




# HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

JOSE N. PEÑA  
Director

## MEMO

TO: Commissioner's Court

FROM: Jaime Salinas,   
Hidalgo County Right of Way Department

TE: June 8, 2009

RE: Moorefield Rd. and 5 Mile Line Drainage Project

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

Appraised Value:	\$ 6,699.00
Settlement Request:	\$ 10,000.00
Difference to Landowner	\$ 3,301.00

Commissioners Court Executive Session June 8, 2009

Approved;  \_\_\_\_\_

Not Approved; \_\_\_\_\_

# **D & G ENERGY CORP.**

6470 W. MOOREFIELD RD

MISSION, TX 78574

PHONE (956) 581-6137

FAX (956) 584-3173

E-MAIL [dgenergycorp@att.net](mailto:dgenergycorp@att.net)

MR, Salinas

After looking at the numbers you gave us for the land, the county is proposing the drain to get in we would like to settle on \$10,000 and only one extra drain box and your assistance in our driveway, We had talked about, let me know if the county wish's to go forward with this.

Thank you

A handwritten signature in black ink, appearing to read "Leandro Garcia", with a long horizontal flourish extending to the right.

Leandro Garcia

# PROFESSIONAL APPRAISAL SERVICES, INC.

REAL ESTATE APPRAISERS - CONSULTANTS - ANALYSTS

P.O. BOX 3722

McAllen, TEXAS 78502

TELEPHONE (956) 687-9535

FAX (956) 687-9539

JOHN H. MALCOM, JR, MAI, CCIM, SR/WA  
APPRAISAL INSTITUTE, CIREI, SR/WA

May 26, 2009

Hidalgo County Precinct #3  
724 North Breyfogle Road  
Mission, Texas 78574

RE: Moorefield Rd., 5 Mi. Drainage Project in the Alton area, Hidalgo County, Texas.  
Leandro Garcia - Parcel #1.

Dear Sirs:


In accordance with your request, we are pleased to present our appraisal report of the above referenced properties.

We have personally inspected the property and have made a careful and detailed study of all factors pertinent to the estimate of value. The value reported in this appraisal is developed subject to the general and special underlying assumptions and limiting conditions as specified in the body of the appraisal. The appraisal assignment was not awarded based on a requested minimum valuation, a specific valuation, or the approval of a loan. The accompanying report is a summary appraisal report and a complete appraisal prepared under the 2008 Uniform Standards of Professional Appraisal Practice. The date of the current appraisal is May 7, 2009 which is the date of inspection. **The property is appraised based on the extraordinary assumption that the caliche truck parking pad will be relocated at no expense to Mr. Garcia.**

**SIX THOUSAND SIX HUNDRED NINETY NINE DOLLARS**  
**\$6,699.00**

We trust this report satisfies the conditions of your request. Please call on us if any item is not clear or if further amplification of any point in this report would be helpful. Thank you for the confidence placed in us by virtue of this assignment and for the opportunity of providing our appraisal and consultation services to you.

Yours truly,

  
John H. Malcom, Jr, MAI, CCIM, SR/WA  
(Did Physically Inspect Property)  
Texas General Real Estate Appraiser,  
Certificate #TX-1320239-G

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## USPAP REQUIREMENTS/SALIENT FACTS PAGE

**USPAP Comments - Scope of Work:** This appraisal involves a partial taking of a 15' wide drainage easement and a 35' wide temporary work easement. The larger property is a 7.29 net acre tract of land located north of Mile 5 Road in the western area of Alton, Texas. As of the effective date of the appraisal, the site was improved with a shop building, a small frame residence, a manufactured home, and other small outbuildings and sheds. The improvements are situated well outside of the proposed acquisition area and are not adversely affected by the acquisition. The cost and income approaches are not applicable for the valuation of the part to be acquired, and have not been included in the appraisal report. The underlying land and the portion of the land that is included in the taking is appraised based on comparable sales and utilizing a sales comparison approach. The appraisal report is a summary report prepared under the Uniform Standards of Professional Appraisal Practice.

The scope of the work includes a complete analysis of the subject site and the subject neighborhood. In addition, research was conducted on surrounding land uses, market trends and comparable land sales and comparable improved sales. A narrative report was prepared which summarized the data and my analysis and conclusions regarding the subject property.

While compiling information to complete this appraisal, I used several different data sources, including but not limited to: local real estate experts, governmental agencies, grantors, grantees, etc.

All methodology used to arrive at the estimate of market value can be found in The Appraisal of Real Estate, Thirteenth Edition, published by the Appraisal Institute. The appraisal methodology and the value conclusion contained herein are in conformance with the 2008 Uniform Standards of Professional Appraisal Practice.

This appraisal report is for the exclusive use of Hidalgo County Right of Way Department (client) for the purpose of assisting with the acquisition of right-of-way for the construction of a drainage ditch as part of the Moorefield Road, 5 Mile Drainage Project.

This is a summary appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it represents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers files. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraisers are not responsible for unauthorized use of this report.

Within the appraisal process, the three accepted approaches to real property valuation (cost, income and sales comparison approaches) were considered (as applicable). In preparing this appraisal, the appraiser inspected the subject site and neighborhood. Information was gathered on comparable land sales. The sales comparison approach was used to value the site as if vacant. When appropriate, information was obtained regarding comparable costs and the cost approach was utilized to value the site improvements. These approaches to value were reconciled to derive an estimate of value for the whole property, the part taken, the remainder after the taking, severance damages, and just compensation.

**Jurisdictional Exception:** This appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). Jurisdictional exception provides for severability preserving the balance of USPAP if one or more parts of USPAP are contrary to law or public policy of a jurisdiction. According to USPAP, law means a body of rules with binding legal force established by controlling governmental authority. This includes federal and state constitutions, legislative and court made law, and administrative rules, regulations and ordinances. As appraisals performed for eminent domain are subject to certain constraints based on statutory and case law regarding compensability, the issue of jurisdictional exception is invoked.

**Intended Use and Intended User:** This appraisal report is for the exclusive use of Hidalgo County Right of Way Department(client) for the purpose of assisting with the acquisition of a drainage easement and a temporary construction easements for the construction of drainage improvements as part of the Moorefield Road, 5 Mile Drainage Project

**Exposure Time:** Exposure time is defined by the Appraisal Institute as follows:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. <sup>1</sup>

The appraisal is prepared based on an exposure time of 6 months.

**Environmental:** No adverse environmental influences were noted at the time of inspection. The appraiser notes that the property has been used for oilfield service operations. The potential exists for environmental contamination and the appraiser recommends an environmental site assessment. Please refer to the underlying assumptions and contingent conditions for a more specific discussion of the site.

**Property Rights Appraised:** The property rights appraised include the fee simple interest of the whole site, a permanent drainage easement for the 15' drainage right of way, and a temporary construction easement for the 35' temporary construction easement. All property rights are valued subject to outstanding rights and reservations of record.

**The fee simple estate** - is the absolute ownership unencumbered by any other interest or estate. A fee simple estate is subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**Drainage Easement** - The drainage easement is for the purpose of opening, constructing and maintaining a permanent underground drainage line in, on, along, and across the property herein described, together with the right and privilege at all times of the grantee herein, its agents, employees, and representatives, of ingress and egress to and from said premises for the purpose of making any improvements, modifications, or repairs which the County deems necessary.

**Date of Inspection/Owner Contact:** The appraisers contacted the owner by telephone on May 7, 2009 and discussed the project with the owner. The site was inspected on May 7, 2009.

**Effective Date of Appraisal:** The effective date of this appraisal is May 7, 2009, the most recent date of inspection. Photos of the subject were taken during the May 7, 2009 inspection.

**Date of Report:** The date of this report is May 19, 2009.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, Appraisal Institute

PHOTOGRAPHS OF SUBJECT PROPERTY

1. Point from which taken: Moorefield Road frontage

Looking: East across the Property



2. Point from which taken: Moorefield Road Right of Way

Looking: North along road - Subject on right



3. Point from which taken: West across Moorefield Rd.

Looking: View across proposed Easements



4. Point from which taken: Property adjacent on the east

Looking: West across the proposed easements



3. Point from which taken: Interior view

Looking: View of caliche pad in the proposed easement area



4. Point from which taken: Interior view

Looking: View of horse pen in the proposed easement area



METES AND BOUNDS - DRAINAGE EASEMENT



Drainage Easement  
**METES AND BOUNDS DESCRIPTION**  
**0.33 OF ONE ACRE OF LAND**  
**LA HOMA RANCH CITRUS**  
**GROVES SUBDIVISION, UNIT No. I**  
**HIDALGO COUNTY, TEXAS**

A tract of land containing 0.33 of one acre, situated in Hidalgo County, Texas, and also being a part or portion of **LOT 54, BLOCK 4, LA HOMA RANCH CITRUS GROVES SUBDIVISION, UNIT No. 1**, map reference: Volume 7, Page 59, H.C.M.R., and said 0.33 of one acre of land also being more particularly described as follows:

**COMMENCING** on the southwest corner of said Lot 54: **THENCE S 81° 07' 45" E**, along the South line of said Lot 54, a distance of 25.00 feet to an iron rod found on the East right-of-way line of said Moore Field Road, for the southwest corner of this tract and the **POINT OF BEGINNING**:

**THENCE N 08° 52' 15" E**, along the East right-of-way line of said Moore Field Road, a distance of 15.00 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set for the northwest corner of this tract;

**THENCE S 81° 07' 45" E**, a distance of 961.97 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set on the East line of a H.C.D.D. No. 1 drainage easement, recorded in Volume 2914, Page 425, H.C.D.R., for the northeast corner of this tract;

**THENCE S 08° 36' 15" W**, along the East line of said drainage easement, a distance of 15.00 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set on the South line of said Lot 54, for the southeast corner of this tract;

**THENCE N 81° 07' 45" W**, along the South line of said Lot 54, a distance of 962.04 feet to the **POINT OF BEGINNING**, containing 0.33 of one acre of land, more or less.

Bearing basis as per **LA HOMA RANCH CITRUS GROVES SUBDIVISION, UNIT No. 1** recorded in Volume 7, Pages 59, H.C.M.R.

**THE ABOVE DESCRIPTION WAS SURVEYED ON THE GROUND UNDER MY DIRECTION ON APRIL 9, 2009.**

  
**Carlos Vasquez, R.P.L.S. 74608**  
CVQ LAND SURVEYORS



P.O. Box 5066 • MCALLEN, TEXAS 78502 • PHONE (956) 618-1551 • FAX (956) 618-1547



METES AND BOUNDS - CONSTRUCTION EASEMENT

Revised: April 27, 2009



Construction Easement  
**METES AND BOUNDS DESCRIPTION**  
0.77 ACRE OF LAND  
**LA HOMA RANCH CITRUS**  
**GROVES SUBDIVISION, UNIT No. 1**  
**HIDALGO COUNTY, TEXAS**

A tract of land containing 0.77 acre, situated in Hidalgo County, Texas, and also being a part or portion of **LOT 54, BLOCK 4, LA HOMA RANCH CITRUS GROVES SUBDIVISION, UNIT No. 1**, map reference: Volume 7, Page 59, H.C.M.R., and said 0.77 acre of land also being more particularly described as follows:

**COMMENCING** on the southwest corner of said Lot 54; **THENCE S 81° 07' 45" E**, along the South line of said Lot 54, a distance of 25.00 feet to an iron rod found on the East right-of-way line of said Moore Field Road; **THENCE N 08° 52' 15" E**, along the East right-of-way line of said Moore Field Road, a distance of 15.00 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set, for the southwest corner of this tract and the **POINT OF BEGINNING**;

**THENCE N 08° 52' 15" E**, along the East right-of-way line of said Moore Field Road, a distance of 35.00 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set, for the northwest corner of this tract;

**THENCE S 81° 07' 45" E**, a distance of 961.77 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set on the East line of a H.C.D.D. No. 1 drainage easement, recorded in Volume 2914, Page 425, H.C.D.R., for the northeast corner of this tract;

**THENCE S 08° 36' 15" W**, along the East line of said drainage easement, a distance of 35.00 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set on the South line of said Lot 54, for the southeast corner of this tract;

**THENCE N 81° 07' 45" W**, along the South line of said Lot 54, a distance of 961.93 feet to the **POINT OF BEGINNING**, containing 0.77 acre of land, more or less.

Bearing basis as per **LA HOMA RANCH CITRUS GROVES SUBDIVISION, UNIT No. 1** recorded in Volume 7, Pages 59, H.C.M.R.

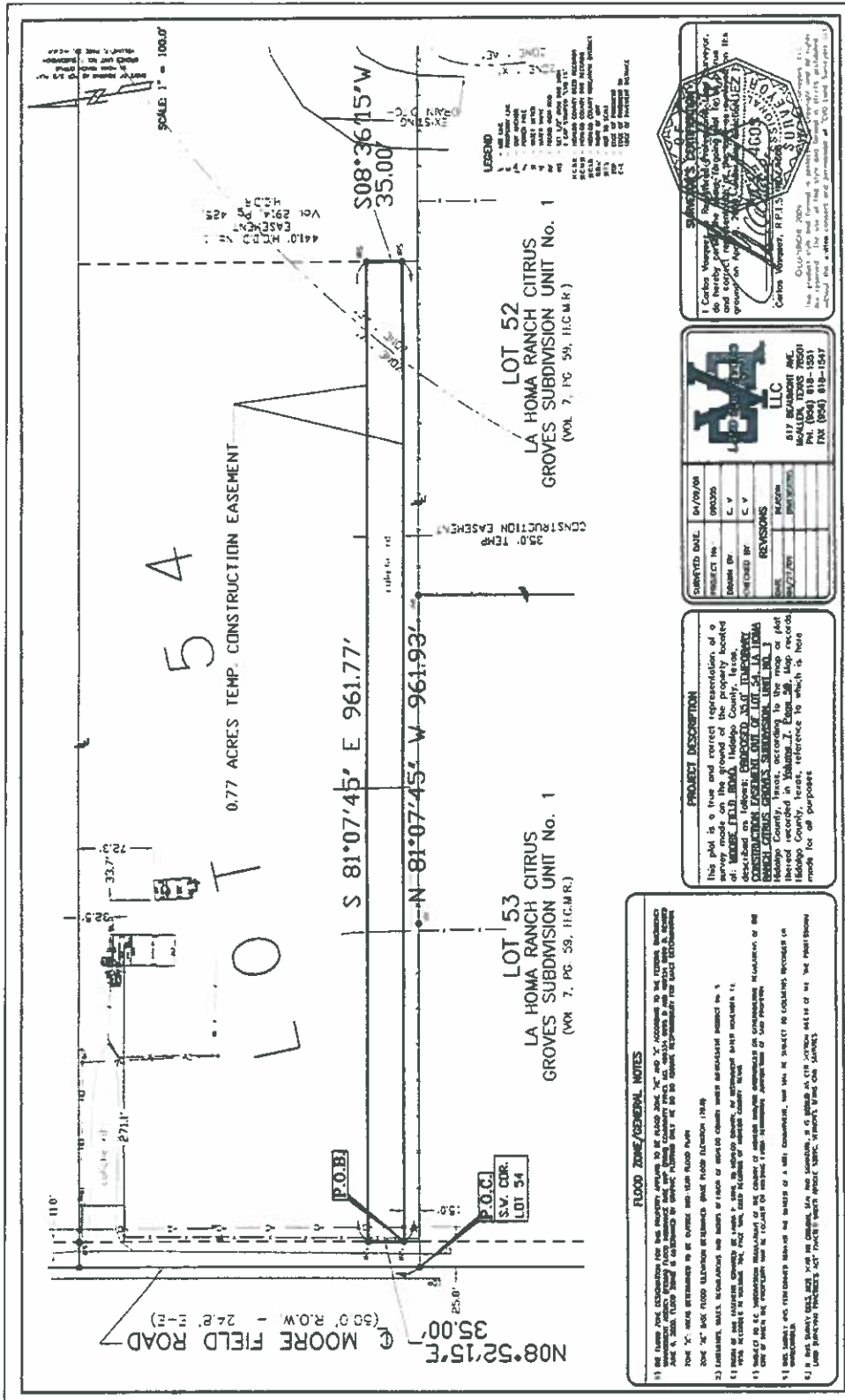
**THE ABOVE DESCRIPTION WAS SURVEYED ON THE GROUND UNDER MY DIRECTION ON APRIL 9, 2009.**

  
**Carlos Vázquez, R.P.L.S. 4668**  
CVQ LAND SURVEYORS



P.O. Box 5066 • MCALLEN, TEXAS 78502 • PHONE (956) 618-1551 • FAX (956) 618-1547

SITE PLAT - CONSTRUCTION EASEMENT



**FLOOD ZONE/GENERAL NOTES**

1) THE HAVING AND EXISTING FLOOD ZONE MAPS ARE BEING APPLIED TO THIS PLAT. THE HAVING AND EXISTING FLOOD ZONE MAPS ARE BEING APPLIED TO THIS PLAT. THE HAVING AND EXISTING FLOOD ZONE MAPS ARE BEING APPLIED TO THIS PLAT.

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**PROJECT DESCRIPTION**

This plat is a true and correct representation of a project in the County of HALL, State of Georgia, described as follows: **CONSTRUCTION EASEMENT ON LOT 54, LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT No. 1, HALL COUNTY, GEORGIA.**

The project is being recorded in Volume 7, Page 59, of the Hall County Records.

SUBMITTED DATE	04/20/08
PROJECT No.	090370
Drawn By	C. V.
Checked By	RENSONSON
DATE	04/27/08
SCALE	1" = 100.00'

**LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT No. 1**

LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT No. 1, HALL COUNTY, GEORGIA.

LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT No. 1, HALL COUNTY, GEORGIA.

LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT No. 1, HALL COUNTY, GEORGIA.

## DESCRIPTION OF PROPERTY

The subject area includes the area to the northwest of the City of Mission, and to the west of Alton in Hidalgo County, Texas. Area boundaries include SH 107 to the north, Shary Road on the east, Mile 3 North Road on the south and Abrams Road to the west. The defined area includes a mix of development and includes commercial and different types of residential and agricultural uses. It is located within the Alton City limits and in the La Joya Independent School District. This is an area of increasing residential development. Moderate commercial development is following the increase in the number of residential units with commercial growth noted along Conway Avenue (SH 107), Mile 5 Line Road and Mile 3 Line Road. Continued growth and increased density of development is anticipated for this area.

Although precise population information has not been obtained for the defined area, demographic information has been considered for a three mile radius extending from SH 107 on the north to Mile 3 North Road on the south and from Shary Road on the east to Abrams Road on the west.

The current population is estimated at 46,103. Population growth is estimated to have increased 39.5% between 2000 and 2008 and an estimated population of 54,943 by the year 2013. The median age is estimated at 24 years and approximately 59.2% of the population is under the age of 35 and approximately 44.2% is under the age of 25 years. The median household income is estimated at \$21,302 (the US average is \$53,154 and the median for Hidalgo County is \$26,422) with the average household income estimated at \$51,151 (the US average is \$61,553 and the average for Hidalgo County is \$34,977).

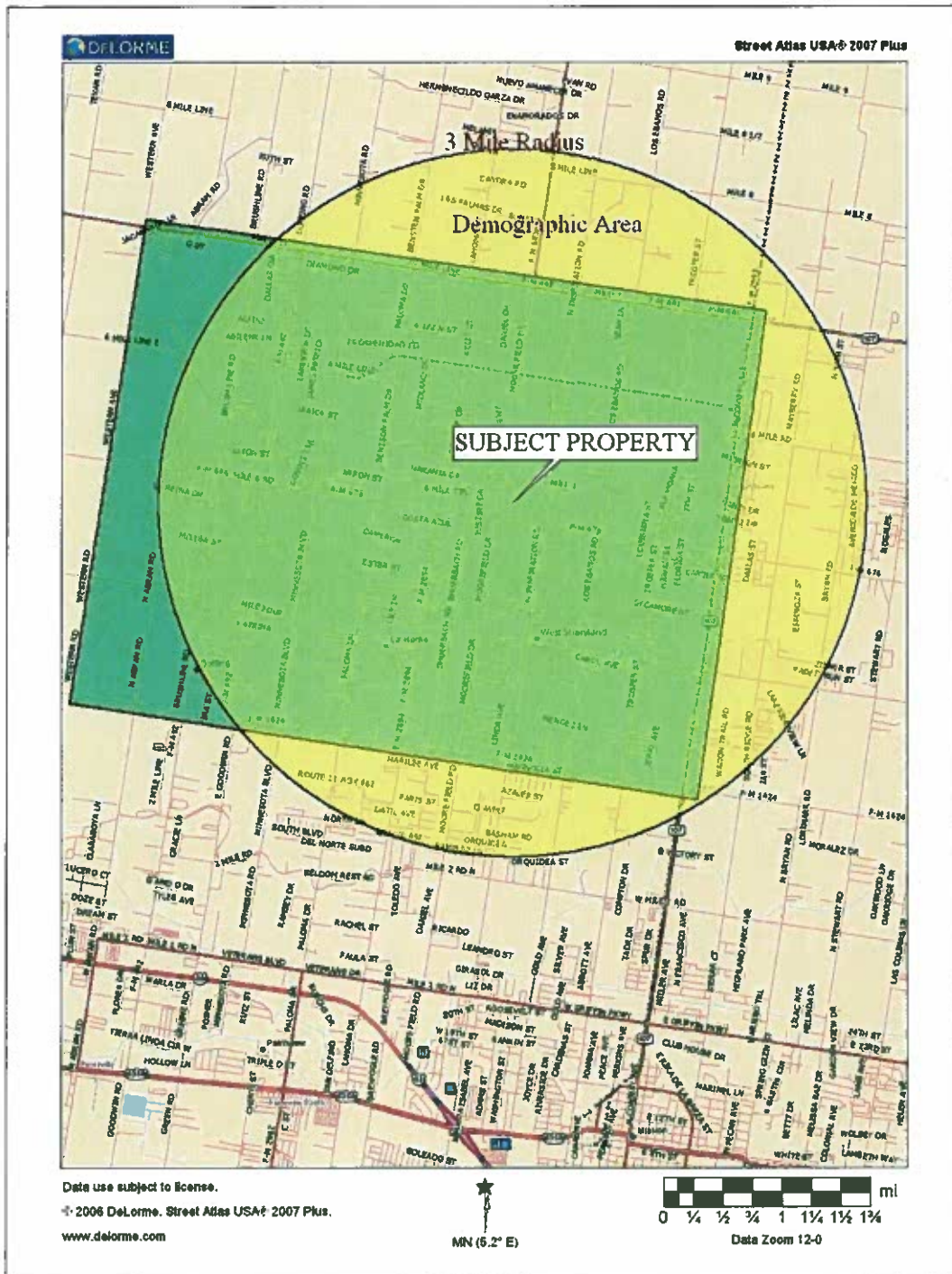
For persons over the age of 25 years, the educational attainment level includes 24.1% with a high school diploma and 10.23% with an associate, bachelors, or graduate degree. This indicates that 34.33% of the population, over the age of 25 has completed at least a high school education (Hidalgo County = 66.8%).

For persons over the age of 16, approximately 89.6% are employed, 10.4% are unemployed. The average time traveled to work was around 23.9 minutes in the year 2000. For Hidalgo County as a whole, 87.7% of the population over 16 years is employed, 12.2% is unemployed, 47.6% is not in the labor force.

The housing supply was estimated at 10,956 units in 2007 with 69% being owner occupied, 14.9% being renter occupied, and 16.1% being vacant. The large number of vacant properties arises from the number of rental spaces oriented toward winter visitors.

The Alton area reflects the demographic attributes of the western portion of the Rio Grande Valley with lower income levels and lower education attainment levels than Hidalgo County and the Valley as a whole. The Rio Grande Valley and Hidalgo County both fall below the State of Texas and the United States in term of wage and income as well as educational attainment and employment.

# AREA AND DEMOGRAPHIC MAP



**Legal Description - Whole Property:** Lot 54, Block 4 La Homa Ranch Citrus Groves Subdivision, Unit #1, in Hidalgo County, Texas, according to map thereof recorded in Volume 7, Page 59, Map Records, Hidalgo County, Texas.

**Legal Description - Part to be Acquired:** The part to be acquired includes a 0.33 acre drainage easement and a 0.77 acre temporary construction easement out of the parent tract. The parts to be acquired are identified by metes and bounds descriptions contained in the Field Notes and Site Plat for each that are included as exhibits to this report.

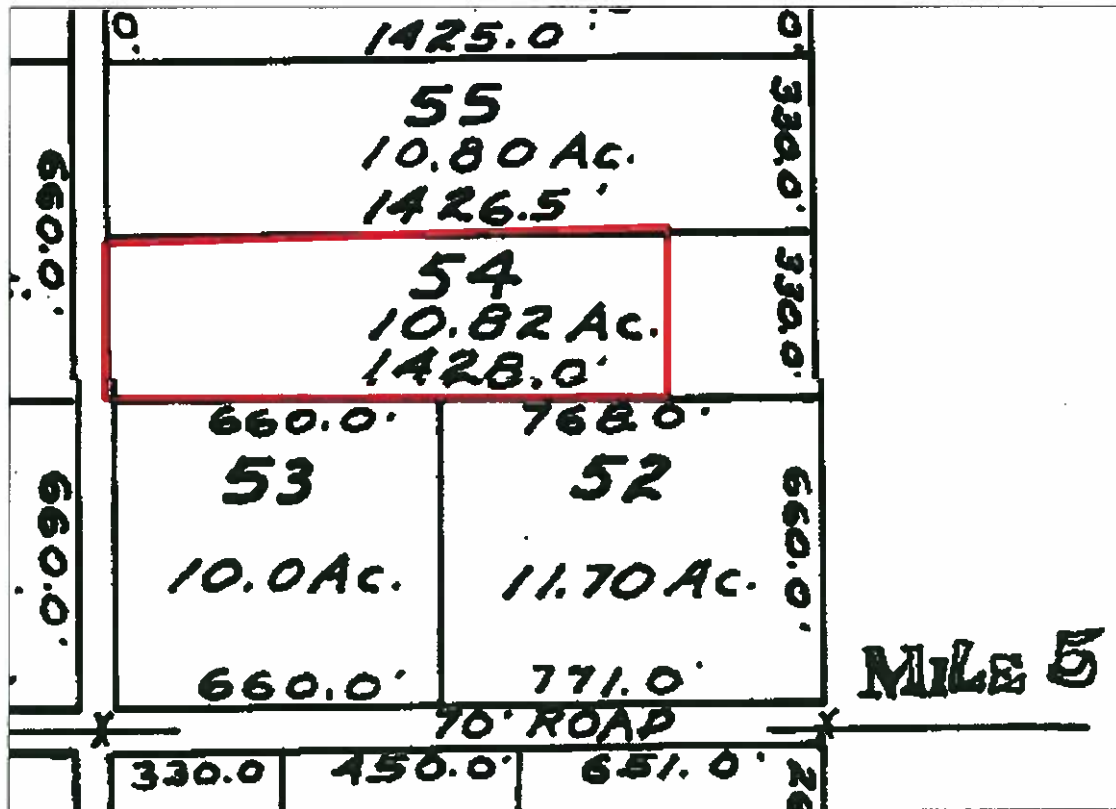
**5 Year Sales History:** According to information provided by the client, the subject property transferred from Leobardo Marquez and wife, Gladis Marquez, on May 2, 2007. The consideration given is unknown. No offers to either sell or purchase the property are known to the appraisers.

**Site Description:** The appraised property is located on the east side of Moorefield Road, 1/8 mile north of Mile 5 Road in the western area of Alton, Hidalgo County, Texas. It is rectangular in shape and has 330' of frontage on Moorefield Road and a depth of around 962'. The appraiser was not provided with a survey of the whole property by the client. Land area includes approximately 7.29 net acres and this area was calculated from information provided by the client and information from the Hidalgo County Appraisal District.

Available utilities include water, electricity and phone service. The appraised property is located in the City limits of the City of Alton. According to David De Leon, Alton City Planner, the east side of Moorefield Road marks the westernmost extension of the city limits and zoning is commercial for the southern half of the property and agricultural for the northern half.

The property lies within an area with a mix of Flood Zone AE, and "X" flood insurance rate areas. Local flood maps indicate that about 2% of the property lies in a Zone "AE" area and about 98% lies in a Zone "X" area. Zone "AE" is a special flood hazard zone. Zone "X" is not a special flood hazard area. The part to be acquired includes two easements consisting of a 15' wide drainage easement and a 35' wide temporary construction easement. The narrower easement is a 15' x 961.93' strip acquisition from along the southern boundary. The wider acquisition is a 35' x 961.77' wide strip located along the north boundary of the narrower easement.

SUBJECT SURVEY - (WHOLE PROPERTY IS OUTLINED IN RED)



**Tax Information:** The appraised property is located within the following taxing entities and is subject to the indicated tax rates: The tax accounts are included based on the current assessed value for 2008. The assessed value in the following grid reflects land and improvements.

TAXING ENTITIES	TAX RATES
City of Alton	\$0.499000
Hidalgo County Drainage District #1	\$0.049200
Hidalgo County	\$0.590000
South Texas College	\$0.154000
Road District #5	\$0.010900
La Joya ISD	\$1.252000
South Texas ISD	\$0.049200
COMBINED TAX RATE	\$2.604300
Assessed Value	\$70,189
Current Tax Load	\$1,828

**Improvement Description:** As of the effective date of the appraisal, the site was improved with a shop building, a small frame residence, a manufactured home, and other small outbuildings and sheds. The improvements are situated well outside of the proposed acquisition area and are not adversely affected by the acquisition. Improvements within the acquisition area include a 45.5' x 47' horse pen, a 117' x 153' caliche pad for truck parking, and fencing.

**Highest and Best Use - Whole Property:** The subject site is located in a developing area northwest of Mission and to the west of Alton in west-central Hidalgo County. According to information obtained from the client and from the Hidalgo County Appraisal District, net land area is 7.29 acres and potable water, electricity, and telephone service is available in the area and to the site. Sewer service has not yet been extended to the site. Although a small portion of the site may lie in a special flood zone area, the majority of the site (98%) is not located in a special flood hazard area. It is within the corporate limits of the City of Alton and is subject to City zoning requirements. Highest and best use is for residential or mixed commercial and residential use.

**Part to be Acquired:** There are 2 easements to be acquired. The first is a 0.33 acre underground drainage easement from along the southern boundary. Dimensions are 15' wide x 961.93' long. The second is a 0.77 acre temporary construction easement located on the north side of the drainage easement. It measures 35' in width x 961.77'. The takings do not constitute economic units separately or when combined and the highest and best use is in conjunction with the whole property.

**Remainder After the Taking:** The remainder after the taking will include the remaining land consisting of a 315' x 692' unencumbered tract and a 15' x 692' strip encumbered by the underground drainage easement. After the taking the whole property maintains overall similar physical characteristics and attributes. The property owner will have limited use of the surface estate although no improvements can be constructed within the easement area. It can be fenced and can be utilized for parking purposes. The appraiser notes that the drainage easement will be the dominant estate and any surface improvements may be disturbed in the event that the underground drainage line needs to be reconfigured, repaired, or reconstructed. The remainder is not adversely affected as a result of the acquisition and the highest and best use after the taking remains for residential or mixed commercial and residential use.

**Discussion of Economic Unit:** The appraised property constitutes its own economic unit of 7.29 net acres. The parent tract land area of 7.29 net acres is suitable for residential or mixed commercial and residential use and sales of this size have been noted in the subject's market area. For valuation purposes the entire site of 7.29 net acres has been selected.

**VALUATION OF PART TO BE ACQUIRED**  
**LAND VALUATION**  
 Representative Comparable Sales

Item	Subject	Comp #1	Comp #2	Comp #3	Comp #4
<b>Sale Price</b>		<b>\$107,000</b>	<b>\$357,200</b>	<b>\$140,000</b>	<b>\$280,000</b>
<b>\$/Acre</b>	<b>NA</b>	<b>\$18,105</b>	<b>\$24,432</b>	<b>\$29,093</b>	<b>\$30,732</b>
Property Rights	Fee Simple	Similar	Similar	Similar	Similar
Conditions Sale	Arms Length	Similar	Inferior	Similar	Similar
Financing Terms	Cash	Similar	Similar	Similar	Similar
Market Conditions	05/09	03/2007	12/2007	06/2008	11/2007
Adjustment		0%	0%	0%	0%
<b>Time Adj \$/sq.ft.</b>		<b>\$18,105</b>	<b>\$24,432</b>	<b>\$29,093</b>	<b>\$30,732</b>
Location	Moorefield Road N/ 5 Mile North	Inspiration Rd N/ 5 Mile Rd	NWC 5 Mile Rd and Doffing Rd	La Homa Rd N/ 5 Mile Rd	5 Mile RD W/ Stewart Rd
Location Adj.		0%	-10%	0%	-10%
Tract Size - AC	7.29 acres	5.91 acres	14.62 acres	4.812 acres	9.111 acres
Size Adj.		0%	10%	-5%	5%
Shape Dimensions Easements Flood Zone	Rectangular 330' x 962' No Adverse Zone "X"	Rectangular 227' x 1,134' Similar Similar-"C"	Irregular 950' x 928' Similar Similar-"C"	Similar 204' x 1,025' Similar Similar-"X"	Slight Irregular 254 x 699' Bisection 12% Similar
Adjustment		0%	0%	0%	5%
<b>Net Adjustment</b>		<b>0%</b>	<b>0%</b>	<b>-5%</b>	<b>0%</b>
<b>Adj \$/Square Foot</b>		<b>\$18,105</b>	<b>\$24,432</b>	<b>\$27,638</b>	<b>\$30,732</b>

## Land Sale No. 1

### Property Identification

<b>Record ID</b>	1366
<b>Property Type</b>	Development Land - Residential
<b>Address</b>	Mission, Hidalgo County, Florida
<b>Location</b>	Inspiration Road, East Side, North of 5 Mile Road
<b>Tax ID</b>	W0100-00-041-0001-00

### Sale Data

<b>Grantor</b>	The Angelica Vela Family Limited Partnership
<b>Grantee</b>	Pedro Cantu & Silvia Cantu, husband & wife
<b>Sale Date</b>	March 23, 2007
<b>Deed Book/Page</b>	DOC #1738727
<b>Property Rights</b>	Surface
<b>Conditions of Sale</b>	Arms Length
<b>Financing</b>	Cash to Seller
<b>Verification</b>	MLS #7177/Trendsetters Realty; (956) 687-2222, July 16, 2007; Other sources: Deed Records, Confirmed by Paul Haerther

<b>Sale Price</b>	\$107,000
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### Land Data

<b>Topography</b>	Generally Level
<b>Utilities</b>	Water, Electric
<b>Dimensions</b>	226.92' x 1,134'
<b>Shape</b>	Rectangular
<b>Flood Info</b>	Zone "C"
<b>Depth</b>	1134

### Land Size Information

<b>Useable Land Size</b>	5.910 Acres or 257,440 SF , 100.00%
<b>Front Footage</b>	227 ft Total Frontage: 227 ft Inspiration Road

### Indicators

<b>Sale Price/Gross Acre</b>	\$18,105
<b>Sale Price/Useable Acre</b>	\$18,105

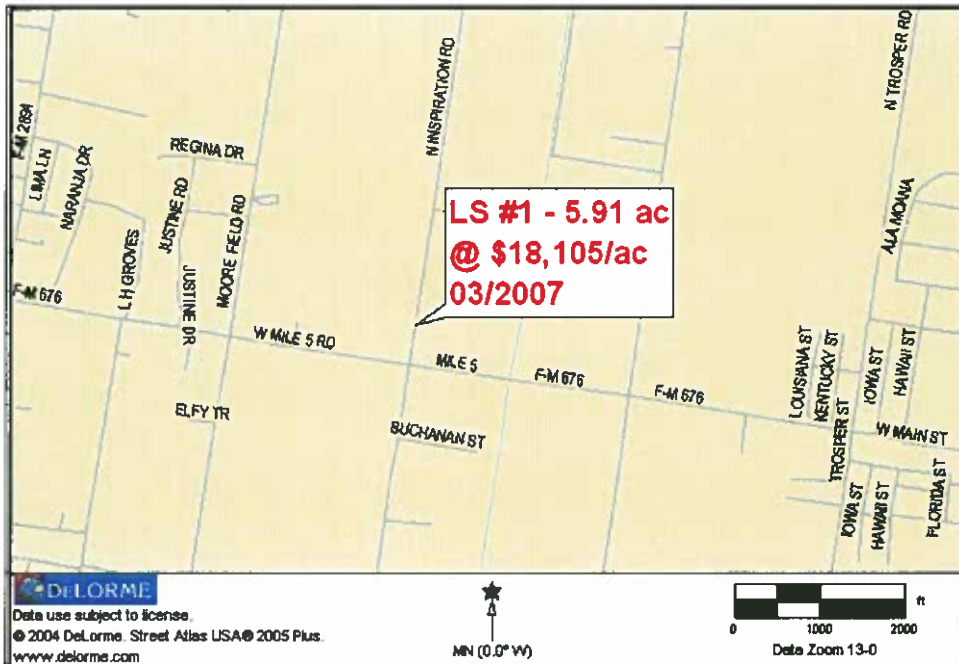
### Legal Description

The South 226.92 feet of the North 884.4 feet out of Lot 41-1, West Addition to Sharyland, Hidalgo County, Texas, according to the map thereof recorded in Volume 1, Page 56, Map Records of Hidalgo County, Texas.

### Remarks

This is a sale of a vacant development tract located along the east side of Inspiration Road to the north of Mile 5 Road in the ETJ of Mission, Texas. The tract offers 226.92' of frontage along Inspiration Road by a depth of ±1,134'. The property is located in an area with city water and electric services but no city sewer service. The property is not located in an area deemed to be a special flood hazard area.

LAND SALE #1 - PHOTO & MAP EXHIBIT



## Land Sale No. 2

### Property Identification

<b>Record ID</b>	1495
<b>Property Type</b>	Development Land - Mixed Use
<b>Address</b>	NWC 5 Mile Road and Doffing Road, La Joya, Hidalgo County, Texas 78560
<b>Location</b>	NWC 5 Mile Road and Doffing Road
<b>Tax ID</b>	D6000-01-000-0051-01

### Sale Data

<b>Grantor</b>	Isabel Rodriguez
<b>Grantee</b>	O.G. Construction Company, LLC
<b>Sale Date</b>	December 14, 2007
<b>Deed Book/Page</b>	1840829
<b>Recorded Plat</b>	Vol. 5, Pg. 24
<b>Property Rights</b>	Surface
<b>Marketing Time</b>	500 days
<b>Conditions of Sale</b>	Arms Length
<b>Financing</b>	\$303,600 note payable to Inter National Bank of Commerce
<b>Verification</b>	Dillard and Chapa Real Estate; 956-631-5844, February 14, 2008; Other sources: MLS #100533, Confirmed by Bud Prothero

<b>Sale Price</b>	\$357,200
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### Land Data

<b>Topography</b>	Near level
<b>Utilities</b>	City sewer, water, electricity
<b>Dimensions</b>	950' x 928'
<b>Shape</b>	Irregular
<b>Flood Info</b>	Zone "C"
<b>Easements</b>	No adverse easements noted

### Land Size Information

<b>Gross Land Size</b>	14.620 Acres or 636,847 SF
<b>Front Footage</b>	950 ft 5 Mile Road;928 ft Doffing Road

### Indicators

<b>Sale Price/Gross Acre</b>	\$24,432
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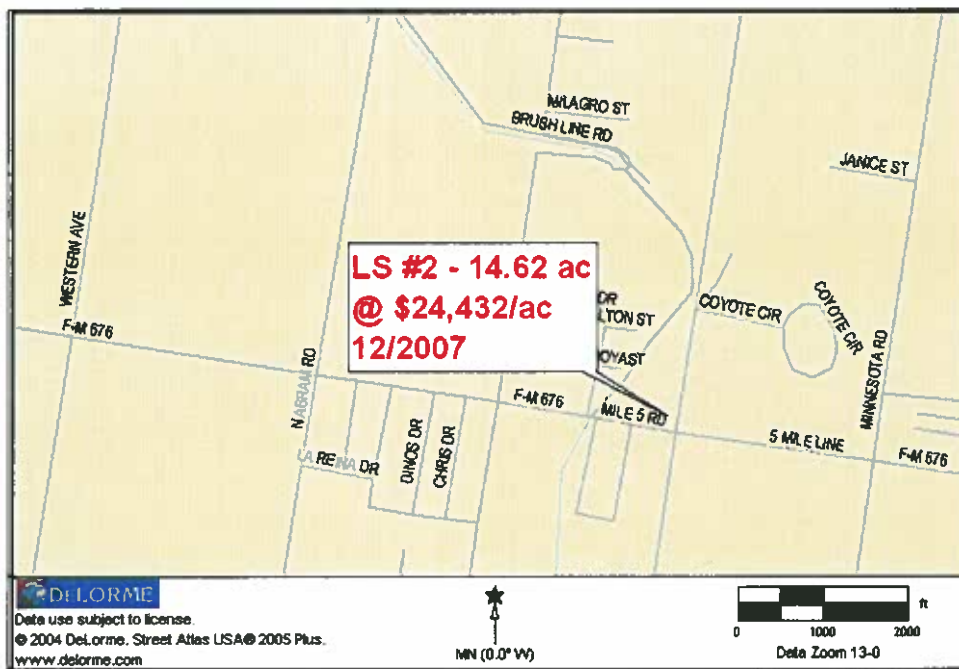
### Legal Description

A 14.62 acre tract of land out of Lot 51, Nick Doffing Subdivision No. 1, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 5, page 24, Map Records of Hidalgo County, Texas.

### Remarks

This is a sale of a vacant development tract located along the northwest corner of 5 Mile Road and Doffing Road in La Joya, Texas. The tract is irregular in shape with dimensions of 950' of frontage along 5 Mile Road with an overall depth of 928' along Doffing Road. City utilities available include water, electricity, sewer, and telephone.

LAND SALE #2 - PHOTO & MAP EXHIBIT



**Land Sale No. 3**

**Property Identification**

**Record ID** 1671  
**Property Type** Development Land - Mixed Use  
**Address** Alton, Hidalgo County, Texas  
**Location** La Homa Rd, E/s, 0.37 mile N/o 5 Mile Rd  
**Tax ID** L1100-01-002-0058-10

**Sale Data**

**Grantor** Edistayo Garcia and Ricardo Garcia, independent co-executors  
(see Remarks)  
**Grantee** Pedro Rojas and wife, Marylou Rojas  
**Sale Date** June 20, 2008  
**Deed Book/Page** 1903769  
**Property Rights** Surface only  
**Marketing Time** 313  
**Conditions of Sale** Arm's length  
**Financing** Ten Dollars and other good and valuable consideration  
**Sale History** unknown  
**Verification** Don Martin, listing/selling agent/broker, Realty World - Valley Properties ; 956-661-1414, May 08, 2009; Confirmed by Tony Morin

**Sale Price** \$140,000

**Land Data**

**Utilities** Public water, telephone and electricity  
**Dimensions** 204.56' x 1024.75' (average depth)  
**Shape** Mostly rectangular  
**Flood Info** Zone "X" 480334 0290 D (06/06/2000)

**Land Size Information**

**Gross Land Size** 5.000 Acres or 217,800 SF  
**Useable Land Size** 4.812 Acres or 209,618 SF , 96.24%  
**Unusable Land Size** 0.188 Acres or 8,182 SF , 3.76%  
**Front Footage** 205 ft Total Frontage: 205 ft La Homa Rd

**Indicators**

**Sale Price/Gross Acre** \$28,000  
**Sale Price/Useable Acre** \$29,093

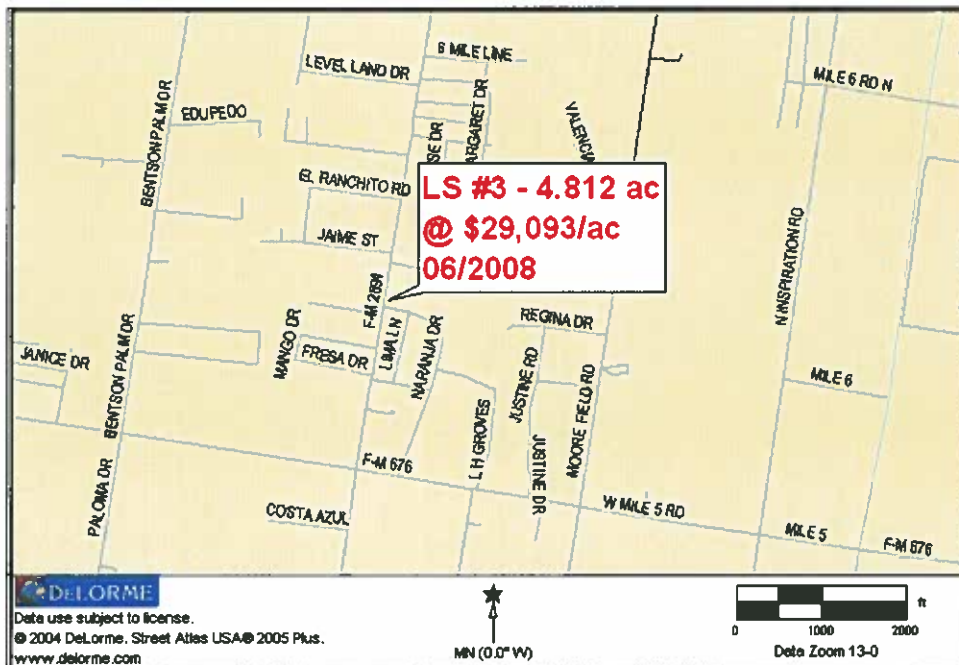
**Legal Description**

The South 5 acres of Lot 58, Block 2, La Homa Ranch Citrus Groves Unit #1, Hidalgo County, Texas according to the map or plat thereof recorded in Volume 7, Page 59, Map Records, Hidalgo County, Texas.

**Remarks**

(Grantor cont) - of the Estate of Ambrosio Garcia, Deceased. This is the sale of a subdivided lot in a mixed use development area. It has since been improved with a metal building.

LAND SALE #3 - PHOTO & MAP EXHIBIT



#### Land Sale No. 4

##### Property Identification

**Record ID** 1601  
**Property Type** Development Land - Mixed Use  
**Address** Alton, Hidalgo County, Texas  
**Location** 5 Mile Road, N/s, 800' W/o Stewart Rd.  
**Tax ID** W0100-00-041-0012 -20

##### Sale Data

**Grantor** Saul Ortega & wife Kellye Ortega  
**Grantee** Alamo Days Trade, Inc., a Texas Corporation D/B/A Grev Construction

**Sale Date** November 02, 2007  
**Deed Book/Page** 1825446  
**Property Rights** Surface  
**Marketing Time** 430  
**Conditions of Sale** Arms Length  
**Financing** \$593,685 note payable to First National Bank  
**Verification** Confirmed by Brandon Terry  
**Sale Price** \$280,000

##### Land Data

**Topography** Near level  
**Utilities** Water, sewer, electricity and telephone  
**Dimensions** 252' x 699' (net road ROW)  
**Shape** Irregular  
**Flood Info** Zone "C"  
**Easements** Natural gas pipeline easement bisection SW to NE.  
**Depth** 699'

##### Land Size Information

**Gross Land Size** 9.291 Acres or 404,732 SF  
**Useable Land Size** 9.111 Acres or 396,879 SF , 98.06%  
**Unusable Land Size** 0.180 Acres or 7,852 SF , 1.94%  
**Front Footage** 252 ft 5 Mile

##### Indicators

**Sale Price/Gross Acre** \$30,135  
**Sale Price/Useable Acre** \$30,732

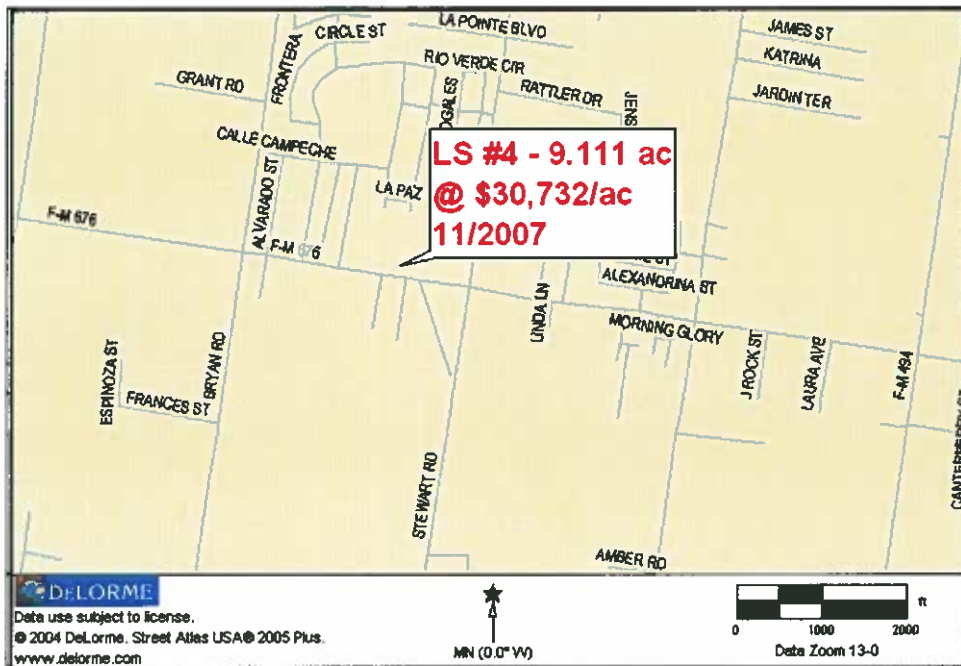
##### Legal Description

A 9.291 acre tract of land out of Lot 41-12, West Addition to Sharyland, Hidalgo County, Texas, according to the plat recorded in Volume 1, Page 56, Map Records of Hidalgo County, Texas. (The site is more particularly described by a metes and bounds description contained in the appraiser's files.)

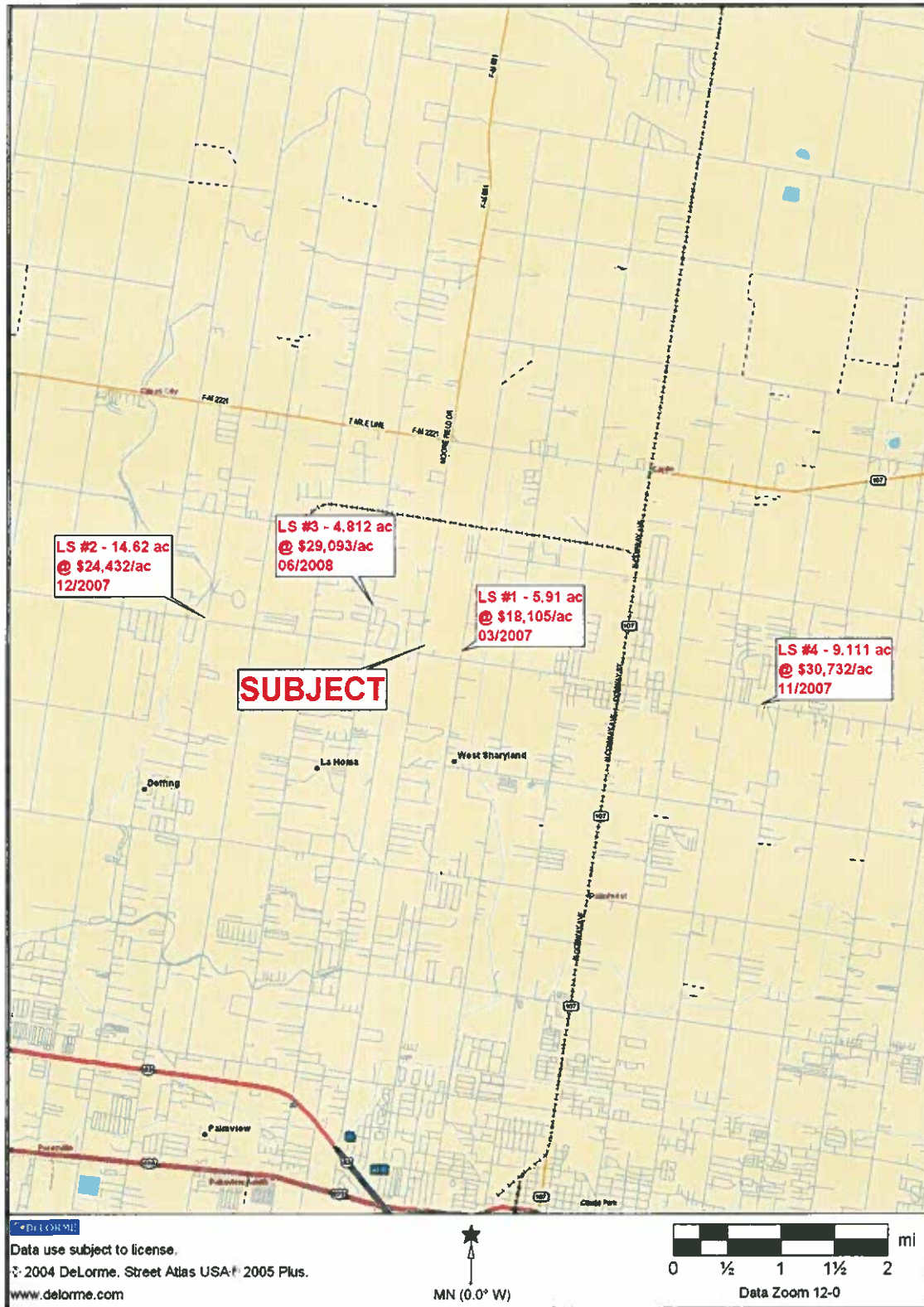
##### Remarks

This is a sale of a vacant 9.291 gross acre land tract located along the north side of 5 Mile Road east of Alton, Texas. The site has been developed as Palmasola Subdivision, a multifamily community. The tract is irregular in shape having a neck of 252.49' along Mile 5, then extending northward 158' (W/s) and 124.2' (E/s) then westward 258' and eastward 140.57', then northward 540.6'(W) and 575.0'(E) ending with a 651.45' north boundary. At point of sale, an 8" sewer line was located along the north side of Mile 5 Rd. per David De Leon, Planning Director for City of Alton.

LAND SALE #4 - PHOTO & MAP EXHIBIT



LAND COMPARABLE MAP



### **Explanation of Adjustments with Reconciliation:**

The appraised property and comparable sales are similar for property rights conveyed, financing terms, and conditions of sale. No adjustment is necessary for these elements of comparison.

**Market Conditions** - The comparable sales were conveyed between March, 2007 and June, 2008. The date of current appraisal is May 2009 and the comparable sales precede the date of appraisal from 13 months to 27 months. Market conditions had been rising throughout Hidalgo County for the period from 2006 through 2007. Around year end 2007, prices began to stabilize and in some cases may have begun to decrease. From early 2008 to the present, the market has begun to show evidence of an oversupply for both improved and unimproved residential properties. This oversupply has resulted in decreasing market conditions in some areas. In the absence of any clear indication of a trend in market conditions, no adjustment will be applied to the comparable sales for this element of comparison.

**Location** - The appraised property is an interior site located north of Mile 5 Line Road and along the east side of Moorefield Road in the City Limits of Alton, Texas. It is a developing area and continued residential development is expected. The appraisers note new construction in the area with farmland steadily transitioning to residential use.

Land sale #1 is an interior site located just north of Mile 5 Line Road and just east of the subject on Inspiration Road. The appraised property is similar for location and no adjustment is required.

Land sale #2 is located along the northwest corner of Mile 5 Line Road and Doffing Road in the La Joya ETJ. It is a corner location and is in an area with sewer service. The appraised property is inferior and is adjusted downward in the comparison grid.

Land sale #3 is located just north of Mile 5 Line Road and along La Homa Road, just west of the appraised property. The appraised property is similar for location with no adjustment required for location.

Land sale #4 is located east of Conway Avenue along Mile 5 Line Road and in an area with sewer service in Alton, Texas. The appraised property is inferior for the closer in location and is adjusted downward in the comparison grid.

**Size** - The element of size is considered to be a necessary adjustment in this market area. Size adjustments reflect the observed condition that smaller sized tracts frequently sell for higher unit values than larger sized tracts. The adjustment is based on a doubling system with an allocation of 10% for each doubling between the subject and comparable sale.

**Shape, Dimensions, Easements, & Flood Zone** - The appraised property and comparable sales are basically level tracts that are similar for tract shape and dimensions. No adjustments are necessary for tract shape or dimensions.

The appraised property has no adverse easements which is similar to land sales #1 - #3. Land sale #4, however, is bisected from east to west by a pipeline easements. Based on an easement width of 30', the land area would be approximately half an acre and would encumber around 12% of the total surface area. The adjustment for the adverse easement is -5% in the comparison grid.

Neither the appraised property nor the comparable sales are located in special flood hazard areas. No adjustment is required for differences in flood zones.

The adjustments for tract shape, dimensions, flood zone, and easements are summarized in the following table:

<b>Element of Comparison</b>	<b>LS #1</b>	<b>LS #2</b>	<b>LS #3</b>	<b>LS #4</b>
Shape	0%	0%	0%	0%
Depth	0%	0%	0%	0%
Easements	0%	0%	0%	5%
Flood Zone	0%	0%	0%	0%
<b>Net Adjustment</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>5%</b>

A comparable sales adjustment grid is presented on the following page. All adjustment are rounded to the nearest 5% in the adjustment grid.

The adjusted range of value is \$18,105 to \$30,732 per acre for the fee simple estate interest. All sales are considered, and a unit value of \$25,000/acre is selected for the fee simple estate. the property rights to be acquired include an underground drainage easement and a temporary construction easement.

The property rights to be acquired are significantly less than the fee simple estate. The underground drainage easement will permit the County to enter the property and to lay and construct an underground drainage pipe. In the event the pipe becomes damaged or reaches capacity and requires upgrading, the underlying fee owner must accommodate the easement holders need to reenter the property and make necessary repairs/improvements. Any site improvement such as landscaping, fencing, or paving could be destroyed during subsequent construction and the property owner would be responsible for the replacement of the site improvements. The underlying fee owner can utilize the surface of the underground drainage easement for pasture, grazing, parking, and to satisfy setback requirement in the event the property were to be subdivided or converted to residential use. Considering the property rights acquired, the appraiser will allocate 50% of the fee value to the underground drainage easement and 50% to the underlying fee estate.

The temporary construction easement will permit the County to utilize a portion of the property for a specified period of time. During that period of time, the County, or its agents, will be able to utilize the property to operate construction equipment and machinery, to store materials or for other purposes necessary to construct the pipeline that will be located in the permanent easement. Since the property owner will not have the use of that portion of the property during the construction period, the easement is similar to a land lease for a finite term. The land area for the temporary work easement is 0.77 acre. The total value of the land within the work easement is the value of the fee simple land, or \$19,250 (0.77 acres x \$25,000/acre = \$19,250). The property rights to be acquired include the temporary use of the land for a period of approximately 12 months. The rate of return is based on the prime rate in March, 2009 and rates of return available on improved property at that time. The prime rate was 3.25% and the average range in discount rates was 7.8% to 9.0%. The appraisers have utilized a return of 8.0% for the temporary work easement. Based on an 8.0% return, the fair annual rental for the temporary work easement would be \$1,540 (\$19,250 market value x 8.0% return = \$1,540).

Based on a unit value of \$25,000 per acre, the site value for the whole property would be \$182,250 (7.29 acres @ \$25,000/acre = \$182,250).

**ESTIMATED VALUE OF ACQUISITION**

<b>Drainage Easement</b>	<b>0.33</b>	<b>acres</b>	<b>@ \$</b>	<b>\$12,500</b>	<b>\$</b>	<b>4,125</b>	
<b>Fee Land</b>	<b>0</b>	<b>ac</b>	<b>@ \$</b>	<b>\$0.00</b>	<b>\$</b>	<b>\$0</b>	
<b>Total Land</b>							<b>\$ 4,125</b>
<b>Improvements</b>							
Horse pen and gate -				\$ 684			
Fencing -				\$ 350			
<b>Total Improvement Value</b>							<b>\$ 1,034</b>
<b>Total Value as a Unit</b>							<b>\$ 5,159</b>
<b>Temporary Construction Easement</b>							<b>\$ 1,540</b>
<b>Cost to Cure Damages (if any)</b>							
<b>Estimated Total Compensation</b>							<b>\$ 6,699</b>

*Furnish comments on attachments as necessary.*

Land value in the taking is based on comparable sales and utilizing a sales comparison approach.

The appraiser has considered the impact of the acquisition on the whole property and on the remainder before and after the taking. After the taking the remaining property has very similar physical characteristics. The appraiser has concluded that there are no damages as a result of the proposed acquisition.

Improvements within the acquisition include the horse pen, the caliche truck parking pad and the front and rear fencing. Since the horse pen and truck parking caliche pad are bisected by the proposed right of way, it may be necessary to relocate these improvements. The appraiser has included the entire horse pen as part of the acquisition for valuation purposes. Cost estimates for the horse pen, it's gate and the front and rear fencing were obtained from Martin's Farm and Ranch of Edinbrg.

Cost new for the improvement items is calculated as follows:

Horse Pen and Gate - 2 x 47' (N/S) - 4" for gate + 2 X  
 45.5' (E/W) = 181sf.  
 181sf @ \$3.50/sf for construction = \$633.50  
 1 gate @ \$50..... = 50.00 = \$ 684 (Rounded)

Fencing - Mesh fencing at rear with 2 strands of B/W  
 50 lf @ \$3.50/lf ..... = \$175.00  
 5 Strand Barbed Wire fencing at front  
 50 lf @ \$ 3.50/lf ..... = \$175.00 = \$ 350


Total Improvements in the Acquisition and Construction area..... = \$1,034

Appraiser's Note:: The property is appraised based on the extraordinary assumption that the caliche truck parking pad will be relocated at no expense to Mr. Garcia.

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report: I certify that, to the best of my knowledge and belief:

- the statement 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 conclusion.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) 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 on 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 analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property).
- no one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated).
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, John H. Malcom, Jr. has completed the requirements of the continuing education program of the Appraisal Institute.
- I do not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraiser(s) signing this appraisal report.
- The date of appraisal is May 7, 2009.

  
John H. Malcom, Jr, MAI, CCIM, SR/WA  
(Did Physically Inspect Property)  
Texas General Real Estate Appraiser,  
Certificate #TX-1320239-G

## UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS

The appraiser assumes:

That the record owner has a marketable fee simple title to the subject property.

This report is submitted subject to the following contingent conditions:

1. No investigation of title to the property has been made, and the premises are assumed to be free and clear of all deeds of trust, leases, use restrictions and reservations, easements, cases or actions pending, tax liens, and bonded indebtedness, unless otherwise specified. The property has been appraised as though free and clear and under responsible ownership unless otherwise noted in the report.
2. No survey has been made as to mineral ownership, drilling or mining rights in the property. No representation as to these rights is made herein.
3. No survey, legal, or engineering analysis of this property has been made by use. It is assumed that the legal description and area computations furnished are accurate. We assume the existing boundaries to be correct, and assume no responsibility for any conditions not readily observable from our customary inspection of the premises, which might affect the valuation, excepting those items specifically mentioned in this report. This report assumes the condition of the property unchanged since the date of last field inspection.
4. This report is based in part upon information assembled from a wide range of sources, and therefore the incorporated data cannot be guaranteed in any fashion. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering, construction and structural data, title and use restrictions, zoning and proposed public or private projects in the area. Information, estimates, and opinions furnished to the appraiser, and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser can be assumed by the appraisers. The appraiser assumes no responsibility for independently verifying this information. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary.
5. We suggest that independent verification within these categories be accomplished as a prerequisite to any transaction involving sale, lease or other significant commitment of subject property, and that such verification be performed by the appropriate specialists.
6. The appraisers, by reason of this appraisal, are not required to give testimony or to be in attendance in court or at any governmental or other hearing with reference to the property without prior arrangements having been made with the appraisers relative to such additional employment.
7. The distribution of valuation between land and buildings applies only under the program of utilization and conditions stated in this report and is invalidated under any other program of utilization.
8. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

9. 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 he is connected, or any reference to the Appraisal Institute or to the MAI, SRPA, SRA, SREA, or RM designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.
10. Sketches are accurate only for purposes of approximation. They are in no way intended to be accurate engineer's drawings and should not be used as such.
11. Value is reported in dollars on the basis of the national economy prevailing on the date of appraisal.
12. That efficient management will exist in connection with the further use of the property.
13. That the property will be adequately maintained in a good physical condition.
14. The appraisers regard real estate as "...land, and structures of a permanent nature erected thereon. In general, all immovable things...".
15. It is assumed that applicable federal, state, and local land use statutes and zoning regulations permit use of the property for any lawful purpose.
16. Although an effort has been made to determine if the appraised property is subject to flooding, no responsibility is assumed for the accuracy of the maps and other information utilized for that purpose.
17. It is assumed that property inspected is in average physical condition, considering its age, location and nature of use, unless the appraisal specifies a different condition.
18. Typical mortgage financing as customarily secured for the type of property that is the subject of this appraisal is considered. If a favorable mortgage position is considered, it will be specifically identified in the report.
19. If any improvements were included in this appraisal, a careful visual inspection was made, and any deferred maintenance or apparent physical defects have been noted in the report. The appraisers, however, assume no responsibility for any hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for engineering which might be required to discover such factors and no inspection of other walls or under floors have been made. It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition. If the client has any questions regarding these items, it is the clients's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.
20. If the improvements are proposed construction or under construction, then the final value estimate is contingent upon completion according to plans, specifications, description of improvements, and applicable to building and safety codes.

21. Urea Formaldehyde Foam Insulation (UFFI) Warning: The United States Consumer Product Safety Commission (CPSC) has banned the future installation of Urea Formaldehyde Foam Insulation (UFFI), having determined that such insulation can present an unreasonable health risk to those exposed to it. The presence or absence of UFFI in this property has not been established. If UFFI is present, this appraisal is null and void.
22. The inspection of the property is for the sole purpose of determining value. An inspector registered with the Texas Real Estate Commission should be consulted if the purpose is to determine condition of structural, electrical, mechanical, plumbing, termites or other components and/or their relevance to property condition addendum in sales contract.
23. In this appraisal assignment, the existence of potentially hazardous materials, such as fuels and lubricants, used in the maintenance and repair of trucks and heavy equipment has not been considered. The appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field if desired.
24. The appraisal of the Whole Property considered all factors willing, knowledgeable buyers and sellers would consider in negotiating the purchase price of the property except the influence of the proposed road project. This exception was made under the Jurisdictional Exception provision of the Uniform Standards of Professional Appraisal Practice.
25. The appraisal of the Remainder considered all factors willing, knowledgeable buyers and sellers would consider in negotiating the purchase price of the property including the use to which the part taken is to be put and the effects of the condemnation but excluded the effects of all non-compensable elements. Such exclusion is permitted under the Jurisdictional Exception provision to the Uniform Standards of Professional Appraisal Practice.
26. The property is appraised based on the extraordinary assumption that the caliche truck parking pad will be relocated at no expense to Mr. Garcia.

QUALIFICATION OF THE APPRAISER  
JOHN H. MALCOM JR, MAI, CCIM, SR/WA

EDUCATION

College

University of Texas at Austin, B.B.A. Degree Finance  
Southwest Texas State University

American Institute of Real Estate Appraisers

Exam 1A1- Real Estate Appraisal Principles - July 23, 1982  
Exam 1A2- Basic Valuation Procedures - January 28, 1983  
Exam 430 - Standards of Professional Practice, Part C - September 17, 2002  
Exam - Online 7 Hour National USPAP Equivalent Course - 2/10/2005  
Exam 1B-A Capitalization Theory and Techniques Part A - June 08, 1985  
Exam 1B-B Capitalization Theory and Techniques Part B - June 15, 1985  
Exam 3 - Rural Valuation - March 17, 1986  
Exam 2-1 Case Studies - September 26, 1987  
Exam 2-2 Report Writing Valuation & Analysis - October 3, 1987  
Comprehensive Examination - Passed February 13, 1989  
Exam - Feasibility, Market Value, Investment Timing: Option Value - October 23, 2002

Commercial Investment Real Estate Institute

Exam CI 101 - Fundamentals Real Estate Investment & Taxation - October 4, 1991  
Exam CI 201 - Market Analysis for Commercial Real Estate - June 12, 1992  
Exam CI 301 - Decision Analysis for Commercial Real Estate - August 7, 1992  
Exam CI 402 - Essentials of Marketing Commercial Property & Services - 9/23/1995  
Comprehensive Examination - Passed January 28, 1993

International Right of Way Association

Course 100 - Principles of Land Acquisition - October 23, 1998  
Course 103 - Ethics and the Right of Way Profession - February 15, 2000  
Course 214 - Skills of Expert Testimony - February 18, 2000  
Course 401 - Appraisal of Partial Acquisitions - June 18, 1999  
Course 800 - Principles of Real Estate Law - March 28, 2001  
Course 803 - Eminent Domain Law Basics / Right of Way Professionals - Feb. 16, 2000  
Course 900 - Principles of Real Estate Engineering - October 19, 2000  
Course 215 - Pipeline Right of Way Agents Development Program - October 16, 2001  
Course 206 - Presentation Skills - 1/18/2002  
Course 403 - Easement Valuation - 6/04/2004  
Comprehensive Examination - Law Section - Completed March 31, 2001  
Comprehensive Examination - Negotiation Section - Completed May 26, 2001  
Comprehensive Examination - Appraisal Section - Completed June 25, 2001  
Comprehensive Examination - Engineering Section - Completed October 18, 2001

#### PROFESSIONAL AFFILIATIONS

Member National Association of Realtors  
Member Texas Association of Realtors  
Member Greater McAllen Association of Realtors  
Licensed Real Estate Broker State of Texas, #305134  
Member Appraisal Institute, MAI Certificate #8467  
Texas General Real Estate Appraiser, Certificate #TX-1320239-G  
Commercial Investment Real Estate Institute, CCIM Certificate #4906  
Senior Member, International Right of Way Association, SR/WA - Registration #4785

**PROFESSIONAL EXPERIENCE:** 1981 to Present - Real estate appraiser Professional Appraisal Service, Inc., Rio Grande Valley and South Texas. Experience includes appraisals of single and multi-family residential units, residential & office condominiums, office buildings, retail centers, motels, country clubs and golf courses, marinas, mobile home and recreational vehicle parks, warehouses, packing sheds, unimproved land, farms, ranches, grain elevators, residential, commercial, and industrial subdivisions, right-of-way appraisals, appraisals of partial interests (leased fee, sandwich leases, and leasehold estates). Qualified as expert witness for court testimony.

1977 - 1981 Account executive with New York Stock Exchange member of Rotan Mosle in McAllen, Texas. Responsible for investment analysis and portfolio management for individual clients.

#### CONTINUING EDUCATION - SEMINARS

2001 Eminent Domain Seminar, Current Legal Issues in Right of Way, San Marcos, Texas  
2002 Eminent Domain Seminar, Current Legal Issues in Right of Way, San Marcos, Texas  
2003 Eminent Domain Seminar, Current Legal Issues in Right of Way, San Marcos, Texas  
2004 Eminent Domain Seminar, Current Legal Issues in Right of Way, San Marcos, Texas  
2005 Eminent Domain Seminar, Current Legal Issues in Right of Way, San Marcos, Texas  
2005 Introduction to GIS Applications for Appraisers - Online course completed 2/20/2005  
2006 Eminent Domain Seminar, Current Legal Issues in Right of Way, San Marcos, Texas