



HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

JOSE N. PEÑA
Director

MEMO

TO: Commissioner's Court

FROM: Roy Gonzales *R. G.*
Right Of Way Agent

DATE: April 22, 2008

RE: Mile 2 West Road Project (Parcel # 121)
Adan Cadena and Adelia G. Cadena

Attached please find letter provide by property owner for above-mentioned project.

Appraised Value: \$150.00

Settlement Offer: \$500.00

Approved;

[Signature] 4/22/08

Not Approved; _____

April 14, 2008

Adan Cadena and Adelia G. Cadena
1015 S. 12th Ave.
Edinburg, Texas 78535605

Hidalgo County Right of Way
509 E. Earling Road
San Juan, Texas 78589

Re: Mile 2 West Road
Parcel # 121

Dear Mr. Pena,

Pursuant to my earlier conversations with you, we would like to request a counter offer to your earlier proposal concerning the acquisition of the referenced tract. Specifically, I am proposing a price of \$500.00 for Parcel # 121. I believe these values are more in line with the recent sales in the immediate vicinity.

I am willing to sign a Warranty Deed and Right of Entry upon my receipt of written acceptance of my counter offer, thereby avoiding the delay and expense of formal condemnation proceedings.

This offer will remain open for acceptance for a 30 day period from date hereof. Please contact me at your earliest convenience should you have any questions or comments regarding the above. With best regards, I remain.

Yours truly,


Adan Cadena

RECEIVED
R.A.
RIGHT OF WAY DEPT.



ROW-A-10
Rev. 10/2005
ROWIS

TABULATION OF VALUES

Parcel: 121

Highway: CS

ROW CSJ: 0921-02-192

Taking Type: Partial Taking

District: Pharr

Size of Remainder: 9.60000 Acres

County: HIDALGO

Type of Property: Vacant Acreage

Federal Project: HP 2008(394)

Contract Fencing: Undetermined

Appraised by: Leonel, III . Garza

Date Appraised: 05/29/2007

Access will be Partially Permitted

Agency	Participating Percentage	Expense Description
County - HIDALGO	0.0010	ROW Acquisition Expenses

Interest Owner	Acquisition Interest	Land Area	Value	Lease (Y/N)
Cadena, Adan	Fee Simple	0.01000 Acres	\$500.00	Undetermined

I. Total Approved Values

Land Value	Improvement Value	Sign Value	Damages/Enhancements	Total Value
\$500.00	\$0.00	\$0.00	\$0.00	\$500.00

II. Improvements

Item No.	Improvement Type	Type Construction	Improvement Value	Retention Value	Bisection Category
Total:			\$0.00	\$0.00	

III. Damages and Enhancements

Non-Exempt Damages	Exempt Damages	Enhancements	Net Damages
\$0.00	\$0.00	\$0.00	\$0.00

IV. Sign Values

Item No.	Sign Owner	Type Construction	Improvement Value	Retention Value	Bisect. Cat.
Total:			\$0.00	\$0.00	



TABULATION OF VALUES (continued)

Parcel: 121

Highway: CS

ROW CSJ: 0921-02-192

V. Recapitulation

Date:	05/29/2007			Recommended Value
Appraiser's Name:	Leonel, III . Garza			
Appraisal Type:	Initial Appraisal			
Value of Whole Property:				
Parcel Area ac.	0.01000 Acres			
VALUE FOR PARCEL	\$150.00			\$500.00
Land: per.	\$15000.00/Acres			
Easement				
Improvements				
Net Damages or (Enhancements)				
OAS Values(s)				
TOTAL COMPENSATION	\$150.00			\$500.00

VI. Comments and Conclusions on Values in the Appraisal Report

Parcel 121 is a partial taking of 0.010 acres out of Lot 16, Blk 117 of the Campacuas Addition to the Capisallo District, Llano Grande Grant in Hidalgo County.

The subject property is located along the northwest corner of Mile 2 West Road and Mile 10 Road. The whole property is a vacant tract of land with its highest and best use for residential development.

The subject property is in an area of sparse development. The part taken does not constitute an economic unit and as such the subject whole property is utilized as the economic unit. Appraiser Leonel Garaz III selected three (3) sales in close proximity to the subject to indicate a value of \$15,000 per acre for the subject economic unit.

Based on a review of the appraisal report and a recent inspection of this parcel and the entire project, it appears that the total compensation of \$150.00 represents current market value.

The appraiser's value of \$150.00 appears to be well supported by information contained within this appraisal report. However, in order to expedite negotiations, and as outlined in Chapter 2, Section 11 of the Appraisal and Review Manual, this reviewer recommends a value of \$500.00 for acquisition of the parcel.



TABULATION OF VALUES (continued)

Parcel: 121

Highway: CS

ROW CSJ: 0921-02-192

VIII. Conditions

Values for signs, if any, are applicable only if sign owner has compensable interest.

Fencing is applicable only to actual cost or lump sum fencing on 90-10 Right of Way projects and State cost participation in fences to be in accordance with State's Right of Way Manual.

The values indicated hereon have been approved on the basis that all improvements within the taking will be acquired in the name of the State through negotiation.

IX. Reviewing Appraiser's Statements

District Reviewing Appraiser's Statement

The recommended value on this form is my opinion of value for the parcel and was reached independently based on appraisals and other factual data without collaboration or direction. An on-the-ground inspection of the parcel was made and comparables in the area were inspected. I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of the parcel. To the best of my knowledge, the value does not include any items which are not compensable under the State law.

[Signature]
District Reviewing Appraiser

4/7/08
Date

Contract Reviewing Appraiser's Statement (if applicable)

The recommended value on this form is my opinion of value for the parcel and was reached independently based on appraisals and other factual data without collaboration or direction. An on-the-ground inspection of the parcel was made and comparables in the area were inspected. I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of the parcel. To the best of my knowledge, the value does not include any items which are not compensable under the State law.

Contract Reviewing Appraiser

Date

Division Reviewing Appraiser's Statement (if applicable)

Values contained is this form are my opinion of value for the parcel and was reached independently based on appraisals and other factual data including the District's reviewer's inspection, analysis and recommendation and on-the-ground knowledge and without collaboration or direction. I have not direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of the parcel. It is my understanding that the parcel may be used in connection with a Federal-Aid Right of Way Highway Project. To the best of my knowledge, the value does not include any items which are not compensable under the State law.

Division Reviewing Appraiser

Date

X. Approval of Values

County/City Representative

Date

[Signature]
District Engineer

4-7-08
Date

REAL ESTATE APPRAISAL REPORT

TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: NW corner of Mile 2 Road and Mile 10 Road, District: N/A

 Hidalgo County, Texas.

Property Owner: Adan Cadena & Adelia G. Cadena Parcel: 121 *Update 03/26/2008*

 Address of Property Owner: 1015 S. 12th Avenue Edinburg, TX. CSJ: 0921-01-192

 78539-5605

Occupant's Name: Vacant Federal Project No: N/A

 Whole: Partial: Acquisition Highway: Mile 2 West Road County: Hidalgo

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple title to the real property to be acquired, encumbered by any easements not to be extinguished, less oil, gas and sulphur. If this acquisition is of less than the whole property, then any special benefits and/or damages to the remainder property must be included in accordance with the laws of Texas.

Market Value

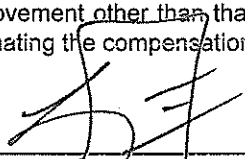
Market value is defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable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

Certificate of Appraiser

I hereby certify that , it is my opinion the total compensation for the acquisition of the herein described property is \$150.00 as of May 31, 2007 based upon my independent appraisal and the exercise of my professional judgment; on January 26, 2007, and May 29, 2007 (date)(s), I personally inspected in the field the property herein appraised; I afforded Adan Cadena & Adelia G. Cadena, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection.

The comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on January 26, 2007, (date)(s), I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the, County of Hidalgo, Texas Department of Transportation or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law or until I am released from this obligation by having publicly testified to such findings; and , my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

I certify to the best of my knowledge and belief that the statements of fact contained in this report are true and correct; the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions; I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; and, my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement other than that due to the physical deterioration within the reasonable control of the owner has been disregarded in estimating the compensation for the property.



 Appraiser Signature - Leonel Garza III

 State Certified General Real Estate Appraiser - TX 1328375-General

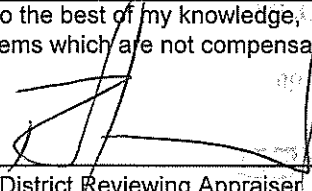
 Certification Number

 March 26, 2008

 Date

33170 YAW 30 THOR

To the best of my knowledge, the value does not include any items which are not compensable under the State law.



 District Reviewing Appraiser

 4/7/08

 Date

Certificate of Appraisal

This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. The subject property was analyzed utilizing the Cost Approach to value which is a Sales Comparison Approach to the subject as if vacant and includes the estimated depreciated market value of real estate improvements located within the part to be acquired. This is further explained within each section of the appraisal report.

Identification of Client & Intended User of Appraisal Report

The client for this report is identified as Hidalgo County Right-of-Way Department, under the direction of Joe Pena, and others which would be involved with the acquisition of said proposed right-of-way along Mile 2 West Road. The part to be acquired is for the expansion of the existing road right-of-way of Mile 2 West Road with the project limits being Mile 12 North to Mile 7 North within Hidalgo County. The intended use of the report is to assist Joe Pena, Director of the Right-of-Way Department of Hidalgo County and others involved with the project, for future negotiations of acquiring all or part of said property as fee simple in the name of the County of Hidalgo, Texas. This report is not intended for any other use, unless specified by the client. The clients have identified that the report shall be a limited restricted appraisal report, which is to conform with the ROW-A-6 Form Rev. 7/2004.

The intended user of the report is defined as Hidalgo County Right-of-Way Department, and may include other governmental entities which may be participating in the project. Joe Pena is the Director of the Right-of-Way Department of Hidalgo County, who has a local office established at 509 E. Earling San Juan, TX. 78589. Mr. Pena, shall be the project manager for this project under the direction of Honorable Sylvia Handy, County Commissioner of Precinct No. 1. Mr. Pena can be contacted at (956) 283-8134.

Scope of the Assignment

By work order dated December 5, 2006 on behalf of Hidalgo County Right-of-Way Department and Hidalgo County Purchasing Department, request for Leonel Garza Jr. & Associates LLC to prepare an appraisal report of the part to be acquired as described by survey and metes and bounds created by TEDSI Infrastructure Group, Mission, Texas. The scope of the assignment is to appraise the area as fee simple, to be acquired as indicated by the survey as of the date of on-site or off-site inspection as permitted by the owner of record.

Market sales within the market area and comparable market areas are to be identified and analyzed for comparability and for their reliability in determining the estimated market value of the subject property. The comparables have been collected, confirmed and analyzed with respect to comparability to the subject property. These comparable sales were gathered through various sources which included the Greater McAllen Multiple Listing Service, Hidalgo County Appraisal District, local Realtors & Brokers, Real Estate Appraisers, and conversations with various owners along the project. The appraisal report shall indicate the current market value of the subject property as per date of on-site and or off-site inspection. This inspection is limited by the permissibility of the subject owner as per date of report. A copy of a certified letter of intent to inspect said property is located within the addenda of this appraisal report.

Purpose of the Appraisal Report

This appraisal is prepared for the purpose of estimating the current market value of the fee simple estate of the subject property in order to determine the value of the proposed right-of-way to be acquired by the County of Hidalgo, as defined within this report. This appraisal does not include any enhancement in value resulting from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, or operating agreements and project influence (if any exist).

The area to be acquired may contain personal property items and or real estate items, which may be compensable for the purpose of right-of-way acquisition only. These items deemed compensable shall be included within the body of the report and itemized for clarity. Any improvements not located within the part to be acquired and outside of the permissibility of inspection as defined by the subject owner, shall be given a stated value based on the assessment established by the Hidalgo County Appraisal District, if they are affected by the part to be acquired.

Property Rights Appraised

The property rights being appraised in this report consist of the fee simple estate of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 113, by the Appraisal Institute as being: "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."

Accessibility To Subject Property

The owner of record of the subject property, as per the Hidalgo County Appraisal District was sent a letter of intent to inspect the subject property. The letter afforded the property owner the opportunity to accompany the appraiser during the on or off-site inspection of the subject property. A copy of the certified letter is located within the addenda of this report.

Analysis of Subject As A Whole

A survey of the property owners entire tract was not performed as the part to be acquired is located along the western frontage of Mile 2 West Road. As per scope of the assignment, the subject property (part to be acquired) shall be analyzed based on the combined information of several sources including, the survey provided, on-site and or off-site inspection, personal interviews, and information gathered from the Hidalgo County Appraisal District. The property was analyzed based on the whole property less any existing road right-of-way of which a pro-rata part of the whole is determined to be the subject of this report. The subject property is a large tract of land of which the remainder shall not be affected nor damaged as a result of the acquisition. Therefore, a valuation of the remainder portion of the subject property was not required.

Economic Unit Analysis

The subject property shall be analyzed based on a 9.610 acre net tract of land. Any existing road right-of-way and easements indicated along Mile 2 West Road, have been excluded as per scope of the assignment. The area for the subject property as a whole is indicated as per survey provided by TEDSI Infrastructure Group, dated August 10, 2007. The comparable sales used for the analysis of the subject property as whole and as the partial taking indicated a range of economic units of 1.83 acres to 10.0 acres. These indicated economic unit values are used for the valuation of the irregular partial taking, as the part to be acquired does not constitute an economic unit. Therefore, the pro-rata part of the whole is applied to the partial taking for the market valuation of the subject property.

Part to be Acquired

The proposed partial acquisition is comprised of fee land in which the gross land area to be acquired is 17,424 square feet (0.40 acres), in which a portion of 16,988 square feet (0.3900 acres) lies within existing road right-of-way, leaving a net land area to be acquired is 436 square feet (0.01 acres). The proposed partial acquisition has approximately 545.60 lineal feet of frontage along the eastern side of Mile 2 West Road. The part to be acquired is an irregular-shaped tract of land which has limited use and site utility due to its location and size as proposed and does not constitute a readily marketable economic unit. Therefore, the part to be acquired, which is the subject of this report, shall be evaluated as a pro-rata part of the whole as determined by the approaches to market value selected. Based on the pro-rata part of the whole, the subject shall be valued based on the highest and best use as a residential use tract of land which is based on the local market trend along Mile 2 West Road. This highest and best use is further explained on page 1.4 of this report.

Areas of Acquisition	Acres	S.F.
To Be Acquired (Gross)	0.4	17,424
Existing ROW	0.3900	16,988
To Be Acquired (Net)	0.0100	436

Legal Description of The Part To Be Acquired

A 0.3758 (16,368 square feet) of an acre tract of land, more or less, out of a 10.00 acre tract of land out of Lot 16, Block 117, Campacuas Addition to the Capisallo, District, Llano Grande Grant, Hidalgo County, Texas.

Remainder Before and After The Acquisition

The remainder before and after the acquisition is defined as the partial acquisition subtracted from the whole property which is described as the subject property. It is determined at the time of appraisal whether or not damages to the remainder are caused by the proposed part to be acquired. The highest and best use of the subject property before and after the proposed partial acquisition is analyzed to determine whether or not the use of the subject property will be altered as a result of the proposed part to be acquired. As for the remainder, it was determined that the highest and best use before and after the acquisition shall remain and not be damaged or changed as a result of the acquisition.

Property Tax Information

This appraiser has examined the property tax information indicated by the Hidalgo County Appraisal District (HCAD) as of the date of appraisal and has found that the subject property is under the ownership of Adan Cadena & Adelia G. Cadena. The part to be acquired was identified as part of a larger tract of land which contained tax identification no. C0700-00-117-0016-00. The subject property land assessment was indicated to be \$30,000. The indicated unit assess rate for the subject property was indicated to be \$226 per acre. The property taxes for the subject property appear to be current, however, further research with the Hidalgo County Tax Office shall be required to confirm any outstanding tax liabilities attributable to the subject property.

Environmental Assessment / Adverse Easements / Encroachments / Topography

This appraiser has made an off-site inspection of the subject property, and no obvious adverse environmental concerns or potentially hazardous materials were observed. This appraiser is not qualified to make a detailed environmental study and highly recommends that an inspection be made by a qualified environmental engineer if an environmental concerns exists. Leonel Garza Jr. & Associates LLC has performed this appraisal report under the hypothetical condition and extraordinary assumption that the subject property has not experienced any adverse environmental concerns which may influence it's marketability and or value.

A survey of the remainder of the subject property was not provided by TEDSI Infrastructure Group as per date of report. Therefore, the extraordinary assumption that no adverse easements nor encroachments are located within the remainder before and after the taking which would affect the value of the whole, part to be acquired and the remainder before and after the acquisition. The subject property was observed that the property is generally level and typical of the surrounding market area. No severe low lying areas were observed, however, this appraiser is not an engineer and cannot certify to the topography nor drainage of the subject property as a whole, part to be acquired and the remainder after.

Utility Services Available

The subject property is located in a region, which contains, water, electricity, and phone service, which is typical of the market area.

Identification of Personal Property

As per scope of the assignment, no personal property located within the proposed right-of-way and the remainder before and after the taking shall be included for compensation, unless it was determined by the appraiser that these item shall be affected or damaged by the proposed taking. In the event the selected items are determined to be compensable, then they shall be included within the cost approach section of this report. A value which shall be either the cost to cure and or the cost of replacement shall be delineated for each item for clarity.

Current Listing Status

It appears that the subject property is not listed for sale as of the effective date of this appraisal. No visible "For Sale" signs were located on the subject property and the property was not listed for sale under a Realtor's® Multiple Listing Service.

Estimated Marketing Time Period

The indicated marketing period is based on the marketing periods of the comparable sales used in the Sales Comparison Approach and the surrounding sales found. Based on the research performed, a twelve (12) to twenty-four month (24) marketing time period appears to be adequate. This time period was selected after a review of multiple land sales within the Weslaco, Mercedes, Edcouch and Elsa markets. The analysis included the indicated "DOM" Days on Market as shown on the McAllen Multiple Listing Service which provides local Realtors an avenue to advertise properties located in the Rio Grande Valley, with its primary focus on properties within Hidalgo County.

Exposure Time

Exposure time is defined as the "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." Based on research performed within the market area, an indicated twelve (12) to twenty-four month (24) exposure time is indicated for the subject property. This was estimated based on current and past listings located within the market area which were reviewed during our sales search for comparables similar to the subject property.

Statement of Highest & Best Use

The subjects highest and best use as vacant and as if improved is indicated for future residential development. This type of use is concurrent with the recent trends located along Mile 2 West Road and nearby municipalities. This highest and best use is based on the determined economic unit of the subject property as whole as the portion being acquired in the name of the County of Hidalgo, Texas, does not itself constitute an economic unit.

When a property is evaluated the highest and best use must always be considered. In the current case the highest and best use of the whole is determined to be for residential development based on several factors. These factors that are taken into consideration are defined by The Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 135, by the Appraisal Institute as being: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and there results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

The scope of the assignment is to evaluate the subject property as a whole, part to be acquired, and the remainder before and after the taking, excluding project influence as required by Standards Rule 1-4(f) under the Jurisdictional Exception provision as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). The highest and best use is analyzed for each of these scenarios as each parcel shall be evaluated before and after the proposed taking. In order to determine the highest and best use, research was performed within Hidalgo County to determine the legal permissibility of land use along Mile 2 West Road. Along Mile 2 West Road, development is mixed with proposed retail, and single family residential existing.

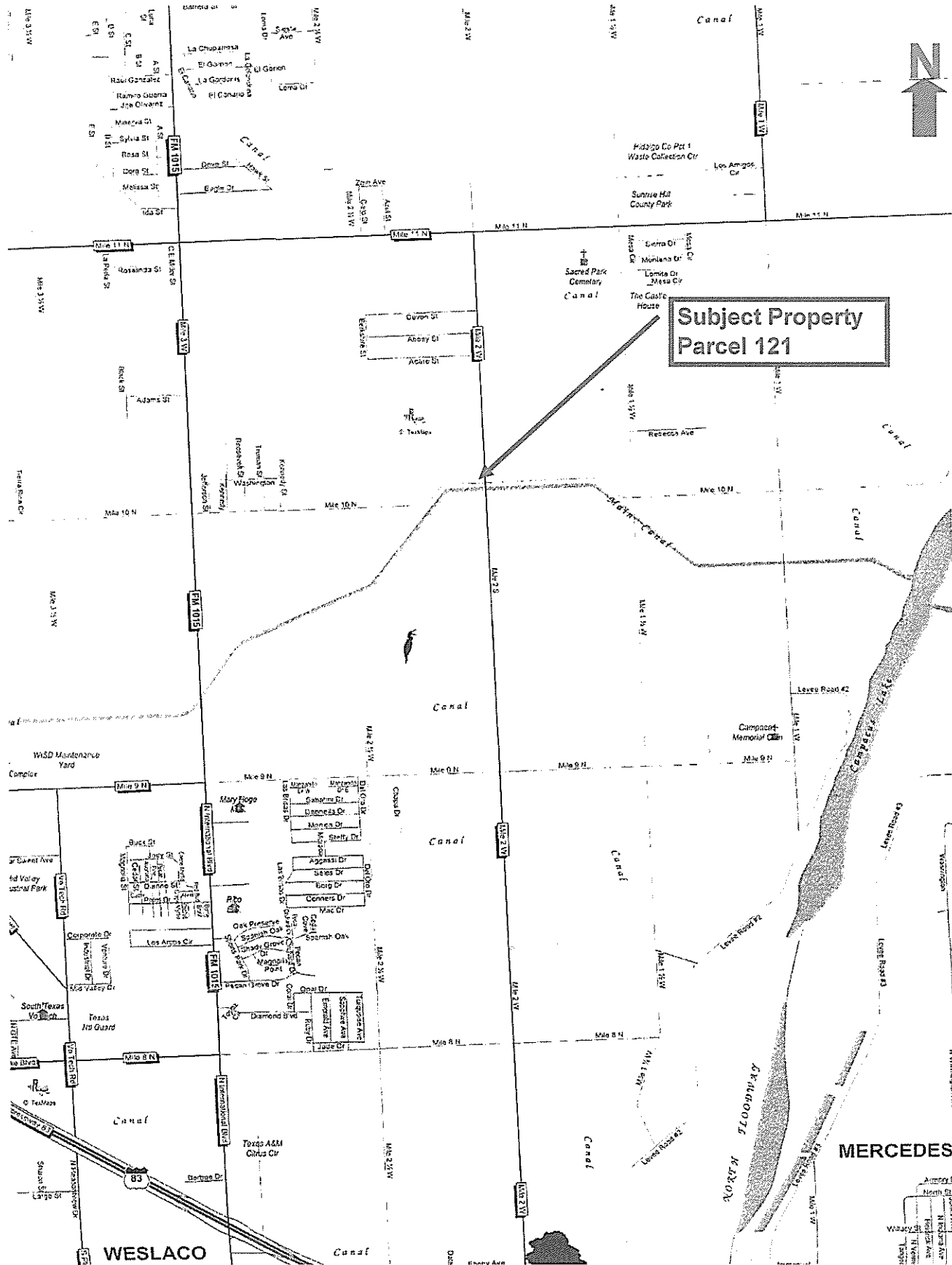
Since the subject lies within the jurisdiction of Hidalgo County, Texas municipal zoning ordinance restrictions are not applicable to the subject as per date of appraisal. This office shall evaluate the subject properties based on the continuing trend along Mile 2 West Road and the existing ordinance which govern the subject property as existing of which should continue its use before and after the proposed right-of-way acquisition. Therefore, the highest and best use of residential use "as vacant" and "as if improved" would therefore be legally permissible as of the date of this report.

The physical characteristics of the subject property as a whole are typically found throughout the eastern region of Hidalgo County. The subject property contains adequate land area and frontage along Mile 2 West Road to allow the future residential development before and after the proposed acquisition. Based on the size and shape of the subject property as a whole and the remainder before and after the acquisition, the property shall maintain a residential highest and best use. As for the part to be acquired, it contains limited use based on its proposed size and shape and therefore does not constitute an economic unit in itself and must be used in conjunction with the whole. Since the valuation of the part to be acquired is based on the pro-rata part of the whole, then the part to be acquired shall be evaluated with a similar highest and best use as the whole. This highest and best use shall not be affected for the remainder before and after the acquisition.

The financial feasibility and maximally productive use of the subject property is based on the continued growth along Mile 2 West Road, which includes single family residential, commercial, and light to heavy industrial uses. Based on the continued growth along Mile 2 West Road, it is estimated that the subject can be financially feasible to contain a residential use "as vacant" and "as if improved". This determination of financial feasibility and productivity is also attributed to the remainder before and after the taking which will not be affected nor damaged as a result of the part to be acquired.

After careful review of the four approaches to the highest and best use test, it is concluded that the subject property "as vacant" and "as if improved" shall be for residential development use. This conclusion is correlated to the property as a whole, part to be acquired and the remainder before and after the acquisition.

LOCATION MAP OF SUBJECT PROPERTY



**Subject Property
Parcel 121**



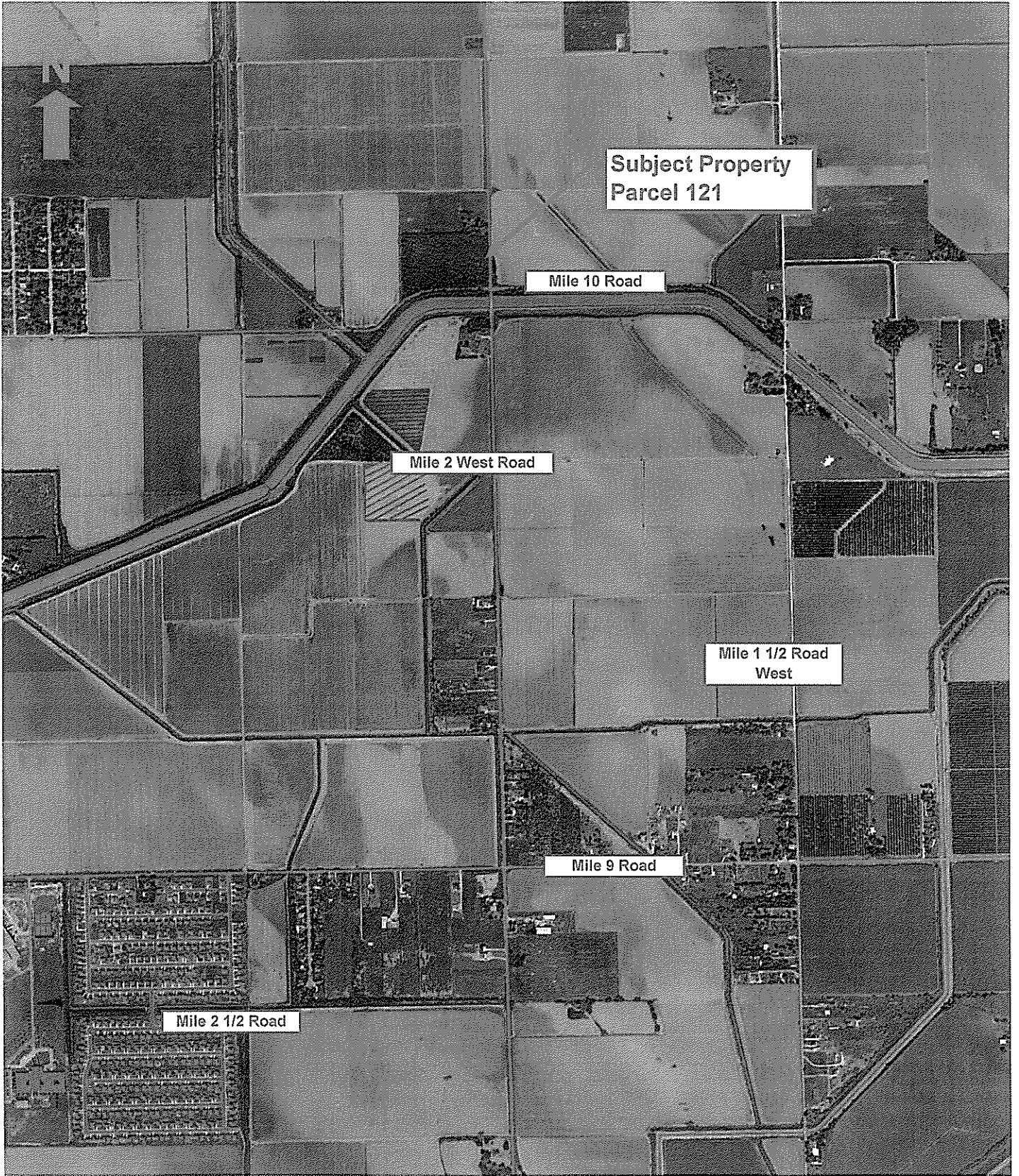
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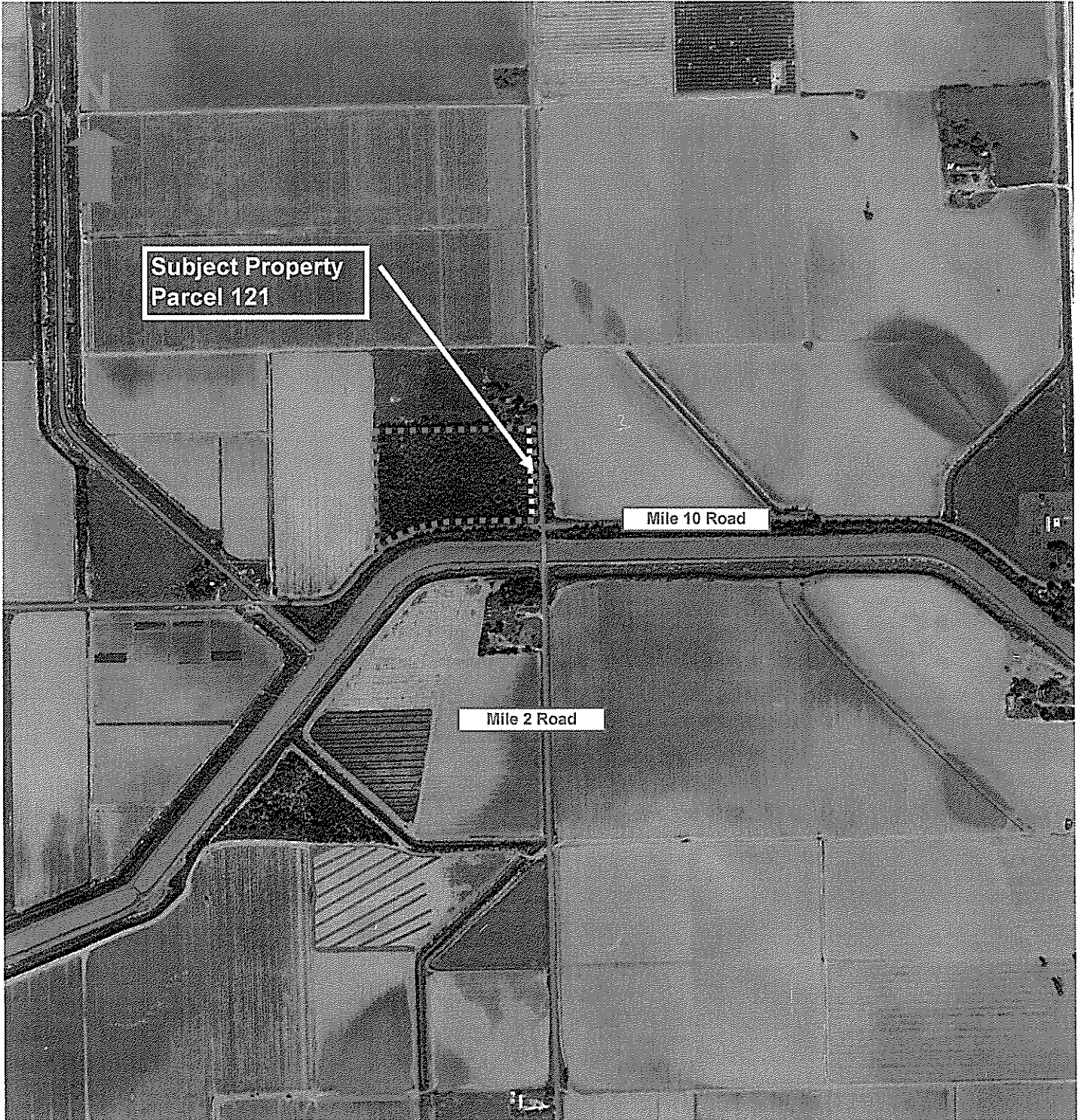
- Amenity
- North
- Right of Way
- Water
- Topography

AERIAL PHOTOGRAPH OF SUBJECT AREA



AERIAL PHOTOGRAPH OF SUBJECT

(Closer View of Subject Property)



NOTE: SUBJECT PROPERTY AS A WHOLE IS ESTIMATED AND DEPICTED BY THE RED DASHED LINE. THIS INCLUDES THE PART TO BE ACQUIRED ALONG MILE 2 WEST ROAD, HIGHLIGHTED IN YELLOW. COMPLETE SURVEY OF SUBJECT AS A WHOLE WAS NOT PROVIDED BY TEDSI INFRASTRUCTURE GROUP, AND IS ESTIMATED BASED ON INFORMATION GATHERED DURING THE INSPECTION OF THE SUBJECT PROPERTY OR THE HIDALGO COUNTY APPRAISAL DISTRICT.

PHOTOGRAPHS OF SUBJECT PROPERTY

Parcel No.: 121

Local Address: NW corner of Mile 2 Road and Mile 10 Road,
Hidalgo County, Texas.

Date Taken: January 26, 2007

Taken By: Leonel Garza III

1. Point from which taken: Photo 1: Mile 2 West Road R.O.W.
Photo 2: Mile 2 West Road R.O.W.

Looking: Photo 1: Western View
Photo 2: Western View

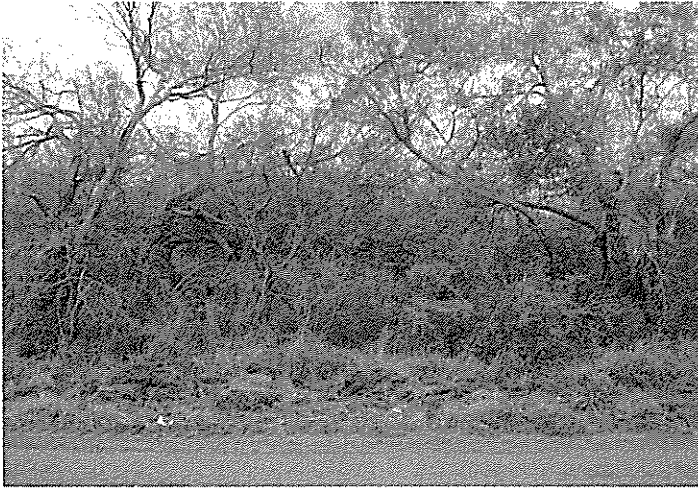


Photo 1

Western view of subject property taken from existing Mile 2 West Road Right-of-way.

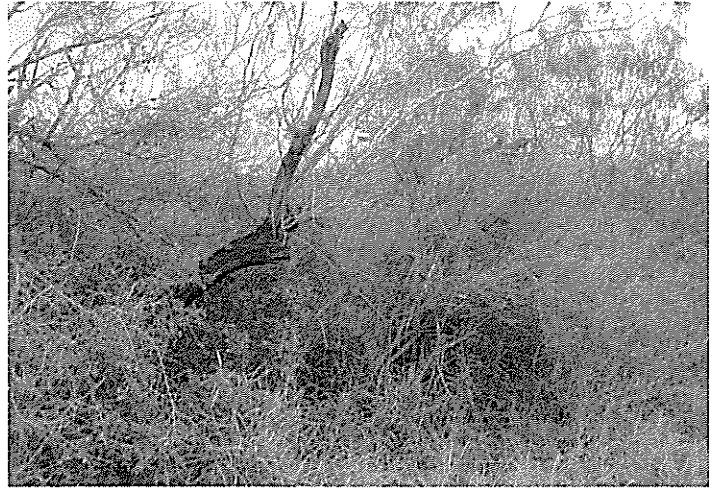


Photo 2

Additional western view of subject property taken from existing Mile 2 West Road Right-of-way.

2. Point from which taken: Photo 3: Mile 2 West Road R.O.W.
Photo 4: Mile 2 West Road R.O.W.

Looking: Photo 3: Northern View
Photo 4: Southern View



Photo 3

Northern view on Mile 2 Road, which includes the part to be acquired. The part to be acquired is existing road right-of-way.



Photo 4

Southern view on Mile 2 Road, which includes the part to be acquired. The part to be acquired is existing road right-of-way.

DESCRIPTION OF PROPERTY:

The subject property, as a whole, is a 10.00 acre vacant tract of land located along western side of Mile 2 West Road in Hidalgo County, Texas. The subject is located within the County of Hidalgo, Texas. According to the survey provided by TEDSI Infrastructure Group, dated August 10, 2007, the part to be acquired is approximately 0.4000 acres (17,424 square feet) gross of which is lying within existing road right-of-way. This land area currently in fee simple shall be calculated at 100% of the unit value derived from the sales comparison approach as if vacant, which shall exclude any existing road right-of-way in order to derive the net area within the acquisition. This is performed in order to determine the pro-rata part of the whole for the purchase of said tract by the Hidalgo County Right-of-Way Department.

AREA OR NEIGHBORHOOD ANALYSIS:

The subject neighborhood along Mile 2 West Road is a mixture of single family residential and small commercial developments. Several properties along Mile 2 West Road are in a state of development as new subdivisions are being created as indicated by the Hidalgo County Planning Department. Leonel Garza Jr. & Associates LLC has inspected the market area along Mile 2 West Road and has found that the market is in a state of positive development of which is concentrated at the intersection of Expressway 83 and Mile 2 West Road.

SITE ANALYSIS:

Five Year Sales History: The subject property is indicated to be under the ownership of Adan Cadena & Adelia G. Cadena, as indicated by survey and field notes provided by TEDSI Infrastructure Group. Further investigation of the subjects history through the Hidalgo County Appraisal District and the Hidalgo County Clerks Office confirmed the current owner of record to be Adan Cadena & Adelia G. Cadena. The subject property was transferred from J. M. Fairchild, Independent Executor of the Estate of Canzada Fairchild, DECEASED (Grantor) to Adan Cadena & Adelia G. Cadena (Grantee) on August 27, 1955. Therefore, the subject has been in the name of Adan Cadena & Adelia G. Cadena, for over fifty-one (51) years.

Legal Description: A 10.00 acre tract of land out of Lot 16, Block 117, Campacuas Addition to the Capisallo, District, Llano Grande Grant, Hidalgo County, Texas.
(Whole Property)

Legal Description: A 0.3758 (16,368 square feet) of an acre tract of land, more or less, out of a 10.00 acre tract of land out of Lot 16, Block 117, Campacuas Addition to the Capisallo, District, Llano Grande Grant, Hidalgo County, Texas.
(Part to be Acquired)

Improvements: During the off-site inspection of the subject property, no building improvements were indicated within nor affected by the part to be acquired. The part to be acquired is existing road right-of-way, as a result no improvements are indicated to be affected. Any utilities located within the part to be acquired shall be relocated as an item of construction and shall not be included within the compensation of the subject property as per scope of the assignment.

Highest and Best Use: Residential Development

VALUATION OF PART TO BE ACQUIRED

LAND VALUATION

Representative Comparable Sales

	Subject	Comp. No. 1	Comp. No. 2	Comp. No. 3
Grantor	J. M. Fairchild, Independent Executor of the Estate of Canzada Fairchild, DECEASED	Reynaldo Garcia, Jr.	David Keith Brannan and Joel Collin Brannan	Telesforo Barrera and wife, Rosita R. Barrera
Grantee	Adan Cadena & Adelia G. Cadena	Julio C. Avila and wife, Maribel Avila	wife, Guadalupe E. Robles	Maria Luisa Lopez Castrejon
Date of Sale	August 27, 1955	June 6, 2005	November 29, 2005	February 17, 2005
Unit Price	/ Ac	20,765 / Ac	5,000 / Ac	7,500 / Ac
Relative Location	Average	Superior -20%	Inferior 20%	Inferior 20%
Lot Location	Corner Tract	Interior Tract 5%	Interior Tract 5%	Interior Tract 5%
Financing	Conventional	Similar 0%	Similar 0%	Similar 0%
Conditions of Sale	Cash To Seller	Similar 0%	Similar 0%	Similar 0%
Market Conditions	Average	Similar 0%	Similar 0%	Similar 0%
Physical Characteristics	Typical of Market	Similar 0%	Similar 0%	Similar 0%
Available Utilities	Water / Electricity / Phone	Similar 0%	Similar 0%	Similar 0%
Street Access / Frontage	Mile 2 Road & Mile 10 Road North	Mile 11 North Road 0%	Mile 15th North Road 0%	Mile 14 1/2 North Road 0%
Size of Tract	9.610 Ac	1.83 Ac -10%	5.00 Ac -5%	10.00 Ac 0%
Net Adjustments		Δ -25%	Δ 20%	Δ 25%
Indicated Unit Value		\$ 15,574 / Ac	\$ 6,000 / Ac	\$ 9,375 / Ac
Estimated Unit Value of Fee Simple Area				\$ 15,000 / Ac
Estimated Value by Sales Comparison Approach (Includes Part To Be Acquired Only)		(0.01 Ac. x \$ 15,000 / Acre)		\$ 150

COMPARABLE DATA SUPPLEMENT

District: N/A Parcel No.: 121 Highway: Mile 2 West Road County: Hidalgo ROW CSJ: 0921-01-192

Land Sale

Improved Sale

Rental Data



Grantor/ Lessor: Reynaldo Garcia, Jr. Grantee/Lessee: Julio C. Avila and wife, Maribel Avila
 Date: June 6, 2005 Recording Information: Document# 1486507 Key Map: N/A
 Address: Located along the northern side of Mile 11 Road, located east of FM 1015, Hidalgo County, Texas. Zip Code: 78501

Legal Description: All of Lot 7, Jo Mar Estates, an Addition to the City of Weslaco, Hidalgo County, Texas, according to the map recorded in Volume 30, Page 80, Map Records in the Office of County Clerk of Hidalgo County, Texas.

Confirmed Price : \$ 38,000 Verified with: MLS# L99921S

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 1.83 Acres or 79,715 Sf Unit Price as Vacant : \$ 20,765 / Ac or \$ 0.48 / Sf

Type Street: Asphalt Paved Utilities: Electricity, Water, Septic System

Improvement(s) Description: N/A

Improvement(s) Size: N/A (GBA) N/A (NRA) N/A Unit Price as Improved \$: N/A

Condition and Functional Design: N/A

Current Use: Vacant Highest and Best Use: Residential Use

Date of Inspection: January 26, 2007 Zoning: N/A Flood Plain: Zone "AE"

Attach Additional Information: The subject property is located on the north side of Mile 11, just east of FM 1015 in Hidalgo County, Texas. The property has 150' lineal feet of frontage along Mile 11 Road. The subject property is Lot 7 of the Jo Mar Subdivision. Jo Mar Subdivision is a residential subdivision consisting of large tracts of land with deed restrictions, limiting the minimal living area to 1,400 sq of living area.

Appraiser: Leonel Garza III January 26, 2007
 (Typed, not signed) Date

COMPARABLE DATA SUPPLEMENT

District: N/A Parcel No.: 121 Highway: Mile 2 West Road County: Hidalgo ROW CSJ: 0921-01-192

Land Sale

Improved Sale

Rental Data



Grantor/ Lessor: David Keith Brannan and Joel Grantee/Lessee: Rogelio G. Robles and wife, Guadalupe E. Robles
Collin Brannan

Date: November 29, 2005 Recording Information: Document# 1554988 Key Map: N/A

Address: South side of Mile 15 Road, about 1/4 mile west of FM 88. Zip Code: 78539

Legal Description: A 5.00 acre tract of land out of Farm Tract Four Hundred Six (406), West and Adams Tract Subdivision, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 2, Page 34-37, Map Records, Hidalgo County, Texas.

Confirmed Price: \$ 25,000 Verified with: MLS# L01077S

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 5.00 Acres or 217,800 Sf Unit Price as Vacant: \$ 5,000 /Acre or \$ 0.11 / Sf

Type Street: Asphalt Paved Utilities: Electricity, Water, Septic System

Improvement(s) Description: N/A

Improvement(s) Size: N/A (GBA) N/A (NRA) N/A Unit Price as Improved \$: N/A

Condition and Functional Design: N/A

Current Use: Vacant Highest and Best Use: Residential Development

Date of Inspection: January 26, 2007 Zoning: N/A Flood Plain: N/A

Attach Additional Information:

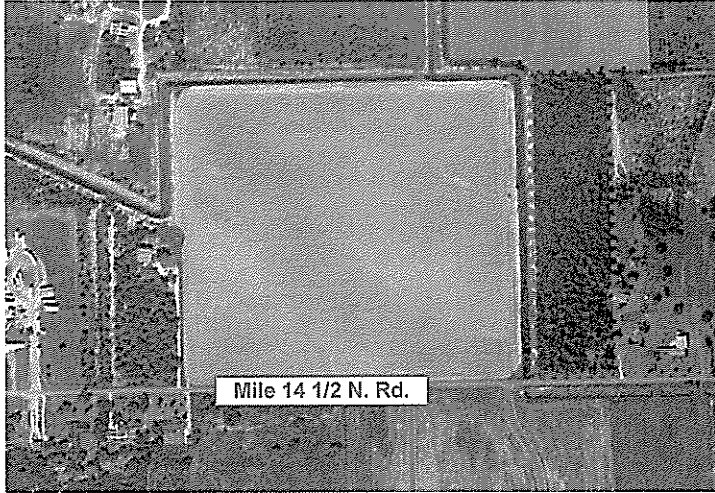
The subject property is located on the south side of Mile 15, just west of FM 88 in Hidalgo County, Texas. The property has 142.66' lineal feet of frontage along Mile 15 Road. The subject property is an irregular shape tract located about one mile south of Elsa.

Appraiser: Leonel Garza III January 26, 2007
(Typed, not signed) Date

COMPARABLE DATA SUPPLEMENT

District: N/A Parcel No.: 121 Highway: Mile 2 West Road County: Hidalgo ROW CSJ: 0921-01-192

Land Sale Improved Sale Rental Data



Grantor/ Lessor: Telesforo Barrera and wife, Rosita R. Barrera Grantee/Lessee: Maria Luisa Lopez Castrejon
 Date: February 17, 2005 Recording Information: Document# 1451132 Key Map: N/A
 Address: North side of Mile 14 1/2, just east of FM 88 in Hidalgo County, Texas. Zip Code: 78543

Legal Description: The West 10.0 acres of Farm Tract 423, West and Adams Tracts Subdivision, Hidalgo County, Texas, according to map thereof recorded in Volume 2, Page 34-37, Map Records of Hidalgo County, Texas.

Confirmed Price: \$ 75,000 Verified with: MLS# L89585S

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 10.00 Acres or 435,600 Sf Unit Price as Vacant: \$ 7,500 / Acre or \$ 0.17 / Sf

Type Street: Asphalt Paved Utilities: Electricity, Water, Septic System

Improvement(s) Description: N/A

Improvement(s) Size: N/A (GBA) N/A (NRA) N/A Unit Price as Improved \$: N/A

Condition and Functional Design: N/A

Current Use: Vacant Highest and Best Use: Residential Development

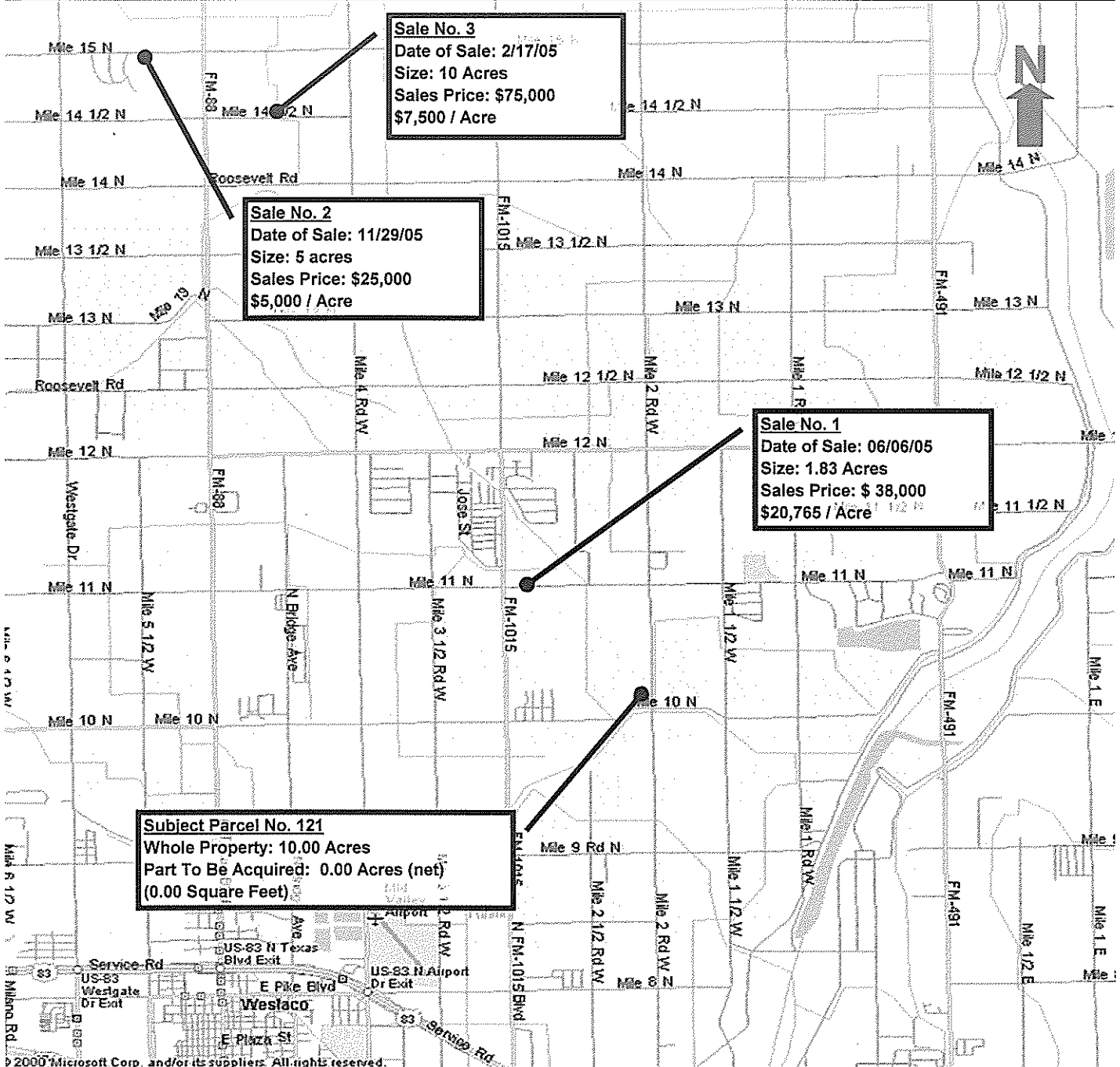
Date of Inspection: January 26, 2007 Zoning: N/A Flood Plain: N/A

Attach Additional Information:

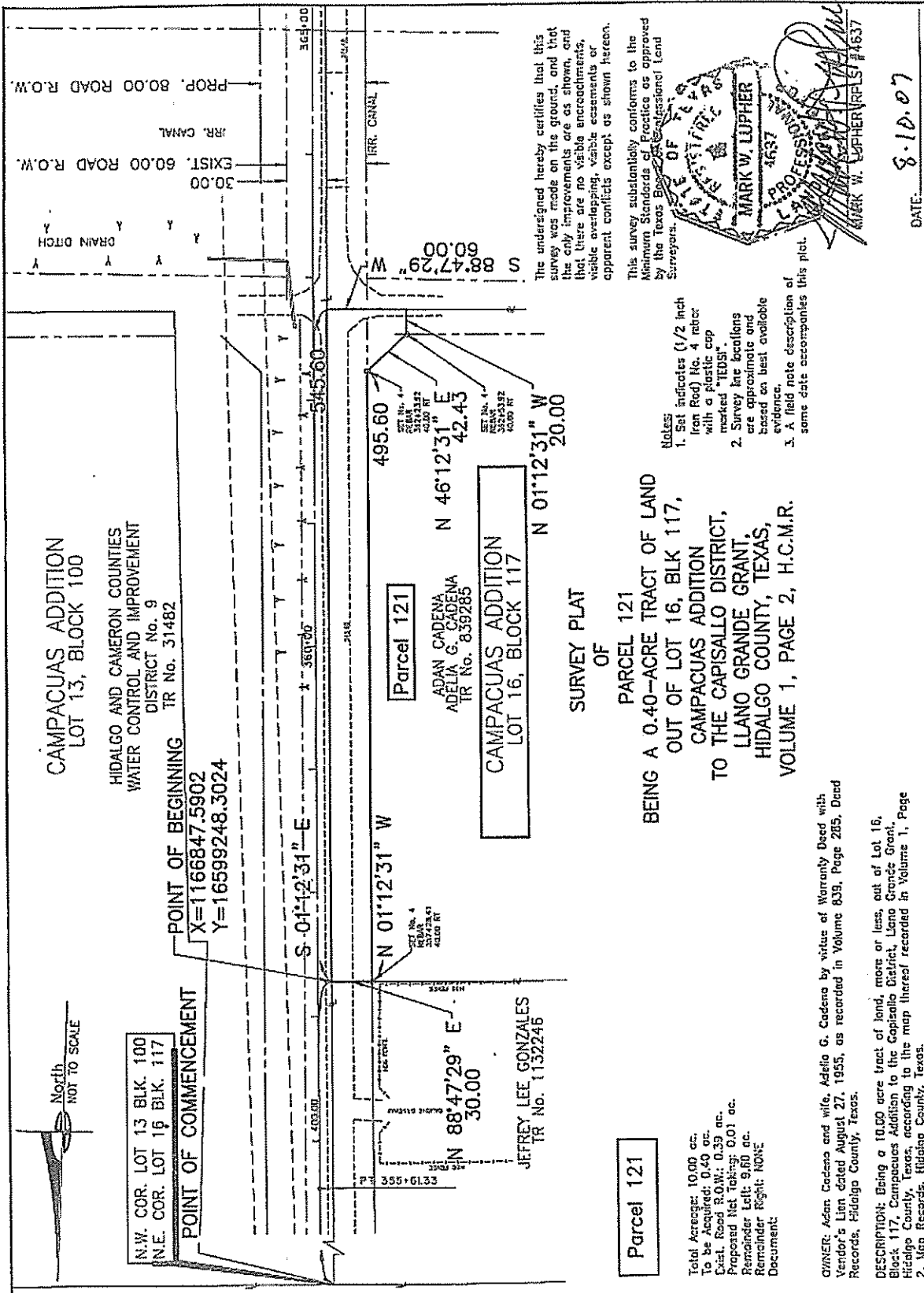
The subject property is located on the north side of Mile 14 1/2, just east of FM 88 in Hidalgo County, Texas. Mile 14 1/2 North road is in a state of development with new subdivisions being constructed across from the subject property. The subject properties Net acreage is 8.68 acres.

Appraiser: Leonel Garza III January 26, 2007
 (Typed, not signed) Date

COMPARABLE SALES MAP

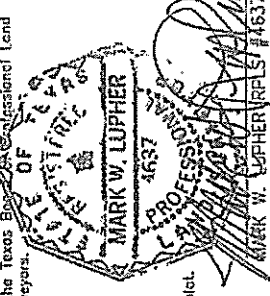


SURVEY OF SUBJECT PROPERTY (Page 1 of 1)



The undersigned hereby certifies that this survey was made on the ground, and that the only improvements are as shown, and that there are no visible encroachments, visible overlapping, visible easements or apparent conflicts except as shown hereon.

This survey substantially conforms to the Minimum Standards of Practice as approved by the Texas Board of Professional Land Surveyors.



DATE: 8-10-07

- Notes:
1. Set indicates (1/2 inch Iron Rod) No. 4 rebar with a plastic cap marked "TEDSI".
 2. Survey line locations are approximate and based on best available evidence.
 3. A field note description of some date accompanies this plat.

SURVEY PLAT

OF
PARCEL 121
BEING A 0.40-ACRE TRACT OF LAND
OUT OF LOT 16, BLK 117,
CAMPACUAS ADDITION
TO THE CAPISALLO DISTRICT,
LLANO GRANDE GRANT,
HIDALGO COUNTY, TEXAS,
VOLUME 1, PAGE 2, H.C.M.R.

Parcel 121

Total Acreage: 10.00 ac.
 To be Acquired: 0.40 ac.
 Exist. Road R.O.W.: 0.39 ac.
 Proposed Net Taking: 0.01 ac.
 Remainder Left: 9.60 ac.
 Remainder Right: NONE
 Document:

OWNER: Adan Cadena and wife, Adelia G. Cadena by virtue of Warranty Deed with Vendor's Lien dated August 27, 1955, as recorded in Volume 839, Page 285, Dard Records, Hidalgo County, Texas.

DESCRIPTION: Being a 10.00 acre tract of land, more or less, out of Lot 16, Block 117, Campacuas Addition to the Capisallo District, Llano Grande Grant, Hidalgo County, Texas, according to the map thereof recorded in Volume 1, Page 2, Map Records, Hidalgo County, Texas.

PROJECT NAME MILE 2 WEST LAN, CSJ	DATE OF SURVEY 6/21/2007
TEDSI INFRASTRUCTURE GROUP Creating Engineers 1201 E. Expressway #11 Midland, Texas 79702 959.4317819	SHEET No. PAGE 3 OF 3 PAGES

Yellow Highlight = Proposed Right-of-Way ; Green Highlight = Existing Right-of-Way

COUNTY: HIDALGO

R.O.W. CSJ: 0921-02-170

HIGHWAY: MILE 2 WEST ROAD

PROJECT LIMITS: MILE 12 NORTH TO MILE 7 NORTH

GRANTORS: ADAN CADENA AND WIFE ADELIA G. CADENA

FIELD NOTES FOR PARCEL - 121

Being a 0.4000 (17,418 square feet) of an acre tract of land, more or less, out of a 10.0000-acre tract of land out of Lot 16, Blk. 117, Campacuas Addition to the Capisallo District, Llano Grande Grant, Hidalgo County, Texas, as recorded in Volume 1, Page 2, Map Records, Hidalgo County, Texas. Said 10.0000-acre tract of land is vested to Adan Cadena and wife Adelia G. Cadena by virtue of a Warranty Deed with Vendor's Lien dated August 27, 1955, recorded in Volume 839, Page 285, Deed Records, Hidalgo County, Texas. Said 0.4000 (17,418 square feet) of an acre tract of land being more particularly described by metes and bounds as follows;

COMMENCING at the Northeast corner of Lot 16, Blk. 117, Campacuas Addition to the Capisallo District, Llano Grande Grant, Hidalgo County, Texas, as recorded in Vol.1 Pg. 2 of Hidalgo County Map Records, **THENCE**, S 01° 12' 31" E, a distance of 400.00 feet to the Northeast corner and the **POINT OF BEGINNING**, with grid coordinates of X=1,166,847.5902 and Y=16,599,248.3024 All bearings and coordinates are based on the State Plane Coordinate System of Texas, South Zone, North American Datum 1983 (1993 adjustment), English Units.

THENCE, S 01° 12' 31" E, for a distance of 545.60 feet, to a point on the East line of Lot 16, for the Southeast corner of said tract herein described;

FIELD NOTES OF PART TO BE ACQUIRED (Page 2 of 2)

Page 2 of 3

THENCE, S 88° 47' 29" W, parallel to the North line of Lot 16, for a distance of 60.00 feet to a No. 4 rebar with an orange plastic cap marked "TEDSI" set for the Southwest corner of said tract herein described;


THENCE, N 01° 12' 31" W, parallel to the East line of Lot 16, for a distance of 20.00 feet to a No. 4 rebar with an orange plastic cap marked "TEDSI" set for an external corner of said tract herein described;

THENCE, N 46° 12' 31" E, for a distance of 42.43 feet, to a No. 4 rebar with an orange plastic cap marked "TEDSI" set for an internal corner of said tract herein described;

THENCE, N 01° 12' 31" W, parallel to the East line of Lot 16, for a distance of 495.60 feet to a No. 4 rebar with an orange plastic cap marked "TEDSI" set for the Northwest corner of said tract herein described;

THENCE, N 88° 47' 29" E, for a distance of 30.00 feet to the **POINT OF BEGINNING** and containing 0.4000 (17,418 square feet) of an acre of land, of which 0.3895 of an acre lies in the existing Mile 2 West Road Right-of-Way, and leaving a **PROPOSED NET TAKING** of 0.0103 of an acre of land.

A plat of same date accompanies this Field Note Description


Mark W. Luper - R.P.L.S. # 4637

Date: 8.10.07

Explanation of Adjustments with Reconciliation:

During the analysis of the part to be acquired, the value for the subject property as a whole was determined. This determination of market value is utilized for the valuation of the part to be acquired which is a pro-rata part of the whole. The local market was searched for comparable sales of which contained similar frontage along Mile 2 West and other similar nearby thoroughfares. Each of the sales utilized are located within 2.0 miles from the subject property with similar highest and best uses as residential development. Several sales were located within this parameter of which had occurred within the past two years. Three sales were selected which were the most comparable to the subject property and required the least number of adjustments. The following three comparable sales were reviewed for location, available utilities, financing, site utility, topography and other factors of which the real estate market shall recognized for the purchase of said tracts.

Sale No. 1 is located at the along the north line of Mile 11 North Road east of FM 1015. The property was purchased for residential development. The comparable sale is located in a superior market area as the subject property and as such a downward adjustment of -20% for location is indicated. The sale is an interior tract of land which is inferior to the subject property as it contains access along Mile 2 West and Mile 11 North Road, as such an upward adjustment of +5% is indicated. The subject property is a larger tract of land as compared to the sale, as such a -10% downward adjustment was indicated. No other adjustments were indicated for the comparable sale. Based on the adjustments indicated for the comparable sale, the subject property indicated unit value is \$15,574 per acre.

Sale No. 2 is located on the south line of Mile 15 North Road west of FM 88. The property was purchased for future residential development. Due to the sales inferior location as compared to the subject property, a upward adjustment of +20% was indicated for the sale. The sale is an interior tract of land which is inferior to the subject property as it contains access along Mile 2 West and Mile 11 North Road, as such an upward adjustment of +5% is indicated. The subject property is a larger tract of land as compared to the sale, as such a -5% downward adjustment was indicated. No other adjustments were indicated for the comparable sale. Based on the adjustments indicated for the comparable sale, the subject property indicated unit value is \$6,000 per acre.

Sale No. 3 is located on the north line of Mile 14 1/2 North Road east of FM 88. The property was purchased for future residential development. Due to the sales inferior location as compared to the subject property, a upward adjustment of +20% was indicated for the sale. The sale is an interior tract of land which is inferior to the subject property as it contains access along Mile 2 West and Mile 11 North Road, as such an upward adjustment of +5% is indicated. No other adjustments were indicated for the comparable sale. Based on the adjustments indicated for the comparable sale, the subject property indicated unit value is \$9,375 per acre.

After reviewing the comparable sales selected, an unadjusted unit range of market value of \$5,000 per acre to \$20,675 per acre was indicated. After adjustments were made in paired sales analysis of the comparable to the subject property, an adjusted range of market value of \$6,000 per acre to \$15,574 per acre was determined. Based on the existing developments within the immediate market area and the current trends found along Mile 2 West Road, a unit value near the upper end of the adjusted range was selected, \$10,000 per acre.

ESTIMATED VALUE OF ACQUISITION

Land: 0.0100 Acres @ \$ 15,000 per acre \$ 150

Improvements:	<u>No Site Improvements Indicated</u>	\$ -
	_____	\$ -
	_____	\$ -
	_____	\$ -
	_____	\$ -
	Total Improvements	\$ -

TOTAL ESTIMATED VALUE _____ \$ 150

Cost To Cure Damages _____ \$ -

Estimated Total Compensation _____ \$ 150

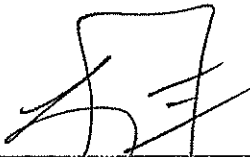
ADDENDUM

- 1. Certification of Appraisal**
- 2. Assumption & Limiting Conditions**
- 3. Qualifications of Appraisers**
- 4. Letter of Inspection Sent To Owner of Record Via Certified Mail**
- 5. Certified Letter Tracking Information**
- 6. Warranty Deed**

Certification of Appraisal

I certify 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 I have 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 Uniform Standards of Professional Appraisal Practice in conjunction with the standards accepted by the Texas Department of Transportation.
- * I have made a personal observation of the property that is the subject of this report. Assisting in the gathering of on-site information during the date of inspection were Luis Carlos Garza, Appraiser Trainee, and Thomas M. Davis, General Certified Real Estate Appraiser. Their specific use during this project was limited to the measuring of improvements located within taking and those items which may be damaged by the part to be acquired, aiding in the photography of the subject property and partial analysis. The full analysis and data gathering of sales information and other information concerning the subject property was performed by Leonel Garza III, General Certified Appraiser. Comparable data information was further confirmed by Thomas M. Davis including partial cost approach analysis and data gathering for the cost scheduled utilized throughout the project.
- * I certify that, to the best of my knowledge and belief, the reported 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.
- * I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative and for the purpose of right-of-way acquisition only and does not meet the standards required by certain financial institutions for the purpose of acquiring a loan.
- * The employment and compensation of this appraiser in completing this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of the client to begin negotiations of said property for acquisition.



Leonel Garza III
General Certified Real Estate Appraiser
License No. TX - 1378375-General



Thomas M. Davis
General Certified Real Estate Appraiser
License No. TX - 1336454 - General



Luis Carlos Garza
Appraiser Trainee
License No. TX - 1335013 - Trainee

ASSUMPTIONS AND LIMITING CONDITIONS

This report has been prepared with the following general assumption:

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 furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering, title reports and surveys provided are assumed to be correct. The survey and field notes and other illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or un-apparent 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 the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. 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.
9. It is assumed that the use of the land and improvements is confined within the boundaries or property line of the property described and that there is no encroachment or trespass unless noted in the survey provided.
10. Unless otherwise stated in this report, this appraiser did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser does not have any knowledge of the existence of such material on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication without the written permission of Leonel Garza Jr. & Associates LLC.
3. The appraiser, by reason of this appraisal, is 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.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is 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 appraiser and or the client of this report.
5. If the property rights appraised are the "Leased Fee Estate", then the final indicated market value estimate is based on the continued performance under the lease terms.
6. All original appraisal reports have been signed in blue. Any other copy, which is not signed in blue, may have been altered, and this appraiser is not responsible for its contents or values indicated.

Assumptions and Interpretations Made of the Marketing Period

1. Marketing Time Period: Begins with the date of value estimate and with the indicated exposure time.
2. Exposure to the open market: listing the property on the market for sale with a Realtor, member of Multiple Listing Service, or a licensed Real Estate Broker, that will properly expose the property to the market. This appraiser does not consider a sign placed by a property owner on the property as proper marketing. If the property is presently listed for sale on the market, this appraiser must be notified prior to the completion of the appraisal.
3. Exposure Time: The 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.

QUALIFICATIONS OF APPRAISER - LEONEL GARZA III

EDUCATION

- * **Graduate, 1995, Texas AM University, College Station, Texas**
Bachelor of Science in Biomedical Science
- * **Graduate, 1991 McAllen Memorial High School, McAllen, Texas**

LICENSE HELD

- * **State Certified General Real Estate Appraiser**
- * License Number TX - 1328375-General
- * December 31, 2006 Through December 31, 2008 (Active)

PUBLIC SERVICE & PROFESSIONAL ORGANIZATIONS

- * **Associate Member of the Appraisal Institute (Not an MAI Designated Appraiser)**
Currently taking courses toward the designation of MAI through the Appraisal Institute. Approximate time of completion, 2 years)
- * **Chairman of the City of McAllen Zoning Board of Adjustments & Appeals**
The BOA protects enforces and reviews the current city zoning ordinances for all types of properties within the boundaries of the City of McAllen. Cases heard are first brought to the City Planning and Zoning Commission and then to the BOA if a variance is required. The BOA shall review the previous boards decision and upon a super-majority vote shall decide whether or not the applicants request for overturning the previous boards action is required.
- * **Chairman of the Hidalgo County Subdivision Review Board**
The county commission on subdivision review's primary goal is to ensure that proper standards, set by Texas State Law and the Texas State Attorney Generals Office, are mandated by each proposed subdivision developer and or land owner who resides within the County of Hidalgo and or Extraterritorial Jurisdiction of municipalities throughout the County of Hidalgo.
- * **Chairman of the Hidalgo County Building Line of Adjustments Board**
This county advisory board reviews applications of those who have recently constructed or contain non-conforming structures of which are not in compliance with a recorded subdivision plat nor the Hidalgo County Planning Departments minimum set back requirements. These requirements are govern by the Texas Water Development Board and the Texas Model Subdivision Rules.
- * **Former Executive Board Member of the Lower Rio Grande Boy Scout Council**
The goal of the council is to maintain membership and the continued progress of the boy scouts within the Lower Rio Grande Valley. The council shall maintain progress reports of financial status of the council and plan for events world wide which local children may participate as a representative of the council. These events include the World Jamboree and the National Jamboree.
- * **Former Vice Chairman and Member of the City of McAllen Ambulance Advisory Committee**
The Ambulance Advisory Committee is responsible for review the current contract provider for 911 services within the City of McAllen and attend to any concerns and or complaints toward the contractor.
- * **Former Member of the City of McAllen Building Board of Adjustment and Appeals**
The BOA reviews the decision of City Staff for the demolition of properties deemed unsafe through the City for a variety of reasons. The board review all facts and concerns and make the decision to secure or proceed with demolition based upon the safety of the neighboring property owners and occupants. The greatest concern for the commission is the safety of the surrounding neighborhood occupants.
- * **Former Member of the Pharr Municipal Park Charter Committee**
Appointed in 1998-1999, our goal was to establish a 103-acre master planned recreational park to the City of Pharr during our membership with the City of Pharr Leadership Class X. The project is still on-going.

WORK EXPERIENCE & CONTINUING EDUCATION

- * Employee of Leonel Garza Jr. & Associates since 1990
- * State Certified General Real Estate Appraiser since 1998 - Present
- * Owner of G-3 Construction which primary focus is custom single-family residences and multifamily apartment complexes.
- * Commercial property manager throughout the City of McAllen & Pharr, Texas.
- * Appraiser Trainee from 1995 thru 1998 under the sponsorship of Leonel Garza Jr. Leonel Garza Jr. was a State Certified General Real Estate Appraiser in McAllen, Texas for over 18 years, and was a Board Member of the Texas State Appraisal Review Board from October 23, 1995 Through September 15, 1998 appointed by Governor George W. Bush for two terms.

December 11, 2004

- * National Uniform Standards of Professional Practice Course 400, Sponsored By The Houston Chapter Appraisal Institute, Houston, Texas.

November 16, 2004

- * Residential Cost Approach – Marshall & Swift Evaluation Cost Guide, Sponsored by the Lincoln Graduate Center, San Antonio, Texas.

September 12, 2003

- * 2003 Eminent Domain Seminar, Sponsored by the International Right of Way Association (IRDA) in San Marcos, Texas.

May 16, 2002

- * "Uniform Standards of Professional Appraisal Practice". Sponsored by the Houston Chapter of the Appraisal Institute, Houston, Texas.

December 15, 2000

- * Residential Appraisal Update, Course #117. Sponsored by The Columbia Institute in San Antonio, Texas.

September 18, 2000

- * "Current Issues in Ad Valorem Property Tax Valuation. Sponsored by the Institute for Real Estate Professionals, Inc. in Dallas, Texas.

September 19, 2000

- * "Uniform Standards of Professional Appraisal Practice". Sponsored by the Institute for Real Estate Professionals, Inc. in Dallas, Texas.

September 20, 2000

- * "Texas Property Tax Law 2000". Sponsored by the Institute for Real Estate Professionals, Inc. in Dallas, Texas.

October 8-14, 1998

- * Course 530: Advance Sale Comparison and Cost Approach, Sponsored by the Houston Chapter of the Appraisal Institute, Houston, Texas.

September 24-29, 1998

- * Course 510: Advance Income Capitalization, Sponsored by the Houston Chapter of the Appraisal Institute, Houston, Texas.

May 4 thru May 9, 1998

- * Course 320: Basic Income Capitalization, Sponsored by the Houston Chapter of the Appraisal Institute, Houston, Texas.

September 20 thru September 21, 1996

- * Austin Chapter of the Appraisal Institute, Uniform Standards of Appraisal Practice (USPAP) Part B, Course 420; Held in Austin, Texas.

September 18 thru September 19, 1996

* Austin Chapter of the Appraisal Institute, Uniform Standards of Appraisal Practice (USPAP) Part A, Course 410; Held in Austin, Texas.

June 25, 1996

* "Apartment and Rental Housing Legal Seminar"; Sponsored by the Texas Apartment Association of the Rio Grande Valley, McAllen, Texas.

April 11-16, 1996

* Course 120: Appraisal Procedures, Sponsored by the Houston Chapter of the Appraisal Institute, Houston, Texas.

February 15-20, 1996

* Course 110: Appraisal Principles, Sponsored by the Houston Chapter of the Appraisal Institute, Houston, Texas.

Clients For Whom Appraisals Have Been Prepared By This Appraiser			
Banks	Bankruptcy Courts	Cities	Counties
Attorneys	Texas Department of Transportation	Alamo	Hidalgo
Retailers	Homeowners	Mission	Cameron
Doctors	Rancher	McAllen	Star
Oil Companies	Banks	Pharr	
Farmers	National Franchises Estate Planners	Hidalgo	
Mortgage Companies		San Juan	
Hotel Franchises		Edinburg	
US Department of Interior		Mercedes	

Type of Appraisals Which Have Been Prepared By This Office		
Caliches Pits / Land Fills	Apartment Complexes	Agricultural Land
Commercial Lots	Automobile Agencies	Bar / Lounges
Convenience Stores	Mini-Storage Units	Grocery Stores
Farms & Ranches	Mobile Home Park Subdivision	Multi- Tenant Retail
Industrial (McAllen Foreign Trade Zone)	Motels / Hotels	Multi-Tenant Offices
Industrial Subdivisions	Ranches	Residential
Medical Offices	Residential Subdivisions	Vacant Residential Lots
Retail Commercial Strips	Restaurants	Veterinary Clinics
Warehouses	Right-of-Way Acquisitions	
	Truck Stops	

Areas Where Appraised Properties Have Been Performed By This Office			
Alamo	George west	McAllen	Rio Grande City
Alice	Cargill	McCook	Roma
Austin	Harlingen	Mercedes	San Antonio
Beeville	Hidalgo	Mission	San Juan
Donna	Kingsville	New Braunfels	South Padre Island
Edcouch	Kyle	Palm view	Sullivan City
Edinburg	La Ferial	Pleasanton	Weslaco
Eagle Pass	La Joy	Port Isabel	Zapata
Elsa	Los Beans	Progresso	

CERTIFIED LETTER OF INSPECTION TO PROPERTY OWNER

Leonel Garza Jr. & Associates LLC
Appraisal Services

State Certified General Real Estate Appraiser
Real Estate Property Tax Consultant

1419 Dove, Suite 1 - McAllen, Texas 78504
(956) 687-7295 (24 hour answering service) Fax (956) 687-9236

January 5, 2007

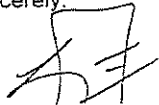
Parcel 121
Adan Cadena
1015 South 12th Avenue
Edinburg, Texas 78539-5605

To Whom It May Concern:

Leonel Garza Jr. & Associates LLC has been contracted by Hidalgo County Right-of-Way Department to appraise various properties along Mile 2 West Road for the purpose of acquiring additional right-of-way. The purpose of such "right-of-way" is for the expansion and renovation of Mile 2 West Road. The project limits for the expansion is Mile 12 North to Mile 7 North. The County of Hidalgo is interested in acquiring a small portion of the frontage of your property for this expansion. Marked on the attached exhibit is the portion of land, which is to be appraised and purchased by the Hidalgo County right-of-Way Department. This is the beginning process for future negotiations to acquire the land. Our office will inspect the subject property from the existing right-of-way on the week of January 22, 2007 thru February 17, 2007. If you or your representative wish to meet with us to discuss the purpose of the appraisal and join me for an on-site inspection of your land, I can be reached at (956) 687-7295. I will be researching the market area for any and all real estate sales, and would appreciate any leads or information in which you may have. If you have any questions please call the office of Leonel Garza Jr. & Associates LLC at (956) 687-7295.

With this letter I request permission to perform an on-site inspection and photograph your property. If you have any objections to our inspection of your property please call the office of Leonel Garza Jr. and Associates LLC at (956) 687-7295 prior to the proposed inspection date. Thank you.

Sincerely,



Leonel Garza III
State Certified General
Real Estate Appraiser
TX - 1328375-General

Cc: Hidalgo County Right-of-Way Department
Roy Gonzales - Right-of-Way Agent
509 E. Earling Road, San Juan, Texas 78589
(956) 283-8134

SENDER COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>Adan Cadena</i></p> <p>B. Received by (Printed Name) <i>Adan Cadena</i></p> <p>C. Date of Delivery <i>1/16/07</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Parcel 121 Adan Cadena 1015 South 12th Avenue Edinburg, Texas 78539-5605</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (transfer from service label)</p>	<p style="text-align: center;">7005 1260 0001 0493 1511</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 100265-02-00-1540</p>	

Leonel Garza Jr. & Associates LLC

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Track & Confirm

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Label/Receipt Number: 7005 1160 0001 0493 1561
Status: Delivered

Your item was delivered at 1:23 PM on January 6, 2007 in EDINBURG, TX 78539.

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JAN 06 2007

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