are land size and visibility/frontage/access.

In general appraisal theory, tracts with smaller land size sell for a higher unit price due to developmental economies of scale. The improved subject site comprises a gross land area of approximately 114.810 acres. The four comparables range in land size from 10.890 acres to 35.500 acres. A general axiom within the appraisal of commercial real estate is that smaller land parcels command comparatively higher per unit sale prices (all other factors being equal). Based upon existing market trends, Land Sale Nos. 1, 2, 3 and 4 have been adjusted downward for size. The adjustments were based upon a 10% adjustment per doubling. Thus, Land Sale No. 1 was adjusted downward 20%, Land Sale No. 2 was adjusted downward 15%, Land Sale No. 3 was adjusted downward 30% and Land Sale No. 4 was adjusted downward 25%.

It is also noted that Land Sale No. 4 is an interior land parcel located within the Sunnyvale Center Industrial Park. This site is accessible via a private drive that extends throughout the industrial park. This private drive is comparatively inferior to the subject site's frontage along Clay Road. Accordingly, Land Sale No. 4 has been adjusted upward 20% for visibility/frontage/access. This adjustment was derived applying paired sale analysis.

An adjustment grid is presented on the following page.

American Marazzi Tile
Sunnyvale, Texas
Comparable Land Sales Adjustment Grid

Address/ City	Comparable L-1		Comparable L-2		Comparable L-3		Comparable L-4	
	359 Clay Road Sunnyvale, Texas	W/S Clay Road Sunnyvale, Dallas County, Texas 20-Feb-07	160 Long Creek Road Mesquite, Dallas County, Texas Current Listing	330 Clay Road Sunnyvale, Dallas County, Texas Current Listing	Sunnyvale Center Industrial Park Sunnyvale, Dallas County, Texas 30-Jun-05			
Sale Price (\$)	\$1,411,145	\$1,993,900	\$878,387	\$1,000,000				
Land Area (SF)	3,001,116	1,022,569	1,546,380	473,368				
Price \$/SF	\$470	\$1,946	\$568	\$2,112				
Utilities	All Available	All Available	All Available	All Available				
Topography	Level	Similar	Similar	Similar				
Zoning	I, Industrial	I	Agricultural	I				
Improvements	As Vacant	Vacant	Vacant	Vacant				
Value Adjustments								
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple				
Financing	Cash	Cash	Cash	Cash				
Conditions of Sale	Typical	None	None	None				
Date of Sale (Time)	Current	20-Feb-07	Current Listing	Current Listing				
Adjusted Value (\$SF)	\$1.38	\$1.38	\$2.07	\$1.48				
Physical Characteristics								
Location	Good	Similar	Similar	Similar				
Zoning/Restrictions	I, Industrial	Similar	Similar	Similar				
Size (SF)	3,001,116	Similar	Similar	Similar				
Shape	Irregular	Smaller	Smaller	Smaller				
Viability/Frontage/Access	Good	Similar	Similar	Similar				
Topography	Level	Similar	Similar	Similar				
Improvements	As Vacant	Vacant	Vacant	Vacant				
Compsite Adjustment	-20%	-20%	-35%	-20%				
Indicated Value of Subject (\$SF)	\$1.10	\$1.10	\$1.34	\$1.04				
Minimum:	\$0.95							
Maximum:	\$1.34							
Mean:	\$1.11							
Median:	\$1.07							
Conclusion:	\$1.10							
	\$5,591,330							
	\$5,590,000							

Conclusion - Site Value

The adjusted unit sale prices of the comparable market indicators range from \$0.95 to \$1.34 per square foot a mean of \$1.11 per square foot. The median is \$1.07 per square foot of land area. Considering the subject's location and size, a value of approximately \$1.10 per square foot of gross land area has been estimated. The estimated value of the improved subject site is calculated as follows:

IMPROVED SUBJECT SITE MARKET VALUE:

5,001,118 Square Feet @ \$1.10 =	\$5,501,230
Rounded	\$5,500,000

Cost of Replacement New

Cost of Replacement New is defined on page 244 of the *The Dictionary of Real Estate Appraisal, Fourth Edition* as "the estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout."

The unit-in-place method, based on cost data provided by the Marshall Valuation Service was the method utilized to determine the replacement cost new for the subject improvements. This cost estimate was cross-checked with the cost of the recent construction (Plant 2 and clay storage building) on the subject property.

Marshall Valuation Service

As stated, the cost of replacement new was estimated utilizing the unit-in-place method. This technique, also referred to as the segregated cost method, estimates the unit costs for various building components as installed utilizing various units of measurement. As previously stated, the unit-in-place method is based on the Marshall Valuation Service. The Marshall Valuation Service is a nationally recognized cost estimating service which publishes current costs for various building components. The Marshall Valuation Service also considers typical contractors' overhead and profit. Overhead is divided into two categories: general overhead costs and job overhead costs. General overhead includes all costs that cannot be charged to any particular job, including office rent, office supplies and equipment, utilities, advertising and salaries for office personnel. Job overhead includes costs which can be charged directly to the jobs at hand but which cannot be charged directly to materials, labor or equipment. Such items include temporary buildings, barricades, permits, surveys and on-site utilities. Every contractor is entitled to a profit from construction projects. As stated by Marshall Valuation Service contractors' overhead and profit, expressed as a percentage of the sum of materials and labor, are based upon extensive surveys of numerous major markets.

Costs not included in the Marshall Valuation Service estimate include the indirect costs of construction loan interest, loan financing fees and miscellaneous fees. The concluded direct cost estimate of the subject improvements based on utilizing the unit-in-place method, including the building and site improvements, is \$49,961,909. This direct cost equates to \$46.66 per square foot of building area. It is noted that the 2008 construction of Plant 2 and the clay building totaled \$17,744,543, or \$48.94 per square foot. Thus, the recent expenditure strongly corroborates the concluded direct cost estimate of the subject improvements by application of the Marshall Valuation Service.

Indirect Construction Costs

Indirect costs are expenditures other than materials and labor. These costs include land taxes during construction, construction loan interest, loan financing fees and miscellaneous costs.

Construction Loan Interest

Construction period financing interest is usually quoted as a rate floating with the prime interest rate during the construction period. Local area banks typically quote between 5.0% and 7.0% for this type of construction loan. Therefore, construction interest is reasonably estimated at 6.0%. The loan period is estimated at twelve months, which is the estimated construction period. After construction, the loan would be taken down by permanent financing. The mid-point of the twelve-month loan period was used to estimate the total interest paid on the construction draws. Financing fees for this type of development are typically 1.0% of the loan commitment amount.

Miscellaneous Costs

Miscellaneous fees include all other indirect costs such as appraisal fees, recording fees, attorneys' fees, surveys and land taxes during construction. These expenses are estimated at 1.0% of direct costs. A 1.0% contingency fee has also been included in this estimate.

Summary

The total direct and indirect costs based on the Marshall Valuation Service cost data are estimated at \$52,959,623, as shown in the charts located on the following page.

American Marazzi Tile
 359 Clay Road
 Unit-In-Place Cost New Summary

DIRECT COSTS

Direct Costs

Improvement	Estimated Cost
Building	\$45,667,402
Land Improvements	\$4,294,507
TOTAL DIRECT COSTS	\$49,961,909

INDIRECT COSTS

Construction Loan Interest & Financing Costs

Construction Loan Interest	
Annual Interest Rate	6.00
Monthly Interest Rate	0.50
Loan Period (Midpoint For Construction)	6
Indicated Total Interest Rate	3.00
Construction Loan Amount	\$49,961,909
Construction Loan Interest	\$1,498,857
Construction Loan Fees	
Construction Loan Amount	49,961,909
Construction Financing Fee Rate	1.00
Construction Loan Fees	499,619
TOTAL INTEREST & FINANCING FEES	\$1,998,476

Miscellaneous Fees

Miscellaneous Fees	
Construction Loan Amount	\$49,961,909
Miscellaneous Fees Rate	1.00
TOTAL MISCELLANEOUS FEES	\$499,619

Contingency Fee

Contingency Fee	
Construction Loan Amount	\$49,961,909
Contingency Fee Rate	1.00
TOTAL CONTINGENCY FEES	\$499,619

SUMMARY OF INDICATED DIRECT & INDIRECT COSTS	
DIRECT COSTS	
Buildings	\$45,667,402
Land Improvements	\$4,294,507
TOTAL DIRECT COSTS	\$49,961,909
INDIRECT COSTS	
Construction Loan Interest	\$1,998,476
Miscellaneous Fees	\$499,619
Contingency Fee	\$499,619
TOTAL INDIRECT COSTS	\$2,997,714
TOTAL DIRECT & INDIRECT COSTS	\$52,959,623

Entrepreneurial Profit

Entrepreneurial profit is defined on page 96 of the *The Dictionary of Real Estate Appraisal, Fourth Edition* as "a market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development."

Experience indicates that real estate developers have historically demanded a profit yield of 0% to 10% of total project costs. A speculative real estate development would typically include a reasonable return to the developer; however, many of the projects similar to the subject property are self-developments that do not include any allowance for entrepreneurial profit. Occasionally, however, a developer's expertise is relied upon and a 5% allowance has been used in this analysis. Entrepreneurial profit is calculated on total project costs including the underlying building site, direct costs and indirect costs. Thus, entrepreneurial profit is estimated at 5% of total project costs.

Summary of Replacement Cost New

The estimated replacement cost new of the subject property is summarized below.

Land Value	\$5,500,000
Replacement Cost New	<u>\$52,959,623</u>
Subtotal	\$58,459,623
Add Entrepreneurial Profit	<u>\$2,922,981</u>
Total Replacement Cost New	\$61,382,604

Depreciation

Depreciation is defined on page 79 of the *The Dictionary of Real Estate Appraisal, Fourth Edition* as "a loss in property value from any cause." The three principal categories of depreciation that occur in real estate are physical deterioration, functional obsolescence and external obsolescence. Physical deterioration is the actual wear and tear due to use and exposure to the elements; functional obsolescence is caused by defects in design, size or style of the improvements; and external obsolescence is attributed to negative economic, political or social influences. To accurately estimate each form of depreciation that applies to the subject property, a variation of the Age-Life method of accrued depreciation was employed. According to page 392 of *The Appraisal of Real Estate, Twelfth Edition*, "The effective age and economic life expectancy of a structure are the primary concepts used by an appraiser in measuring depreciation using age-life relationships. In the age-life method, total depreciation is estimated by calculating the ratio of the effective age of the property to its economic life expectancy and applying this ratio to the property's total cost." Furthermore, page 393 of *The Appraisal of Real Estate, Twelfth Edition*, states "In the most common variation of the age-life method, the cost to cure the curable items of depreciation (both physical and functional) is known. Deducting curable items of depreciation from the cost of improvements before the age-life ratio is applied mirrors what typical purchasers consider when deciding on whether to invest in a property."

Curable Physical Deterioration

Curable physical deterioration refers to items of deferred maintenance, or those items that should be corrected immediately as of the date of the appraisal. As mentioned in the *Description of the Improvements* section of this Self-Contained Appraisal Report, the subject improvements are in good condition as of the appraisal date given their advanced age. As indicated on page 55 of this Self-Contained Appraisal Report, the subject improvements have a weighted chronological age of 12 years. Maintenance on the subject building has been continuous. Thus, no deductions for curable physical deterioration were deemed necessary.

Incurable Physical Deterioration

Incurable physical deterioration is a defect caused by wear and tear that is impractical or uneconomical to correct. This element of accrued depreciation is calculated for all structural components, net of deferred maintenance. The subject improvements were reportedly originally constructed in 1981 with additions that continued until 2008. Overall, the campus has a weighted age of approximately 12 years. Maintenance of the facility has been continuous. Based on an on-site inspection and continuous maintenance, the subject property's physical condition is considered to be similar to its chronological age. Thus, the overall effective age of the improvements is estimated to be 12 years. The age-life ratio applied to the incurable physical deterioration of the improvements is based upon a life of 45 years for the improvements. Overall, the subject's construction quality and workmanship are considered good.

Functional and External Obsolescence

Functional obsolescence is categorized into two major classifications - curable functional obsolescence and incurable functional obsolescence. Curable functional obsolescence is defined on page 71 of the *The Dictionary of Real Estate Appraisal, Fourth Edition* as "an element of depreciation; a curable defect caused by a flaw in the structure, materials or design." Incurable functional obsolescence is defined on page 144 of the *The Dictionary of Real Estate Appraisal, Fourth Edition* as "an element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design, which cannot be practically or economically corrected."

Curable functional obsolescence was previously considered within the unit-in-place cost estimate. As discussed earlier in this Self-Contained Appraisal Report, the subject improvements were originally constructed in 1981 for manufacturing purposes. The improvements, which comprise a gross building area of 1,070,826 square feet, are currently utilized as a manufacturing operation. Within the open market, purchasers rarely acquire older, large manufacturing facilities for a price near the cost of replacement (including land) less physical depreciation. Discounts in the marketplace can range anywhere from 20 to 50 percent. Thus, it is clear that the subject property also suffers incurable functional obsolescence. External market influences can also have an impact on a property's value; external obsolescence is the loss in value caused by such an external influence.

The subject property could also be suffering from external obsolescence. In order to ascertain an adjustment for external and functional obsolescence from the marketplace, three sales were analyzed utilizing an extraction technique. This extraction method is mathematically displayed below and on the following page. A recapitulation of the Cost Approach follows the external/functional obsolescence estimate.

<i>Recent Sale - Vonore, Tennessee</i>	
Indicated Sale Price	\$6,950,000
Less Land Value	\$1,265,000
Price Allocated Value to the Improvements	\$5,685,000
Cost of Replacement of Improvements	\$18,567,107
Less Physical Depreciation	\$5,776,433
Cost Replacement of Improvements Less Physical Depreciation	\$12,790,674
Difference Between Allocated Price to Improvements and CRLPD	\$7,105,674
Allocated Functional Obsolescence/External (% Cost of Replacement)	38.27%

<i>Improved Sale No. 2 - Waxahachie, Texas</i>	
Indicated Sale Price	\$10,500,000
Less Land Value	\$3,000,000
Price Allocated Value to the Improvements	\$7,500,000
Cost of Replacement of Improvements	\$36,828,546
Less Physical Depreciation	\$16,204,560
Cost Replacement of Improvements Less Physical Depreciation	\$20,623,986
Difference Between Allocated Price to Improvements and CRLPD	\$13,123,986
Allocated Functional Obsolescence/External (% Cost of Replacement)	35.64%

<i>Improved Sale No. 3 - Taylor, Texas</i>	
Indicated Sale Price	\$5,500,000
Less Land Value	\$1,500,000
Price Allocated Value to the Improvements	\$4,000,000
Cost of Replacement of Improvements	\$19,434,389
Less Physical Depreciation	\$6,478,130
Cost Replacement of Improvements Less Physical Depreciation	\$12,956,259
Difference Between Allocated Price to Improvements and CRLPD	\$8,956,259
Allocated Functional Obsolescence/External (% Cost of Replacement)	46.08%

It is clear that as properties age that physical depreciation becomes the prevailing factor in depreciation. Also, the larger a property, the potentially fewer purchasers there are available. Considering the age and size of the subject property, a deduction of 45% from the cost of replacement new has been applied for functional obsolescence and/or external obsolescence.

Advanced Valuation Systems, Inc.

*American Marazzi Tile
359 Clay Road*

COST APPROACH CONCLUSION

<i>Replacement Cost New:</i>		
Direct & Indirect Costs	\$52,959,623	
Entrepreneurial Profit	<u>2,922,981</u>	
TOTAL REPLACEMENT COST NEW		\$55,882,604
<i>Less Deferred Maintenance</i>		\$0
ADJUSTED TOTAL REPLACEMENT COST NEW		\$55,882,604
 <i>Less Accrued Depreciation:</i>		
Physical Curable		\$0
Physical Incurable	<u>14,902,028</u>	
Total Physical	14,902,028	
Functional Curable Obsolescence		\$0
Functional Incurable Obsolescence/External	<u>25,147,172</u>	
TOTAL ACCRUED DEPRECIATION		<u>\$40,049,200</u>
TOTAL VALUE - LAND IMPROVEMENTS & BUILDINGS		\$15,833,405
PLUS LAND VALUE		<u>\$5,500,000</u>
SUBTOTAL		<u>\$21,333,405</u>
ROUNDED		<u>\$21,300,000</u>
 FINAL VALUE INDICATED BY THE COST APPROACH		 <u>\$21,300,000</u>

Sales Comparison Approach

Overview

The Sales Comparison Approach is defined on page 255 of the *The Dictionary of Real Estate Appraisal, Fourth Edition* defined as "a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison."

The Sales Comparison Approach is based on the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a substitute comparable property. The reliability of this approach is dependent on the degree of comparability of each sale with the appraised property. The negotiated transaction price usually results from an extensive investigation in which available alternatives are compared, and the property acquired represents the best available to meet the buyer's specifications at a given price. Therefore, carefully analyzed market data provides a good indication of value for the subject property in light of today's buyers and sellers of large, single-tenant manufacturing projects. It is noted that due to the subject property's size, prospective purchasers would be sought not only in the local market, but also in the regional market. Hence, our search for comparable sale properties was conducted on a local and regional basis.

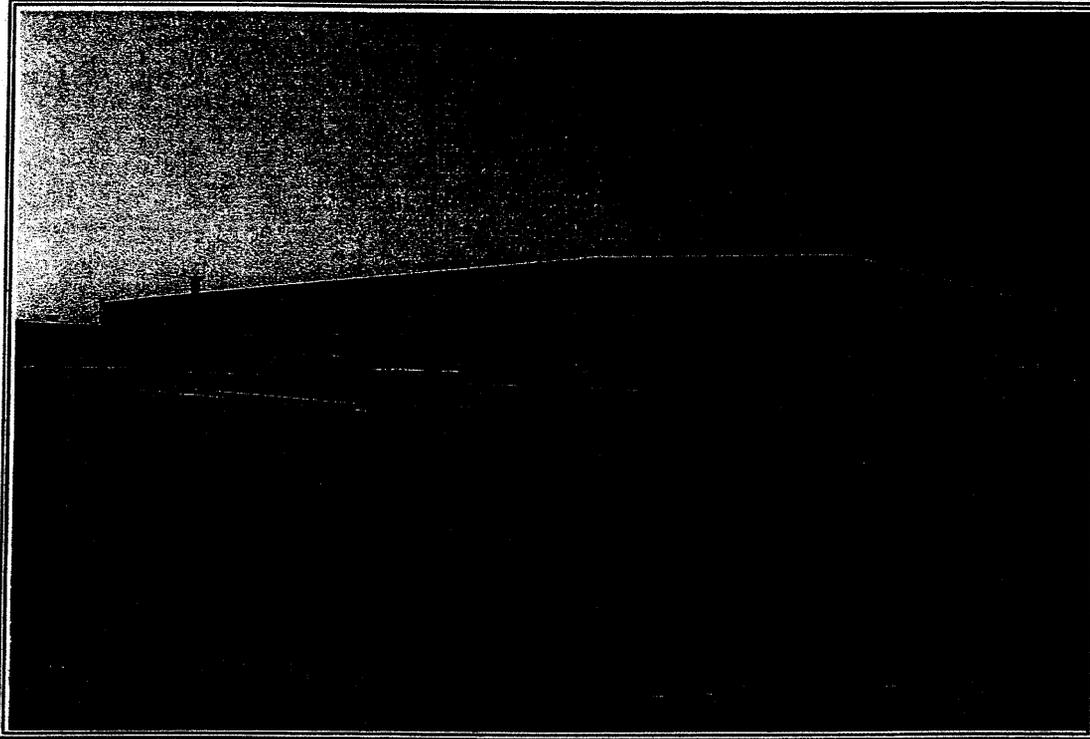
Units of Comparison

The unit of comparison analyzed to accurately estimate the Market Value of the Fee Simple Estate in the subject property in the Sales Comparison Approach is the sale price per square foot of gross building area.

Scope of Investigation

An investigation was conducted to obtain data regarding sales of comparable large, single-tenant manufacturing projects in the local market. Our analysis was expanded regionally. Several active industrial brokerage firms were contacted to obtain data. Representatives with Binswanger, Hart Corporation, and CB Richard Ellis were interviewed. After reviewing dozens of active sales and listings, five large, single-tenant manufacturing facilities were analyzed. All of these comparables were inspected by John S. Trabold III, MAI. These five transactions are detailed on the following pages.

Improved Sale No. 1



Property: 380 Clay Road

Location: 380 Clay Road
Town of Sunnyvale, Dallas County, Texas

Legal Description: Lot 7A, in Block B, of SUNNYVALE CENTER NO. 7, an Addition to the Town of Sunnyvale, Dallas County, Texas

Grantor: Sunnyvale Center, Ltd.

Grantee: FVJV, Ltd., a Texas Limited Partnership

IMPROVED SALE NO. 1 - Continued

Recording Data: Document 20080058591, Dallas County Register of Deeds

Date of Sale: February 22, 2008

Property Interest Conveyed: Fee Simple Estate

Sale Price: \$1,800,000; a third-party note is executed in the amount of \$1,620,000 to the grantor at market terms

Sale Price Per SF of GBA: \$22.44

Terms of Sale: Cash to seller

Property Description:

Land Area: 4.37 acres (190,495 square feet)

Gross Building Area: 80,200 square feet

Land/Building Ratio: 2.38:1

Number of Stories: One

Construction: Metal and tilt-up exterior walls. The roof is standing seam over a metal deck.

Quality: Good

Year Built: 1975 (Effective Age 30 Years)

Office Area: 3,466 square feet (4.32%)

% Climate Control: None

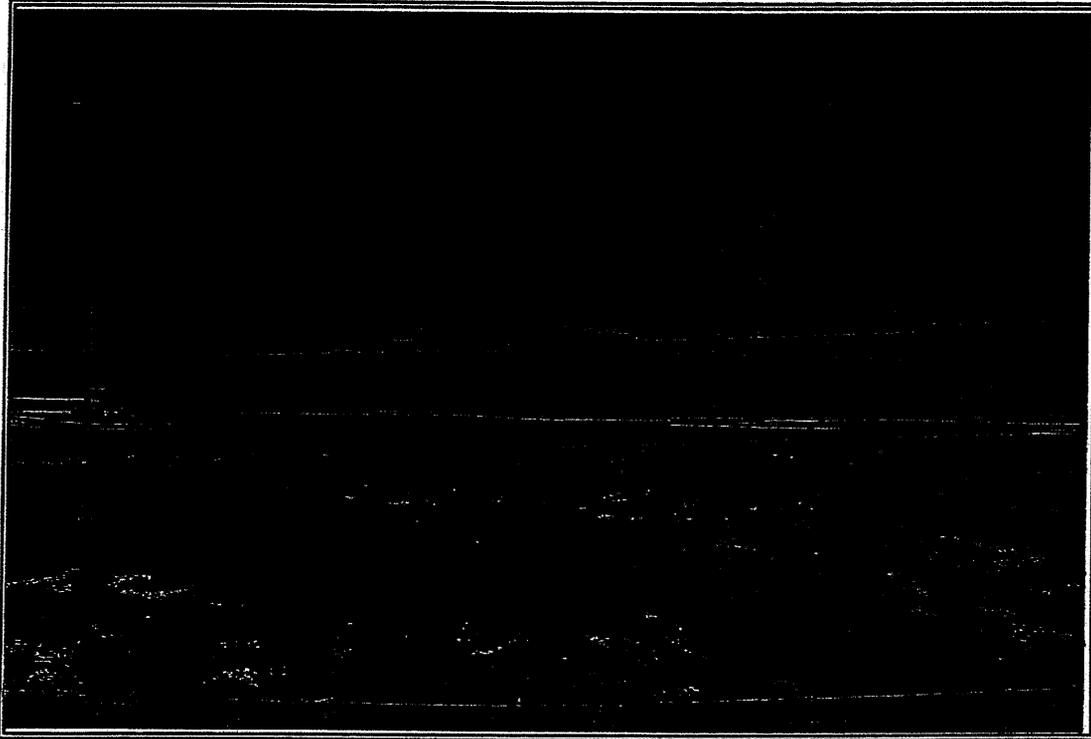
Condition: Good

Parking: Open concrete-paved surface parking lot.

IMPROVED SALE NO. 1 - Continued

Comments: Improved Sale No. 1 represents the sale of an 80,200-square-foot manufacturing facility located across Clay Road from the subject property. It is within the Sunnyvale Center Industrial Park. The exterior walls are metal clad. The building is fully sprinklered. It features dock high and grade level doors and has a 28-foot clear height. Typical column spacing is 25' X 50'.

Improved Sale No. 2



Property:	Former Dart Container Corporation
Location:	2275 North U.S. Highway 77 City of Waxahachie, Ellis County, Texas
Legal Description:	LOT 1RR OF REVCO SUBDIVISION (BEING A REPLAT OF ALL OF LOTS 1R AND 2R OF REVCO SUBDIVISION), AN ADDITION TO THE CITY OF WAXAHACHIE, ELLIS COUNTY, TEXAS
Grantor:	Elk Versashield Building Solutions, Inc., a Delaware corporation
Grantee:	Waxahachie Land Development LLC, a Michigan limited liability company

IMPROVED SALE NO. 2 - Continued

Recording Data:	Volume 2425, Page 186, Ellis County Clerk
Date of Sale:	December 19, 2008
Property Interest Conveyed:	Fee Simple Estate
Sale Price:	\$10,500,000
Sale Price Per SF of GBA:	\$17.83
Terms of Sale:	Cash to seller

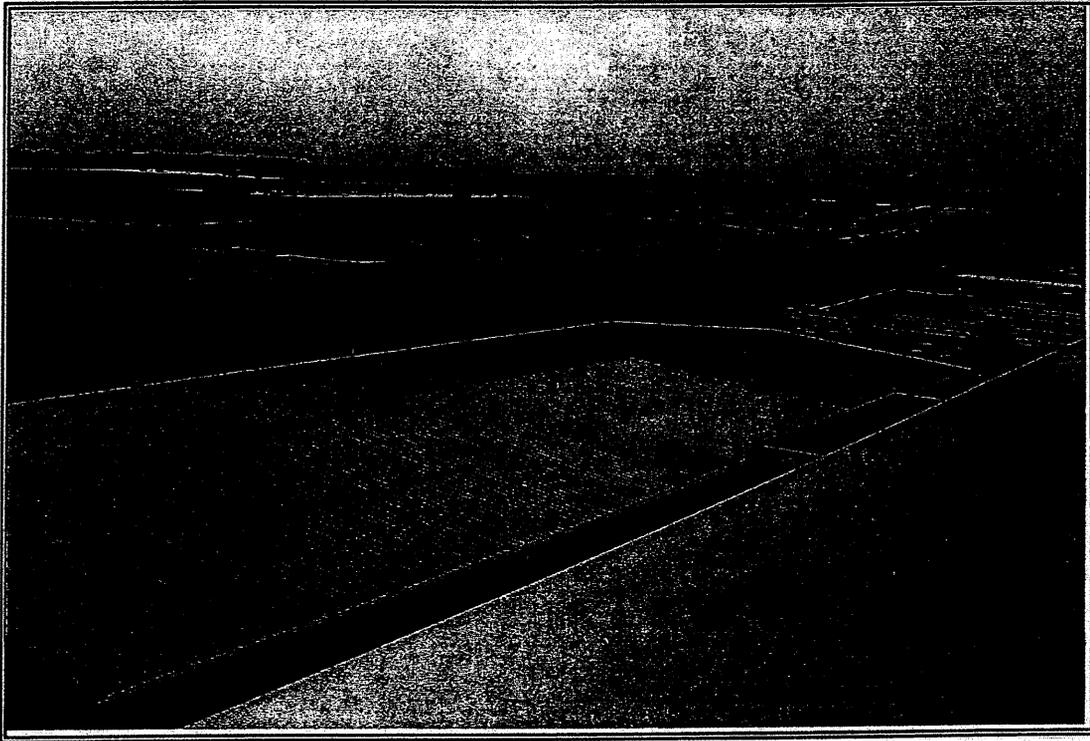
Property Description:

Land Area:	65.79 acres (2,865,812 square feet)
Gross Building Area:	589,000 square feet
Land/Building Ratio:	4.87:1
Number of Stories:	One
Construction:	Masonry and metal panel exterior walls. The roof is a standing seam metal roof.
Quality:	Good
Year Built:	1984 (Effective Age 20 Years)
Office Area:	117,335 square feet (19.9%)
% Climate Control:	100%
Condition:	Good
Parking:	Open asphalt-paved surface parking lot. There were reportedly 776 paved parking spaces.

IMPROVED SALE NO. 2 - Continued

Comments: Improved Sale No. 2 represents the sale of a 589,000-square-foot manufacturing facility located in Waxahachie, Texas. This property is 25 miles south of Dallas. This location is east of Interstate Highway 35, along the west side of North U.S. Highway 77. This property also has many features similar to the subject property. Exterior wall construction is masonry with metal panels. It has a six-inch reinforced concrete slab floor. Column spacing is 45' X 45'. Rail is available from Union Pacific. The original building was also constructed in 1984. The structure is 100% climate-controlled. It is also fully sprinklered. The interior typically has 27-foot clear heights, with a maximum of 37'-6". This property also sold in December 2007 for a reported consideration of \$9,200,000.

Improved Sale No. 3



Property: Former InterCraft Manufacturing Facility

Location: 1103 Carlos Parker Boulevard NE
City of Taylor, Williamson County, Texas

Legal Description: A 39.8278 acre tract out of the William R. Williams Survey, Abstract No. 665 and the H.G. Johnson Survey, Abstract No. 348, in Williamson County, Texas

Grantor: BURNES HOME ACCENTS, LLC f/k/a BURNES OF BOSTON, LLC, a Delaware limited liability company

Grantee: TAYLOR CPB PROPERTY, LLC, a Texas limited liability company

IMPROVED SALE NO. 3 - Continued

Recording Data:	Deed 2007047965 of the Williamson County Clerks Office
Date of Sale:	June 7, 2007
Property Interest Conveyed:	Fee Simple Estate
Sale Amount:	\$4,500,000
Sale Price Per SF of GBA:	\$13.99
Terms of Sale:	Cash to seller
Adjusted Price:	\$5,500,000
Adjusted Price Per SF of GBA:	\$17.10

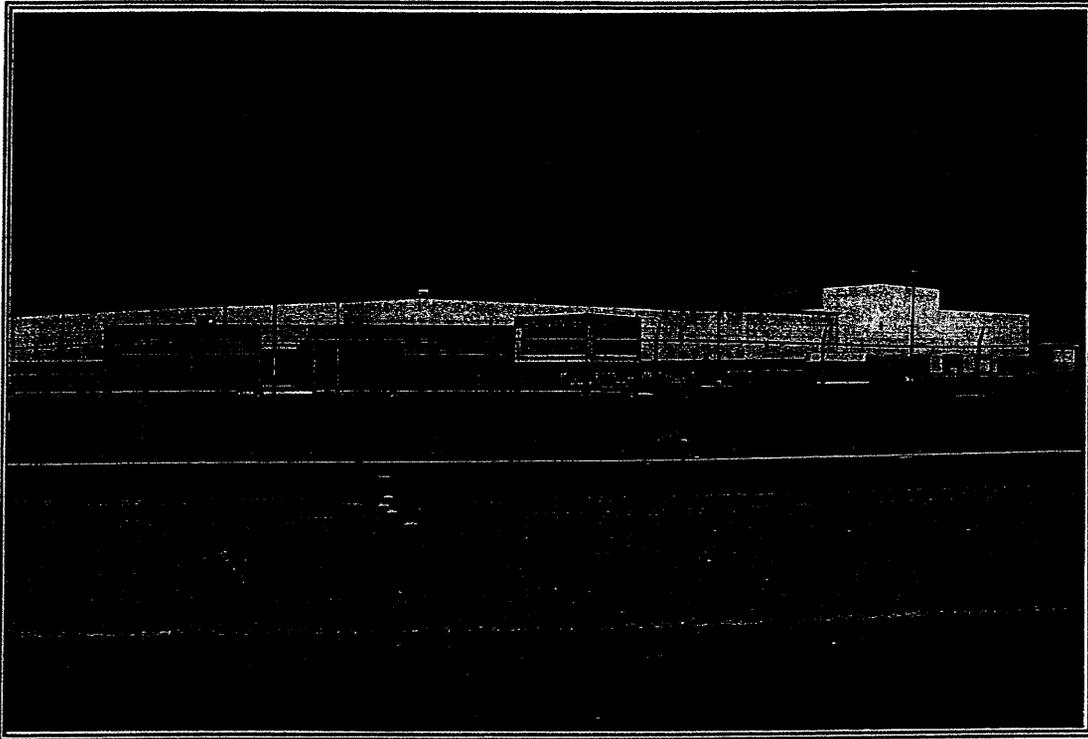
Property Description:

Land Area:	39.83 acres (1,734,899 square feet)
Gross Building Area:	321,600 square feet
Land/Building Ratio:	5.39:1
Number of Stories:	One
Construction:	Concrete "double-t" tilt wall and metal panels.
Quality:	Very Good
Year Built:	1982 (Effective Age 20 Years)
Office Area:	40,000 square feet (12.4%)
% Climate Control:	Office Only
Condition:	Very Good
Parking:	Open asphalt-paved surface parking lot.

IMPROVED SALE NO. 3 - Continued

Comments: Improved Sale No. 3 represents the sale of a 321,600-square-foot manufacturing facility located in Taylor, Texas. This property is located approximately 15 miles northeast of Austin, Texas along U.S. Highway 79. This property sold in June 2007 for \$4,500,000. The property had been idle for approximately two years at the time of sale. It required light replacement and an interior reconditioning. The reported expenditure on this was \$1,000,000. This property had been used for the manufacture of picture frames. It has twenty-eight dock-high doors and four grade level doors. The floors are reinforced six-inch slabs. The interior clear heights range from 27 feet to 40 feet. Lighting is a combination of metal halide and high-pressure sodium fixtures. The office space includes offices, conference rooms and a small cafeteria. The entire structure is sprinklered.

Improved Sale No. 4



Property:	Former National Envelope Manufacturing
Location:	3001 S. U.S. Highway 287 Corsicana, Navarro County, Texas
Legal Description:	Not Available
Broker:	Binswanger
Grantee:	Not Applicable

IMPROVED SALE NO. 4 - Continued

Recording Data:	Not yet recorded in Navarro County Clerks Office
Date of Listing:	Current
Property Interest Conveyed:	Fee Simple Estate
Sale Price:	\$3,500,000
Sale Price Per SF of GBA:	\$14.82
Terms of Sale:	Cash to seller preferred

Property Description:

Land Area:	48.00 acres (2,090,880 square feet)
Gross Building Area:	236,170 square feet
Land/Building Ratio:	8.85:1
Number of Stories:	One
Construction:	Masonry and metal panel exterior walls.
Quality:	Good
Year Built:	1983 (Effective Age 25 Years)
Office Area:	17,250 square feet (7.3%)
% Climate Control:	Office only
Condition:	Good
Parking:	Open asphalt-paved surface parking lot.

IMPROVED SALE NO. 4 - Continued

Comments: Improved Sale No. 4 represents the current listing of a 236,170-square-foot manufacturing facility located in Corsicana, Texas. This project is located along U.S. Highway 287 to the east of Interstate Highway 45. Exterior wall construction is masonry and metal panels. The building is also fully sprinklered. The interior has 25- to 45-foot clear heights. It also has 28' X 50', 28' X 40' and 28' X 65' column spacing. Lighting is a combination of sodium vapor fixtures. Additionally, the structure has: 11 10' X 10' dock-height truck loading doors; one 16' X 17' grade-level door; and one 12' X 18' grade-level door. The property has access to Burlington Northern Santa Fe Railroad. The improvements were built in 1983 and the effective age of the building is 25 years.

Improved Sale No. 5



Property: Former Johnson & Johnson Manufacturing

Location: 6800 S. U.S. Highway 75
Sherman, Grayson County, Texas

Legal Description: Situated in the City of Sherman, County of Grayson, State of Texas, being a part of the of the PRESTON KITCHEN SURVEY, Abstract No. 667, and the ELIZABETH JONES SURVEY, Abstract No. 625

Grantor: RABIN WORLDWIDE, INC., a California corporation, as to an undivided forty percent (40%) interest, JHNCT LP, an Illinois limited partnership, as to an undivided forty percent (40%) interest, H&K ROSEN LTD., a Texas limited partnership, as to an undivided ten percent (10%) interest, and DBI PARTNERS, LLC, a Nevada limited liability company ass to an undivided ten percent (10%) interest, as tenants in-common

IMPROVED SALE NO. 5 - Continued

Grantee: ACTICHEML.P., a Texas limited partnership
Recording Data: Volume 3880, Page 138 of the Grayson
County Clerks Office
Date of Listing: June 23, 2005
Property Interest Conveyed: Fee Simple Estate
Sale Price: \$5,000,000
Sale Price Per SF of GBA: \$8.64
Terms of Sale: Cash to seller; third-party note executed in the
amount of \$5,000,000 to Texas Capital Bank,
National Association

Property Description:

Land Area: 96.64 acres (4,209,638 square feet)
Gross Building Area: 578,886 square feet
Land/Building Ratio: 7.27:1
Number of Stories: One with a partial basement
Construction: Masonry and glass exterior walls.
Quality: Good
Year Built: 1962 through 1968 (Effective Age 30 Years)
Office Area: 70,000 square feet (12.1%)
% Climate Control: Office only
Condition: Good
Parking: Open asphalt-paved surface parking lot.
There are 555 paved spaces plus 50 truck
spaces.

IMPROVED SALE NO. 5 - Continued

Comments: Improved Sale No. 5 represents the 2005 transaction of a 578,886-square-foot manufacturing facility located in Sherman, Texas. This project is located along F.M. Highway No. 1417, to the west of U.S. Highway 75. The improvements include 472,635 square feet of first floor space. The balance is basement and mezzanine space. The exterior wall construction is concrete block with an exterior stucco finish. It also has vertical glass accents. The building is also fully sprinklered. The interior has 21'-3" to 22-foot clear heights. The warehouse has a 30-foot clear height. It also has 41' X 41' column spacing. Lighting is a combination of metal halide and twin-tube fluorescent lighting fixtures. Additionally, the structure has 14 truck doors and one drive-in door. Eleven of the truck doors are 8' X 10'. The property has access to Burlington Northern Santa Fe Railroad. Four spurs enter the property. The improvements were built between 1962 and 1968 and the effective age of the improvements is 30 years.

359 Chy Road
Sunnyvale, Texas
Improved Sales Summary

Description	Sale #	Date of Sale	Estate Conveyed	GFA	YOC	Land Area	Sale Price	Price PSF	Remarks
310 Chy Road Sunnyvale, Texas	1	February-2008	Fee Simple	80,200	1975	4.37	\$1,800,000	\$22.44	This project is located across Chy Road from the subject. It comprises a smaller building area but is representative of values in the immediate area.
Former Data Center 2275 North U.S. Highway 77 Waxahachie, Texas	2	December-2008	Fee Simple	589,000	1984	64.79	\$10,500,000	\$17.83	This property is located in Waxahachie, Texas. It features several construction characteristics as the subject property, although it is older. This building is 100% climate-controlled and has 19.9% office.
Former Intercoast 1103 Carlos Packer Boulevard NE Taylor, Texas	3	June-2007	Fee Simple	321,600	1982	39.83	\$5,500,000	\$17.10	This property is a former picture manufacturing plant located in Taylor, Texas. The purchaser spent \$1,000,000 after acquiring the property. It remains unoccupied.
Former National Envelope 3001 S. U.S. Highway 217 Carrizosa, Texas	4	Listing	Fee Simple	256,170	1983	48.00	\$3,500,000	\$14.82	This comparable sale is located in Carrizosa, Texas. The building has 75% finished-out administrative space. It is older than the subject property.
Former Johnson & Johnson 6900 U.S. Highway 75 Sherman, Texas	5	June-2005	Fee Simple	578,886	1962-1968	96.64	\$5,000,000	\$8.64	This property is located in the City of Sherman. It is an older property that had been historically used by Johnson & Johnson.

Minimum \$8.64
Maximum \$22.44
Mean \$16.17
Median \$17.10

As previously mentioned, each of the market indicators is adjusted for: 1) property rights conveyed; 2) financing terms; 3) conditions of sale; 4) market conditions (time); 5) location; 6) physical characteristics; and 7) income characteristics. It is noted that prior to the following adjustment process, the unit prices of the improved comparables range from \$8.64 to \$22.44 per square foot, with a mean of \$16.17 per square foot and a median of \$17.10 per square foot, respectively.

Property Rights Conveyed

Property rights consist of both the physical real estate and the rights involved in ownership of the real estate. In analyzing the comparables, all of the comparables involve arm's-length exchanges of the Fee Simple Estate. As indicated, this analysis contemplates the Market Value of the Fee Simple Estate. Thus, no adjustments for property rights conveyed were conveyed.

Financing Terms

Financing arrangements may modify the sale prices of two identical properties. Thus, favorable financing terms of the comparable sales must be investigated to determine which sales, if any, require adjustments to reflect normal market financing terms. As indicated in the individual sale discussions, all of the sales were made with the seller receiving all cash or financing terms that are considered to be equivalent to cash. Accordingly, no adjustments for favorable financing were warranted.

Conditions of Sale

Adjustments for conditions of sale usually reflect motivations of the buyer and the seller. In many situations the conditions of sale significantly affect transaction prices. Investigation of the market indicators revealed Improved Sale Nos. 1, 2, 3 and 5 were arm's-length. However, Improved Sale No. 4 is an asking. Prior to selling, this price will likely be subject to negotiation. Based upon interviews with brokers and an analysis of market trends, Improved Sale No. 4 has been adjusted downward 10% to offset the process of negotiation.

Market Conditions (Time)

An adjustment for market conditions may be required to the comparables if property values have appreciated or depreciated between the time of occurrence and the appraisal date. All of the comparables have sold since June 2005. Typically, there is minimal volatility in the pricing of large single-tenant, integrated manufacturing facilities. These projects are typically purchased for owner-use. Few real estate speculators are interested in single-tenant, manufacturing facilities due the extended marketing times. Moreover, increases in labor costs and materials are usually somewhat offset by physical depreciation. Additionally, the current economic climate further supports that appreciation is not present. Hence, no adjustments for market conditions have been applied to these transactions.

Locational and Physical Characteristics

Adjustments for location or physical dissimilarities may be required if the locational or physical attributes of the comparable transactions differ significantly from those of the subject property. The subject property is located in Sunnyvale, Texas. All of the comparables are located in similar communities within the State of Texas. Land values were compared in these markets and land values were deemed fairly comparable in each of these markets. Thus, only minor adjustments for location were deemed necessary.

Improved Sale No. 1 - This sale involved a manufacturing facility located across Clay Road from the subject property in Sunnyvale. It is within the Sunnyvale Center Industrial Park. This property has a comparatively inferior location and land-to-building ratio (2.38). The adjustment for the inferior land-to-building ratio and location is 10%. This calculation was based on an average land-to-building ratio of 4.5:1. The property features a gross building area of 80,200 square feet. Larger properties normally command a lower price per square foot than comparatively smaller properties (all other factors considered equal). This is attributed to two primary factors. The cost of a larger improvement is normally lower than the cost to build a smaller improvement due to economies of scale. Secondly, there are fewer potential users for larger facilities compared to smaller facilities. Building size adjustments in this analysis are based upon an approximate 10% per doubling or halving. Thus, Improved Sale No. 1 was adjusted downward for size by 40%. The

exterior walls are metal clad. The building is fully sprinklered. This characteristic warranted a downward adjustment of 5% (based upon a comparative cost analysis). It features dock high and grade level doors and has a 28-foot clear height. Typical column spacing is 25' X 50'. This project also has a comparable administrative space finish-out (4.32%). The building was built in 1975. The effective age of the improvements is 30 years. Comparatively, this effective age is 18 years inferior to the subject property. Hence, it was adjusted upward 45% for age (based upon a 2.5% per annum adjustment). The indicated price of Improved Sale No. 1 is \$24.69 per square foot after adjustment.

Improved Sale No. 2 - Improved Sale No. 2 involves a 589,000-square-foot manufacturing facility located in Waxahachie, Texas. This property is 25 miles south of Dallas. This location is east of Interstate Highway 35, along the west side of North U.S. Highway 77. This property sold for \$10,500,000, or \$17.83 per square foot. The location is judged to be similar to the subject property and it features a similar land-to-building ratio (4.87:1). This property contained 589,000 square feet of building area. This sale was adjusted downward 10% for improvement size. This property has many construction features similar to the subject property. Exterior wall construction is masonry with metal panels. It has a six-inch reinforced concrete slab floor. Column spacing is 45' X 45'. Rail is available from Union Pacific. The original building was also constructed in 1984. At the time of sale, the effective age of the improvements was 20 years. Hence, this property received an upward adjustment of 20%. The structure is 100% climate-controlled. Thus, it was adjusted downward 10% for climate-control. It is also fully sprinklered. This warrants an additional 5% negative adjustment. The interior typically has 27-foot clear heights, with a maximum of 37'-6". The improvements also featured administrative areas that represented 19.9% of the total building area. A negative adjustment of 10% was made for this characteristic. The net adjusted price of this sale equates to \$15.15 per square foot.

Improved Sale No. 3 - Improved Sale No. 3 represents the sale of a 321,600-square-foot manufacturing facility located in Taylor, Texas. This property is located approximately 15 miles northeast of Austin, Texas along U.S. Highway 79. This property sold in June 2007 for \$4,500,000. The property had been idle for approximately two years at the time of sale. It required light fixture replacement and an interior reconditioning. The reported expenditure on this was \$1,000,000. This property had been used for the manufacture of picture frames. This comparable is considered to be

comparable in terms of location and land-to-building ratio (5.39:1). As the structure comprises a gross building area of 321,600 square feet, a downward adjustment of 20% was applied for size. The building has twenty-eight dock-high doors and four grade level doors. The floors are reinforced six-inch slabs. The interior clear heights range from 27 feet to 40 feet. Lighting is a combination of metal halide and high-pressure sodium fixtures. The office space includes offices, conference rooms and a small cafeteria. The entire structure is sprinklered. Thus, the sale price was adjusted downward five percent for fire protection. The effective age of the building is 20 years. This resulted in an upward adjustment of 20% for age. After the adjustment process, the indicated price of Improved Sale No. 3 is \$16.25 per square foot.

Improved Sale No. 4 - Improved Sale No. 4 is the current listing of a 236,170-square-foot manufacturing facility located in Corsicana, Texas. The asking price on the property is \$3,500,000, or \$14.82 per square foot of building area. This sale was adjusted downward 10% for market conditions (asking). This project is located along U.S. Highway 287 to the east of Interstate Highway 45. This comparable required a downward adjustment of 15% for a superior land-to-building ratio (8.85:1). This building is smaller than the subject property and warranted a downward adjustment of 20% for size. Exterior wall construction is masonry and metal panels. The building is also fully sprinklered. Therefore, a negative five percent adjustment was required for fire protection. The interior has 25- to 45-foot clear heights. It also has 28' X 50', 28' X 40' and 28' X 65' column spacing. Lighting is a combination of sodium vapor fixtures. Additionally, the structure has: 11 10' X 10' dock-height truck loading doors; one 16' X 17' grade-level door; and one 12' X 18' grade-level door. The property has access to Burlington Northern Santa Fe Railroad. The improvements were built in 1983 and the effective age of the building is 25 years. Thus, this comparable was adjusted upward 35% for age. After the adjustment process, this comparable indicates a price of \$12.67 per square foot.

Improved Sale No. 5 - Improved Sale No. 5 is the June 2005 sale of a 578,886-square-foot industrial facility located in Sherman, Texas. This project had been a manufacturing plant for Johnson & Johnson. This sale is considered to be generally comparable to the subject property in terms of location and slightly superior in terms of land-to-building ratio (7.27:1). This warranted a downward adjustment of 5%. This sale's comparatively smaller building size (578,886 square feet)

required a downward size adjustment of 10%. Exterior wall construction is concrete masonry unit and glass. The structure is 12.1% finished-out administrative space. It is noted that the primary structure includes 472,635 square feet of first floor space. The remainder is basement and mezzanine. This construction characteristic warranted an upward adjustment of 10%. The interior has a typical 21-foot to 22-foot clear height, warranting an upward adjustment of 15% (totaling 25% for quality/construction, which includes basement and clear height features). It is also fully sprinklered. This warranted a downward adjustment of 5%. The improvements were built between 1962 and 1968, with an effective age of 30 years. Thus, an upward adjustment of 45% was applied to this sale for age. After adjustments, Improved Sale No. 5 has a price of \$12.96 per square foot. The adjustments to the improved sales are shown and summarized in the adjustment grid on the following page.

**359 Clay Road
Sunnyvale, Texas
Improved Sales Adjustment Grid**

	380 Clay Road Sunnyvale, Texas	Former Dart Container 2275 North U.S. Highway 77 Waxahatchie, Texas	Former Intercraft 1103 Carlos Parker Boulevard NE Taylor, Texas	Former National Envelope 3001 S. U.S. Highway 287 Corsicana, Texas	Former Johnson & Johnson 6800 U.S. Highway 75 Sherman, Texas
Price/SF	\$22.44	\$17.83	\$17.10	\$14.82	\$8.64
Conditions of Sale	0%	0%	0%	-10%	0%
Adjusted Sale Price	\$22.44	\$17.83	\$17.10	\$13.34	\$8.64
Market Conditions	0%	0%	0%	0%	0%
Adjusted Sale Price	\$22.44	\$17.83	\$17.10	\$13.34	\$8.64
Location/Land-to-Building	10%	0%	0%	-15%	-5%
Quality/Construction	0%	0%	0%	0%	25%
HVAC	0%	-10%	0%	0%	0%
Office Area	0%	-10%	0%	0%	0%
Sprinkler	-5%	-5%	0%	-5%	-5%
Age	45%	20%	20%	35%	45%
Project Size	-10%	-10%	-20%	-20%	-10%
Total Physical Adj.	10%	-15%	-5%	-5%	50%
Occupancy Characteristics	0%	0%	0%	0%	0%
Net Adjustments	10%	-15%	-5%	-5%	50%
Adjusted Sale Price	\$24.69	\$15.15	\$16.25	\$12.67	\$12.96

Adjusted Unit Indicators: Min \$12.67, Max \$24.69, Mean \$16.34, Median \$15.15

The adjusted building unit values range from \$12.67 to \$24.69 per square foot of gross building area, with a mean indicator of \$16.34 per square foot. The median of the adjusted sales range is \$15.15 per square foot. Considering the location and physical characteristics of the subject improvements (as previously discussed) as well as the 2008 addition, a value slightly above the mean and median of the range, or approximately \$18.00 per square foot of building area. The indicated value of the Fee Simple Estate by the sale price per square foot analysis is calculated as follows:

1,070,826 Gross Building Square Feet @ \$18.00 =	\$19,274,868
Rounded	\$19,300,000

Accordingly, a value of **\$19,300,000** has been estimated by application of the Sales Comparison Approach for the subject single-tenant manufacturing facility in its Fee Simple Estate.

Income Capitalization Approach to Value

The Income Capitalization Approach is one of the three traditional approaches to value. Income producing real estate is a capital good which is typically bought and sold primarily on the basis of the net income produced from the property. In all economic and investment analyses, of which real estate appraisal is an integral part, the value of a capital good is established and measured by calculating, as of a particular date, the present value of the anticipated future benefits (all sources of net revenue) to the owner over a specified period. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process. The Income Capitalization Approach is widely applied in appraising income producing properties.

Within the context of this analysis, however, properties physically similar to the subject property are rarely leased (excluding sale-leasebacks). They are most-often acquired for use. Moreover, typical sellers and purchasers in the marketplace rarely consider the potential income characteristics of a property physically similar to the subject property. Finally, users of manufacturing plants rarely will lease space because of the control issue involved in owning space versus leasing space (i.e. reconfiguring space, consolidations, reconstruction, etc.). Thus, after careful consideration, we have excluded the Income Capitalization Approach.

Conclusion - Fee Simple Estate

Application of the traditional appraisal methods resulted in the following indications of the Market Value of the Fee Simple Estate in the subject property as of January 1, 2009:

Cost Approach	\$21,300,000
Sales Comparison Approach	\$19,300,000
Income Capitalization Approach	Not Applicable

The three traditional approaches to value are: 1) the Cost Approach; 2) the Sales Comparison Approach; and 3) the Income Capitalization Approach. Each approach features relative strengths and weaknesses. The Cost Approach is most appropriate when the improvements are new or nearly new and represent the Highest and Best Use of the land or when the facilities are of a special-purpose or specialized-use nature. However, due to phased construction and the construction features of the subject property, the estimation of depreciation is difficult. Another difficulty is ascertaining an accurate entrepreneurial profit (if any) which also makes a market estimate by this approach less reliable.

The Sales Comparison Approach is considered to be a strong indicator of value for the subject property. Numerous sales were considered, and the five best were selected for final analysis. This approach mirrors the marketplace and the final adjusted values for each comparable were determined to be within a reasonable range. This indicator was given strong consideration in the final estimation of value for the subject property. The Income Capitalization Approach was also considered. However, it was ultimately excluded as properties physically similar to the subject property are rarely leased. Moreover, typical sellers and purchasers in the marketplace often do not consider the potential income characteristics of a property physically similar to the subject property. Finally, users of manufacturing plants rarely will lease space because of the control issue involved in owning space versus leasing space (i.e. reconfiguring space, consolidations, reconstruction, etc.).

Overall, the Sales Comparison Approach was given the strongest consideration in the estimation of Market Value for the subject property as of January 1, 2009.

Based upon the inspection of the property and the investigation and analysis of data obtained, the estimated Market Value of the Fee Simple Estate in the subject property, as of January 1, 2009, and subject to the definitions, certifications and limiting conditions set forth in the attached Self-Contained Appraisal Report was:

**NINETEEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$19,500,000)**

Exhibit A
CERTIFICATES OF THE APPRAISERS

CERTIFICATE OF THE APPRAISER

It is hereby stated that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

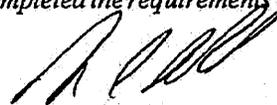
I have made a personal inspection of the interior of the property that is the subject of this report.

No one provided significant professional assistance to the person signing this report.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, John S. Trabold, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.



June 30, 2009

John S. Trabold, MAI

Texas State Certified General Real Estate Appraiser
Number : TX-1320520-G

CERTIFICATE OF THE APPRAISER

It is hereby stated that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made a personal inspection of the interior of the property that is the subject of this report.

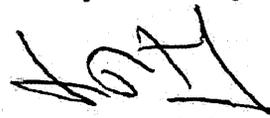
No one provided significant professional assistance to the person signing this report.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Jimmy Pat James, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.

June 30, 2009



Jimmy Pat James, MAI

Texas State Certified General Real Estate Appraiser
Number : TX-1320515-G

Exhibit B
QUALIFICATIONS OF THE APPRAISERS



ADVANCED VALUATION SYSTEMS, INC.

John S. Trabold III
President

Qualifications

BUSINESS EXPERIENCE

John S. Trabold III, MAI, prior to forming Advanced Valuation Systems, Inc., served as the assistant manager and south central ad valorem coordinator for a national appraisal firm.

While attending Southern Methodist University, Mr. Trabold served as an intern for Dresco, Inc., a real estate research firm, and was responsible for establishing a satellite office in Miami, Florida.

VALUATION EXPERIENCE

Mr. Trabold has experience in the valuation of commercial, industrial, and investment grade properties to estimate Market Value for ad valorem purposes, allocation of purchase price, financing, and investment decisions. Industries served include banking, hospitality, manufacturing, and financial services. Typical properties appraised have included vacant land, shopping centers, regional shopping malls, hotels, office buildings, corporate headquarters, light and heavy manufacturing, warehousing, and special purpose properties. During the past several years, Mr. Trabold has specialized in the valuation of high-tech industrial manufacturing and assembly plants. Clients include Intel, Texas Instruments, Sony, Agere, Hitachi, AT&T, as well as taxing jurisdictions. Mr. Trabold has also provided expert testimony in causes revolving around corporate headquarters during the past several years. Clients include EDS, Frito Lay, J.C. Penney, Pier One Imports, Dr. Pepper and Countrywide Funding.

Mr. Trabold has served clients in 32 of the United States.

Since 1986, Mr. Trabold has specialized in the appraisal of investment grade income real estate. Mr. Trabold has also been extensively involved in the appraisal of "Triple-Net" assets including drug stores, grocery stores and convenience stores. Since 1999, Advanced Valuation Systems, Inc. has appraised over 800 drug stores for CVS Corporation, Walgreens and Eckerd.

COURT EXPERIENCE

Mr. Trabold has testified as an expert witness in Dallas, Denton, Houston and Nashville regarding valuations for ad valorem tax purposes. Mr. Trabold is also qualified as an expert witness in federal bankruptcy court.

PROFESSIONAL AFFILIATIONS/ASSOCIATION MEMBERSHIPS

MAI Designation, Appraisal Institute
Member of the International Association of Assessing Officers
Member of Forensic Expert Witness Association (FEWA)
State Certified General Real Estate Appraiser - Texas, Tennessee, Louisiana, Indiana, California and South Carolina

12750 MERIT DRIVE . SUITE 200 . DALLAS, TX 75251 . 972-490-4554 . FAX 972-385-0187

J. Trabold (cont.)

SPECIAL COMMITTEE AFFILIATIONS

Appointed member of Non-Residential Appraisal Reports Subcommittee of the Appraisal Institute
Appointed member of the North Texas Chapter Education Committee for the Appraisal Institute
Appointed member of the North Central Texas Chapter Ethics and Counseling Regional Panel for Appraisal Institute

EDUCATION

Southern Methodist University, Dallas, Texas, Bachelor of Business Administration, Real Estate

APPRAISAL AND SPECIAL COURSES

American Institute of Real Estate Appraisers/Appraisal Institute

- Real Estate Principles
- Basic Valuation Procedures
- Capitalization Theory and Techniques, Parts 1A and 1B
- Valuation Analysis and Report Writing
- Standards of Professional Practice
- Online Analyzing Operating Expenses
- Online Using Your HP12C Financial Calculator
- Analyzing Distressed Real Estate
- Appraising Convenience Stores

Southern Methodist University

- Real Estate Principles
- Real Estate Valuation
- Real Estate Finance
- Real Estate Investments
- Construction and Design

INSTRUCTIONAL SEMINARS

Mr. Trabold has delivered seminars regarding valuation procedure and review to the Dallas Chapter of Certified Public Accountants, the American Bar Association Section of Real Property, Probate and Trust Law, the Texas Association of Property Tax Professionals, Texas Association of Appraisal Districts, Inc., Texas Association of Assessing Officers and to the Dallas Central Appraisal District. These seminars were approved by the applicable governing boards to be fully accredited and qualified for respective educational hours.

REPRESENTATIVE CLIENTS SERVED

Bank One, Texas, NA	Geary, Porter & Donovan
Brusniak & Blackwell, P.C.	Intel
Comerica Bank - Texas	CVS Corporation
Tarrant Appraisal District	Target Corpoartion
Compass Bank	Texas Instruments
Dallas Central Appraisal District	G.E. Capital
J.P. Morgan Mortgage Capital, Inc.	Wal-Mart Corporation



ADVANCED VALUATION SYSTEMS, INC.

Jimmy Pat James General Partner/Chief Financial Officer Qualifications

BUSINESS EXPERIENCE

Jimmy Pat James, MAI, prior to forming Advanced Valuation Systems, Inc., served as a senior appraiser in the Dallas regional office of a national appraisal firm.

VALUATION EXPERIENCE

Mr. James has experience in the appraisal of commercial industrial, and investment grade properties to determine the Market Value for financing, possible sale or purchase, allocation of purchase price, ad valorem purposes, and internal planning purposes. Typical properties have included vacant land, regional malls, strip and neighborhood shopping centers, garden-style and major office projects, light and heavy industrial facilities, hotels, apartment projects, subdivisions, mixed-use developments, and research/development projects.

Additionally, Mr. James has had experience in coordinating multi-property appraisal assignments throughout the country.

Mr. James has performed appraisals in 30 of the United States.

Since 1986, Mr. James has specialized in the appraisal of investment grade income real estate in the Southwest region.

COURT EXPERIENCE

Mr. James has testified as an expert witness at an Equalization Board Hearing in Lubbock, Texas, regarding valuations for Ad Valorem tax purposes.

PROFESSIONAL AFFILIATIONS/ASSOCIATION MEMBERSHIPS

MAI Designation, Appraisal Institute

State Certified General Real Estate Appraiser - Texas, Ohio, New Mexico, Nevada, Colorado, Arizona, Minnesota, California and Wyoming

SPECIAL COMMITTEE AFFILIATIONS

Appointed member of the North Texas Chapter Admissions Committee for the Appraisal Institute

12750 MERIT DRIVE . SUITE 200 . DALLAS, TX 75251 . 972-490-4554 . FAX 972-385-0187

J. James (cont.)

EDUCATION

Texas Tech University, Lubbock, Texas

Bachelor of Business Administration, Real Estate Finance

APPRAISAL AND SPECIAL EDUCATION COURSES

American Institute of Real Estate Appraisers

Real Estate Principles

Basic Valuation Procedures

Capitalization Theory and Techniques, Part 1A and 1B

Valuation Analysis and Reporting Writing

Standards of Professional Practice

Case Studies in Real Estate Valuation

Texas Tech University

Real Estate Principles

Real Estate Valuation

Real Estate Finance

Real Estate Investments

Real Estate Law

Business Law

Income Tax Accounting

Securities and Investments

Money, Banking, and Credit

REPRESENTATIVE CLIENTS SERVED

Bank One, Texas, NA

Boatmen's Bank

ClayDesta Corporation

Comerica Bank - Texas

Compass Bank

Dallas Central Appraisal District

Federal Deposit Insurance Corporation (FDIC)

First American Bank Texas, SSB

First National Bank of Amarillo

First Security Commercial Mortgage, L.P.

Lubbock National Bank

Midland American Bank

NationsBank

Pan Coastal Limited Investors

Resolution Trust Corporation (RTC)

The Kurz Group

The Weitzman Group

Underwood Development Company

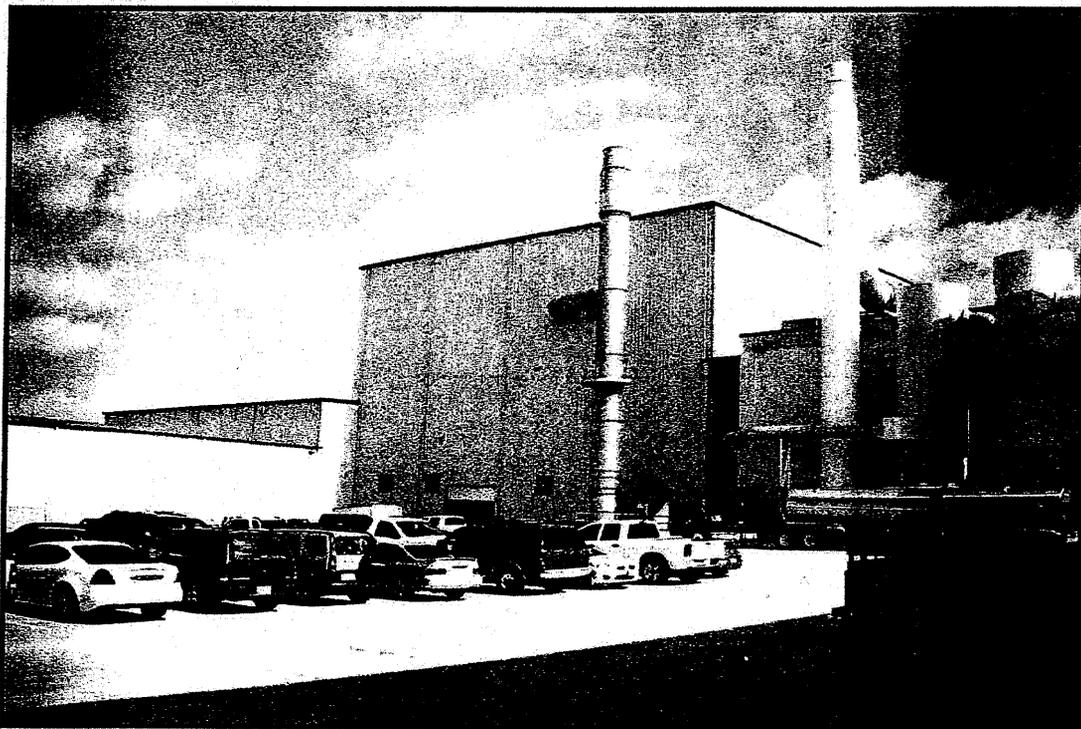
Wells Fargo Real Estate Group

Western National Bank

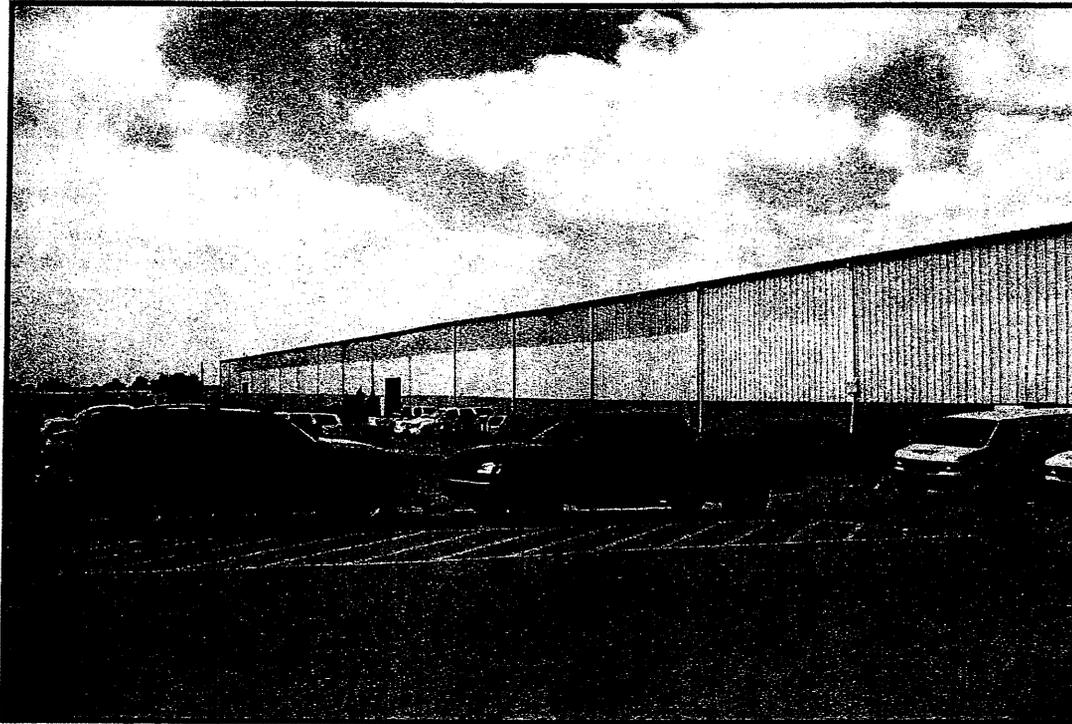
Exhibit C
SUBJECT PHOTOGRAPHS AND
IDENTIFYING DESCRIPTION



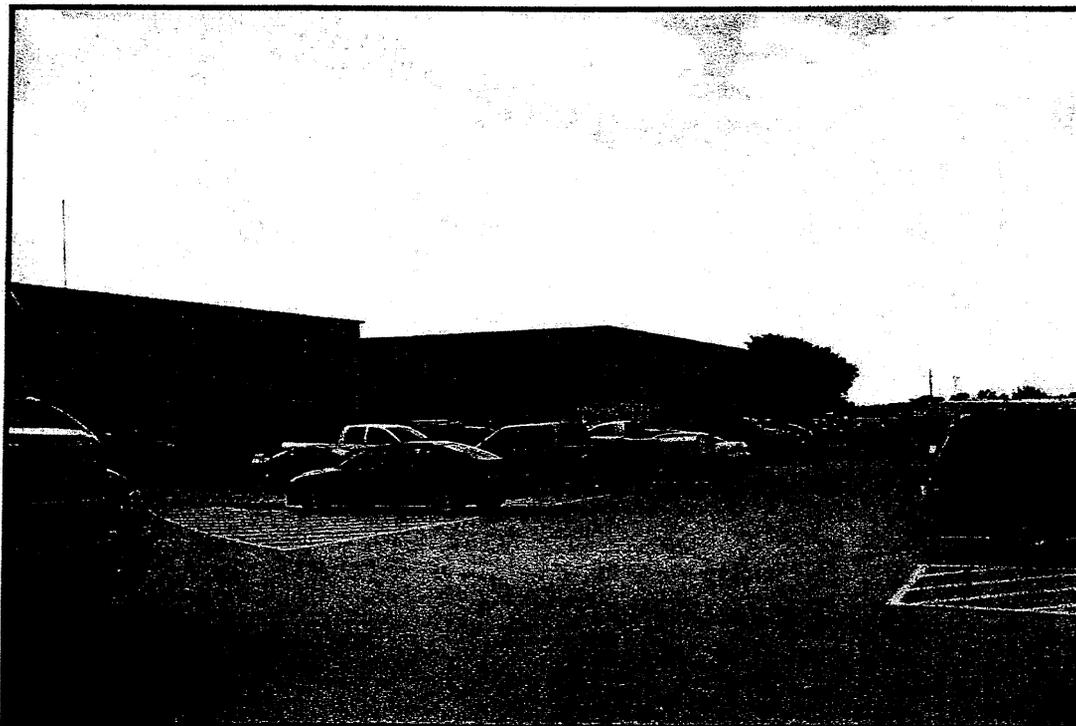
Exterior view of office/showroom area.



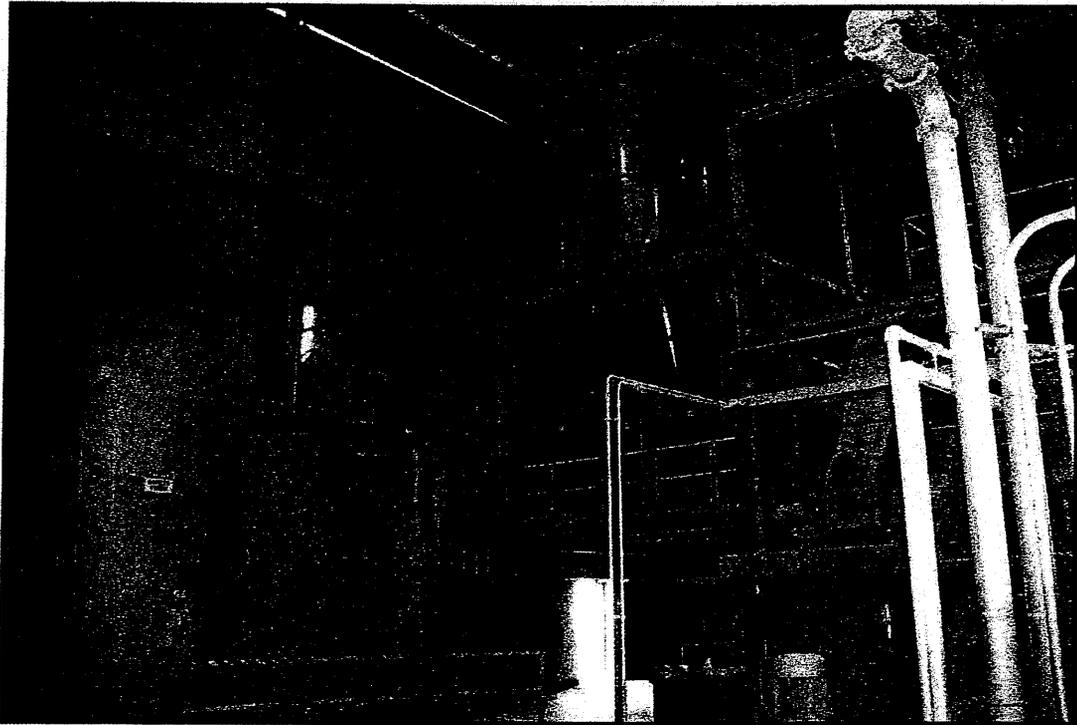
Looking northwest at high-bay area of Plant 2.



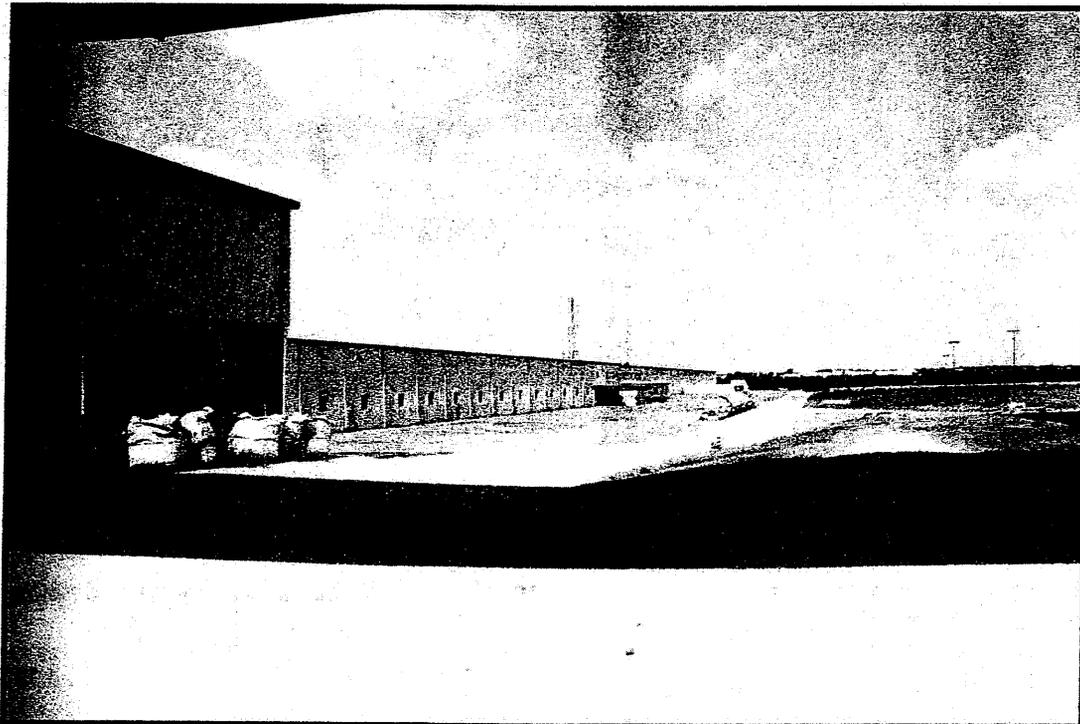
Looking southwest along eastern elevation of warehouse.



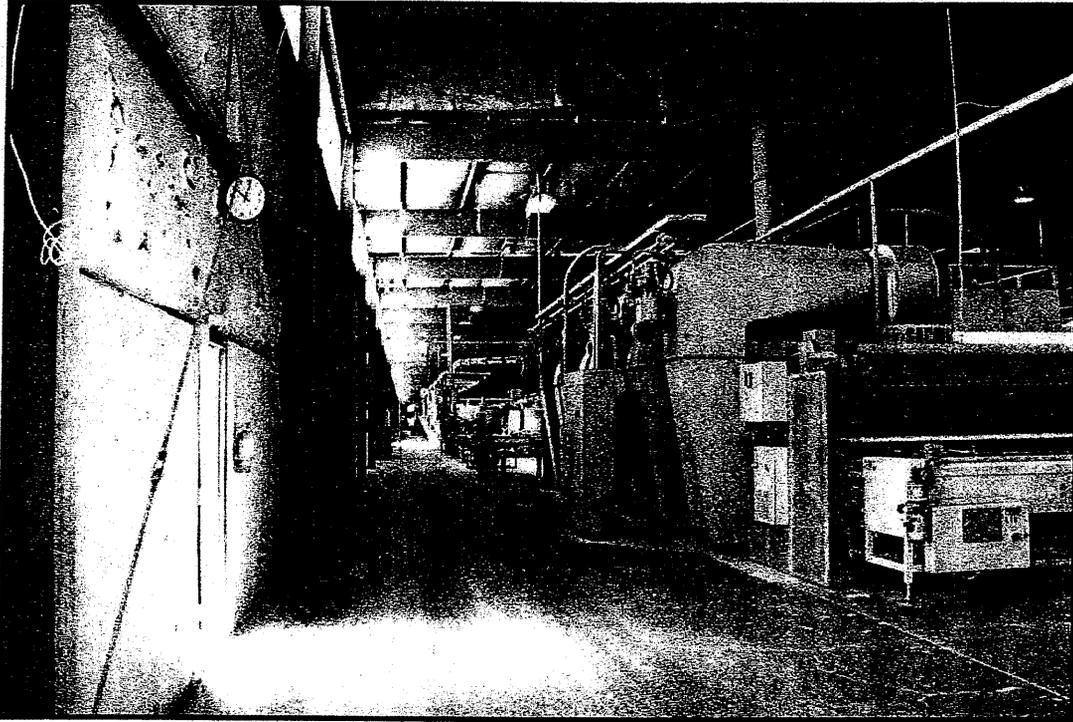
Looking southeast along western elevation of Plant 1.



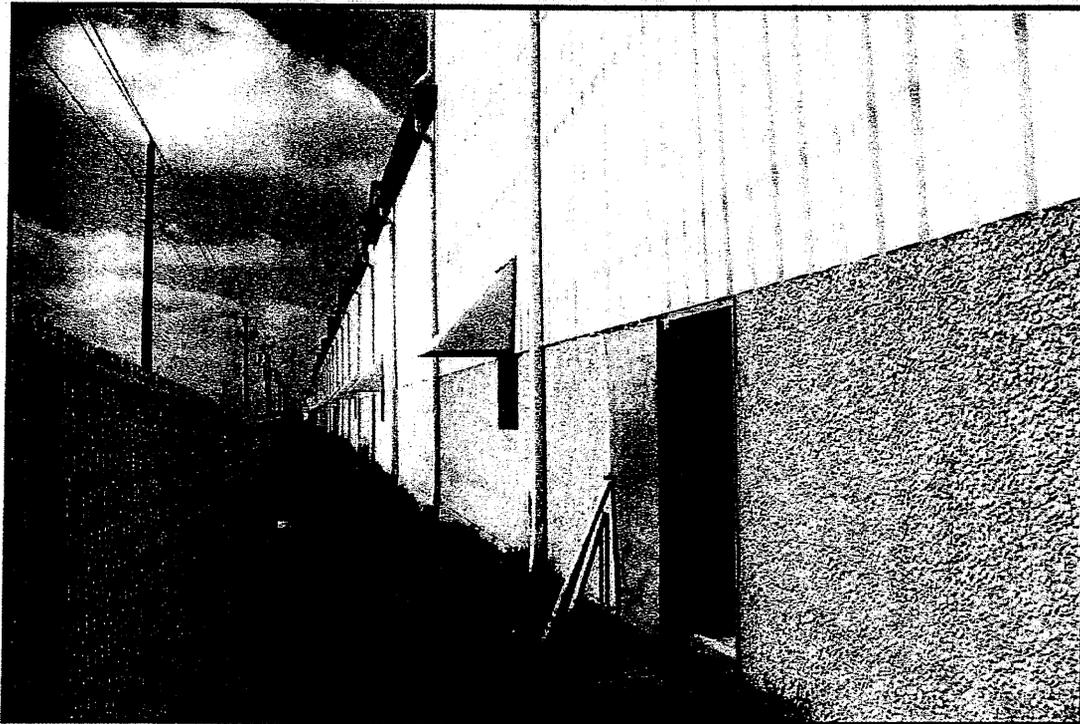
Typical interior view within Plant 1.



Looking southwest along northern elevation of Plant 2.

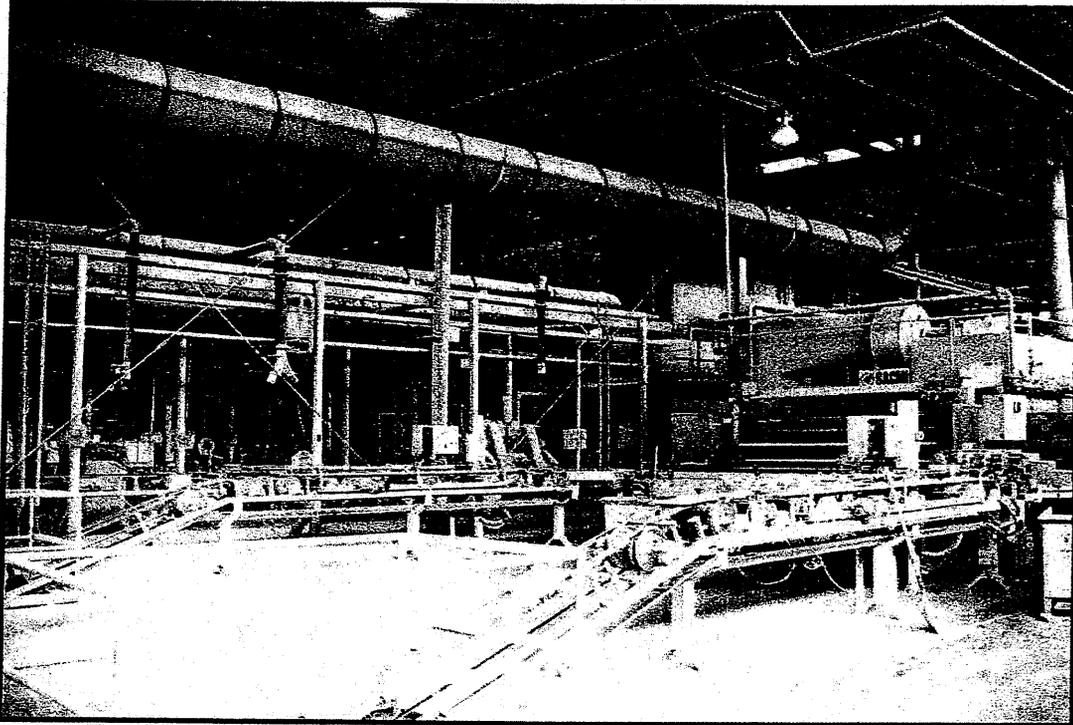


Typical interior view of Plant 1.

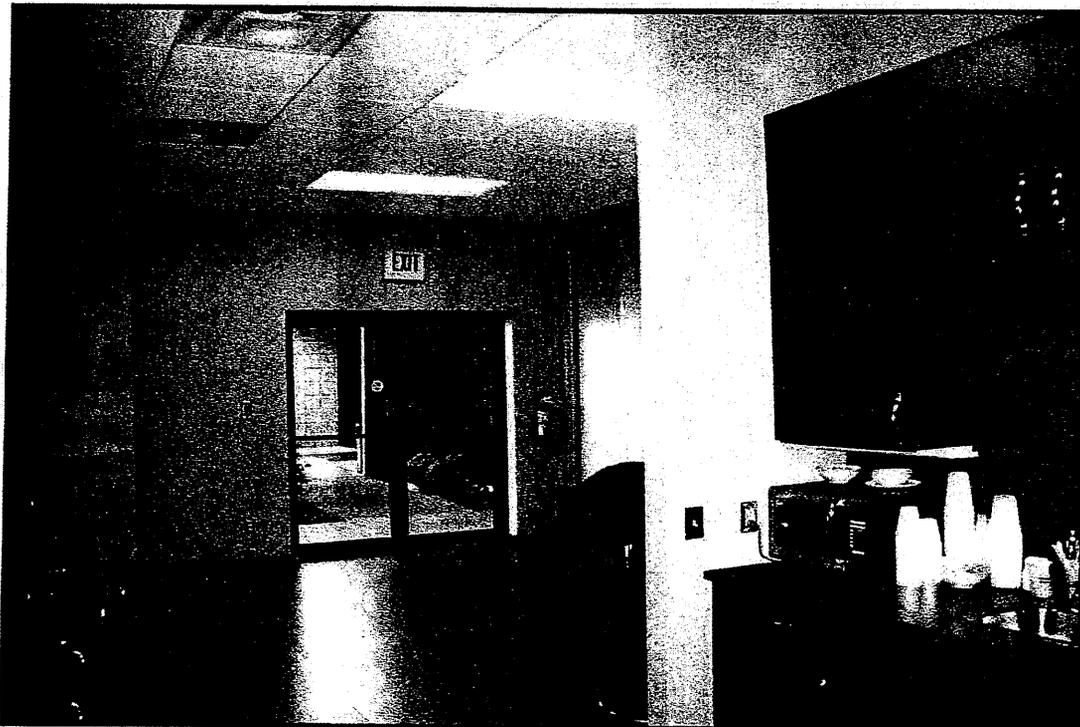


Looking south along eastern elevation of Plant 1.

Subject Property Photographs - Page 4

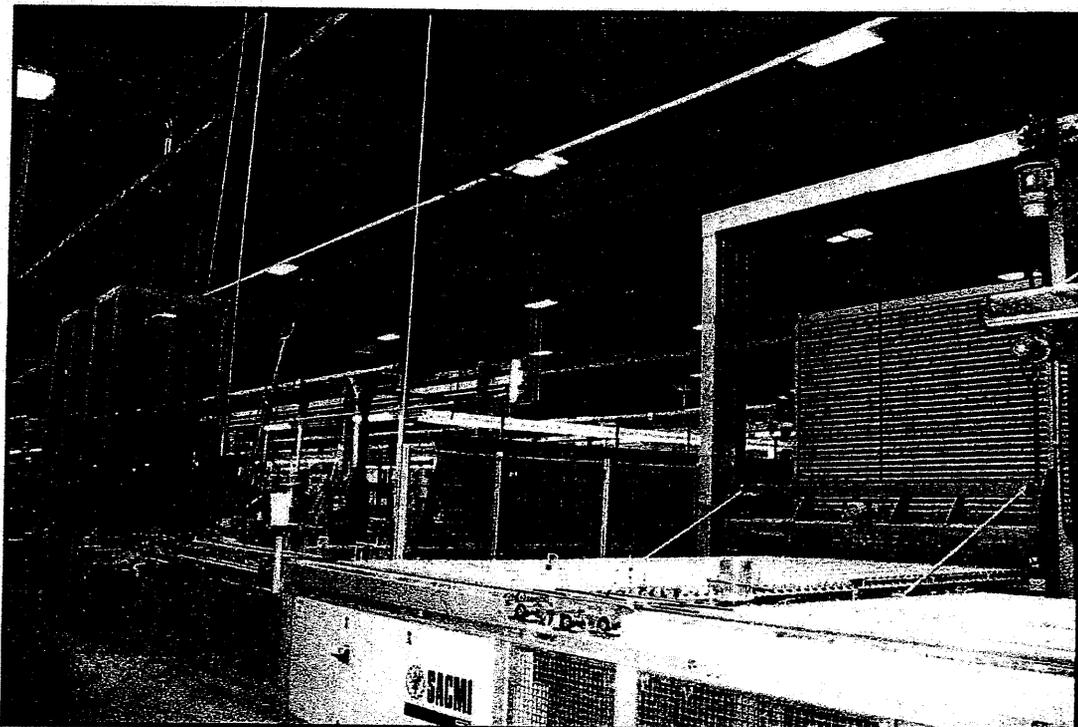


Typical interior view within Plant 1.

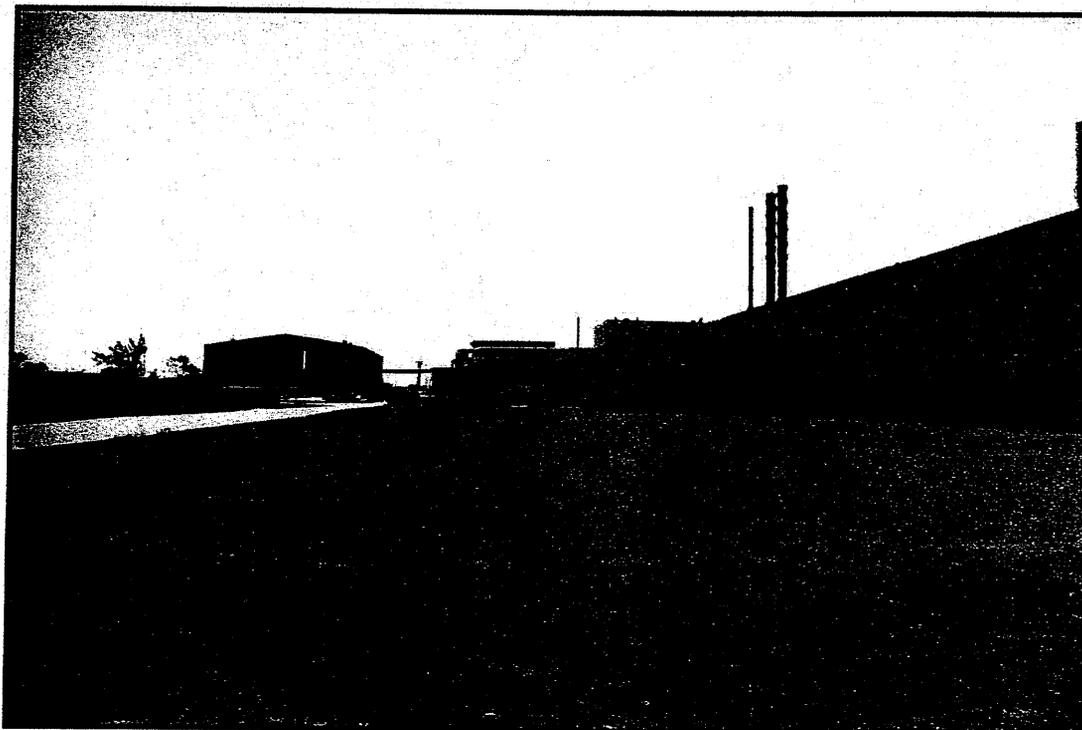


Typical interior view of office/showroom.

Subject Property Photographs - Page 5



Typical interior view within Plant 2.



Looking east at Plant 2 and clay storage.

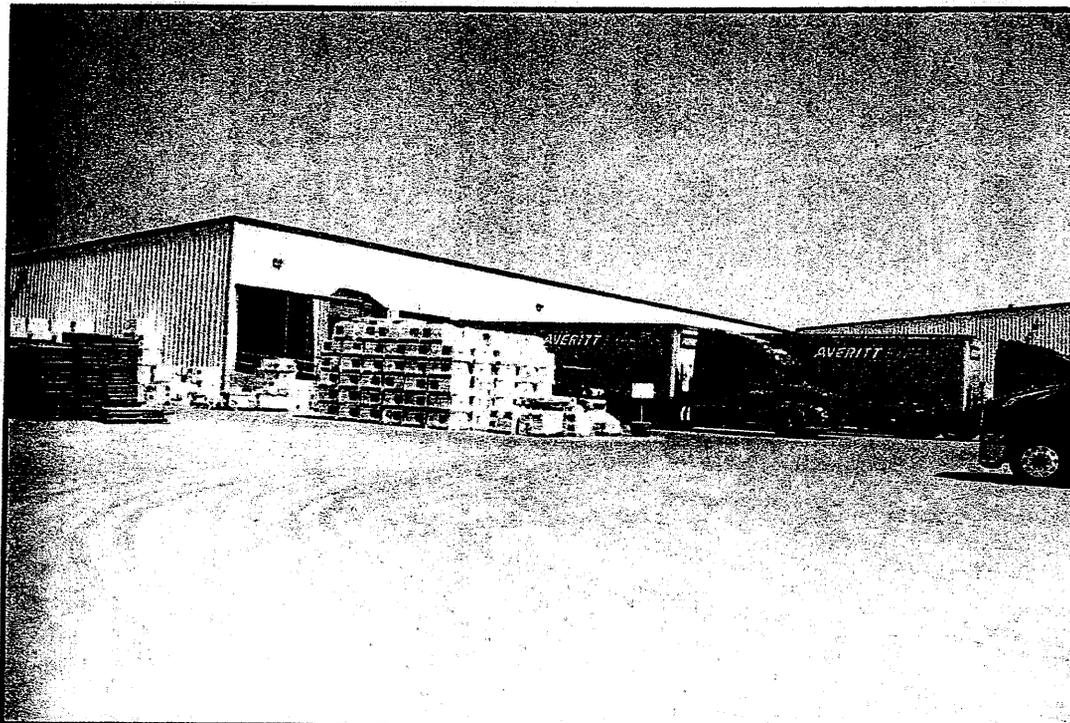


Looking southwest at excess land.



Typical interior view within warehouse.

Subject Property Photographs - Page 7

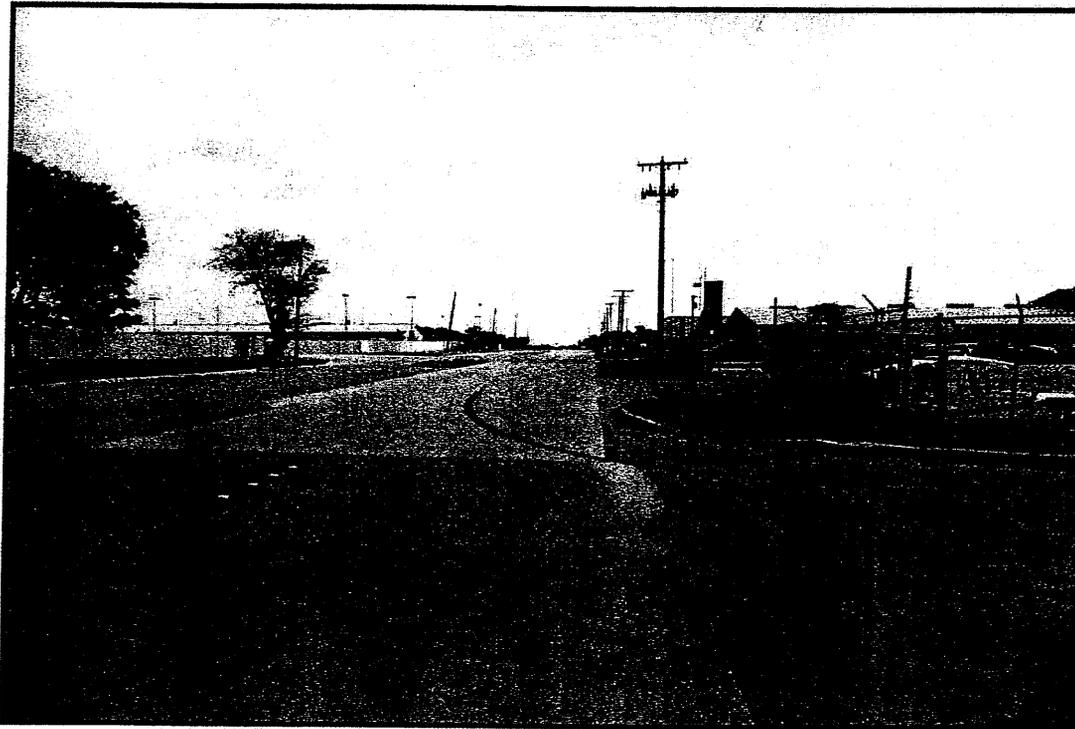


Looking northwest at southeast elevation of warehouse.

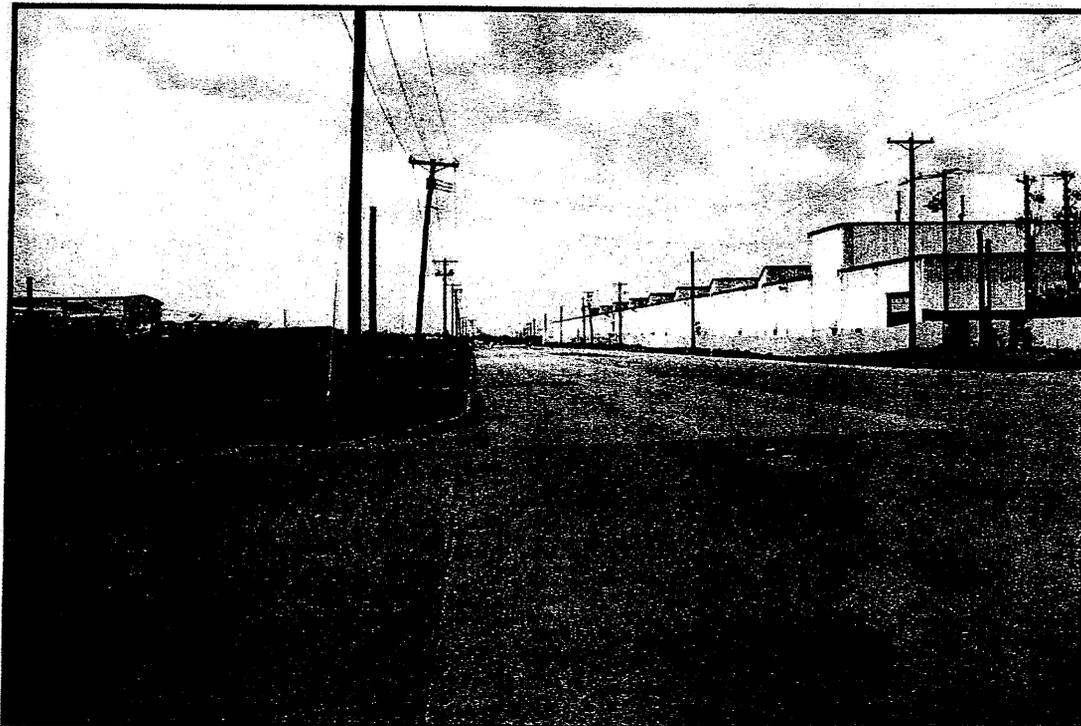


Looking northwest at warehouse.

Subject Property Photographs - Page 8



Looking north along Clay Road.



Looking south along Clay Road.

Subject Property Photographs - Page 9

112

047JB2043440
\$04.950
09/10/2009
mailed From 75247
US POSTAGE



DALLAS CENTRAL APPRAISAL DISTRICT
2949 North Stemmons Freeway
Dallas, Texas 75247-6195

To

Mr. Ron Hatlett
Tax Relief for Pollution Control Property
Program
Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

PRIORITY MAIL
UNITED STATES POSTAL SERVICE®
www.usps.com
Label 1078, February 2006

Mr Hatlett

RECEIVED
SEP 14 2009
TCEQ MAIL CENTER
JC

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2009 SEP 15 AM 11:35
CHIEF CLERKS OFFICE