



L&G Engineering

Transportation Consultants

Date: July 21, 2011

County: Hidalgo
Federal Project No.: STP 1102(024)MM
ROW CSJ: 0669-01-052

Parcel: 58
Highway: FM 681
From: SH 107
To: Fm 681 N @ FM 2221

Hidalgo County
1615 S. Closner, Suite J
Edinburg, TX 78539
Attn: Judge Ramon Garcia

Dear Judge Garcia,

In acquiring property for the highway systems of Texas, the Texas Department of Transportation follows a definite procedure for appraising the land needed and for handling personal negotiations with each owner. As explained by the State's negotiator, Joe A. Califa, your property located on FM 681 is to be acquired.

We believe at this stage of the purchase process it is mutually beneficial to confirm that based on an appraisal(s) made by an independent appraiser and an analysis by the appraisal review staff in this office, the State is authorized to offer you \$37,256.00 for your property, which includes \$37,256.00 for the property to be purchased and \$0.00 for damages to your remaining property. This amount is the total amount of just compensation for the property, as determined in accordance with State law, less oil, gas and sulphur. Except for any utility easements that will be handled separately by the Department, you will be responsible for negotiating with any other parties who may own an interest in the land or improvements.

As stated above, the State has obtained an independent fee appraisal. If you wish to accept the offer based upon this appraisal, please contact your negotiator; toll free, at 1-866-585-1909 as soon as possible so the payment procedure to obtain your payment may be started. If you are not willing to accept this offer, you may submit a written request for administrative settlement/counteroffer, setting forth a counteroffer amount and the basis for such amount, provided such settlement request is received in writing within 30 days from the date of this letter.

Please note that your right to submit an administrative settlement shall be forfeited if such a settlement request is not received within the 30 day time deadline.

In the event the condition of the property changes for any reason, the State shall have the right to withdraw this offer.

After the date of payment of the purchase price, or the date of deposit in court of funds to satisfy the award of compensation as determined through eminent domain proceedings to acquire real property, you will be reimbursed for any fair and reasonable incidental expenses necessarily incurred in transferring title to the property for use by the Texas Department of Transportation. Expenses eligible for reimbursement may include (1) recording fees, transfer taxes and similar expenses incidental to conveying the real property to the Department and (2) penalty costs for prepayment of any preexisting recorded mortgage entered into in good faith encumbering the real property. Voluntary unnecessary expenses or expenses incurred in clearing questionable title will not be eligible for reimbursement. Eligible incidental expenses will be reimbursed upon submission of a claim supported by receipted bills or other evidence of actual expenses incurred. You may file a written request for review if you believe that the Department failed to properly determine the eligibility for, or the amount of, incidental expenses to be reimbursed. There is no standard form on which to request a review of a claim; however, the claim must be filed with this office within six months after you are notified of the Department's determination on any claim for reimbursement.

You may be entitled to additional payments and services under the State's Relocation Assistance Program. It is emphasized, however, that any benefits to which you may be entitled under this program will be handled entirely separate from and in addition to this transaction. You will receive a brochure entitled "*Relocation Assistance*" which will inform you of eligibility requirements, payments and services which are available.

Attached is a copy of the Texas Department of Transportation brochure entitled "*Right of Way Purchase*" which we trust will give you a better understanding of the procedures followed by the Department in purchasing property. If you have any questions regarding the details as to the type of facility to be built or concerning the purchase transaction, please do not hesitate to ask your negotiator, Mr. Califa, to answer them.

Sincerely,



Luana M. Gonzalez/Fernando Herrera, Jr.
Right of Way Administrators

Cc: Joe M. Flores, Hidalgo County Commissioner, Precinct 3
Jose N. Pena, Director, Hidalgo County Right of Way Department



REAL ESTATE APPRAISAL REPORT
TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: Located ±0.10 miles east of the southeast corner of Los Ebanos Road and Fm 681, Mission, Texas. District: 21

Property Owner: Hidalgo County ROW CSJ: 0669-01-052

Address of Property Owner: 100 E Cano 2nd Floor Edinburg TX 78539 Parcel: 58

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

Whole: Partial: Acquisition Highway: FM 681 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 sulfur. If this acquisition is of less than the whole property, then any special benefits and/or damages to the remainder property must be included in accordance with the laws of Texas.

Market Value

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

Certificate of Appraiser

I hereby certify that, it is my opinion the total compensation for the acquisition of the herein described property is \$37,256.00 as of May 11, 2011, based upon my independent appraisal and the exercise of my professional judgment; on May 11, 2011, (date)(s), I personally inspected in the field the property herein appraised; I afforded Hidalgo County, the property owner or the representative (s) 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 May 3, 2011, I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the, Texas Department of Transportation, L&G Engineering Transportation Consultants 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 non-compensable 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.

Leonel Garza III
Appraiser Signature

State Certified General Real Estate Appraiser – TX 1328375 – General
Certification Number

May 23, 2011
Date

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

Henry L. Huesman 6-5-11
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 vacant and includes the estimated depreciated market value of real estate improvements and site improvements located within the part to be acquired. This is further explained within each section of the appraisal report.

Client & Intended User

The client for this report is identified as L&G Engineering Transportation Consultants, under the direction of Hidalgo County Precinct No. 3 Honorable Hidalgo County Commissioner Joe M. Flores and the Texas Department of Transportation, Southern Region. The part to be acquired is for the expansion of the existing road right-of-way of Farm to Market Road 681. The intended use of the report is to assist Luana Gonzalez, Co-Right-of-Way Administrator for L&G Engineering Transportation, for future negotiations of acquiring a portion of said property as fee simple in the name of the State of 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 summary appraisal report, which is to conform to the ROW-A-6 Form Rev. 3/2011. The intended user of the report is defined as L&G Engineering Transportation Consultants, and may include governmental entities which may be participating in the project. Luana Gonzalez shall be the project manager for this project under the direction of Texas Department of Transportation, Southern Region. Ms. Gonzalez has a local office located at 900 S. Stewart Road, Suite No. 9, Mission, Texas and can be contacted at (956) 585-1909.

Scope of the Assignment

By work order dated April 20, 2011 on behalf of the Texas Department of Transportation, Southern Region, L&G Engineering Transportation Consultants, requested for Leonel Garza Jr. & Associates LLC to prepare an appraisal report of the part to be acquired as described by survey and metes and bounds created by CVQ Land Surveyors, LLC. located at 2104 North Ware Road, McAllen, Texas and engineered by Javier Hinojosa Engineering, consulting engineer located at 416 E. Dove Avenue, McAllen, Texas 78504.

Leonel Garza III is the owner of Leonel Garza Jr. & Associates, LLC located at 1419 Dove Avenue Ste 1, McAllen, Texas. The office of Leonel Garza Jr. & Associates has been in operation for over 30 years of which Leonel Garza III, became owner of the family operation after the passing of Leonel Garza Jr. in 1998. Creating Leonel Garza Jr. & Associates LLC, Leonel Garza III specialized in right-of-way acquisition field for over 13 years. Various right-of-way projects have been performed in the following County's: Cameron County, Hidalgo County, Starr County, Zapata County, Webb County, Nueces County and Brooks County.

The scope of the assignment is to appraise the area as fee simple in its present "as is condition" subject to governmental regulation, and in terms of a cash transaction. In addition, the scope is requiring the appraiser to make the extraordinary condition that the subject property is free from contamination of which could affect the overall market value of the subject property as a whole and the part to be acquired. The property owner shall be sent a letter of intent to inspect the subject property and offer any additional inspections on-site and in the presence of the owner(s) and or owner(s) representative (as requested in writing). In the event access is not granted to enter the subject area, the appraiser is to proceed off-site along existing road right-of-way as indicated by survey. The scope of the assignment requires that comparable market sales within the area be identified and analyzed for comparability and for their reliability in determining the estimated market value of the subject property. The sales 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, local Realtors & Brokers, Real Estate Appraisers, and conversations with various owners along the project. Listings along Farm to Market Road 681 were also reviewed in order to determine the current market asking prices for property 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 without project influence as indicated by scope. The inspection is limited by the permissibility of the subject owner as per date of report. In the event an on-site inspection was not permitted, the appraiser continued the inspection off-site along existing road right of way. The property owner shall always reserve the right for a re-inspection of the subject parcel at a later date if requested in writing.

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 in the name of the State of Texas. 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 (mineral and or ground lease), or operating agreements and project influence (if any exist). The area to be acquired may contain personal property items which are not compensable and or may be handled through the Texas Department of Transportation Relocation Program. These items deemed compensable shall be included within the body of the report and itemized for clarity by the appraiser. 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 corresponding Appraisal District and or by off-site estimation by appraiser as they are not affected by the acquisition.

Property Rights Appraised

The property rights being appraised in this report consist of the fee simple estate of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 113, by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." As per scope of the assignment, this is the manor of which the subject property shall be appraised for purposes of this report. If there are any questions or concerns as to this definition of fee simple estate, please feel free to contact Leonel Garza III at (956) 687-7295 or leonel3@garza-associates.com for further explanation.

Accessibility To Subject Property

As per scope of the assignment, the subject property shall be inspected in order to verify any and all improvements affected by the part to be acquired. In the event the remainder after the acquisition is affected by the proposed acquisition, the remainder shall be inspected in order to determine damages (diminution) to market value if any exist. The property owner of record shall be sent a letter of intent to inspect and offer the opportunity for an on-site inspection in the presence of the appraiser, Leonel Garza III. The owner of record, as per the Hidalgo County Appraisal District was sent a letter of intent to inspect the subject property on the week of April 22, 2011. A copy of the certified letter is located within the addenda of this report. In the event no written or verbal permission was granted to the office of Leonel Garza Jr. & Associates LLC prior to date of inspection, the inspection proceeded off-site along existing road right-of-way as per scope. The property owner shall always reserve the right to contact the office of Leonel Garza Jr. & Associates LLC (956) 687-7295 or leonel3@garza-associates.com, after the date of inspection for an additional on-site inspection in their presence with appraiser, Leonel Garza III.

Analysis of Subject As A Whole

A survey of the property owners entire tract was not performed as the part to be acquired incorporates a portion of land located along the southern frontage of Farm to Market Road 681. As per scope of the assignment, the subject property 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 local appraisal district. The property was analyzed based on the whole property less any existing road right-of-way. Based on the inspection of the subject property and the evaluation of the subject as a whole, the remainder shall not be affected by the part to be acquired and therefore shall not be included within the valuation of this report.

Economic Unit Analysis

The subject property shall be analyzed based on a 19.09 acre tract of land as indicated by survey. The area for the subject property as a whole is indicated as per survey provided by CVQ Land Surveyors LLC dated July 13, 2009. The comparable sales used for the analysis of the subject property as whole and as the partial acquisition indicated a range of economic units of 1.00 acre to 3.088 acres. These indicated economic unit values are used for the valuation of the proposed acquisition as the part to be acquired does not constitute an economic unit. Therefore, the pro-rata part of the whole is applied as the market valuation of the part to be acquired.

Part To Be Acquired

The proposed acquisition is comprised of fee land in which the net land area to be acquired is 0.489 acres (21,289 square feet). The proposed acquisition has approximately 450.00' lineal feet of frontage along the southern side of FM 681. The proposed acquisition, which is the subject of this report, shall be evaluated as a whole as determined by the approaches to market value selected. The subject shall be valued based on the highest and best use as a commercial use tract of land, which is based on the local market trends along FM 681 & FM 2221. This highest and best use is further explained on page 3.1 of this report.

To Be Acquired	0.489 Acres
	21,289 Square Feet

Legal Description: Part To Be Acquired

A tract of land containing 0.489 acre (21,289 square feet), situated in Hidalgo County, Texas and also being part or portion of Lot 48-3, West Addition to Sharyland, recorded in Volume 1, Page 56, H.C.M.R. Hidalgo County, Texas.

Remainder Before and After Acquisition

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

Property Tax Data

The property tax assessment was reviewed online and can also be accessed via www.hidalgoad.org. According to the information provided by the Hidalgo County Appraisal District located at located at 4405 S. Professional Dr., Edinburg, Texas. The subject property was indicated to be under the ownership of Hidalgo County. This was found under the tax account R723179.

OWNER OF RECORD	HIDALGO COUNTY
PROPERTY TAX IDENTIFICATION NO.	R723179
IMPROVEMENT VALUE	\$0
LAND VALUE	\$305,440
ASSESSED VALUE	\$305,440
EXEMPTIONS	NONE INDICATED

General Site Assessment Statement

This appraiser has made an off-site inspection of the subject property, and no obvious adverse environmental concerns or potentially hazardous materials were observed. This appraiser is not qualified to make a detailed environmental study and highly recommends that an inspection be made by a qualified environmental engineer if any environmental concerns exist. 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 its marketability and or value. The extraordinary assumption is that neither adverse easements nor encroachments are located within the subject property which would affect the value of the whole. The subject property was observed to be 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 or drainage of the subject property.

Utility Services Available

The subject property is located in a region, which contains, potable water, electricity, cable, and phone service, which is typical of the market area. The client, as per previous agreement with the public utility provider, informed the appraiser that all private utilities will be relocated, if affected by the part to be acquired and all necessary reconnections will be the responsibility of the utility provider. As such said relocation and reconnection cost shall not be included in the valuation of the part to be acquired.

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 acquisition shall be included for compensation, unless it was determined by the appraiser that these item shall be affected or damaged by the proposed acquisition. 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.

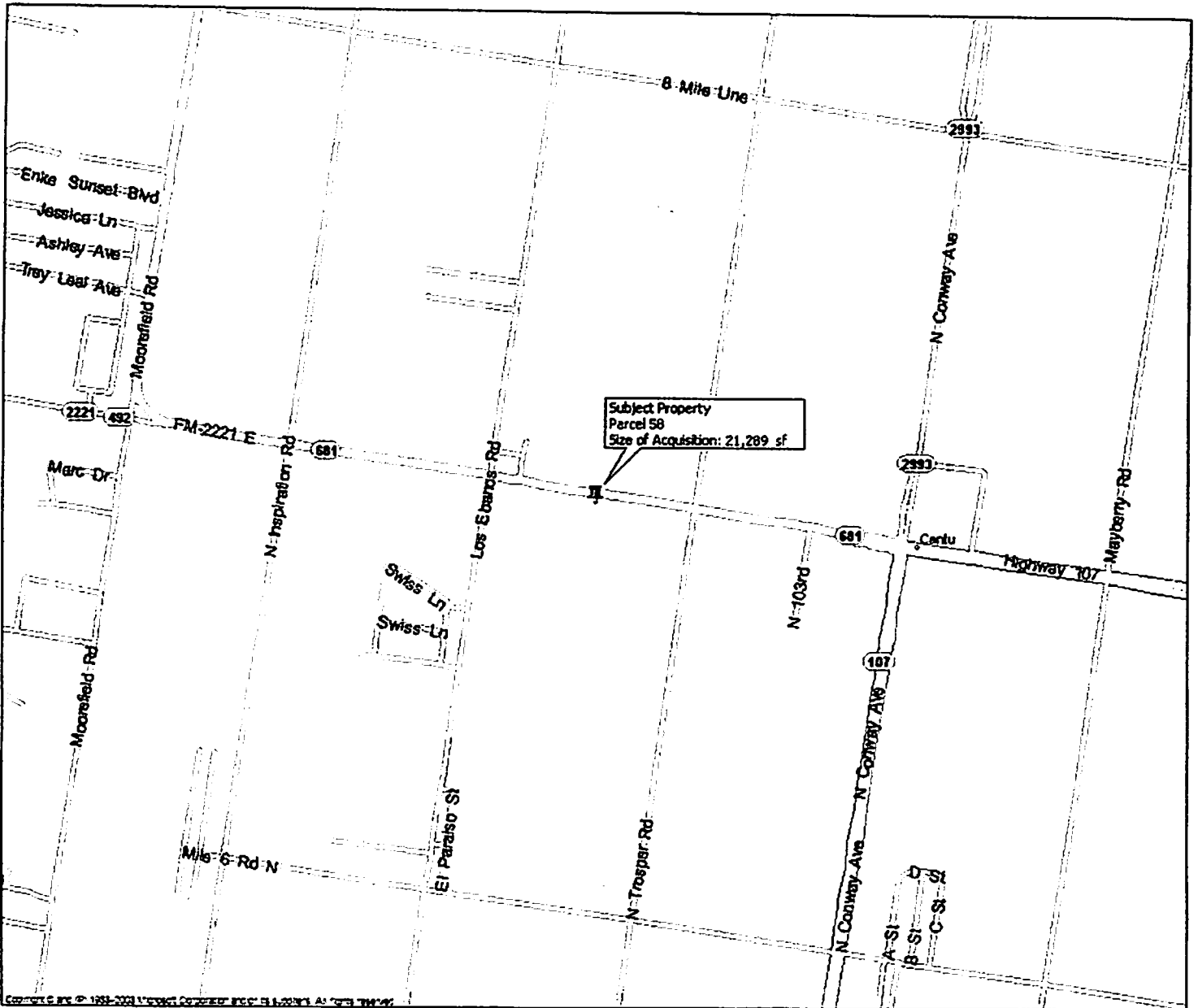
Current Listing Status

Based on the off-site inspection of the subject property no visible "For Sale" signs were located on-site indicated the subject property listed for sale. Additional research was conducted with local Realtor's® Multiple Listing Services and the subject property was not listed.

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) month 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.

LOCATION MAP OF SUBJECT PROPERTY



Microsoft® MapPoint 2006 (13.00.15.2800)

AERIAL PHOTOGRAPH OF WHOLE PROPERTY

Google Earth



AERIAL PHOTOGRAPH OF PART TO BE ACQUIRED

Google Earth (Closer View of Subject Property)

Subject Property

Parcel No. : 58

Size of Acquisition: 0.489 Acres (21,289 sq ft)



© 2011 Google

© 2011 INEGI

Google

Imagery Date: 12/26/2010 26° 19' 00" 02" N 98° 19' 22" 47" W elev. 167 ft

Eye alt. 1097 ft

NOTE: THE PART TO BE ACQUIRED IS ESTIMATED AND DEPICTED BY THE YELLOW DASHED LINE. COMPLETE SURVEY OF SUBJECT AS A WHOLE WAS NOT PROVIDED BY CVQ LAND SURVEYORS LLC. AND IS ESTIMATED BASED ON INFORMATION GATHERED DURING THE INSPECTION OF THE SUBJECT PROPERTY OR THE HIDALGO COUNTY APPRAISAL DISTRICT.

EXHIBIT "A"

County: Hidalgo
Highway: FM 681 & FM 2221
CSJ: 0669-01-043

Parcel 58
Property Description

A tract of land containing 0.489 acre (21,289 square feet), situated in Hidalgo County, Texas and also being a part or portion of LOT 48-3, WEST ADDITION TO SHARYLAND, recorded in Volume 1, Page 56, H.C.M.R., and said 0.489 acre (21,289 square feet) also being a part or portion of a tract of land deeded to Hidalgo County, recorded in Document #1810864, H.C.D.R., and said 0.489 acre (21,289 square feet) also being more particularly described as follows;

COMMENCING on the southwest corner of said Hidalgo County tract;

THENCE N 08° 31' 53" E, along the West line of said Hidalgo County tract, a distance of 781.58 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set, for the southwest corner of this tract and the **POINT OF BEGINNING**; having surface coordinates of X=1042192.76 and Y=16641447.45 All bearings and coordinates are based on the State Plane Coordinate System of Texas, South Zone, North American Datum 1983 (1993 adjustment), English units. All distances and coordinates are surface and may be converted to grid by multiplying by a combined scale factor of 0.999960;

1. **THENCE** N 08° 31' 53" E, continuing along the West line of said Hidalgo County tract, a distance of 63.43 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the South right-of-way line of said FM 681, for the northwest corner of this tract;
2. **THENCE** S 81° 28' 07" E, along the South right-of-way line of said FM 681, a distance of 450.00 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the East line of said Hidalgo County tract, for the northeast corner of this tract;
3. **THENCE** S 08° 31' 53" W, along the East line of said Hidalgo County tract, a distance of 27.97 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the proposed South right-of-way line of said FM 681, for a point of curvature and the southeast corner of this tract;

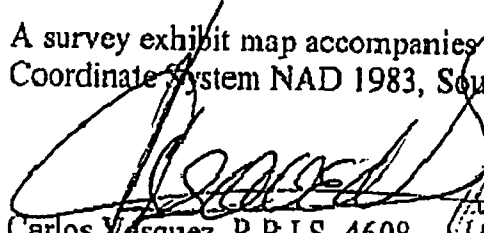
FIELD NOTES OF PART TO BE ACQUIRED (Page 2 of 3)

Page 2 of 3
July 13, 2009
Parcel 58

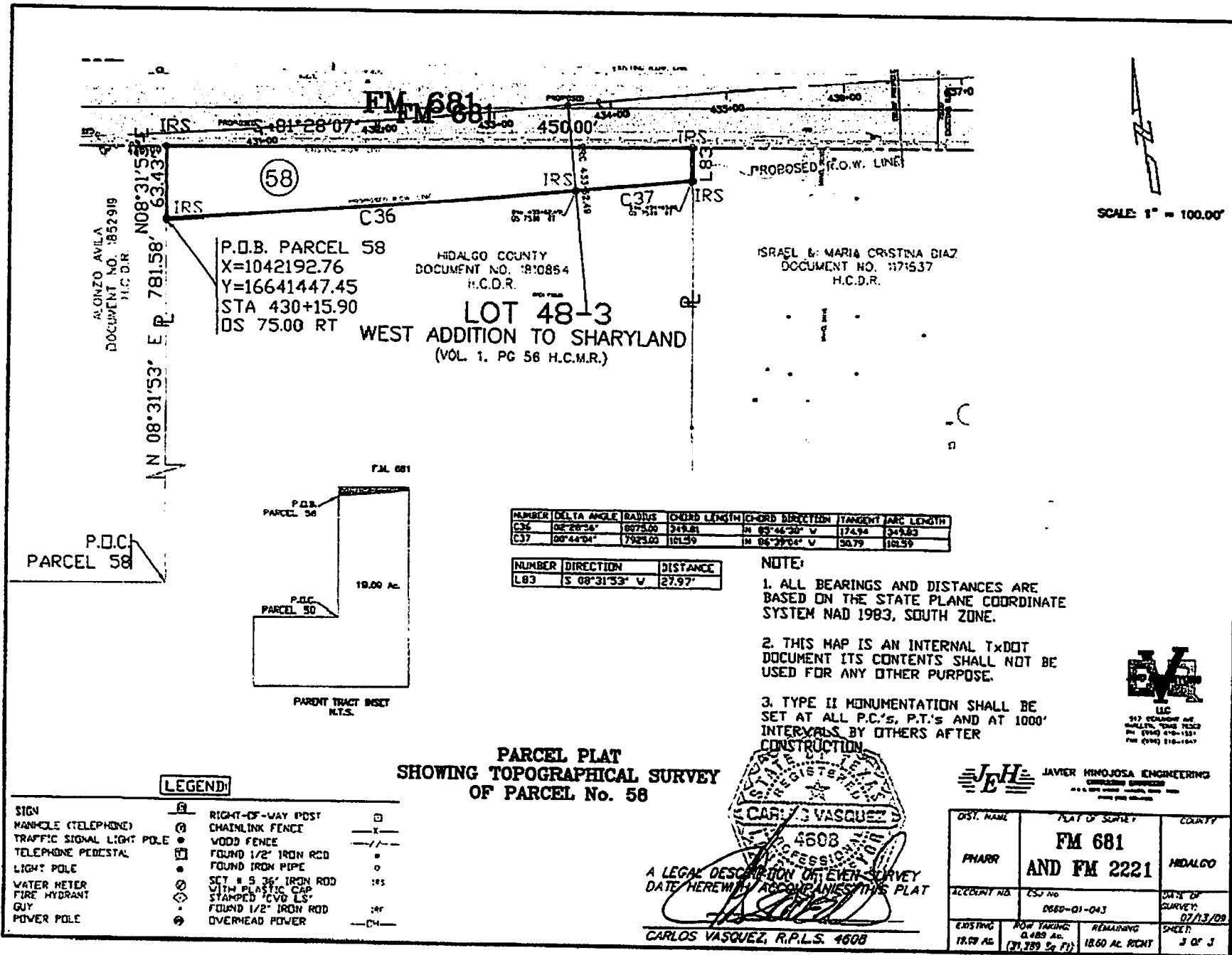
4. **THENCE** along the proposed South right-of-way line of said FM 681 and said curve to the right with a radius of 7,925.00 feet, an interior angle of $00^{\circ} 44' 04''$, an arc length of 101.59 feet, a tangent of 50.79 feet and a chord that bears $N 86^{\circ} 39' 04'' W$, a distance of 101.59 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the East line of said Silguero tract, for a point of curvature and an outside corner of this tract;

5. **THENCE** continuing along the proposed South right-of-way line of said FM 681 and said curve to the right with a radius of 8,075.00 feet, an interior angle of $02^{\circ} 28' 56''$, an arc length of 349.83 feet, a tangent of 174.94 feet and a chord that bears $N 85^{\circ} 46' 38'' W$, a distance of 349.81 feet to the **POINT OF BEGINNING**, containing 0.489 acre (21,289 square feet), more or less.

A survey exhibit map accompanies this description. Bearings are based on the State Plane Coordinate System NAD 1983, South Zone.


Carlos Vasquez, R.P.L.S. 4608
Registered Professional Land Surveyor
State of Texas No. 4605
Date: July 13, 2009





SURVEY OF PART TO BE ACQUIRED (Page 3 of 3)

P.O.B. PARCEL 58
 X=1042192.76
 Y=16641447.45
 STA 430+15.90
 DS 75.00 RT

HIDALGO COUNTY
 DOCUMENT NO. 1810854
 H.C.D.R.

ISRAEL & MARIA CRISTINA DIAZ
 DOCUMENT NO. 1171537
 H.C.D.R.

LOT 48-3
 WEST ADDITION TO SHARYLAND
 (VOL. 1, PG 56 H.C.M.R.)

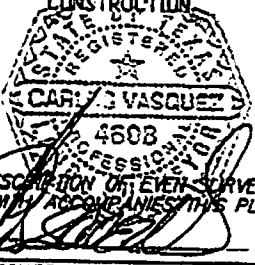
NUMBER	DELTA ANGLE	RADIUS	CHORD LENGTH	CHORD DIRECTION	TANGENT ARC LENGTH
C36	02°28'36"	1075.00	349.21	N 63°46'30" V	174.94
C37	00°44'04"	7923.00	1161.59	N 86°29'04" V	30.79

NUMBER	DIRECTION	DISTANCE
L83	S 08°31'53" V	27.97'

- NOTE:**
1. ALL BEARINGS AND DISTANCES ARE BASED ON THE STATE PLANE COORDINATE SYSTEM NAD 1983, SOUTH ZONE.
 2. THIS MAP IS AN INTERNAL TxDOT DOCUMENT ITS CONTENTS SHALL NOT BE USED FOR ANY OTHER PURPOSE.
 3. TYPE II MONUMENTATION SHALL BE SET AT ALL P.C.'s, P.T.'s AND AT 1000' INTERVALS BY OTHERS AFTER CONSTRUCTION.



**PARCEL PLAT
 SHOWING TOPOGRAPHICAL SURVEY
 OF PARCEL No. 58**



A LEGAL DESCRIPTION OF EARTH SURVEY DATE HEREIN ACCOMPANIES THIS PLAT

CARLOS VASQUEZ, R.P.L.S. 4608

J.E.H. JAVIER HINOJOSA ENGINEERING
 CONSULTING ENGINEER
 1100 WEST 11TH STREET, SUITE 100
 FORT WORTH, TEXAS 76102

OST. NAME	PLAT OF SURVEY	COUNTY
PHARR	FM 681 AND FM 2221	HIDALGO
ACCIDENT NO.	ESJ No. D860-01-043	DATE OF SURVEY
		07/13/09
EXISTING TR. OR AL.	ROW TAKING: 0.489 Ac. (21,789 Sq Ft)	REMAINING: 18.60 AC. RIGHT
		SHEET 3 OF 3

PHOTOGRAPHS OF SUBJECT PROPERTY

Parcel No.: 58

Local Address: Located ±0.10 miles east of the southeast corner of Los Ebanos Road and Fm 681, Mission, Texas.
Taken By: Leonel Garza III

Date Taken: May 11, 2011

Point which taken: Photo 1: FM 681 ROW
Photo 2: FM 681 ROW

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



Photo 1
Western view of the proposed acquisition

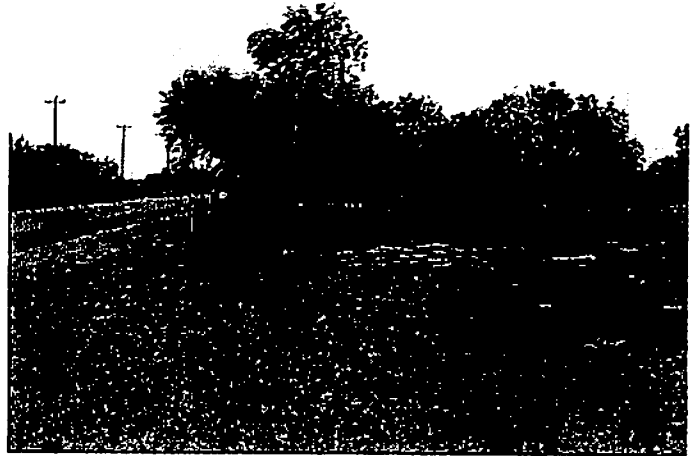


Photo 2
Eastern view of the proposed acquisition

Point which taken: Photo 3: FM 681 ROW
Photo 4: FM 681 ROW

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



Photo 3
Western view of FM 681



Photo 4
Eastern view of FM 681

DESCRIPTION OF PROPERTY:

The subject property, as a whole, is a 19.09 acre vacant tract of land located along the south side of FM 681. According to the survey provided by CVQ Land Surveyors LLC, dated July 13, 2009, the part to be acquired is approximately 0.489 acres (21,289 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. This is performed in order to determine the unit value for the proposed acquisition for the purchase of said tract in the name of the State of Texas.

AREA OR NEIGHBORHOOD ANALYSIS:

The subject neighborhood along FM 681/FM 2221, north of the community Alton, Texas, is utilized for a mixture of residential, commercial and agricultural uses. Development of land in this area is predominately for single family residential developments located near and along Tom Gill Road and Farm to Market 681. The areas along Tom Gill, 4 Mile Line Road, and FM 2221 have seen recent development of single family residential communities as utilities become available in the area. Rudy Flores of the Agua Specialty Utility District indicated that water lines along Tom Gills Road are currently being upgraded to support the area along Tom Gill Road. Mr. Flores also indicated that the area along 4 Mile Line Road had access to water, no sewer services are provided to the area. Due to recent construction by the La Joya ISD, a 12 inch water line has been extended from Iowa Road to Salida Del Sol Road. This water line will improve the pressure and volume received in the area by linking three water treatment plants together. This water line links the Havana Water Plant , FM 492 water plant , and the Abrams Road water treatment plant, giving the area the ability to draw from any source within the loop. To the north of the project is a newly constructed 500,000 gallon, 160 foot tall elevated water tower located along FM 2221 and Salida Del Sol Road. The tower will provide a base delivery pressure of 60 pounds per square inch, aiding in the developmental potential to the area. In addition to the water tower, a 6.0 MGD (Million Gallons per Day) water treatment facility, known as the Abrams Road water treatment plant, has been constructed increasing the water treatment capacity from 8.0 MGD (Million Gallons per Day) to 14.0 MGD (Million Gallons per Day). Leonel Garza Jr. & Associates LLC has inspected the market area along FM 681 and has found that the market contains stable growth.

SITE ANALYSIS

Five Year Sales History:

During the course of the appraisal, research was performed through the Hidalgo County Appraisal District to verify the current ownership of the subject property along with title information provided by the client. The property was transferred from Leonel G. Bazan and Maria N. Bazan to Hidalgo County, Texas on August 10, 2007 and recorded under Special Warranty Deed Document No. 1810864 for an undisclosed consideration. A copy of the appraisal card is located in the Addenda of this report.

Legal Description: (Whole Property)

A tract of land containing 19.09 acres situated in Hidalgo County, Texas and also being a part or portion of Lot 48-3, West Addition To Sharyland Subdivision, Map reference Volume 1, pages 56, H.C.M.R. Hidalgo County, Texas.

Legal Description: (Part to be Acquired)

A tract of land containing 0.489 acre (21,289 square feet), situated in Hidalgo County, Texas and also being part or portion of Lot 48-3, West Addition to Sharyland, recorded in Volume 1, Page 56, H.C.M.R. Hidalgo County, Texas.

Improvements:

During the off-site inspection of the subject property no building improvements were indicated within the part to be acquired. The subject is a vacant tract and as such contains no structural site improvements. No damages are indicated for the remainder, however, several site improvements are located within the proposed acquisition and shall be itemized on page 5.0 of this report for purposes of determining compensation. These site improvements within the acquisition are valued based on their depreciated cost value. In the event site improvements must be re-established within the remainder, a cost to cure shall apply and be added to the total compensation calculated. The cost for the site improvements are gathered from a variety of sources of which include Marshall Valuation Services, local contractors and a variety of retail stores located in the Rio Grande Valley. In addition, any utilities located within the part to be acquired of which are affected by the acquisition, shall be relocated as an item of construction and shall not be included within the compensation of the subject property.

Highest & Best Use Analysis:

The subject's highest and best use as vacant and as if improved is indicated for a mixed use of residential and commercial use. This type of use is concurrent with the recent trends located along FM 681 within Hidalgo County, Texas. This highest and best use is based on the determined economic unit of the subject property as whole which is being acquired in the name of the State of Texas. 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 for the interim and future commercial based on several factors. Factors 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, while excluding project influence and is reported under the conditions set forth 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 acquisition.

VALUATION OF PART TO BE ACQUIRED

**LAND VALUATION
 Representative Comparable Sales**

	Subject	Comp. No. 1	Comp. No. 2	Comp. No. 3
Grantor	<u>Leonel G. Bazan and Maria N Bazan</u>	<u>J&R Valley Oilfield Services, Inc.</u>	<u>Citrus City LTD</u>	<u>Rancho Del Norte, Inc.</u>
Grantee	<u>Hidalgo County, Texas</u>	<u>Alfredo G. Ledesma</u>	<u>Faustino Pena, Jr.</u>	<u>Hutton Co. Development LP</u>
Date	<u>August 10, 2007</u>	<u>June 18, 2009</u>	<u>October 26, 2009</u>	<u>July 9, 2008</u>
Sales Price	<u>\$ -</u>	<u>\$ 220,000</u>	<u>\$ 130,000</u>	<u>\$ 460,726</u>
Unit Price	<u>/ Sf</u>	<u>\$ 1.64 / Sf</u>	<u>\$ 2.98 / Sf</u>	<u>\$ 3.99 / Sf</u>
Relative Location	<u>Average</u>	<u>Similar 0%</u>	<u>Similar 0%</u>	<u>Similar 0%</u>
Conditions of Sale	<u>Cash To Seller</u>	<u>Similar 0%</u>	<u>Similar 0%</u>	<u>Similar 0%</u>
Lot Location	<u>Internal Tract</u>	<u>Similar 0%</u>	<u>Similar 0%</u>	<u>Similar 0%</u>
Market Conditions	<u>Average</u>	<u>Similar 0%</u>	<u>Superior -20%</u>	<u>Superior -30%</u>
Physical Characteristics	<u>Typical of Market</u>	<u>Similar 0%</u>	<u>Similar 0%</u>	<u>Corner Tract -20%</u>
Financing	<u>Conventional</u>	<u>Similar 0%</u>	<u>Similar 0%</u>	<u>Similar 0%</u>
Available Utilities	<u>Water/Elec/Phone</u>	<u>Similar 0%</u>	<u>Similar 0%</u>	<u>Similar 0%</u>
Frontage	<u>FM 681</u>	<u>FM 681 0%</u>	<u>FM 2221 0%</u>	<u>FM 2221 / La Homa Road 0%</u>
Size of Tract (Sf)	<u>831,560 Sf</u>	<u>134,513 sf -10%</u>	<u>43,560 sf -15%</u>	<u>115,434 sf -10%</u>
Size of Tract (Acre)	<u>19.09 Acres</u>	<u>3.088 Ac</u>	<u>1.000 Ac</u>	<u>2.650 Ac</u>
Net Adjustments		<u>-10%</u>	<u>-35%</u>	<u>-60%</u>
Indicated Unit Value		<u>\$ 1.48 / Sf</u>	<u>\$ 1.94 / Sf</u>	<u>\$ 1.60 / Sf</u>
Estimated Unit Value of Fee Simple Area				\$ 1.75 / SF
Estimated Value by Sales Comparison Approach <i>(Includes Part To Be Acquired Only)</i>		(21,289 Sf x \$1.75/Sf)		\$ 37,256

COMPARABLE DATA SUPPLEMENT

District: Southern
County: Hidalgo

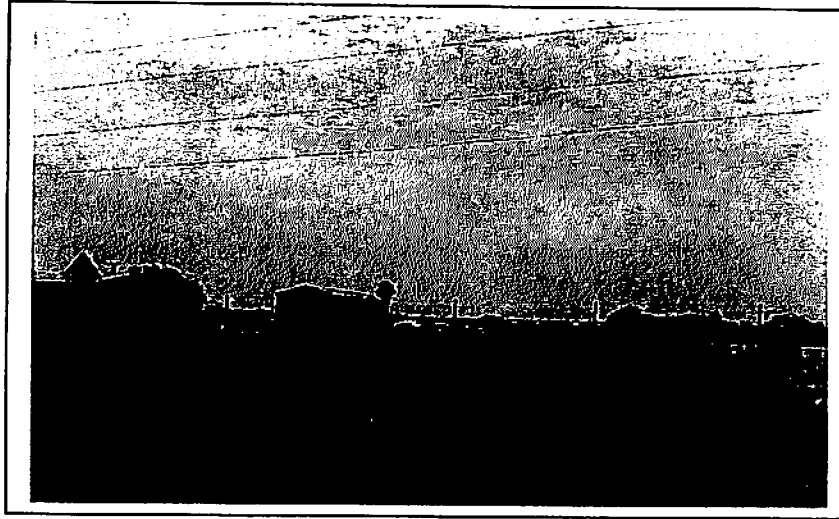
Parcel No.: 58
ROW CSJ: 0669-01-052

Highway: FM 681 / FM 2221

Land Sale

Improved Sale

Rental Data



Grantor/Lessor: J&R Valley Oilfield Services, Inc.

Grantee/Lessee: Alfredo G. Ledesma

Date: June 18, 2009

Recording Information: Document 2009-2024783

Key Map: TexMaps C-2

Address: FM 681, East of Inspiration Road, Hidalgo County, Texas

Zip Code: 77502

Legal Description: Lot One (1), Two (2) and Three (3), Inspiration Point Subdivision, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 25, Page 199A, Map Records, Hidalgo County, Texas.

Confirmed Price \$: 325,000

Verified with: Warranty Deed / HCAD

Adjusted Sales Price \$: 220,000

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 3.088 Acres (Gross) / 134,513 Square Foot

Unit Price as Vacant \$: 1.64 / Square Foot

Type Street: Asphalt (FM 681 / Inspiration Road)

Utilities: Water, Electricity & Phone

Improvement(s) Description: Several metal warehouses were located on-site of which had an est. contributory market value of \$105,000 (Rounded) as per HCAD. The adjusted sales price for this sale is then calculated at \$220,000 as if vacant.

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: Light Industrial / Commercial

Highest & Best Use: Light Industrial / Commercial

Date of Inspection: May 3, 2011

Zoning: N/A

Flood Plain: Zone X

Attach additional information as necessary.

Subject was improved at the time of sale as of June 18, 2009. In order to determine the sites contributory value, this appraiser extracted the contributory value of the improvements to determine the land unit sales price.

Appraiser: Leonel Garza III
(Typed, not signed)

May 23, 2011
Date



COMPARABLE DATA SUPPLEMENT

District: Southern Parcel No.: 58 Highway: FM 681 / FM 2221
County: Hidalgo ROW CSJ: 0669-01-052

Land Sale Improved Sale Rental Data



Grantor/Lessor: Citrus City LTD Grantee/Lessee: Faustino Pena Jr.
Date: October 26, 2009 Recording Information: Key Map: TexMaps A-1
Address: North Side of Mile 7 Road (FM 2221), east of Western Road, Hidalgo County, Texas. Zip Code: 77502
Legal Description: Lot 2, Western Crossroads Plaza Subdivision, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 53, Page 47-49, of Map Records, Hidalgo County, Texas.
Confirmed Price \$: 130,000 Verified with: MLS E104347 / Warranty Deed / HCAD
Terms and Conditions of Sale: Cash To Seller
Rental Data: N/A
Land Size: 1.00 Acres (Gross) Unit Price as Vacant \$: 2.98 / Square Foot
Type Street: Asphalt (FM 2221 / Western Road) Utilities: Water, Electricity & Phone
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: Day Care Center Highest & Best Use: Commercial Retail
Date of Inspection: May 3, 2011 Zoning: N/A Flood Plain: Zone X

Attach additional information as necessary.
The subject, vacant at the time of sale, is located just east of Western Road on FM 2221. The market area is beginning to develop over the past few years. A new school was created to the north of the subject property of which will aid in the development of the area.

Appraiser: Leonel Garza III
(Typed, not signed) May 23, 2011
Date



COMPARABLE DATA SUPPLEMENT

District: Southern Parcel No.: 58 Highway: FM 681 / FM 2221
County: Hidalgo ROW CSJ: 0669-01-052

Land Sale

Improved Sale

Rental Data



Grantor/Lessor: Rancho Del Norte, Inc.

Grantee/Lessee: Hutto Co. Development LP

Date: July 9, 2008

Recording Information: GF# 110332

Key Map: TexMaps A-2

Address: SEC of Mile 7 North Road & La Homa Road, Hidalgo County, Texas.

Zip Code: 77502

Legal Description: A 2.65 acre tract of land, more or less, out of Lots 78 and 79, Block 2, La Homa Ranch Citrus Groves Unit No. 1, Hidalgo County, Texas. (Property has since been re-subdivided into Lot 1 & 2 of The Hutton Subdivision No. 7 as of Oct. 2008.)

Confirmed Price \$: 460,726

Verified with: Warranty Deed / HCAD / Realtor

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 2.65 Acres (Gross) / 115,434 Square Foot,

Unit Price as Vacant \$: 3.99 / Square Foot

Type Street: Asphalt (La Homa Road & Mile 7 or FM 2221)

Utilities: Water, Electricity & Phone

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: Family Dollar and O' Reilly's Auto Parts

Highest & Best Use: Commercial Retail

Date of Inspection: May 3, 2011

Zoning: N/A

Flood Plain: Zone X

Attach additional information as necessary.

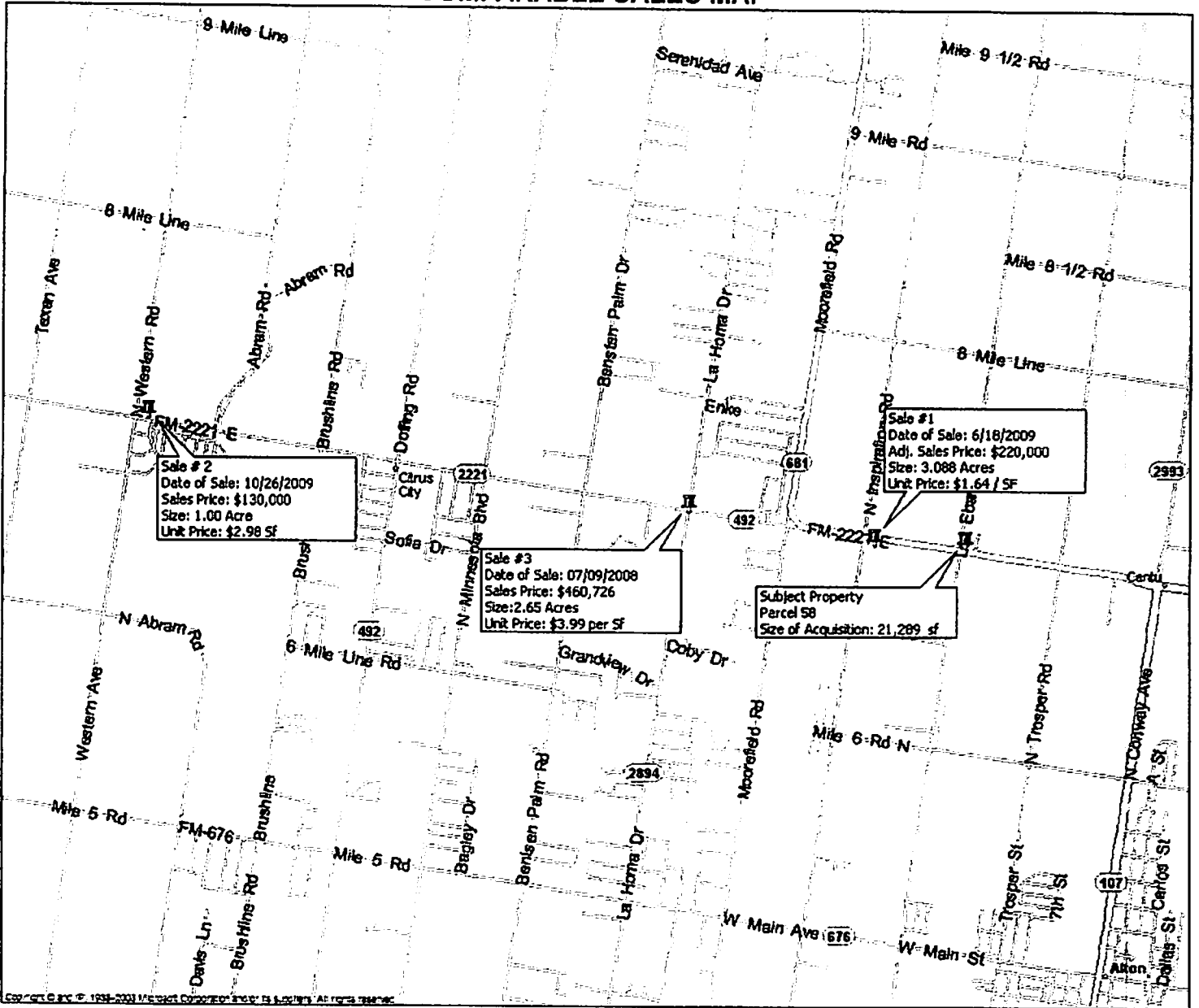
The subject property was purchased on July 9, 2008 for the development of a 2 lot subdivision to be known as The Hutton Subdivision No. 7. The site has since been developed into a commercial retail site of which a O'Reilly Auto Part Store and a Family Dollar have been constructed. The site is located at the southeast corner of La Homa Road and Mile 7 North Road (FM 2221).

Appraiser: Leonel Garza III
(Typed, not signed)

May 23, 2011
Date



COMPARABLE SALES MAP



Explanation of Adjustments with Reconciliation:

During the analysis of the acquisition area, the value for the subject property as a whole or economic unit was determined. This determination of market value is utilized for the valuation of the proposed acquisition which is a pro-rata part of the whole. The local market and extended market was searched for comparable sales of which contained similar frontage along FM 681 and other similar and intersecting thoroughfares. Each of the sales utilized are located within the market area and are the most comparable located in the market place of which all information pertinent to the transaction could be verified. Several sales were located within this parameter of which had occurred within the past three years. Three sales were selected which were the most comparable to the subject property and required the least number of adjustments. The following three comparable sales were reviewed for location, available utilities, financing, site utility, topography and other factors of which the real estate market shall recognized for the purchase of said tracts.

Sale No. 1 is located along the southern side of FM 681 just east of Inspiration Road in Hidalgo County, Texas. The subject property was purchased in 2009 for \$325,000. The subject at the time of sale was improved with several metal warehouses and improved with a perimeter fence. The contributory value of the improvements are estimated to be \$105,000 as per HCAD. The adjusted sales price for the site as vacant is indicated to be \$220,000. This equates to a unit value of \$1.64 per square foot for the 3.088 acres. Due to the difference in size a negative -10% adjustment is indicated to the unit rate. Due to the similarity of the subject property and this sale, no other adjustments were indicated. Therefore, the unit rate for the subject property is indicated to be \$1.48 per square foot.

Sale No. 2 is located along the north side of FM 2221 east of Western Road in Hidalgo County, Texas. The subject property was purchased in 2009 for \$130,000 or \$2.98 per square foot. The site was vacant at the time of sale. The property was purchased for the development of a day care center. The subject is in a developing area of which is superior to the subject property. An adjustment of -20% is indicated for the superior location of the sale. A final adjustment for the difference in size of -15% was also indicated. Due to the overall comparability of the subject property and the sale, no further adjustments were indicated. Therefore, the unit rate for the subject property is indicated to be \$1.94 per square foot.

Sale No. 3 is located at the southeast corner of Mile 7 North Road (FM 2221) and La Homa Road. The property was purchased in 2008 for \$460,726 or \$3.99 per square foot. This property was purchased for the development of a Family Dollar and O'Reilly Auto Parts Store. Due to the superior location of the sale a downward adjustment of -30% was indicated. This sale is located at the corner of FM 681 and La Homa provides superior corner influence of which a downward adjustment of -20% is indicated. A final adjustment of -10% is indicated for the difference in size. Due to the overall comparability of the subject property and the sale, no further adjustments were indicated. Therefore, the unit rate for the subject property is indicated to be \$1.60 per square foot.

After reviewing the comparable sales selected, an unadjusted unit range of market value of \$1.64 per square foot to \$3.99 per square foot was indicated. After adjustments were made in paired sales analysis of the comparable to the subject property, an adjusted range of market value of \$1.48 per square foot to \$1.94 per square foot was determined. Based on the existing developments and surrounding land use within the immediate market area and the current trends found along FM 681 and intersecting thoroughfares, a unit value near the mid range of the adjusted unit range was selected; \$1.75 per square foot.

Calculation For Part To Be Acquired
21,289 Square Feet x \$1.75 / Square Foot = \$37,256

ESTIMATED VALUE OF ACQUISITION

Land: 21,289 Sq. Ft. @ \$ 1.75 Per Square Foot \$ 37,256
 0.489 Acres

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

TOTAL ESTIMATED VALUE _____ \$ 37,256

Cost To Cure Damages _____ \$ -

Estimated Total Compensation _____ \$ 37,256


ADDENDUM

1. Certification of Appraisal
2. Assumption & Limiting Conditions
3. Qualification of Appraiser
4. Letter of Inspection Sent To Owner of Record Via Certified Mail
5. Certified Letter Tracking Information
6. Hidalgo County Appraisal District Card
7. Warranty Deed

Certification of Appraisal

I, Leonel Garza III, 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.
- 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 a loan.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (2010-2011 Edition)*.
- I have made a personal on-site and or off-site visit of the property that is the subject of this report based on the permissibility granted at the time of inspection.
- Luis C. Garza and Thomas M. Davis, State Certified General Real Estate Appraisers with Leonel Garza Jr. & Associates LLC both provided significant professional assistance in the preparation of this report not limited to a physical inspection, taking of photographs of the subject property and value analysis.
- No one other than those mentioned within this certification provided significant real property appraisal assistance to the person(s) signing this certification.
- 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 representatives. I also acknowledge that Leonel Garza III is an associate member of the Appraisal Institute and is not an MAI Designated Appraiser, however is currently seeking designation. Leonel Garza III is designated as a Master Real Estate Appraiser through the National Association of Master Appraisers.
- The employment and compensation of this appraiser in completing this appraisal assignment was not based on a requested minimum valuation, a specific valuation. This report was not prepared under the standards required by financial institutions for purposes of applying for a loan



Leonel Garza III
General Certified Real Estate Appraiser
License No. TX 1328375 – General
May 23, 2011

ASSUMPTIONS AND LIMITING CONDITIONS

This report has been prepared with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and 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 report.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by this appraiser. 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.

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.
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 or 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.
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. The original and one copy of this report have been signed in blue ink. Any other copy, which is not signed in blue may have been altered, and this appraiser is not responsible for its contents or value indicated.

Assumptions and Interpretations Made by Appraiser of the Marketing Period

1. Indicated Marketing Time: Begins with the date of value estimate and the exposure time indicated.
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 bank 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

The office of Leonel Garza Jr. & Associates LLC is owned and operated by Leonel Garza III. A company founded by Leonel Garza Jr. who was a commercial real estate appraiser for more than 25 years upon his passing in 1998. Leonel Garza III continued the family business to this day, concentrating on general commercial properties and right-of-way acquisition projects for more than 13 years. The office of Leonel Garza Jr. & Associates LLC contains three (3) General Certified Appraisers in total and several supporting staff members all located at 1419 Dove Avenue, Suite #1, McAllen, Texas. The following is a synopsis of the qualifications of Leonel Garza III and the public service organizations involved in with the County of Hidalgo and the City of McAllen.

Education

Graduate, 1995, Texas A&M University, College Station, Texas (Bachelor of Science in Biomedical Science)
Graduate, 1991 McAllen Memorial High School, McAllen, Texas

Licenses

State Certified General Real Estate Appraiser

Number TX - 1328375-General

Licensed Since December 31, 1998

Expires: December 31, 2012 (Active)

State Certified Property Tax Consultant

Number TX – 00003181

Licensed Since May 20, 2002

Expires: June 16, 2011 (Active)

Public Service Organizations

Associate Member of the Appraisal Institute

Currently taking courses toward the designation of MAI through the Appraisal Institute.

National Association of Master Appraisers

Designated as a Master Senior Appraiser in 2006 by the National Association of Master Appraisers. This designation is obtained thru educational requirements and experience.

Associate Member of the International Right of Way Association (IRWA) (Member # 7899430)

Board Member of the City of McAllen Planning and Zoning Board

This board is charged with submitting reports, plans, and recommendations to the City Commission for the orderly growth, development, and welfare of the City. They review and make recommendations on zoning change requests, conditional use permits for longer than one year, and variances to Subdivision Ordinance requirements for development.

Former Chairman of the City of McAllen Zoning Board of Adjustments and Appeals

This city board has the duty to hear and decide appeals where it is alleged there is error in any requirement, or determination made administratively in the enforcement of the Zoning Ordinance. The Board hears appeals that grant variances to setback requirements and special exceptions to reconstruction of nonconforming buildings.

Chairman of the Hidalgo County Subdivision Advisory Board

This county board on subdivision reviews primary goal is to ensure that proper standards, set by Texas Water Development Board and the Texas Subdivision Model Rules and or opinions from the Texas State Attorney Generals Office, are conducted in the development of proposed subdivision within the County of Hidalgo and or Extraterritorial Jurisdiction of municipalities throughout the County of Hidalgo. The boards secondary function is to review applications for variances against the Flood Plain Administrators decisions of the base flood elevations throughout the County of Hidalgo.

Chairman of the Hidalgo County Building Line of Adjustments

This county board reviews applications of variances to general set-back regulations set forth by the County of Hidalgo. This review includes the review of existing and or proposed encroachments into set-backs, easements, road right-of-way set-back, subdivision plat requirements and or requirements set forth by adjoining municipalities of which the subject is within the extraterritorial jurisdiction.

Vice Chairman of the City of McAllen Traffic Board

Makes recommendations to the City Commission in order to reduce and eliminate traffic congestion and flow throughout the City . (Elected Vice Chairman 01/26/10)

Executive Board Member of the Lower Rio Grande Valley Boy Scouts 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 of the City of McAllen Ambulance Advisory Committee

Evaluates and reports to the City Commission on the operation of the emergency ambulance service rendered by company or companies rendering such service.

Former Member of the City of McAllen Building Board of Adjustments 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.

Member of The McAllen Palm City Lions Club

Direct the fund raising for the annual Thanksgiving Drive on behalf of Lion Leonel Garza Jr. who founded the drive more than 20 years ago. In 2005 & 2006, the club raised funds to feed 60 family's throughout the City of McAllen.

Work Experience

Employee of Leonel Garza Jr. & Associates since 1990

State Certified General Real Estate Appraiser since December 31, 1998

Owner of G-3 Acquisitions which primary focus is custom commercial and multifamily residential construction and management.

Commercial and residential property manager throughout the City of McAllen & Pharr, Texas.

Licensed Property Tax Consultant Since 2000.

Appraiser Trainee from 1995 thru 1998 under the sponsorship of Leonel Garza Jr. who was a State Certified General Real Estate Appraiser & 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 (2) terms.

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number: **TX 1328375 G**

Issued: **12/13/2010**

Expires: **12/31/2012**

Appraiser: **LEONEL GARZA III**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

State of Texas
Historically Underutilized Business
Certification and Compliance Program



The Texas Comptroller of Public Accounts (CPA),
hereby certifies that

LEONEL GARZA, JR. & ASSOCIATES, LLC

has successfully met the established requirements of the
State of Texas Historically Underutilized Business (HUB) Program
to be recognized as a HUB.

This certificate, printed 14-AUG-2010, supersedes any registration and certificate previously issued by the HUB Program. If there are any changes regarding the information (i.e., business structure, ownership, day-to-day management, operational control, addresses, phone and fax numbers or authorized signatures) provided in the submission of the business' application for registration/certification as a HUB, you must immediately (within 30 days of such changes) notify the HUB Program in writing. The CPA reserves the right to conduct a compliance review at any time to confirm HUB eligibility. HUB certification may be suspended or revoked upon findings of ineligibility.

Paul A. Gibson

Certificate/VID Number: 1742948770900
File/Vendor Number: 14984
Approval Date: 09-AUG-2010
Expiration Date: 09-AUG-2014

Paul A. Gibson
Statewide HUB Program Manager
Texas Comptroller of Public Accounts
Texas Procurement and Support Services Division

Note: In order for State agencies and institutions of higher education (universities) to be credited for utilizing this business as a HUB, they must award payment under the Certificate/VID Number identified above. Agencies and universities are encouraged to validate HUB certification prior to issuing a notice of award by accessing the Internet: (<http://www.window.state.tx.us/procurement/cmb/hubonly.html>) or by contacting the HUB Program at (888) 863-5661 or (512) 463-5872.

CERTIFIED LETTER OF INSPECTION SENT TO PROPERTY OWNER OF RECORD

Leonel Garza Jr. & Associates LLC
Real Estate Appraisal Services

1419 Dovo, Suite 1 - McAllen, Texas 78504
(956) 687-7295 (24 hour answering service) Fax (956) 687-8236

April 22, 2011

Project: FM 681 Expansion Project

Parcel 58
Hidalgo County
100 E Cano 2nd Floor
Edinburg, TX 78539

To Whom It May Concern:


Leonel Garza Jr. & Associates LLC has been contracted by L&G Engineering, Inc., who is a subcontractor of Hidalgo County, Texas in conjunction with the Texas Department of Transportation, Southern Region, to appraise various properties along Farm To Market 681 (FM 681 / 2221) as fee simple. This proposed acquisition is for the purpose of acquiring additional road right-of-way for the expansion and renovation of Farm to Market 681. Attached is a survey of the property to be acquired. This office shall be inspecting the subject property from existing road right-of-way until verbal or written permission from you is granted to enter the subject property. We would like to extend the opportunity to meet with our office at your site in order to explain the project and the purpose of the appraisal report.

The L&G Engineering Inc. shall be negotiating the purchase of such proposed right-of-way believed to be in the name of Hidalgo County. 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 or leonel3@garza-associates.com.

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 this letter does not pertain to you and you have sold said property, please notify our office as soon as possible so that the proper ownership identification can be performed. 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 as soon as possible. Thank you.

Sincerely,



Leonel Garza III
State Certified General
Real Estate Appraiser
TX1328375-General

Cc: L & G Engineering Inc.
Luana M. Gonzalez
Co-Right of Way Administrator
900 S. Stewart Road
Mission, Texas 78572
(956) 686-1909

Leonel Garza Jr. & Associates LLC

CERTIFIED LETTER TRACKING INFORMATION

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE EDINBURG TX 78539	
Postage	\$ 0.64
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.79

Sent To	Hidalgo County
Street, Apt., P.O. or PO Box No.	100 E Cano 2nd Floor
City, State, ZIP+4	Edinburg, TX 78539
	EM 681 Expansion Project

PS Form 3800, August 2006 See Reverse for Instructions

8955 E221 T000 0891 6002

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) ROSIE ORTIZ</p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Parcel 58</p> <p>Hidalgo County 100 E Cano 2nd Floor Edinburg, TX 78539</p> <p>FM 681 Expansion Project</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service label) 7009 1680 0001 1723 5583</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

HIDALGO COUNTY APPRAISAL DISTRICT CARD

Hidalgo CAD

Property Search Results > 723179 HIDALGO COUNTY for Year 2011

Property

As of: _____
Property ID: 723179 **Legal Description:** WEST ADDN TO SHARYLAND AND AN RR TR W697-S1.320' EXC W540-N380 12.02AC NET
Geographic ID: WUTUUUU-041-0003-13 **Agent Code:** _____
Type: Real
Location
Address: _____ **Map:** _____
Neighborhood: _____ **Map ID:** _____
Neighborhood CD: _____
Owner
Name: HIDALGO COUNTY **Owner ID:** 654457
Mailing Address: 100 E CANO 2ND FLOOR % Ownership: 100.0000000000%
 EDINBURG, TX 78539
Exemptions: EX

Values

(+) Improvement Homesite Value	+	\$0
(+) Improvement Non-Homesite Value:	+	\$0
(+) Land Homesite Value:	+	\$0
(+) Land Non-Homesite Value:	+	\$305,440 Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0 \$0
(+) Timber Market Valuation:	+	\$0 \$0
<hr/>		
(=) Market Value:	=	\$305,440
(-) Ag or Timber Use Value Reduction:	-	\$0
<hr/>		
(=) Appraised Value:	=	\$305,440
(-) HS Cap:	-	\$0
<hr/>		
(=) Assessed Value:	=	\$305,440

Taxing Jurisdiction

Owner: HIDALGO COUNTY
% Ownership: 100.0000000000%
Total Value: \$305,440

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	APPRAISAL DISTRICT	0.000000	\$305,440	\$0	\$0.00
DR1	DRAINAGE DISTRICT #1	0.077700	\$305,440	\$0	\$0.00
CHD	HIDALGO COUNTY	0.590000	\$305,440	\$0	\$0.00
JCC	SOUTH TEXAS COLLEGE	0.149100	\$305,440	\$0	\$0.00
R01	ROAD DIST J1	0.000000	\$305,440	\$0	\$0.00
SMS	MISSION ISU	1.280000	\$305,440	\$0	\$0.00
SST	SOUTH TEXAS SCHOOL	0.049200	\$305,440	\$0	\$0.00
W14	UNITED IRR WTR DIST	0.000000	\$305,440	\$0	\$0.00
Total Tax Rate:		2.140600			

Taxes w/Current Exemptions: \$0.00
Taxes w/o Exemptions: \$8,638.88

Improvement / Building

No improvements exist for this property

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	AC	ACREAGE	18.8900	831580.40	0.00	0.00	\$305,440	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2011		\$0	\$305,440	0	\$305,440	\$0 \$305,440
2010		\$0	\$305,440	0	\$305,440	\$0 \$305,440
2009		\$0	\$305,440	0	\$305,440	\$0 \$305,440

2008 \$0 \$305,440 0 305,440 \$0 \$305,440

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page
1	8/25/2007 12:00:00 AM	SWD	SPEC. W/D	BAZAN LEONEL G	HIDALGO COUNTY		

Tax Due

Property Tax Information as of 03/09/2011

Amount Due if Paid on:

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
------	---------------------	---------------	----------	-----------------	--------------	-------------------------------	---------------	------------

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (956) 381-8466

Website version: 1.2.2.2

Database last updated on: 3/8/2011 4:54 AM

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Privacy Notice

This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

WARRANTY DEED (Page 1 of 3)

Doc-1810264

Charge to: **VJIC**
GF# **108815**

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

SPECIAL WARRANTY DEED

Date: August 10, 2007

Grantor: Leonel G. Bazan and wife, Maria N. Bazan

Grantor's Mailing Address:
1409 Samantha St.
Mission, Texas 78572

Grantee: Hidalgo County, Texas

Grantee's Mailing Address:
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

Consideration: TEN AND NO/100 DOLLARS and other good and valuable consideration.

Property (including any improvements):

See Exhibit "A" attached hereto and made a part hereof for all purposes.

Reservations From and Exceptions to Conveyance and Warranty:

Blanket easements, rules, regulations and rights in favor of United Irrigation District.

Easements, roads and reservations as shown on the map and dedication of West Addition Sharyland Subdivision, recorded in Volume 1, Page 56, Map Records of Hidalgo County, Texas.

Right of way easement in favor of Southwestern Bell Telephone as shown by instrument dated August 12, 1986, recorded in Volume 2328, Page 708, Official Records of Hidalgo County, Texas.

Right of way easement in favor of Central Power and Light Company as shown by instrument dated October 4, 1949, recorded in Volume 698, Page 280, Deed Records of Hidalgo County, Texas.

Terms, stipulations and conditions contained in Oil, Gas and Mineral Lease executed by Jo Ann Lasley and husband, Claude D. Lasley to Clayton Williams, Jr. dated April 27, 1984, recorded in Volume 1987, Page 754, Official Records of Hidalgo County, Texas.

Terms, stipulations and conditions contained in Oil, Gas and Mineral Lease executed by Jo Ann Lasley to Smith Production, Inc., dated February 21, 2006, filed June 7, 2006 under Document Number 1625006, Official Records of Hidalgo County, Texas.

All oil, gas and other minerals have been heretofore reserved by prior grantors and/or predecessors in title as set forth in Deed dated July 15, 2005, filed August 8, 2005 under Document Number 1506431, Official Records of Hidalgo County, Texas.

Water Service Agreement in favor of Sharyland Water Supply Corporation, a Texas Corporation as shown by instrument dated July 5, 2005, filed July 6, 2005 under Document No. 1492988, Official Records of Hidalgo County, Texas.

Standby fees, taxes and assessments by any taxing authority for the year 2007 and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.

Grantor, for the consideration, receipt of which is acknowledged, and subject to the reservations from and 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 wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise, except as to the reservations from and exceptions to

WARRANTY DEED (Page 2 of 3)

Doc-1810864

conveyance and warranty.

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

As a material part of the Consideration for this deed, Grantor and Grantee agree that Grantee is taking the Property "AS IS" with any and all latent and patent defects and that there is no warranty by Grantor that the Property has a particular financial value or is fit for a particular purpose. Grantee acknowledges and stipulates that Grantee is not relying on any representation, statement, or other assertion with respect to the Property condition but is relying on Grantee's examination of the Property. Grantee takes the Property with the express understanding and stipulation that there are no express or implied warranties except for limited warranties of title set forth in this deed.

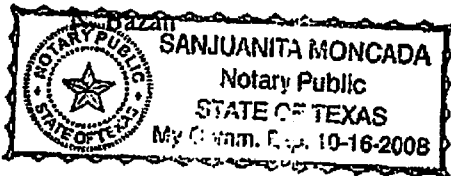
Leonel G. Bazan

Leonel G. Bazan
Maria Nancy Bazan

Maria N. Bazan

ACKNOWLEDGMENT

This instrument was acknowledged before me on 9-26, 2007, by Leonel G. Bazan and Maria



S. Moncada

Notary Public

PREPARED IN THE OFFICE OF:
King, Guerra, Davis & Garcia
P.O. Box 1025
Mission, Texas 78573

AFTER RECORDING RETURN TO:
Hidalgo County, Texas
100 E. Cano, 2nd Floor
Edinburg, Texas 78539
31,796

WARRANTY DEED (Page 3 of 3)

EXHIBIT "A"

A tract of land containing 19.09 acres situated in Hidalgo County, Texas and also being a part or portion of Lot 48-3, WEST ADDITION TO SHARYLAND SUBDIVISION, map reference: Volume I, Pages 56, H.C.M.R., and said 19.09 acres of land also being a part or portion of a 30.0 acre tract deeded to Leonel C. Diaz and wife Maria N. Diaz, recorded in Document No. 1506431, H.C.D.R., and said 19.09 acres of land also being more particularly described as follows;

BEGINNING on cotton picker spindle found in the right-of-way of Los Ebanos Road, the southwest corner of said

Diaz tract and the southwest corner of said Lot 48-3, for the southwest corner of this tract and the POINT OF BEGINNING;

THENCE N 03° 50' 00" E, along the right-of-way of said Los Ebanos Road and West line of said Lot 48-3, a distance of 440.00 feet to a nail set, for the western most northwest corner of this tract;

THENCE S 81° 10' 00" E, at a distance of 20.00 feet past a 1/2" iron rod with a plastic cap stamped "CVQ LS" set on the East right-of-way line of said Los Ebanos Road; continuing a total distance of 540.00 feet to a 1/2" iron rod with a plastic cap stamped "CVQ LS" set for an inside of this tract;

THENCE N 03° 50' 00" E, at a distance of 845.00 feet past a 1/2" iron rod with a plastic cap stamped "CVQ LS" set on the existing South right-of-way of Mile 7 North Road, continuing a total distance of 880.00 feet to a nail set on the North line of said Lot 48-3, for the northern most northwest corner of this tract;

THENCE S 81 degrees 10' 00" E, along the North line of said Lot 48-3, a distance of 450.00 feet to a cotton picker spindle set on the northwest corner of a tract deeded to Maria Cristina Diaz, recorded in Document No. 1171537, H.C.D.R., for the northeast corner of this tract;

THENCE S 08 degrees 50' 00" W, along the West line of said Diaz tract, at a distance of 35.00 feet past a 1/2" iron rod with a plastic cap stamped "CVQ LS" set on the South right-of-way line of said Mile 7 North Road, and continuing a total distance of 1320.00 feet to an iron pipe found on the South line of said Lot 48-3, for the southeast corner of this tract;

THENCE N 81 degrees 10' 00" W, along the South line of said Lot 48-3, at a distance of 970.00 feet past an iron rod found on the East right-of-way line of said Los Ebanos Road, and continuing a total distance of 950.00 feet to the POINT OF BEGINNING.

EXHIBIT "A"

County: Hidalgo
Highway: FM 681 & FM 2221
RCSJ: 0669-01-052

Parcel 58
Property Description

A tract of land containing 0.489 acre (21,289 square feet), situated in Hidalgo County, Texas and also being a part or portion of **LOT 48-3, WEST ADDITION TO SHARYLAND**, recorded in Volume 1, Page 56, H.C.M.R., and said 0.489 acre (21,289 square feet) also being a part or portion of a 19.090 Acre tract of land deeded to Hidalgo County, recorded in Document #1810864, H.C.D.R., by Leonel G. & Maria N. Bazan on September 28, 2007, and said 0.489 acre (21,289 square feet) also being more particularly described as follows;

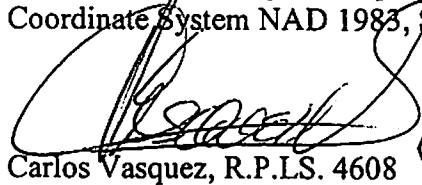
COMMENCING on the southwest corner of said Hidalgo County tract;

THENCE N 08° 31' 53" E (N08°50'E), along the West line of said Hidalgo County tract, a distance of 781.58 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set, for the southwest corner of this tract and the **POINT OF BEGINNING**; having surface coordinates of X=1042192.65 and Y=16641447.46 All bearings and coordinates are based on the State Plane Coordinate System of Texas, South Zone, North American Datum 1983 (1993 adjustment), English units. All distances and coordinates are surface and may be converted to grid by multiplying by a combined scale factor of 0.999960;

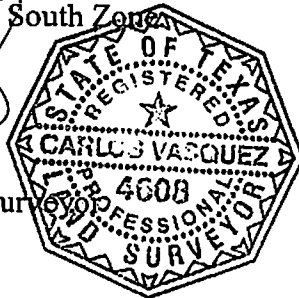
1. **THENCE** N 08° 31' 53" E (N08°50'E), continuing along the West line of said Hidalgo County tract, a distance of 63.43 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the South right-of-way line of said FM 681, for the northwest corner of this tract;
2. **THENCE** S 81° 28' 07" E (S81°10'E), along the South right-of-way line of said FM 681, a distance of 450.00 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the East line of said Hidalgo County tract, for the northeast corner of this tract;
3. **THENCE** S 08° 31' 53" W (S08°50'W), along the East line of said Hidalgo County tract, a distance of 27.97 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the proposed South right-of-way line of said FM 681, for a point of curvature and the southeast corner of this tract;

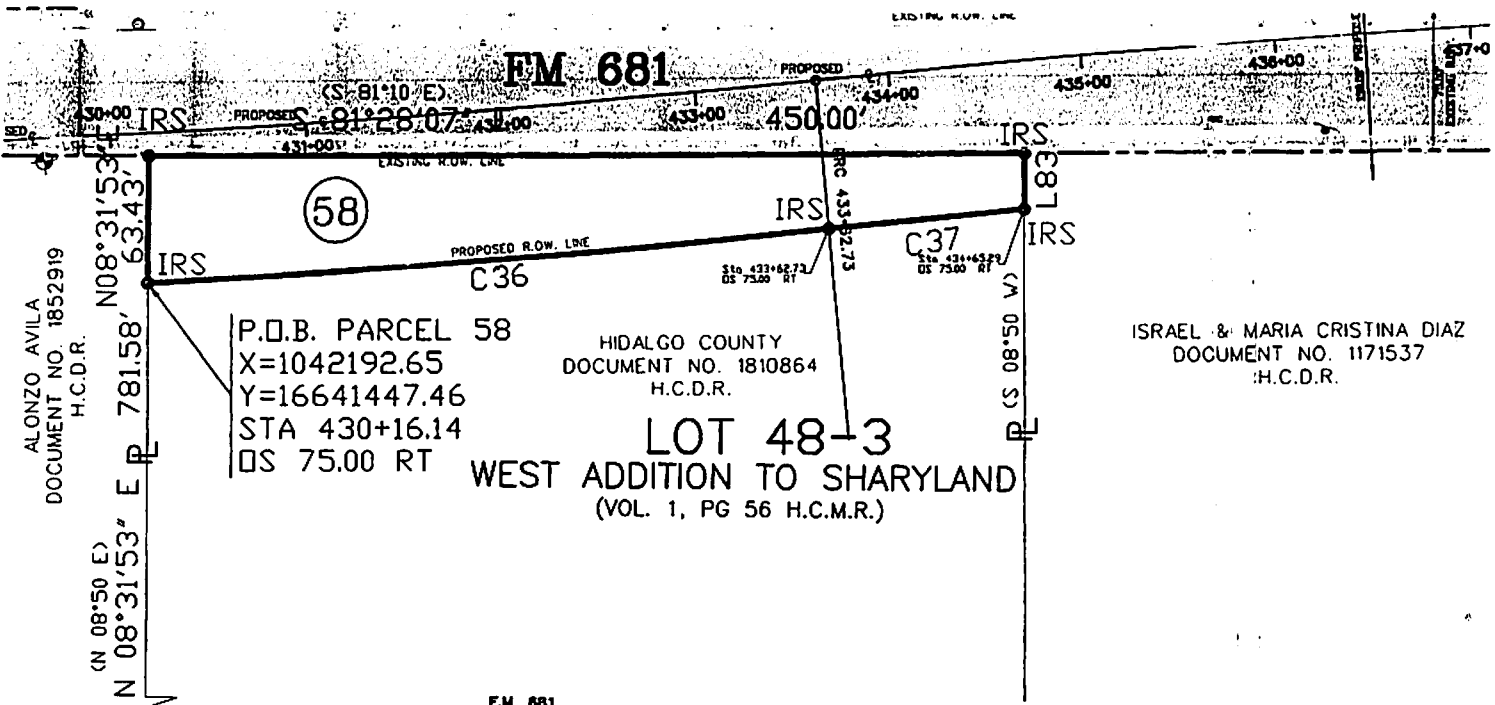
4. **THENCE** along the proposed South right-of-way line of said FM 681 and said curve to the right with a radius of 7,925.00 feet, an interior angle of $00^{\circ} 44' 04''$, an arc length of 101.59 feet, a tangent of 50.79 feet and a chord that bears $N 86^{\circ} 39' 04'' W$, a distance of 101.59 feet to a #5 iron rod, 24" long with a plastic cap stamped "CVQ LS" set on the East line of said Silguero tract, for a point of curvature and an outside corner of this tract;
5. **THENCE** continuing along the proposed South right-of-way line of said FM 681 and said curve to the right with a radius of 8,075.00 feet, an interior angle of $02^{\circ} 28' 56''$, an arc length of 349.83 feet, a tangent of 174.94 feet and a chord that bears $N 85^{\circ} 46' 38'' W$, a distance of 349.81 feet to the **POINT OF BEGINNING**, containing 0.489 acre (21,289 square feet), more or less.

A survey exhibit map accompanies this description. Bearings are based on the State Plane Coordinate System NAD 1983, South Zone.



Carlos Vasquez, R.P.L.S. 4608
Registered Professional Land Surveyor
State of Texas No. 4605
Date: July 13, 2009





ALONZO AVILA
DOCUMENT NO. 1852919
H.C.D.R.

N 08°31'53" E 781.58'
N 08°31'53" E 63.43'

P.O.B. PARCEL 58
X=1042192.65
Y=16641447.46
STA 430+16.14
DS 75.00 RT

HIDALGO COUNTY
DOCUMENT NO. 1810864
H.C.D.R.

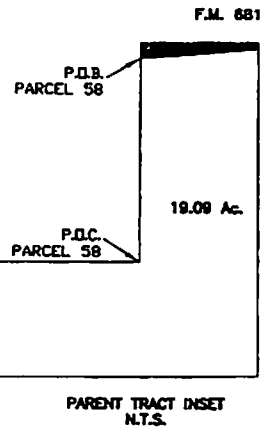
LOT 48-3
WEST ADDITION TO SHARYLAND
(VOL. 1, PG 56 H.C.M.R.)

ISRAEL & MARIA CRISTINA DIAZ
DOCUMENT NO. 1171537
H.C.D.R.

SCALE: 1" = 100.00'

NOTE:
1. ALL BEARINGS AND DISTANCES ARE BASED ON THE STATE PLANE COORDINATE SYSTEM NAD 1983, SOUTH ZONE.
2. ALL CORNERS WILL BE MARKED WITH A #5 IRON ROD, 24' LONG WITH A PLASTIC CAP STAMPED 'CVQ LS' SET, UNLESS OTHERWISE NOTED.

P.O.C.
PARCEL 58



NUMBER	DELTA ANGLE	RADIUS	CHORD LENGTH	CHORD DIRECTION	TANGENT	ARC LENGTH
C36	02°28'56"	8075.00	349.81	N 85°46'38" W	174.94	349.83
C37	00°44'04"	7925.00	101.59	N 86°39'04" W	50.79	101.59

NUMBER	DIRECTION	DISTANCE
L83	S 08°31'53" W	27.97'

JVA
LAND SURVEYORS
LLC
517 BEAUMONT AVE.
MCALLEN, TEXAS 78502
PH. (956) 618-1551
FAX (956) 618-1547

**RIGHT OF WAY SKETCH
SHOWING PROPERTY OF**

HIDALGO COUNTY

JEH

A LEGAL DESCRIPTION OF EVERY SURVEY DATE HERWITH ACCOMPANIES THIS PLAT

CARLOS VASQUEZ, R.P.L.S. 4608

**JAVIER HINOJOSA ENGINEERING
CONSULTING ENGINEERS**

418 E. DOVE AVENUE MCALLEN, TEXAS 78504
PHONE (956) 666-1588

REVISED OCTOBER 22, 2010
REVISED AUGUST 26, 2010
REVISED MAY 14, 2010

LEGEND:

SIGN	⊙	RIGHT-OF-WAY POST	□
MANHOLE (TELEPHONE)	⊙	CHAINLINK FENCE	-X-
TRAFFIC SIGNAL LIGHT POLE	●	WOOD FENCE	-/-
TELEPHONE PEDESTAL	⊠	FOUND 1/2" IRON ROD	•
LIGHT POLE	⊙	FOUND IRON PIPE	○
WATER METER	⊙	SET # 5 24" IRON ROD WITH PLASTIC CAP	IRS
FIRE HYDRANT	⊙	STAMPED "CVQ LS"	
GUY	x	FOUND 1/2" IRON ROD	IRF
POWER POLE	⊙	OVERHEAD POWER	-OH-

DIST. NAME	PLAT OF SURVEY	COUNTY
PHARR	FM 681 AND FM 2221	HIDALGO
ACCOUNT NO.	RCSJ No. 0669-01-052	DATE OF SURVEY: 07/13/09
EXISTING 19.09 Ac.	ROW TAKING: 0.489 Ac. (21,289 Sq Ft)	REMAINING 18.601 Ac. RIGHT
		SHEET: 3 OF 3

SCHEDULE A

GF No. or File 3139993
No.:

Effective Date of Commitment: September 16, 2010 at 8:00 a.m.

Closer: Matthew Wilson (956) 682-8321

Issued: September 23, 2010 at 8:00 a.m.

1. The policy or policies to be issued are:

a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1))

Policy Amount:

PROPOSED INSURED:

(Not applicable for improved one-to-four family residential real estate)

b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE

--ONE-TO-FOUR FAMILY RESIDENCES (Form T-1 R)

Policy Amount: \$10,000.00

PROPOSED INSURED: STATE OF TEXAS

c. LOAN POLICY OF TITLE INSURANCE (Form T-2)

Policy Amount:

PROPOSED INSURED:

Proposed Borrower: STATE OF TEXAS

d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)

Policy Amount:

PROPOSED INSURED:

Proposed Borrower:

e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)

Binder Amount:

PROPOSED INSURED:

Proposed Borrower:

f. OTHER

Policy Amount:

PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:

FEE SIMPLE

3. Record title to the land on the Effective Date appears to be vested in:

HIDALGO COUNTY, TEXAS

4. Legal description of land:

A tract of land containing 0.489 acre (21,289 square feet), situated in Hidalgo County, Texas and also being a part or portion of Lot 48-3, WEST ADDITION TO SHARYLAND SUBDIVISION, recorded in Volume 1, Page 56, H.C.M.R., and said 0.489 acre (21,289 square feet) also being a part or portion of a 19.090 Acre tract of land deeded to Hidalgo County, recorded in Document # 1810864, H.C.D.R., by Leonel G. and Maria N. Bazan, on September 28, 2007, and said 0.489 acre (21,289 square feet) also being more particularly described as follows:

SEE ATTACHED EXHIBIT "A" FOR DESCRIPTION OF PARCEL 58

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override or alter the insuring provisions of item two (2) of Sch B hereof.

GF No. 3139993

SCHEDULE B EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your policy will not cover loss, costs, attorney's fees and expenses resulting from:

1. ~~The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):~~

Deleted
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs, or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
(Applies to the Owner Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year 1939 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. (If Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 1939 and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Mortgagee (T-2) Policy only.)

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9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short form Residential Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy of Title Insurance. (T-2R)
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
- a. Rights of Parties in Possession (OWNER'S POLICY ONLY)
 - b. Right-of-Way Easement granted to Southwestern Bell Telephone, by instrument dated August 12, 1986, recorded in Volume 2328, Page 708, Official Records of Hidalgo County, Texas.
 - c. Right-of-Way Easement granted to Central Power and Light Company, by instrument dated October 4, 1949, recorded in Volume 698, Page 280, Deed Records of Hidalgo County, Texas.
 - d. Water Service Agreement granted to Sharyland Water Supply Corporation, a Texas Corporation, by instrument dated July 5, 2005, filed for record in the Office of the County Clerk of Hidalgo County, Texas, on July 6, 2005, under Clerk's File No. 1492988.
 - e. Easements and conditions as shown on the Map recorded in Volume 1, Page 56, Map Records of Hidalgo County, Texas.
 - f. Easements, rights, rules, and regulations in favor of Hidalgo County Water Control and Improvement District No. 7.
 - g. Easements, or claims of easements, which are not of public record.
 - h. Oil and Gas Lease dated April 27, 1984, from Jo Ann Lasley and husband, Claude D. Lasley to Clayton Williams, Jr. recorded in Volume 1987, Page 754, Official Records of Hidalgo County, Texas. Title to said Lease not checked subsequent to date of aforesaid instrument.
 - i. Oil and Gas Lease dated February 21, 2006, from Jo Ann Lasley to Smith Production, Inc., filed for record in the Office of the County Clerk of Hidalgo County, Texas, on August 8, 2005, under Clerk's File No. 1625006. Title to said Lease not checked subsequent to date of aforesaid instrument.
 - j. All oil, gas, and other minerals reserved by prior grantors and/or predecessors in title as shown in Deed dated July 15, 2005, filed for record in the Office of the County Clerk of Hidalgo County, Texas, on August 8, 2005, under Clerk's File No. 1506431. Title to said interest not checked subsequent to the date of aforesaid instrument.

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- k. Subdivision regulations of the County of Hidalgo and/or ordinance or governmental regulations of the City wherein the subject property lies or holds extra-territorial jurisdiction.
- l. This policy specifically excepts to any and all taxes which are either due or may be due against the herein property.

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SCHEDULE C

Your Policy will not cover loss, costs, attorneys fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - all standby fees, taxes, assessments and charges against the property have been paid,
 - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
 - there is legal right of access to and from the land,
 - (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. Note: Procedural Rule P-27 as provided for in Article (9.39 A of the Texas Insurance Code requires that "Good Funds" be received and deposited before a Title Agent may disburse from its Trust Fund Account.
6. Upon sale of subject property, you should secure executed letter from the Purchasers stating that they are aware of the Commissioners' Court Subdivision Regulations and of the City's Zoning Ordinances and Subdivision Regulations.
7. Company reserves the right to revise any proposed insuring provision herein upon its review of additional documentation or information, including, but not limited to, a qualifying survey.
8. Beginning January 1, 2004 (as modified January 2007), all deeds, mortgages, and deeds of trust must include the following Notice on the front of the documents: NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.
9. In accordance with Procedural Rule P.30 (Guaranty Assessment Recoupment Charge), a fee of \$5.00 for each Policy issued must be collected and

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disclosed on the closing/settlement statement. This fee must be sent to this Title Company at time of closing.

10. REQUIRE payment of 2009 and previous years' taxes against the herein property, if any due, and REQUIRE tax certificates indicating that same have been paid.

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SCHEDULE D

The following entities own more than 10% of Fidelity National Title Insurance Company, a California corporation. Listed also are the Directors and Officers of Fidelity National Title Insurance Company:

Owners of 10% or more of Fidelity National Title Insurance Company: Fidelity National Financial, Inc.

OFFICERS: William P. Foley II, CEO/Chairman
 Patrick F. Stone, President
 Frank P. Willey, Executive Vice President
 Carl A. Strunk, Executive Vice President, Treasurer & CFO
 Ronald R. Maudsley, Executive Vice President, Regional Manager
 Andrew F. Puzder, Executive Vice President, General Counsel
 M'Liss Jones Kane, Senior Vice President, Secretary

DIRECTORS: William P. Foley II Frank P. Willey Patrick F. Stone
 Carl A. Strunk Raymond R. Quirk

As to Sierra Title of Hidalgo County, Inc. (Title Insurance Agent), the following disclosures are made:

B-1. If Agent is a corporation, the shareholders owning or controlling, directly or indirectly 1% or more of the shares of Agent as of the last day of the year preceding the date hereinabove set forth are as follows (or owning or controlling 10% or more of an entity that owns 1% or more of the Agent): James M. Moffitt, D. M. Nelson, LTD., John Robert King Elizabeth King, W. D. Moschel, Richard L. Moore, Sadie Friedrichs, Ray Toland.

B-2. Individuals, firms, partnerships, associations, corporations, trusts or other entities owning 10% or more of those entities referred to in item no. B-1 hereinabove as of the last day of the year preceding the date hereinabove set forth are as follows: Dallas M. Nelson.

B-3. If Undersigned Agent is a corporation, the following is a list of the members of the Board of Directors, as of the last day of the year preceding the date hereinabove set forth: James M. Moffitt, Richard L. Moore, W. D. Moschel, Dallas Nelson, John Robert King.

B-4. If the Agent is a corporation, the names of any directors, president, executive or senior vice president, secretary and treasurer if any of the Title Insurance Agent are as follows:

John Robert King	Chief Executive Officer	Richard L. Moore	Secretary / Treasurer
Elizabeth Anné King	Chief Operations Officer	James M. Moffitt	Chairman of the Board
W.D. Moschel	Vice President		

C-1. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving any sum from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated* title premium is:

Owner's Policy	\$229.00
Loan Policy	_____
Endorsement Charges	_____
Other	_____
Total	\$229.00

Of this total amount \$ _____ or 15 % (complete one only) will be paid to Fidelity National Title Insurance Company; \$ _____ or _____ % (complete one only) will be retained by Title Insurance Agent; and any remainder of the estimated premium will be paid to other parties as follows:

Amount		Paid to	Services
\$ _____ or _____ % (complete one only)		_____	_____
\$ _____ or _____ % (complete one only)		_____	_____
\$ _____ or _____ % (complete one only)		_____	_____

*The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance.

DELETION OF ARBITRATION PROVISION
(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The Arbitration provision in the Policy is as follows:

“Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“Rules”). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.”

I request deletion of the Arbitration provision.

SIGNATURE:

DATE:

Fidelity National Title Insurance Company
Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Fidelity National Title Insurance Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



THE STATE OF TEXAS
LANDOWNER'S
BILL OF RIGHTS



PREPARED BY THE



OFFICE OF THE
ATTORNEY GENERAL OF TEXAS



This Landowner's Bill of Rights applies to any attempt by the government or a private entity to take your property. The contents of this Bill of Rights are prescribed by the Texas Legislature in Texas Government Code Sec. 402.031 and Chapter 21 of the Texas Property Code.

1. You are entitled to receive adequate compensation if your property is taken for a public use.
2. Your property can only be taken for a public use.
3. Your property can only be taken by a governmental entity or private entity authorized by law to do so.
4. The entity that wants to take your property must notify you about its interest in taking your property.
5. The entity proposing to take your property must provide you with an assessment of the adequate compensation for your property.
6. The entity proposing to take your property must make a good faith offer to buy the property before it files a lawsuit to condemn the property.
7. You may hire an appraiser or other professional to determine the value of your property or to assist you in any condemnation proceeding.
8. You may hire an attorney to negotiate with the condemning entity and to represent you in any legal proceedings involving the condemnation.
9. Before your property is condemned, you are entitled to a hearing before a court appointed panel that includes three special commissioners. The special commissioners must determine the amount of compensation the condemning entity owes for the taking of your property. The commissioners must also determine what compensation, if any, you are entitled to receive for any reduction in value of your remaining property.
10. If you are unsatisfied with the compensation awarded by the special commissioners, or if you question whether the taking of your property was proper, you have the right to a trial by a judge or jury. If you are dissatisfied with the trial court's judgment, you may appeal that decision.

CONDEMNATION PROCEDURE

Eminent Domain is the ability of certain entities to take private property for a public use. Private property can include land and certain improvements that are on that property.

Private property may only be taken by a governmental entity or private entity authorized by law to do so. Your property may be taken only for a public use. That means it can only be taken for a purpose or use that serves the general public. However, Texas law prohibits condemnation authorities from taking your property to enhance tax revenues or foster economic development.

Your property cannot be taken without adequate compensation. Adequate compensation includes the market value of the property being taken. It may also include certain damages, if any, to your remaining property caused by the acquisition itself or by the way the condemning entity will use the property.

HOW THE TAKING PROCESS BEGINS

The taking of private property by eminent domain must follow certain procedures. First, the entity that wants to condemn your property must provide you a copy of this Landowner's Bill of Rights before or at the same time the entity first represents in any manner to you that it possesses eminent domain authority.

Second, if it has not been previously provided, the condemning entity must send this Landowner's Bill of Rights to the last known address of the person in whose name the property is listed on the most recent tax roll at least seven days before the entity makes a final offer to acquire your property.

Third, the condemning entity must make a good faith offer to purchase the property. The condemning entity's offer must be based on an investigation and an assessment of adequate compensation for the property. At the time the offer is made, the governmental condemning entity must disclose any appraisal reports it used to determine the value of its offer to acquire the property. You have the right to either accept or reject the offer made by the condemning entity.

CONDEMNATION PROCEEDINGS

If you and the condemning entity do not agree on the value of the property being taken, the entity may begin condemnation proceedings. Condemnation is the legal process for the taking of private property. It begins with a condemning entity filing a claim for your property in court. If you live in a county where part of the property being condemned is located, the claim must be filed in that county. Otherwise, the claim can be filed in any county where at least part of the property being condemned is located. The claim must describe the property being condemned, the intended public use, the name of the landowner, a statement that the landowner and the condemning entity were unable to agree on the value of the property, and that the condemning entity provided the landowner with the Landowner's Bill of Rights statement.

SPECIAL COMMISSIONERS' HEARING

After the condemning entity files a claim in court, the judge will appoint three landowners to serve as special commissioners. These special commissioners must live in the county where the condemnation proceeding is filed, and they must take an oath to assess the amount of adequate compensation fairly, impartially, and according to the law. The special commissioners are not authorized to decide whether the condemnation is necessary or if the public use is proper. After being appointed, the special commissioners must schedule a hearing at the earliest practical time and place and provide you written notice of that hearing.

You are required to disclose to the governmental condemning entity, at least ten days before the special commissioners' hearing, any appraisal reports used to determine your opinion about adequate compensation for the property. You may hire an appraiser or real estate professional to help you determine the value of your private property. You may also hire an attorney regarding these proceedings.

At the hearing, the special commissioners will consider evidence on the value of the property, the damages to remaining property, any value added to the remaining property as a result of the project, and the uses to be made of the property being taken.

SPECIAL COMMISSIONERS' AWARD

After hearing evidence from all interested parties, the special commissioners will determine the amount of money to be awarded as adequate compensation. You may be responsible for the costs if the Award is less than or equal to the amount the condemning entity offered before the condemnation proceeding began. Otherwise, the condemning entity will be responsible for the costs. The special commissioners will give a written decision to the court that appointed them. That decision is called the "Award." The Award must be filed with the court and the court must send written notice of the Award to all parties.

After the Award is filed, the condemning entity may take possession of the property being condemned, even if either party appeals the Award of the special commissioners. To take possession of the property, the condemning entity must either pay you the amount of the Award or deposit the amount of the Award into the registry of the court. You have the right to withdraw the deposited funds from the registry of the court.

OBJECTION TO THE SPECIAL COMMISSIONERS' AWARD

If either you or the condemning entity is dissatisfied with the amount of the Award, either party can object to the Award by filing a written statement of objection with the court. If neither party timely objects to the Award, the court will adopt the Award as the final judgment of the court. If a party timely objects to the special commissioners' Award, the court will hear the case in the same manner as other civil cases.

If you object to the Award and ask the court to hear the matter, you have the right to a trial by judge or jury. The allocation of costs is handled in the same manner as with the special commissioners' Award. After that trial, either party may appeal any judgment entered by the court.

DISMISSAL OF THE CONDEMNATION ACTION

A condemning entity may file a motion to dismiss the condemnation proceeding if it decides it no longer needs your property. If the court grants the motion to dismiss, the case is over and you are entitled to recover reasonable and necessary fees for attorneys, appraisers, photographers, and for other expenses incurred to the date of the hearing on the motion to dismiss.

You may also file a motion to dismiss the condemnation proceeding on the ground that the condemning entity did not have the right to condemn the property, including a challenge as to whether the property is being taken for a public use. If the court grants your motion, the court may award you reasonable and necessary fees for attorneys, appraisers, photographers, and for other expenses incurred to the date of the hearing or judgment.

RELOCATION COSTS

If you are displaced from a residence or place of business, you may be entitled to reimbursement for reasonable expenses incurred while moving personal property from the residence or relocating the business to a new site. You are not entitled to these relocation costs if they are recoverable under another law. If you are entitled to these costs, they cannot exceed the market value of the property being moved and can only be reimbursed for moving distances within 50 miles.

RECLAMATION OPTIONS

If private property was condemned by a governmental entity, and the purpose for which the property was acquired is canceled before the 10th anniversary of the date of the acquisition, you may have the right to seek to repurchase the property for the fair market value of the property at the time the public use was canceled. This provision does not apply to property acquired by a county, a municipality, or the Texas Department of Transportation.

DISCLAIMER

The information in this statement is intended to be a summary of the applicable portions of Texas state law as required by HB 1495, enacted by the 80th Texas Legislature, Regular Session. This statement is not legal advice and is not a substitute for legal counsel.

ADDITIONAL RESOURCES

Further information regarding the procedures, timelines and requirements outlined in this document can be found in Chapter 21 of the Texas Property Code.