



HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

JOSE N. PEÑA
Director

PAY-MEMO

To: Sylvia Handy
Commissioner Hidalgo County Pct. # 1
Attn: Noe Montes

From: Roy Gonzales, ROW Agent *RG.*
Hidalgo County Right of Way Department.

Date: February 3, 2009

Re: FM 88 Outfall Project
Parcels # 1- Donald E. and Mary A. Thompson Living Trust

=====

Commissioner Handy,

Attached please find a copy of the unrecorded deed, copy of the Appraisal Report, and a copy of the 1099S form signed by the land owner on the above-mentioned project. A check in the amount of \$13,000.00 should be made payable to Donald E. and Mary A. Thompson Living Trust. Please have your department process this invoice as soon as possible out of account # 8-1315-433-50-121-036-0-711 for Right of Way acquisition on this project.

The Original deed will be held by the Right of Way Department and recorded as soon as payment to the landowner is processed. **Please hold check for agent to pick up.**

Commissioners Court approved this project for acquisition on May 30, 2006.

Should you have any questions or comments, please feel to call my office @ 283-8134 or my cell (956) 289-9662.

Roy

Approved _____
Commissioner Sylvia Handy

Approved *Jose N. Pena*
Jose N. Pena, ROW Director



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: January 28, 2009

RE: FM 88 Outfall Project (Parcel # 1)
Donald E. Thompson

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

Appraised Value: \$8,297.00

Settlement Offer: \$13,000.00

Differences: \$4,703.00

Approved;

[Signature] 1/28/09

Not Approved: _____

Donald E Thompson
2823 S Pleasantview Dr
Weslaco, TX 78596

Jose N Pena
Right of Way Department
Attn: Roy Gonzalez
509 E Earling Road
San Juan, TX 78589

Dear Roy Gonzalez,

The appraisal district appraised all the land in and around this area at \$10,000.00 per acre and some of it higher. The value of the land should not be lower then what the county appraised.

.2982 Acre @ \$10,000.00 = \$2982.00 20
Trees removed with fruit
20 Trees @ 250 pounds per tree = 5000 pounds @ .20cents per pound = 1,000
10 years without fruit = \$10,000.00

.2982 acres @ \$10,000.00 per acre 2981 = \$3,000.00
No fruit for 10 years - \$10,000.00
\$2,000.00 for the harassment of not being able to water when needed and work I had to do
\$15,000.00 This amount seems to be fair for both parties.

TOTAL
13,000

\$13,000
~~\$15,000~~

Sincerely,

Donald E Thompson

Donald E Thompson

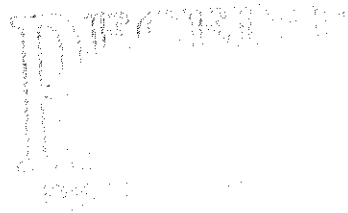


Exhibit "A"

County: Hidalgo
Project: F. M. 88
CCSJ: 0698-03-080

OUTFALL PARCEL 1
PROPERTY DESCRIPTION

Being 12,990 square feet or 0.2982 acres of land located in the Llano Grande Tract, Juan Jose Hinojosa De Balli Grant, Abstract No. 54, Hidalgo County, Texas, being out of Farm Tract 312, a part of Lot 6 in Block No. 147 of the West and Adams Tract Subdivision, a map of which is recorded in Volume 2, Pages 34-37, of the Map Records of Hidalgo County, Texas, and also being out of and a part of a 20.11 acre tract conveyed to Pacific Service Company by deed dated December 22, 1975, and recorded in Volume 1467 at Page 540 of the Deed Records of Hidalgo County, Texas, the said 0.2982 acres is further described by metes and bounds as follows:

COMMENCING at a 5/8 inch iron rod set for the Northwest corner of said Farm Tract 312, the Northwest corner of said 20.11 acre tract, and the Northeast corner of Farm Tract 307 of said West and Adams Tract Subdivision;

THENCE North 88° 45' 08" East, with the North line of said Farm Tract 312, and the North line of said 20.11 acre tract, a distance of 45.00 feet to a point in the East line of a 60 feet wide canal easement claimed by Hidalgo and Cameron Counties Water Control and Improvement District Number 9;

THENCE South 01° 16' 24" East, with the East line of said 60 feet wide canal easement, a distance of 15.18 feet to a point for the Northwest corner and POINT OF BEGINNING of the herein described parcel, having surface coordinates of X=1,152,128.77 and Y=16,613,191.98, (with all bearings and coordinates based on the State Plane Coordinate System of Texas, South Zone, North American Datum 1983, with the 1993 adjustment, all distances and coordinates are surface and may be converted to grid by dividing by a combined scale factor of 1.00004, said iron rod is located 0.83 feet left of Engineer's Baseline Station 24+91.13;

1. THENCE North 88° 44' 58" East, with the North line of this parcel, a distance of 335.57 feet to a 5/8 inch iron rod set for the Northeast corner of this parcel, the East line of said 20.11 acre tract, and in the West line of a called 0.90 acre tract of land conveyed to Hidalgo and Cameron Counties Water Control and Improvement District Number 9 by deed dated December 30, 1929, and recorded in Volume 314 at Page 62 of the Deed Records of Hidalgo County, Texas;
2. THENCE South 44° 22' 25" East, with the East line of this parcel, the East line of said 20.11 acre tract, and the West line of said 0.90 acre tract, a distance of 207.88 feet to a 5/8 inch iron rod set for the Southeast corner of this parcel;

3. THENCE South 88° 45' 37" West, with the Easternmost South line of this parcel, a distance of 20.56 feet to a 5/8 inch iron rod set for the Easternmost Southwest corner of this parcel;
4. THENCE North 44° 22' 25" East, with the Southernmost West line of this parcel, a distance of 166.77 feet to a 5/8 inch iron rod set for an interior corner of this parcel;
5. THENCE South 88° 44' 58" West, with the Westernmost South line of this parcel, a distance of 343.10 feet to a 5/8 inch iron rod set in the East line of said 60 feet wide canal easement for the Westernmost Southwest corner of this parcel;
6. THENCE North 01° 16' 24" West, with the Northernmost West line of this parcel, and the East line of said 60 feet wide canal easement, a distance of 30.00 feet to the PLACE OF BEGINNING, containing 12,990 square feet or 0.2982 acres of land, more or less.

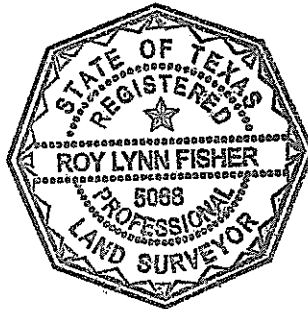
Surveyed: June, 2007.

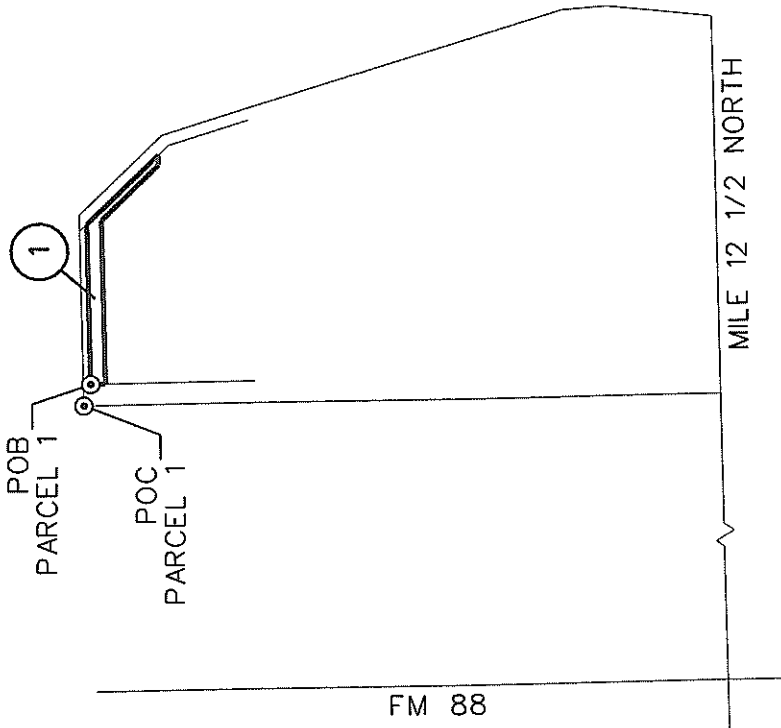
Reference is made to the plat of even date accompanying this metes and bounds description.

I, Roy Lynn Fisher, Registered Professional Land Surveyor No. 5068, do hereby certify that the foregoing description was prepared from a survey made on the ground under my supervision on the date shown and that all boundary lines and landmarks are accurately described therein.

WITNESS my hand and seal at Spring, Texas, this 4th, day of June, A. D., 2007.


Registered Professional Land Surveyor
No. 5068

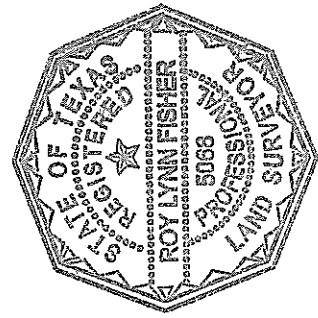




PARCEL 1
PARENT TRACT INSET
N.T.S.

Notes:

1. All bearings and coordinates are based on the Texas State Plane Coordinate System, South Zone, North American Datum of 1983, 1993 Adjustment. All distances and coordinates shown are surface and may be converted to grid by dividing by a combined adjustment factor of 1.00004.
2. A metes and bounds description of even date accompanies this plat.
3. This map is an internal TxDOT document its contents shall not be used for any other purpose.
4. ● indicates a Found 1/2"IR unless noted otherwise.
◎ SET indicates a Set 5/8"IR unless noted otherwise.



I, Roy Lynn Fisher, Registered Professional Land Surveyor No. 5068, in the State of Texas, do hereby certify that this plat delineates the results of a survey made on the ground under my supervision in June, 2007, and all boundary lines and landmarks are accurately shown hereon.

WITNESS my hand and seal at Spring, Texas, this 4th, day of June, A.D., 2007.

[Signature]
Registered Professional Land Surveyor
No. 5068

EXISTING	TAKING	REMAINING
20.11 AC.	0.2982 AC.	19.8118 AC.
		12,990 SQ.FT.

PARCEL PLAT
SHOWING PROPERTY OF

PARCEL NO. 1

FM 88 - OUTFALL F HIDALGO COUNTY
RODS SURVEYING INC. JUNE, 2007
CCSJ : 0698-03-080

LLANO GRANDE TRACT, JUAN JOSE HINTOJOSA DE BALI GRANT, A-54

FT 306

POC PARCEL 1
SET
N88° 45'08"E
45.00'
POT 24+63.74
STA 24+91.13
LT 0.83'

DOMINGO ALANIZ
CALLED 15.673 ACRES
O.R.H.C. No. 546898
AUGUST 26, 1996

PROPOSED
DITCH R.O.W.

POB PARCEL 1, SET BLOCK 147
X=1,152,128.77
Y=16,613,191.98

LOT 3
LOT 6

N88° 44'58"E 335.57'

N 88° 44'58" E

S88° 44'58"W 343.10'

PROPOSED DITCH BASELINE

PROPOSED DITCH R.O.W.

PROPOSED DITCH R.O.W.

12,990 SQ. FT.
0.2982 ACRE

WEST & ADAMS TRACT
SUBDIVISION
VOL. 2, PG. 34-37
M.R.H.C.

20.11 ACRES
RACIEC SERVICE COMPANY
DEC 22, 1975
VOL. 1467, PG. 540 D.R.H.C.

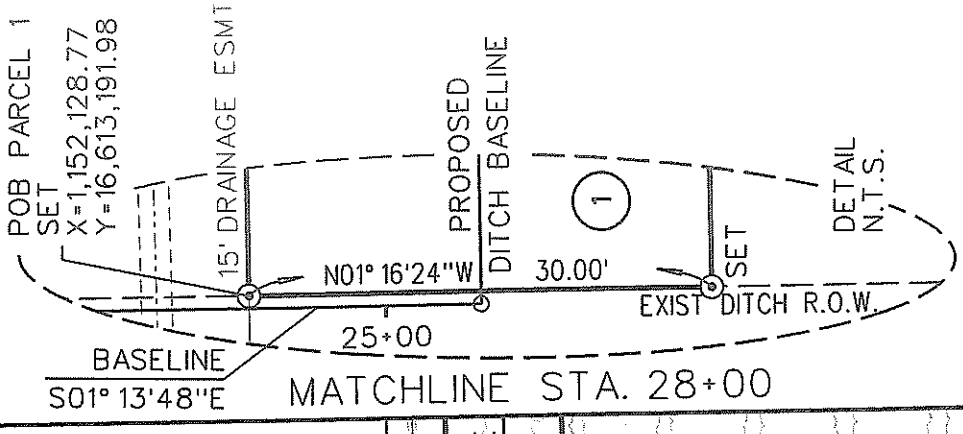
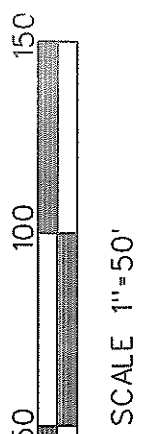
CANAL (60.0' R.O.W.) - PER MAPS OF HIDALGO & CAMARON IRRIGATION DISTRICT No. 9

50' WIDE GAS PIPELINE ESMT

TEXAS EASTERN TRANSMISSION CORP.
VOL 881, PG 259, D.R.H.C.

TRACT 9 CALLED ALL OF FARM TRACT 307
SAVE & EXCEPT THE SOUTHWEST 3 ACRES
DICKERSON FAMILY PARTNERSHIP
SEPTEMBER 8, 2003, DOC. #1256088
O.R.H.C.

FT 307



PARCEL PLAT
SHOWING PROPERTY OF

PARCEL NO. 1

FM 88 - OUTFALL F HIDALGO COUNTY
RODS SURVEYING INC. JUNE, 2007
CCSJ : 0698-03-080

REAL ESTATE APPRAISAL REPORT
TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: The subject property is located between Mile 13 and Mile 12 1/2, just south of Palo Rojos Subdivision, Hidalgo County, Texas. Account: N/A

Property Owner: Donald E. Thompson and Mary A. Thompson Parcel: 1

Address of Property Owner: P.O. Box 218, Upland, Indiana 46989-0218 CSJ: N/A

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

Whole: Partial: Acquisition Highway: FM 88 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 (*easement*) is \$8,297 as of June 28, 2007, based upon my independent appraisal and the exercise of my professional judgment; June 28, 2007 (date)(s), I personally inspected in the field the property herein appraised; I afforded Donald E. Thompson and Mary A. Thompson, 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 October 22, 2006 (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
 July 31, 2007
 Date

To the best of my knowledge, the value does not include any items which are not compensable under the State law.	
District Reviewing Appraiser	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 Precinct No. 1, and others which would be involved with the acquisition of said proposed right-of-way out of Farm Tract 312, a part of Lot 6 in Block 147 of the West and Adams Subdivision. The part to be acquired is for the expansion of the existing canal right-of-way of Lot 6, Block 147 of the West Tract Subdivision with the project limits being from FM 88 to Mile 4 within the Hidalgo County. The intended use of the report is to assist Roy Gonzales, Right-of-Way Agent of Hidalgo County and others involved with the project, for future negotiations of acquiring all or part of said property as easement 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. Roy Gonzales is one of several Right-of-Way Agents of Hidalgo County, who has a local office established at Precinct No. 3, located at 509 E. Earling San Juan, TX. 78589. Mr. Gonzales, shall be the project manager for this project under the direction of Honorable Sylvia Handy, County Commissioner of Precinct No. 1 and Joe Pena the Director of the Right-of-Way Department of Hidalgo County. Mr. Gonzales can be contacted at (956) 283-8134.

Scope of the Assignment

By work order dated June 26, 2007 on behalf of Hidalgo County Right of Way 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 dated December 20, 2006, created by Rod's Surveying, Inc. of McAllen, 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 and easement valuation. Fee Simple Estate and Easement is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, 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." Easement is defined as "An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easement may be acquired by private parties or public utilities."

Accessibility To Subject Property

The owner of record, 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. Mr. Donald Thompson was present during the on-site inspection of the subject property. Contact information for Donald Thompson is as follows: (956) 968-2644 Office / (956) 463-8373 Cell / (956) 968-3595 with a mailing address of 2823 S. Pleasant View Drive, Weslaco, Texas 78596.

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 northern boundary of Lot 6, Block 147, West and Adams Tract Subdivision. 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 adverse easements 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 20.11 acre (875,992 square foot) tract of land which excludes any existing road right-of-way indicated. The area for the subject property as a whole is indicated as per survey provided by Rod's Surveying, Inc. dated June 4, 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 26 acres to 70.57 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 taking is comprised of fee land in which the land area to be acquired is 12,990 square feet (0.2982 acres). 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 single family residential use tract of land which is based on the local market trend along FM 88, 4 Mile West, Mile 13 and Mile 12 1/2, north of Weslaco, Texas. This highest and best use is further explained on page 1.4 of

To Be Acquired (Net)	0.2982 Acres
	12,990 S.F.

Legal Description of The Part To Be Acquired

Being 12,990 square feet or 0.2982 acre of land located in the Llano Grande Tract, Juan Jose Hinojosa De Balli Grant, Abstract No. 54, Hidalgo County, Texas, being out of Farm Tract 312, a part of Lot 6 in Block No. 147 of the West and Adams Tract Subdivision, a map of which is recorded in Volume 2, Pages 34-37, of the Map Records of Hidalgo County, Texas, and also being out of and a part of a 20.11 acre tract conveyed to Pacific Service Company by deed dated December 22, 1975, and recorded in Volume 1467 at Page 540 of the Deed Records of Hidalgo County, Texas.

Remainder Before and After The Taking

The remainder before and after the taking is defined as the partial taking 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 taking. The highest and best use of the subject property before and after the proposed partial taking is analyzed to determine whether or not the use of the subject property will be altered as a result of the proposed taking. 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 Pacific Service Co. The part to be acquired was identified as part of a larger tract of land which contained tax identification no. W3800-00-312-0000-01. The subject property land assessment was indicated to be \$108,060 with no building nor site improvements indicated. The indicated unit assess rate for the subject property, which is under Agricultural Exemption was indicated to be \$604 per acre. The property taxes for the subject property do not reflect the recent ownership change indicated by Warranty Deed # 1761247, Recorded on May 22, 2007. Further research with the Hidalgo County Tax Office shall be required to confirm any ownership changes and outstanding tax liabilities attributable to the subject property.

Environmental Assessment / Adverse Easements / Encroachments / Topography

This appraiser has made an on-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 Rod's Surveying, Inc. 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, Donna, and Mercedes 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 single family residential development. This type of mixed use is concurrent with the recent trends located along FM 88, 4 Mile West, Mile 13, and Mile 12 1/2 Roads within Hidalgo County. 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 acquisition, 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 the City of Weslaco and Hidalgo County to determine the legal permissibility of land uses along FM 88, 4 Mile West, Mile 13, and Mile 12 1/2 Roads. Along these roads, development is mixed with small retail and single family residential uses existing.

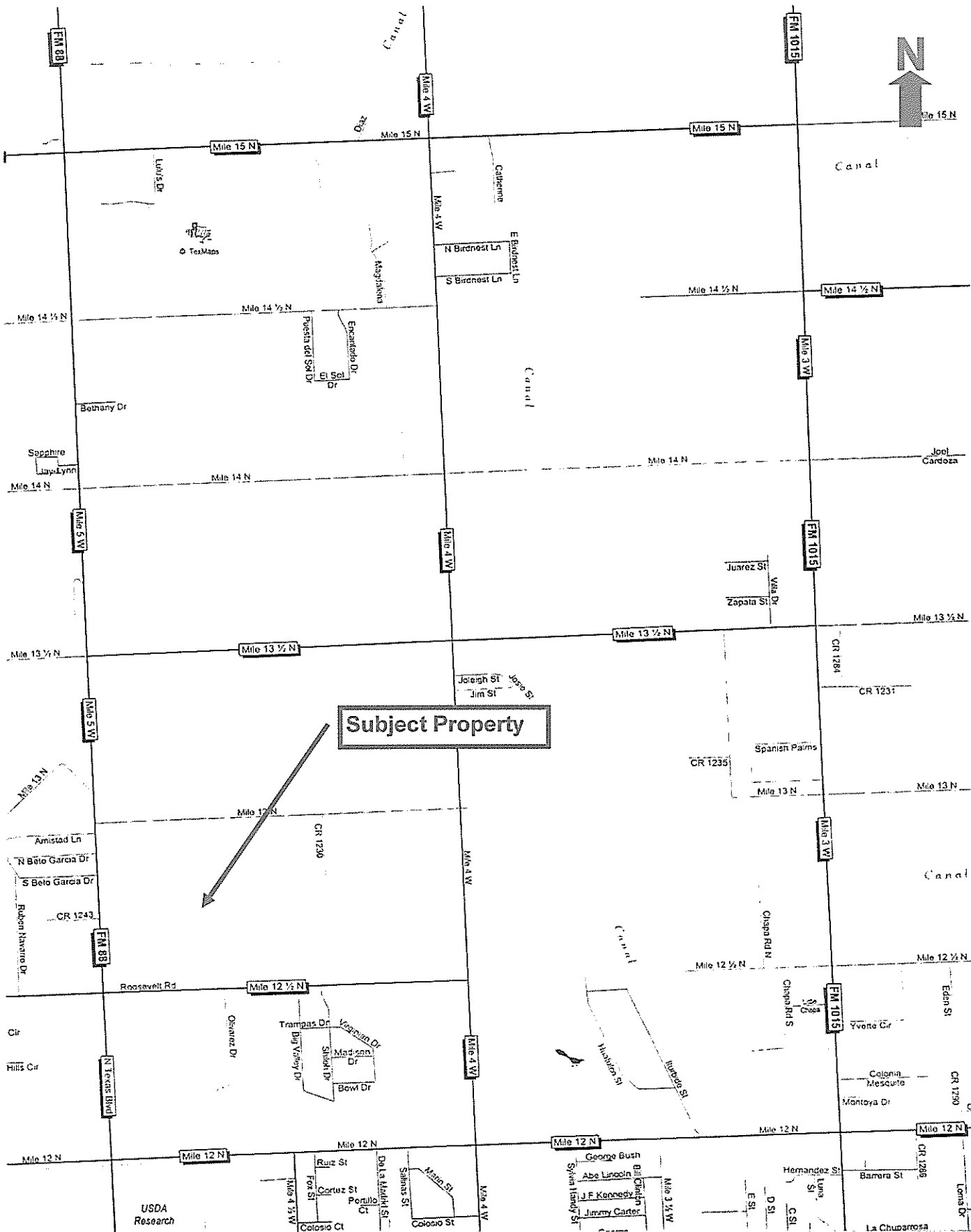
Since the subject lies within the jurisdiction of Hidalgo County, Texas of which does not recognize any zoning ordinances as per date of appraisal, this office shall evaluate the subject property based on the continuing trend along FM 88, 4 Mile West, Mile 13, and Mile 12 1/2 Roads and the existing ordinance 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 development "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 region north of the City of Weslaco. The subject property contains adequate land area frontage along Mile 13 and Mile 12 1/2 to allow the future single family 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 residential development 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.

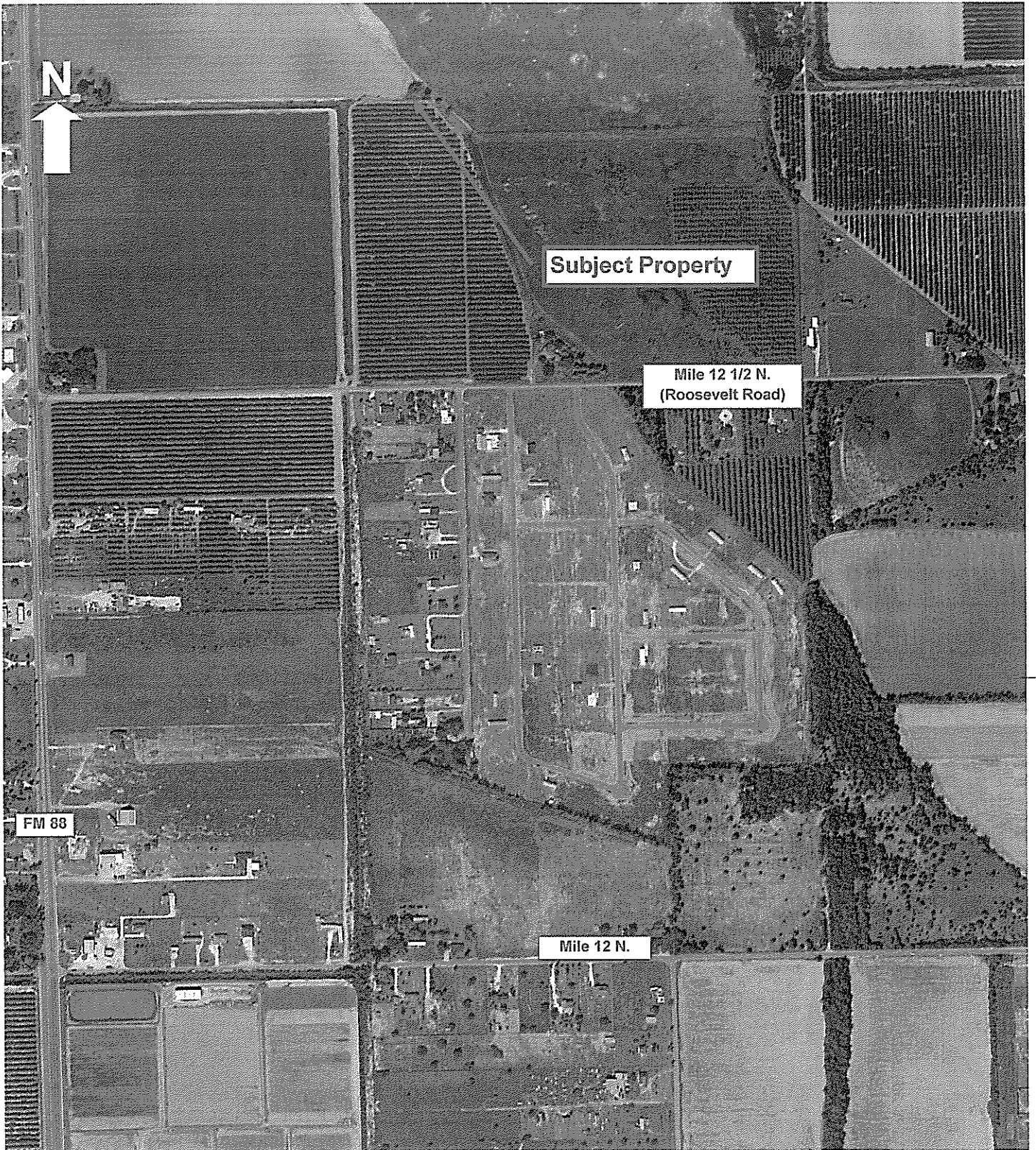
The financial feasibility and maximally productive use of the subject property is based on the continued growth along FM 88, 4 Mile West, Mile 13, and Mile 12 1/2 Roads, which includes single family residential and light commercial retail uses. Based on the continued growth in the market area, it is estimated that the subject can be financially feasible to contain a single family residential subdivision 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 single family 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



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. THE PART TO BE ACQUIRED IS INDICATED BY THE YELLOW DASHED LINE AND IS THE SUBJECT OF THIS REPORT. A COMPLETE SURVEY OF SUBJECT AS A WHOLE WAS NOT PROVIDED BY ROD'S SURVEYING INC. 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.: 1

Local Address: The subject property is located between Mile 13 and Mile 12 1/2, just south of Palo Rojas Subdivision, Hidalgo County, Texas.

Date Taken: June 28, 2007

Taken By: Leonel Garza III

1. Point from which taken: Photo 1: HCCID #9 Easement
Photo 2: Subject Property

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



Photo 1
Western view of subject property.



Photo 2
Northern view of part to be acquired.

2. Point from which taken: Photo 3: Subject Property
Photo 4: HCCID. #9 Easement

Looking: Photo 3: Eastern View
Photo 4: Eastern View



Photo 3
Eastern view of part to be acquired



Photo 4
Eastern view of improvements located within the part to be acquired.

DESCRIPTION OF PROPERTY:

The subject property, as a whole, is a 20.11 acre tract of land currently being utilized for agricultural use located along northern side of Lot 6, Block 147 of the West and Adams Tract Subdivision in Hidalgo County, Texas. The subject is located within the County of Hidalgo and within the extraterritorial jurisdiction of the City of Weslaco, Texas. According to the survey provided by Rods Surveying, Inc. dated June 4, 2007, the part to be acquired is approximately 0.2982 acres (12,990 square feet). This land area currently in fee simple shall be calculated at 100% of the unit value derived from the sales comparison approach as 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 in the name of the State of Texas.

AREA OR NEIGHBORHOOD ANALYSIS:

The subject neighborhood along FM 88 roadway is a mixture of established single family residential properties in interim use, commercial and retail developments and light industrial properties. Several properties along FM 88 are in a state of development as new single family subdivisions are being created as indicated by the City of Weslaco Planning Department. Leonel Garza Jr. & Associates LLC has inspected the market area along FM 88 roadway and has found that the market is in a state of positive development of which is concentrated south of the project limits.

SITE ANALYSIS:

Five Year Sales History: The subject property is indicated to be under the ownership of Pacific Service Co., as per document # 28633, as indicated by survey and field notes provided by Rod's Survey, Inc. Further investigation of the subjects history through the Hidalgo County Appraisal District and the Hidalgo County Clerks Office indicates the current owner of record to be Donald E. Thompson and Mary A. Thompson. The subject property was transferred from Jack and Edith Austin (Grantor) to Pacific Service Co. (Grantee) on December 22, 1975, Document # 28633. On December 15, 2006, the subject property was transferred from Pacific Service Co. (Grantor) to Donald E. Thompson and Mary A. Thompson (Grantee), Document # 1761247. Therefore, the subject has been in the name of Donald E. Thompson and Mary A. Thompson for less than one (1) year.

**Legal Description:
(Whole Property)** All of Farm Tract (312), of the West and Adams Tract Subdivision of lands out of Llano Grande Tract, Juan José Hinojosa De Balli Grant, Abstract No. 54, Hidalgo County, Texas being out of Farm Tract 312, a part of Lot 6 in Block 147 of the West and Adams Tract Subdivision, Recorded in Volume 2, Page 34-37, of the Map Records of Hidalgo County, Texas, and also being out of and a part of 20.11 acre tract conveyed to Pacific Service Company by Deed dated December 22, 1975, and recorded in Volume 1467 at Page 540 of Deed Records of Hidalgo County, Texas.

**Legal Description:
(Part To Be Acquired)** Being 12,990 square feet or 0.2982 acre of land located in the Llano Grande Tract, Juan Jose Hinojosa De Balli Grant, Abstract No. 54, Hidalgo County, Texas, being out of Farm Tract 312, a part of Lot 6 in Block No. 147 of the West and Adams Tract Subdivision, a map of which is recorded in Volume 2, Pages 34-37, of the Map Records of Hidalgo County, Texas, and also being out of and a part of a 20.11 acre tract conveyed to Pacific Service Company by deed dated December 22, 1975, and recorded in Volume 1467 at Page 540 of the Deed Records of Hidalgo County, Texas.

Improvements: During the on-site inspection of the subject property, no building nor site improvements were indicated within the part to be acquired. 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. Therefore the subject property shall be valued as a vacant tract of land similar to the surrounding market area.

Highest and Best Use: Single Family Residential

VALUATION OF PART TO BE ACQUIRED

LAND VALUATION

Representative Comparable Sales

Subject		Comp. No. 1		Comp. No. 2		Comp. No. 3	
Grantor	Pacific Service Company, LLP.	Agustin A. Cano/Margarita L. Cano and Victor R. Garza / Elva O. Garza		Hilda Barbosa Garcia and Land of Two Sunshines L.P.		Jack McClelland	
Grantee	Donald E. Thompson and Mary A. Thompson	Dora E. Flores		Five L Development, LTD		San Mateo Investments	
Date of Sale	December 15, 2006	January 12, 2005		September 15, 2005		February 28, 2006	
Unit Price	/ Ac	7,769 / Ac		6,875 / Ac		13,462 / Ac	
Relative Location	Average	Inferior 25%		Similar 0%		Similar 0%	
Lot Location	Interior tract	Interior Tract 0%		Corner Tract -5%		Interior Tract 0%	
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%		All Municipal Utilities -5%	
Street Access / Frontage	Mile 12 1/2 North	Mile 4 West 0%		Mile 2 Road & Mile 11 N. Road 0%		Mile 2 Road & Mile 2 1/2 Road 0%	
Size of Tract	20.11 Acres	26.00 Acres 0%		40.00 Acres 5%		70.57 Acres 10%	
Net Adjustments		Δ 25%		Δ 0%		Δ 5%	
Indicated Unit Value		\$ 9,711 / Ac		\$ 6,875 / Ac		\$ 14,135 / Ac	
Estimated Unit Value of Fee Simple Area						\$ 14,000 / Ac	
Estimated Unit Value As Easement (50% of Fee Simple Value)						\$ 7,000 / Ac	
Estimated Value by Sales Comparison Approach	(0.2982 Acres x \$7,000/Ac)					\$ 2,087	
(Includes Part To Be Acquired Only)							

SEE EXPLANATION TO ADJUSTMENTS ON PAGE 4.0

COMPARABLE DATA SUPPLEMENT

ROW Account: N/A Parcel No.: 1 Highway: FM 88 County: Hidalgo

Land Sale Improved Sale Rental Data



Grantor/ Lessor: Agustin A. Cano/Margarita L. Cano and Victor R. Garza / Elva O. Garza Grantee/Lessee: Dora E. Flores

Date: January 12, 2005 Recording Information: Document 1429550 Key Map: N/A
 Address: Mile 4 North, 1/2 Mile North of Mile 11 North Road, Hidalgo County, Zip Code: 78596 Texas.

Legal Description: A 26.00 acre tract of land out of Farm Tract 263, Block 146, West Tract Subdivision, Hidalgo County, Texas, according to map recorded in Vol. 2, Page 34 OCCHC.

Confirmed Price: \$ 202,000 Verified with: MLS L092949S& Deed Records

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 26.00 Acres or 1,132,560 Sf Unit Price as Vacant: \$ 7,769 / Ac or \$ 0.18 / Sf

Type Street: Asphalt Paved Utilities: Electricity/Phone/Water

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: 0 Highest and Best Use: Single Family Residential

Date of Inspection: October 22, 2006 Zoning: N/A Flood Plain: Zone B

Attach Additional Information: The subject property is located north of Mile 11 North Road along Mile 4 1/2 Road. The property was purchased for single family residential development.

Appraiser: Leonel Garza III October 22, 2006
 (Typed, not signed) Date

COMPARABLE DATA SUPPLEMENT

ROW Account: N/A Parcel No.: 1 Highway: FM 88 County: Hidalgo

Land Sale Improved Sale Rental Data



Hilda Barbosa Garcia and Land

Grantor/ Lessor: of Two Sunshines L.P. Grantee/Lessee: Five L Development, LTD

Date: September 15, 2005 Recording Information: Document 1527359 Key Map: N/A

Address: NWC of Mile 11 and Mile 2 West, Hidalgo County, Texas. Zip Code: 78596

Legal Description: All of Colonia Lucero Del Norte, Hidalgo County, Texas, according to the map recorded in Vol. 24, Page 69-B, Map Records in the OCCHC.

Confirmed Price: \$ 275,000 Verified with: MLS L04254S & Deed Records

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 40.00 Acres or 1,742,400 Sf Unit Price as Vacant : \$ 6,875 /Acre or \$ 0.16 / Sf

Type Street: Asphalt Paved Utilities: Electricity/Phone/Water

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: Single Family Residential

Date of Inspection: October 22, 2006 Zoning: N/A Flood Plain: Zone B

Attach Additional Information:

The subject was purchased for a single family residential development.

Appraiser: Leonel Garza III October 22, 2006
 (Typed, not signed) Date

COMPARABLE DATA SUPPLEMENT

ROW Account: N/A Parcel No.: 1 Highway: FM 88 County: Hidalgo

Land Sale Improved Sale Rental Data



Grantor/ Lessor: Jack McClelland Grantee/Lessee: San Mateo Investments

Date: February 28, 2006 Recording Information: Document 1583683 Key Map: N/A

Address: Located on the west side of 2 Mile West just south of Mile 9 North, Weslaco, Texas. Zip Code: 78570

Legal Description: A 70.572 acre tract of land, more or less, being all of Lots Seven (7) and Eight (8), Block One Hundred Fifteen (115), Campcuas Addition, Hidalgo County, Texas, according to a map or plat recorded in Volume 1, Page 2, Map Records, Hidalgo County, Texas.

Confirmed Price: \$ 950,000 Verified with: MLS 07519 & Deed Records

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 70.57 Acres or 3,074,029 Sf Unit Price as Vacant: \$ 13,462 / Acre or \$ 0.31 / Sf

Type Street: Asphalt Paved Utilities: All Municipal Utilities Available

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

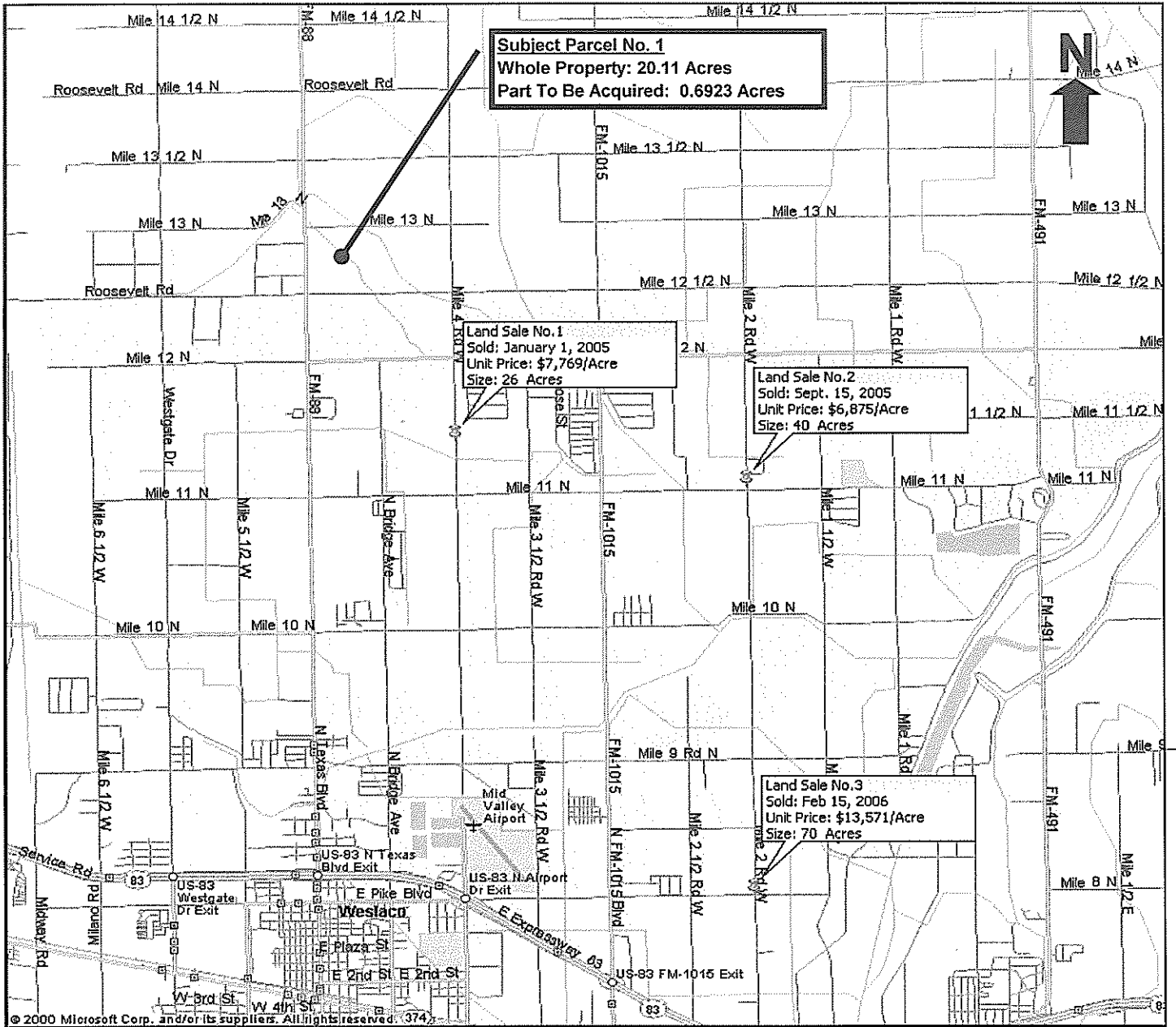
Current Use: Vacant Highest and Best Use: Single Family Residential

Date of Inspection: October 22, 2006 Zoning: N/A Flood Plain: Zone B

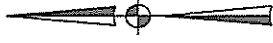
Attach Additional Information: The subject was purchased for a single family residential development.

Appraiser: Leonel Garza III Date: October 22, 2006
(Typed, not signed)

COMPARABLE SALES MAP



SURVEY OF SUBJECT PROPERTY (Page 1 of 3)



I, Roy Lynn Fisher, Registered Professional Land Surveyor No. 5068, in the State of Texas, do hereby certify that this plat delineates the results of a survey made on the ground under my supervision in June, 2007, and all boundary lines and landmarks are accurately shown hereon.

WITNESS my hand and seal at Spring, Texas, this 4th, day of June, A.D., 2007.

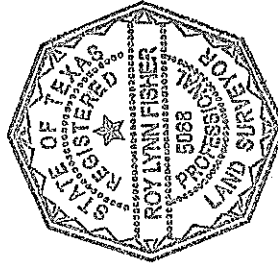
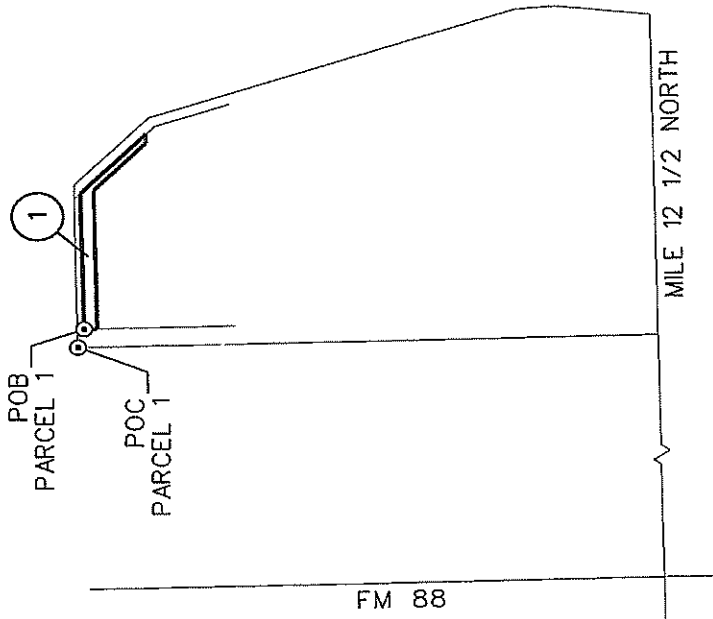
R L Fisher
 Registered Professional Land Surveyor
 No. 5068

EXISTING	TAKING	REMAINING
20.11 AC.	0.2982 AC.	19.8118 AC.
		12,990 SQ.FT.

PARCEL PLAT
 SHOWING PROPERTY OF

PARCEL NO. 1

FM 88 - OUTFALL F HIDALGO COUNTY
 RODS SURVEYING INC. JUNE, 2007
 CCSJ : 0698-03-080



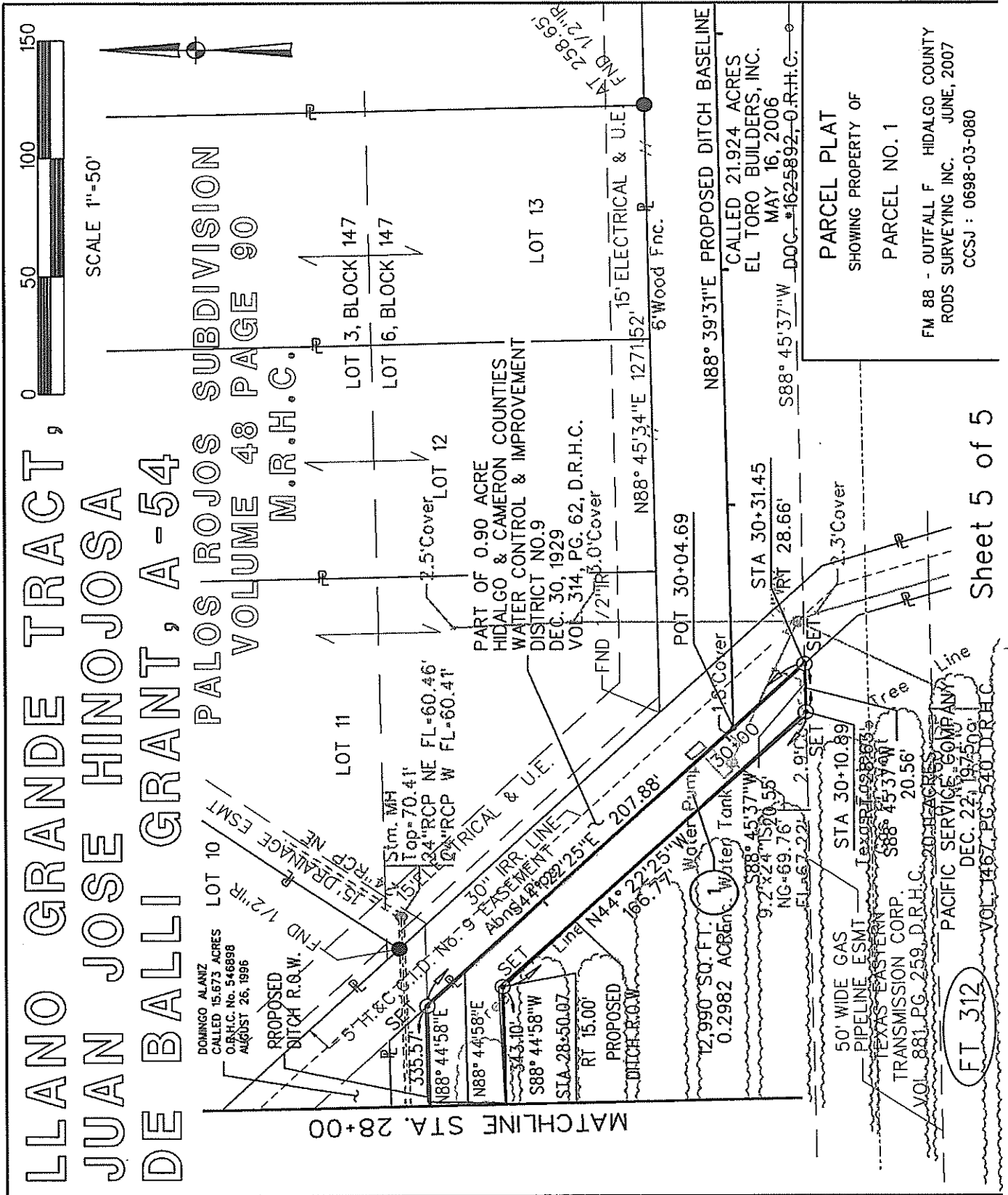
PARCEL 1
 PARENT TRACT INSET
 N.T.S.

Notes:

- All bearings and coordinates are based on the Texas State Plane Coordinate System, South Zone, North American Datum of 1983, 1993 Adjustment. All distances and coordinates shown are surface and may be converted to grid by dividing by a combined adjustment factor of 1.000004.
- A metes and bounds description of even date accompanies this plat.
- This map is an internal TxDOT document its contents shall not be used for any other purpose.
- indicates a Found 1/2"IR unless noted otherwise.
 ◎ SET indicates a Set 5/8"IR unless noted otherwise.

Sheet 3 of 5

Yellow Highlight = Proposed Right-of-Way



FIELD NOTES OF PART TO BE ACQUIRED (Page 1 of 2)

June, 2007
Outfall Parcel 1
Page 1 of 5

Exhibit "A"

County: Hidalgo
Project: F. M. 88
CCSJ: 0698-03-080

OUTFALL PARCEL 1
PROPERTY DESCRIPTION

Being 12,990 square feet or 0.2982 acres of land located in the Llano Grande Tract, Juan Jose Hinojosa De Balli Grant, Abstract No. 54, Hidalgo County, Texas, being out of Farm Tract 312, a part of Lot 6 in Block No. 147 of the West and Adams Tract Subdivision, a map of which is recorded in Volume 2, Pages 34-37, of the Map Records of Hidalgo County, Texas, and also being out of and a part of a 20.11 acre tract conveyed to Pacific Service Company by deed dated December 22, 1975, and recorded in Volume 1467 at Page 540 of the Deed Records of Hidalgo County, Texas, the said 0.2982 acres is further described by metes and bounds as follows:

COMMENCING at a 5/8 inch iron rod set for the Northwest corner of said Farm Tract 312, the Northwest corner of said 20.11 acre tract, and the Northeast corner of Farm Tract 307 of said West and Adams Tract Subdivision;

THENCE North 88° 45' 08" East, with the North line of said Farm Tract 312, and the North line of said 20.11 acre tract, a distance of 45.00 feet to a point in the East line of a 60 feet wide canal easement claimed by Hidalgo and Cameron Counties Water Control and Improvement District Number 9;

THENCE South 01° 16' 24" East, with the East line of said 60 feet wide canal easement, a distance of 15.18 feet to a point for the Northwest corner and POINT OF BEGINNING of the herein described parcel, having surface coordinates of X=1,152,128.77 and Y=16,613,191.98, (with all bearings and coordinates based on the State Plane Coordinate System of Texas, South Zone, North American Datum 1983, with the 1993 adjustment, all distances and coordinates arc surface and may be converted to grid by dividing by a combined scale factor of 1.00004, said iron rod is located 0.83 feet left of Engineer's Baseline Station 24+91.13;

1. THENCE North 88° 44' 58" East, with the North line of this parcel, a distance of 335.57 feet to a 5/8 inch iron rod set for the Northeast corner of this parcel, the East line of said 20.11 acre tract, and in the West line of a called 0.90 acre tract of land conveyed to Hidalgo and Cameron Counties Water Control and Improvement District Number 9 by deed dated December 30, 1929, and recorded in Volume 314 at Page 62 of the Deed Records of Hidalgo County, Texas;
2. THENCE South 44° 22' 25" East, with the East line of this parcel, the East line of said 20.11 acre tract, and the West line of said 0.90 acre tract, a distance of 207.88 feet to a 5/8 inch iron rod set for the Southeast corner of this parcel;

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

Outfall Parcel 1
Page 2 of 5

3. THENCE South 88° 45' 37" West, with the Easternmost South line of this parcel, a distance of 20.56 feet to a 5/8 inch iron rod set for the Easternmost Southwest corner of this parcel;
4. THENCE North 44° 22' 25" East, with the Southernmost West line of this parcel, a distance of 166.77 feet to a 5/8 inch iron rod set for an interior corner of this parcel;
5. THENCE South 88° 44' 58" West, with the Westernmost South line of this parcel, a distance of 343.10 feet to a 5/8 inch iron rod set in the East line of said 60 feet wide canal easement for the Westernmost Southwest corner of this parcel;
6. THENCE North 01° 16' 24" West, with the Northernmost West line of this parcel, and the East line of said 60 feet wide canal easement, a distance of 30.00 feet to the PLACE OF BEGINNING, containing 12,990 square feet or 0.2982 acres of land, more or less.

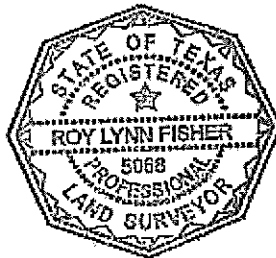
Surveyed: June, 2007.

Reference is made to the plat of even date accompanying this metes and bounds description.

I, Roy Lynn Fisher, Registered Professional Land Surveyor No. 5068, do hereby certify that the foregoing description was prepared from a survey made on the ground under my supervision on the date shown and that all boundary lines and landmarks are accurately described therein.

WITNESS my hand and seal at Spring, Texas, this 4th, day of June, A. D., 2007.


Registered Professional Land Surveyor
No. 5068



Explanation of Adjustments with Reconciliation:

This appraiser examined the whole property to include the partial taking as proposed, and has analyzed the sales data used, and finds that the use of the market sales comparison method to be the most reliable indicator of market value. Each of the comparable sales used sold within the last three years as of the date of appraisal and are located within close proximity to the subject property. Each comparable selected was chosen based on the relative location and the overall highest and best use. In order to utilize the sales comparison approach to market value, sales were selected of which were comparable to the subject overall.

Sale No. 1 is located on the west side of Mile 4 West Road approximately half a mile north of Mile 11 North, southeast of the subject property. The site was purchased for future single family development. The sale was adjusted for inferior location (+25%) as compared to the subject property. No size adjustment shall be made to the comparable as the premise of this report is to evaluate the subject as if part of a larger tract of land. After adjustment the indicated unit rate for the subject property is indicated to be \$9,711 per acre.

Sale No. 2 is located at the northwest corner of Mile 2 Road West and Mile 11 Road North, southeast of the subject property. The site was purchased for future single family development. The comparable sale has superior site utility as compared to the subject property due to its dual access and as such an adjustment of (-5%) was indicated. A +5% adjustment was indicated due to the difference in size as compared to the subject property. After adjustment the indicated unit rate for the subject property is indicated to be \$6,875 per acre.

Sale No. 3 is located on the west side of Mile 2 Road West just south of Mile 9 Road North, southeast of the subject property. The site was purchased for future single family development. The comparable sale contains all municipal utilities as such a -5% adjustment is made due to the lack of municipal utilities by the subject. A size adjustment of -10% shall be made to the comparable as the premise of this report is to evaluate the subject as if part of a larger tract of land. After adjustment the indicated unit rate for the subject property is indicated to be \$14,135 per acre.

Based on the overall size and amount of frontage along Mile 13 Road North, Mile 12 1/2 Road North and close proximity to FM 88, a value at the upper end of adjusted range was selected for the subject property. As established earlier in this report the purpose of said report is for the valuation of an proposed easement. As such a unit value equal to 50% of the established fee simple unit rate, as defined by this report, is established for the part to be acquired. Therefore, a unit value of \$7,000 per acre is established for the proposed easement as indicated by survey.

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. Title Report**
- 7. 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. Luis Carlos Garza, Appraiser Trainee, assisted in the gathering of on-site information during the date of inspection. His 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.
- * 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 - 1328375-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 A&M 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 ZBOA protects and 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 ZBOA if a variance is required. The ZBOA 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 BBOA 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.

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.

Clients For Whom Appraisals Have Been Prepared By This Appraiser			
Banks	Bankruptcy Courts	<u>Cities</u>	<u>Counties</u>
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		
Caliche 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	Georgewest	McAllen	Rio Grande City
Alice	Hargill	McCook	Roma
Austin	Harlingen	Mercedes	San Antonio
Beeville	Hidalgo	Mission	San Juan
Donna	Kingsville	New Braunfels	South Padre Island
Edcouch	Kyle	Palmview	Sullivan City
Edinburg	La Feria	Pleasanton	Weslaco
Eagle Pass	La Joya	Port Isabel	Zapata
Elsa	Los Ebanos	Progreso	

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

June 26, 2007

Parcel 1
 Pacific Service Co
 P.O. Box 218
 UPLAND, IN 46989-0218

To Whom It May Concern:

Leonel Garza Jr. & Associates LLC has been contracted by Hidalgo County Drainage District, to appraise various properties along FM 88, for the purpose of acquiring additional right-of-way. The purpose of such "right-of-way" is for the expansion and renovation of a Drainage Project FM 88. The County of Hidalgo is interested in acquiring a small portion of your property for this expansion in the name of the State of Texas in fee simple. Marked on the attached exhibit is the portion of land, which is to be appraised and purchased. 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 June 26, 2007 thru July 13, 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
 Joe Pena - Right-of-Way Director
 509 East Earling Road
 San Juan, Texas 78589
 (956) 283-8134

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Leonel Garza Jr. & Associates LLC

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Label/Receipt Number: **7005 1160 0001 0493 2186**

Detailed Results:

- Notice Left, July 03, 2007, 8:32 am, UPLAND, IN 46989
- Acceptance, June 29, 2007, 5:54 pm, MCALLEN, TX 78501

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TITLE REPORT (Page 2 of 2)

HIDALGO COUNTY RIGHT OF WAY DEPARTMENT
PG. 2
Title Report No. 1467540

SUBJECT TO THE FOLLOWING:

Easements and reservations as may appear upon the recorded map of said subdivision recorded in Volume 2, Pages 34-37, Map Records of Hidalgo County, Texas.
{See copy hereto attached}

Subdivision regulations of the County of Hidalgo and/or Ordinances or governmental regulations of the City in which the property may be located or holding extra-territorial jurisdiction of said property.

Statutory rights, rules, regulations, easements and liens in favor of **HIDALGO & CAMERON COUNTIES IRRIGATION DISTRICT NUMBER 9**, pursuant to applicable sections of the Texas Water Code.
{See copy of map hereto attached}

Right of Way Easement dated January 17, 1957, recorded in Volume 881, Page 259, Deed Records, Hidalgo County, Texas, from R. E. Gary and Velma Gary, To: TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation.
{See copy hereto attached}

Subject to any portion of the property described herein within the limits or boundaries of any public or private roadway and/or highway and the rights of the public thereto;

Subject to any portion of the subject property described herein lying within canal right of way.

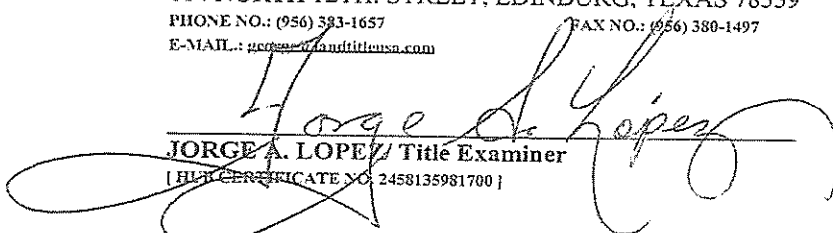
Visible or apparent easements on or across the subject property, herein described.

SUBJECT TO THE FOLLOWING liens filed against persons of the same or similar names as record title holder or predecessor in title:

None of Record

As of the 9TH. Day of August 2006, at 5:00 o'clock P.M.

SOUTH TEXAS LAND INVESTIGATIONS
114 NORTH 12TH. STREET, EDINBURG, TEXAS 78539
PHONE NO.: (956) 583-1657 FAX NO.: (956) 380-1497
E-MAIL: info@landtitleusa.com


JORGE A. LOPEZ Title Examiner
{ ELY CERTIFICATE NO. 2458135981700 }

The undersigned certifies that this Title Report has been prepared with the same standard of care as would be used for the preparation and issuance of a Commitment of Title Insurance for the property. This Title Report is delivered with the understanding evidence by the acceptance hereof that (1) it is neither a guaranty, warranty nor opinion of title, and (2) any liability arising hereunder shall be limited to the cost of this Title Report.

WARRANTY DEED (Page 1 of 5)

Doc-1761247

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Warranty Deed with Vendor's Lien

Date: December 15, 2006

Grantor: Pacific Service Company, LLP, an Indiana limited liability partnership
Previously known as Pacific Services Company, an Indiana partnership

Grantor's Mailing Address:

Pacific Service Company, LLP, an Indiana limited liability partnership
1909 S. Main St.
Upland, IN 46989

Grantee: Donald E Thompson and Mary A. Thompson, Co-Trustees of the Donald E. Thompson and Mary A. Thompson Living Trust, dated June 27, 2006

Grantee's Mailing Address:

Donald E Thompson and Mary A. Thompson, Co-Trustees of the Donald E. Thompson and Mary A. Thompson Living Trust, dated June 27, 2006
2823 South Pleasant View Dr.
Weslaco, TX 78596
Hidalgo County

Consideration:

A note of even date executed by Grantee and payable to the order of Grantor in the principal amount of NINETY THOUSAND AND NO/100 DOLLARS (\$90,000.00). The note is secured by a first and superior vendor's lien and superior title retained in this deed and by a first-lien deed of trust of even date from Grantee to Dennis E. Hendrix, trustee.

Property (including any improvements):

Farm Tract Three Hundred Twelve (312), THE WEST AND ADAMS TRACTS, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 2, Pages 34-37, Map Records, Hidalgo County, Texas, reference to which is here made for all purposes.

SAVE AND EXCEPT that certain 1.13 acre tract described by metes and bounds as follows, to wit:

Being a part or portion of Farm Tract Three Hundred Twelve (312), THE WEST AND ADAMS TRACTS, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 2, Pages 34-37, Map Records, Hidalgo County, Texas, reference to which is here made for all purposes, and being more particularly described by metes and bounds as follows, to wit:

Warranty Deed with Vendor's Lien

LANDTITLEUSA, INC.

CR# 033944CLOSER Hendrix

WARRANTY DEED (Page 2 of 5)

Doc:1761247

For the PLACE OF BEGINNING and for the Southwest corner of this 1.13 acre tract, a iron pin set in the South line of Farm Tract 312, at a distance of 781.0 feet East of its Southwest corner;
THENCE North 07 degrees 19 minutes East, along the West line of this 1.13 acre tract, for a distance of 210.0 feet to an iron pin set for an interior corner of this survey;

THENCE to the left 10 degrees 38 minutes, or North 03 degrees 19 minutes West, along a Westerly line of this tract, for a distance of 91.3 feet to an iron pin set in the Northeasterly line of Farm Tract 312, at a distance of 427.6 feet Northwest of its intersection with the North right of way line of a public road, said iron pin being the Northwestern corner of this survey;

THENCE to the right, or South 49 degrees 30 minutes East, along the Northeasterly line of Farm Tract 312, and along the Northeasterly line of this survey, for a distance of 427.6 feet to an iron pin set for a southeasterly corner of this tract;

THENCE to the right, South 25 degrees 51 minutes East, for a distance of 17.8 feet to an iron pin set for the Southeasterly corner of Farm Tract 312, and for the extreme Southeast corner of this survey;

THENCE to the right, along the South line of Farm Tract 312, and along the South line of this survey, for a distance of 342.0 feet to the PLACE OF BEGINNING, and for a closure and containing 1.13 acres of land, more or less.

FURTHER SAVE AND EXCEPT any portion of said Farm Tract Three Hundred Twelve (312) contained in that certain 0.90 acre tract conveyed to Hidalgo & Cameron counties Water Control & Improvement District No. 9 by warranty deed recorded in Volume 314, Page 62, Deed Records, Hidalgo County, Texas, reference to which is here made for all purposes.

Reservations from Conveyance:

None

Exceptions to Conveyance and Warranty:

1. Standby fees, taxes and assessments by any taxing authority for the year 2006, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.
 - a. Subdivision regulations of the County of Hidalgo and/or ordinances or regulations of the city in which the subdivision resides or in any city holding extra-territorial jurisdiction of said property.
 - b. Statutory rights, rules, regulations, easements and liens in favor of Hidalgo & Cameron Counties Irrigation District No. 9, pursuant to applicable sections of the Texas Water Code. (Blanket)
 - c. Rights or claims by Hidalgo & Cameron Counties Irrigation District No. 9 to any portion of property lying within canal and/or drain ditch easements and/or rights of way located

Warranty Deed with Vendor's Lien

WARRANTY DEED (Page 3 of 5)

Doc-1761247

- on the property.
- d. Rights of the public, the State of Texas, and its political subdivisions, in and to any portion of the above described property lying within the boundaries of dedicated or existing roadways or which may be used for road or street purposes, which would be shown on a current survey.
 - e. Easements and reservations as shown according to the map or plat thereof recorded in Volume 2, Pages 34-37; Map Records, Hidalgo County, Texas.
 - f. Visible and apparent easements.
 - g. Easements or claims of easements, which are not recorded in the public records, but which would be shown by a correct survey.
 - h. Right of way easement granted to Texas Eastern Transmission Corp., its successors and assigns, dated January 17, 1957, filed February 11, 1957 recorded in Volume 881, Page 259, in the Deed Records, Hidalgo County, Texas.
 - i. Oil, Gas and Mineral Lease dated April 20, 1955, filed on May 17, 1955, recorded in Volume 170, Page 488, being Document No. 9045, in the Oil and Gas Records, Hidalgo County Texas.
 - j. Oil, Gas and Mineral Lease dated June 14, 1983, filed on July 22, 1983, recorded in Volume 1854, Page 647, being Document No. 26873, in the Official Records, Hidalgo County, Texas.
 - k. Oil, Gas and Mineral Lease dated June 28, 1983, filed on August 12, 1983, recorded in Volume 1862, Page 734, being Document No. 29514, in the Official Records, Hidalgo County, Texas.
 - l. Unit Designation dated May 29, 1984, filed on May 30, 1984, recorded in Volume 1986, Page 306, being Document No. 68963, in the Official Records, Hidalgo County, Texas.
 - m. Unit Designation dated May 30, 1984, filed on June 1, 1984, recorded in Volume 1988, Page 183, being Document No. 69594, in the Official Records, Hidalgo County, Texas.
 - n. Unit Designation dated May 30, 1984, filed on June 1, 1984, recorded in Volume 1988, Page 192, being Document No. 69595, in the Official Records, Hidalgo County, Texas.
 - o. Unit Designation dated May 29, 1984, filed on June 1, 1984, recorded in Volume 1988, Page 201, being Document No. 69596, in the Official Records, Hidalgo County, Texas.
 - p. Unit Designation dated May 30, 1984, filed on June 1, 1984, recorded in Volume 1988, Page 210, being Document No. 69597, in the Official Records, Hidalgo County, Texas.
 - q. Unit Designation dated January 7, 1986, filed on February 26, 1986 recorded in Volume 2254, Page 205, being Document No. 153305, in the Official Records, Hidalgo County, Texas.
 - r. Oil, Gas and Mineral Lease dated April 24, 2001, filed on May 24, 2001, recorded under Document No. 973208, Official Records, Hidalgo County, Texas.
 - s. Mineral and/or royalty reservations and/or conveyances, together with, as appropriate, the right of ingress and egress for the purpose of exploring, drilling and production of the minerals, as set forth in instrument dated October 31, 1967, recorded in Volume 1189, Page 13, in the Deed Records, Hidalgo County, Texas.
 - t. Mineral and/or royalty reservations and/or conveyances, together with, as appropriate, the right of ingress and egress for the purpose of exploring, drilling and production of the minerals, as set forth in instrument dated February 16, 1988, recorded in Volume 2665, Page 440, in the Official Records, Hidalgo County, Texas.

Warranty Deed with Vendor's Lien

WARRANTY DEED (Page 4 of 5)

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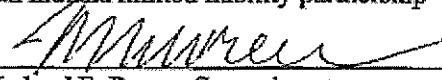
- u. Mineral and/or royalty reservations and/or conveyances, together with, as appropriate, the right of ingress and egress for the purpose of exploring, drilling and production of the minerals, as set forth in instrument dated March 26, 1999, recorded under Document No. 762958 in the Official Records, Hidalgo County, Texas.
- v. Mineral and/or royalty reservations and/or conveyances, together with, as appropriate, the right of ingress and egress for the purpose of exploring, drilling and production of the minerals, as set forth in instrument dated February 1, 2000, recorded under Document No. 857179 in the Official Records, Hidalgo County, Texas.
- w. It is agreed that the fruit crop for 2006 and 2007 be divided equally between parties.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

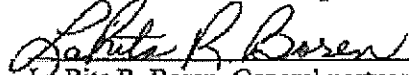
The vendor's lien against and superior title to the Property are retained until each note described is fully paid according to its terms, at which time this deed will become absolute.

When the context requires, singular nouns and pronouns include the plural.

Pacific Service Company, LLP,
an Indiana limited liability partnership



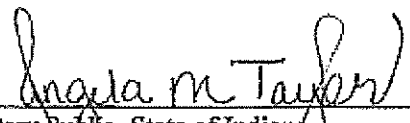
Leland E. Boren, General partner



La Rita R. Boren, General partner

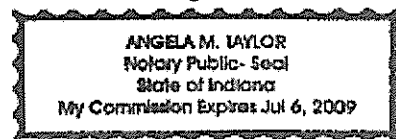
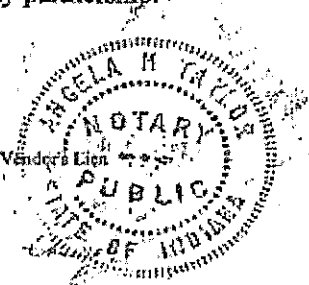
STATE OF INDIANA)
COUNTY OF Grant)

This instrument was acknowledged before me on May 13, 2007, 2006, by Leland E. Boren, general partner, on behalf of Pacific Service Company, LLP, an Indiana limited liability partnership.



Notary Public, State of Indiana

Warranty Deed with Vendor's Lien

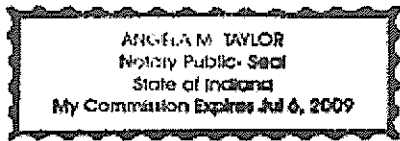


WARRANTY DEED (Page 5 of 5)

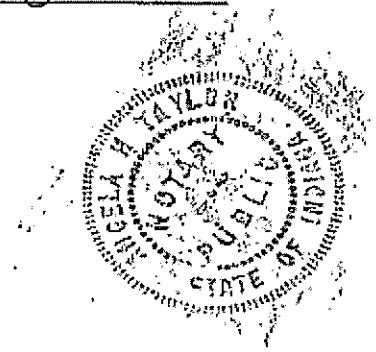
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STATE OF INDIANA)
COUNTY OF Grant)

This instrument was acknowledged before me on May 13, 2007,
2006, by LaRita R. Boren, general partner, on behalf of Pacific Service Company, LLP, an Indiana
limited liability partnership.



Angela M Taylor
Notary Public, State of Indiana



**PREPARED IN THE OFFICE OF AND
AFTER RECORDING RETURN TO:**
Law Offices of Dennis E. Hendrix
200 N. 12th Street Suite 202
Edinburg, TX 78541
Tel: (956) 381-8495
Fax: (956) 381-4435