



REAL ESTATE APPRAISAL REPORT - TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: 2800 FM 2221 (West Mile 7 Road), Mission, Texas District: Pharr District 21
Property Owner: Hidalgo County Parcel: 12
Address of Property Owner: 100 North Closner, Edinburg, Texas CSJ: 0862-01-046
Occupant's Name: Hidalgo County Precinct No. 3 Drainage Department Federal Project No: STP1102(026)MM
Whole: Partial: Acquisition Highway: FM 2221 County: Hidalgo

Purpose of the Appraisal

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

Market Value

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

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$176,223 as of May 15, 2012, based upon my independent appraisal and the exercise of my professional judgment;

That on May 15, 2012 and May 6, 2011 (date)(s), I personally inspected in the field the property herein appraised; that I afforded Hidalgo County, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection;

That the comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on March 22, 2011 (date)(s);

That 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;

That 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.

The appraiser has considered access damages in accordance with Section 21.042(d) of the Texas Property Code, as amended by SB18 of the Texas 82nd Regular Legislative Session and finds as follows:

- 1. Is there a denial of direct access of the parcel? No (yes or no)
- 2. If so, is the denial of direct access material? N/A (yes, no, or not applicable)
- 3. The lack of any access denial or the material impairment of direct access on or off the remaining property affects the market value of the remaining property in the sum of \$0.00.

I certify to the best of my knowledge and belief:

That the statements of fact contained in this report are true and correct;

That 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;

That 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;

That my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement for which such property is to be acquired, or by the likelihood that the property would be acquired for such 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 16, 2012
Date

To the best of my knowledge, the value does not include any items which are not compensable under State law.
Harvey L. Heenan 5-18-12
District Reviewing Appraiser Date



IDENTIFICATION OF SUBJECT PROPERTY & SALIENT FACTS

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 located within the subject as a whole, part to be acquired and the remainder after. This is further explained within each section of the appraisal report.

Parcel No. _____ Parcel No. 12
 Owner of Record of Parent Tract _____ Hidalgo County
 Subject's Current Use _____ Hidalgo County Precinct No. 3 Drainage District
 Physical Location _____ The property is located on the north side of FM 2221 just east of La Homa Drive in Mission, Texas.
 Legal Description of Whole Property A 1.00 acre tract of land lying in Lot 80, Block 2, La Homa Ranch Grove, Unit 2, Hidalgo County, Texas. Hidalgo County, Texas.
 Legal Description of Part to be Acquired A tract of land containing 0.182 acre (7,910 square feet), situated in Hidalgo county, Texas and also being a part or portion of Lot 80, Block 2, La Homa Ranch Citrus Groves Unit 2, recorded in Volume 8, Page 9, H.C.M.R. Hidalgo County, Texas.

Site Description

The subject property, as a whole, is a 1.000 acre improved tract of land located along north side of FM 2221 located north of the City of Alton, in Hidalgo County, Texas. The subject property is currently improved with a 1,635 square foot office building and a 1,280 square foot carport. Other site improvements include 41,925 square feet of asphalt pavement, 501' lineal feet of chain link fencing with barbwire and a 5.0' x 6.0' masonry sign along the frontage of FM 681. According to the survey provided by CVQ Land Surveyors LLC, dated July 13, 2009 and revised on August 26, 2010, the part to be acquired is approximately 0.182 acres (7,910 square feet). The part to be acquired includes a 0.0389 acre (1,695 square feet) easement indicated to be a 15' foot Sharyland Water Supply Corporation easement, leaving a net fee area to be acquired of 0.1431 acre (6,215 square feet). 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.

Whole Property (Economic Unit)	1.00 Acres
To Be Acquired (Acres)	0.182 Acres
To Be Acquired (SF)	7,910 square feet
Remainder	0.818 Acres

The subject property shall be analyzed based on a 43,560 square foot (1.000 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 and revised on August 26, 2010. 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.

Remainder Before & After

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. After a review of the survey provided and the on-site inspection of the part to be acquired, it was determined that a cost to cure for the remainder was required and shall be delineated on page 5.0 in addition, damages to the remainder building are indicated due to the bisection of the structure by the proposed right-of-way.

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. On May 6, 2011, permission was granted to enter the property in-order to photograph and measure and Joe Pena, Director of the Hidalgo County Right-of-Way Department, met with the appraiser on-site. Mr. Pena can be contacted at 956-283-8134.

Intended Use/User of Appraisal Report

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-5 Form Rev. 8/2011. 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.

Significant Dates

The effective date of the report is the most recent date of on-site visit of which is limited to the permissibility granted to this appraiser as of May 6, 2011.

Identification of Appraisal Firm

Leonel Garza III is the owner of Leonel Garza Jr. & Associates, LLC located at 1419 Dove Avenue Ste 1, McAllen, Texas. This office 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. Leonel Garza III has specialized in right-of-way acquisition field for over 10 years of which has performed projects in the following County's: Cameron County, Hidalgo County, Starr County, Zapata County, Webb County, Nueces County and Brooks County. Other experience of the office of Leonel Garza Jr. & Associates LLC and Leonel Garza III includes general commercial properties for a variety of banking institutions including multiple projects throughout the Rio Grande Valley as well as the cities of Laredo, Corpus Christi, San Antonio and Austin for local banks and State Government projects.

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.

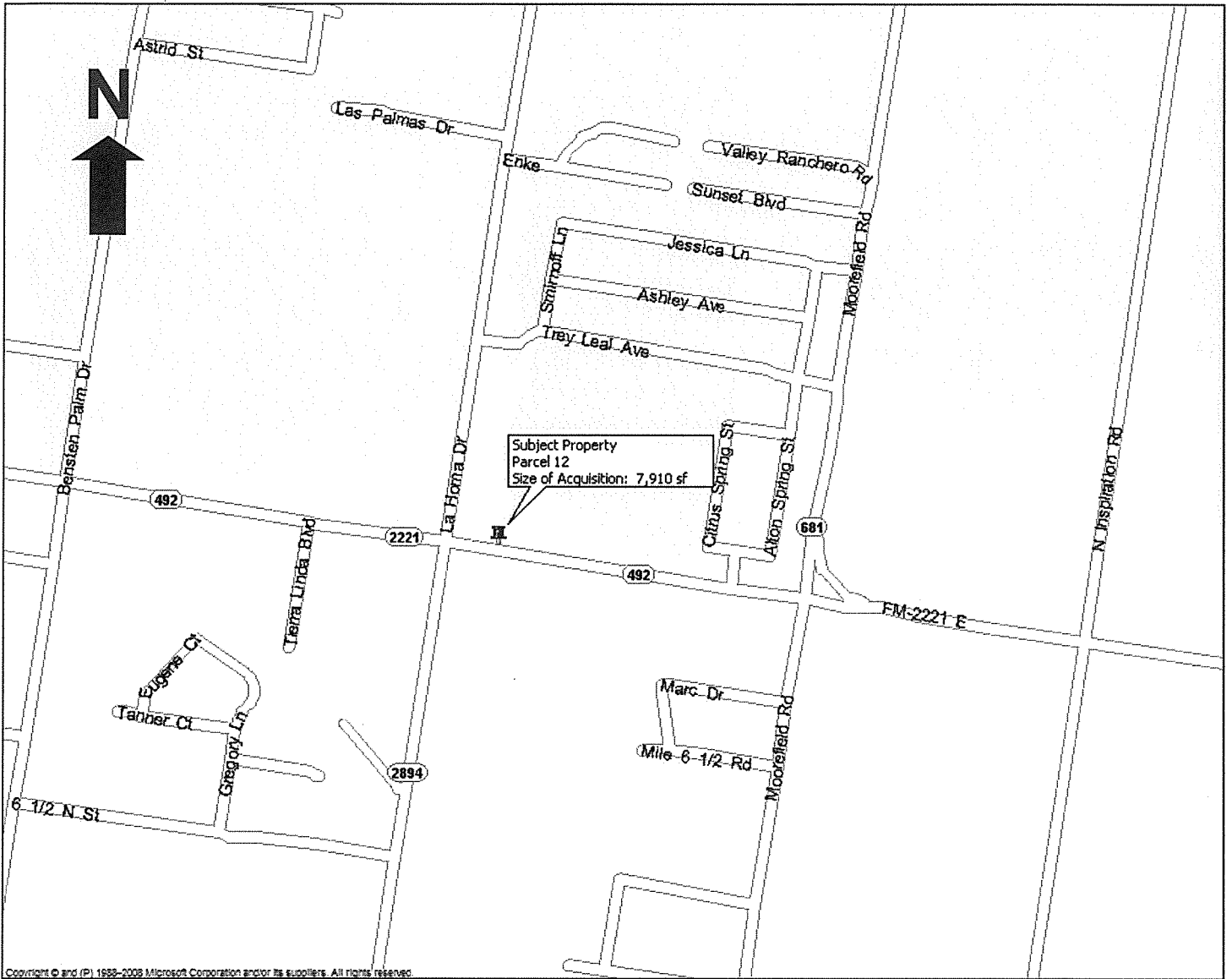
Purpose of the Appraisal Report

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.

LOCATION MAP OF SUBJECT PROPERTY PARCEL No. 12





REAL ESTATE APPRAISAL REPORT - TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: 2800 FM 2221 (West Mile 7 Road), Mission, Texas District: Pharr District 21
Property Owner: Hidalgo County Parcel: 13
Address of Property Owner: 100 North Closner, Edinburg, Texas CSJ: 0862-01-046
Occupant's Name: Hidalgo County Precinct No. 3 Drainage Department Federal Project No: STP1102(026)MM
Whole: [] Partial: [x] Acquisition Highway: FM 2221 County: Hidalgo

Purpose of the Appraisal

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

Market Value

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

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is \$122,593 as of May 6, 2011, based upon my independent appraisal and the exercise of my professional judgment;

That on May 6, 2011 (date)(s), I personally inspected in the field the property herein appraised; that I afforded Hidalgo County, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection;

That the comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on March 22, 2011 (date)(s);

That 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;

That 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.

The appraiser has considered access damages in accordance with Section 21.042(d) of the Texas Property Code, as amended by SB18 of the Texas 82nd Regular Legislative Session and finds as follows:

- 1. Is there a denial of direct access of the parcel? No (yes or no)
2. If so, is the denial of direct access material? N/A (yes, no, or not applicable)
3. The lack of any access denial or the material impairment of direct access on or off the remaining property affects the market value of the remaining property in the sum of \$0.00.

I certify to the best of my knowledge and belief:

That the statements of fact contained in this report are true and correct;

That 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;

That 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;

That my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement for which such property is to be acquired, or by the likelihood that the property would be acquired for such 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

September 28, 2011
Date

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



IDENTIFICATION OF SUBJECT PROPERTY & SALIENT FACTS

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 located within the subject as a whole, part to be acquired and the remainder after. This is further explained within each section of the appraisal report.

Parcel No. _____ Parcel No. 13
 Owner of Record of Parent Tract _____ Hidalgo County
 Subject's Current Use _____ Hidalgo County Precinct No. 3 Drainage District
 Physical Location _____ The property is located on the north side of FM 2221 just east of La Homa Drive in Mission, Texas.
 Legal Description of Whole Property A 1.00 acre tract of land lying in Lot 80, Block 2, La Homa Ranch Grove, Unit 2, Hidalgo County, Texas. Hidalgo County, Texas.
 Legal Description of Part to be Acquired A tract of land containing 0.182 acre (7,906 square feet), situated in Hidalgo county, Texas and also being a part or portion of Lot 80, Block 2, La Homa Ranch Citrus Groves Unit 2, recorded in Volume 8, Page 9, H.C.M.R. Hidalgo County, Texas.

Site Description

The subject property, as a whole, is a 1.000 acre improved tract of land located along north side of FM 2221 located north of the City of Alton, in Hidalgo County, Texas. The subject property is currently improved with a 3,840 square foot maintenance shed. Other site improvements include 35,984 square feet of asphalt pavement; 587.0' lineal feet of chain link fencing with barbwire, 25.0' chain link motorized rolling gate and a 4.0' chain link gate. According to the survey provided by CVQ Land Surveyors LLC, dated July 13, 2009 and revised on October 22, 2010, the part to be acquired is approximately 0.182 acres (7,906 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 if 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.

Whole Property (Economic Unit)	1.00 Acres
To Be Acquired (Acres)	0.182 Acres
To Be Acquired (SF)	7,906 square feet
Remainder	0.818 Acres

The subject property shall be analyzed based on a 43,560 square foot (1.000 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 and revised on October 22, 2010. 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.

Remainder Before & After

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. After a review of the survey provided and the on-site inspection of the part to be acquired, it was determined that the overall highest and best use of the subject property shall continue for commercial development. However, the improvements located within the remainder shall be diminished (damages) as a result of the project due to the overall proximity of the proposed right-of-way and the existing metal warehouse structure. In addition, the unity in use between Parcel 12 (adjacent to the subject) has improvements of which shall be bisected by the part to be acquired. As such the improvements on Parcel 12 shall be damaged and or removed thereby rendering the existing use of the improvements on Parcel 13, obsolete. After discussion with the owner or record representative, Jose Pena, Hidalgo County Right-of-Way Department, the County could not utilize the subject's improvements without an office or security on-site. Therefore, this appraiser in the remainder after the acquisition shall damage the existing structural improvements of Parcel 12 and cost to cure the fencing located within the part to be acquired.

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. On May 6, 2011, permission was granted to enter the property in-order to photograph and measure and Joe Pena, Director of the Hidalgo County Right-of-Way Department, met with the appraiser on-site. Mr. Pena can be contacted at 956-283-8134).

Intended Use/User of Appraisal Report

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-5 Form Rev. 8/2011. 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.

Significant Dates

The effective date of the report is the most recent date of on-site visit of which is limited to the permissibility granted to this appraiser as of May 6, 2011.

Identification of Appraisal Firm

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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.

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.

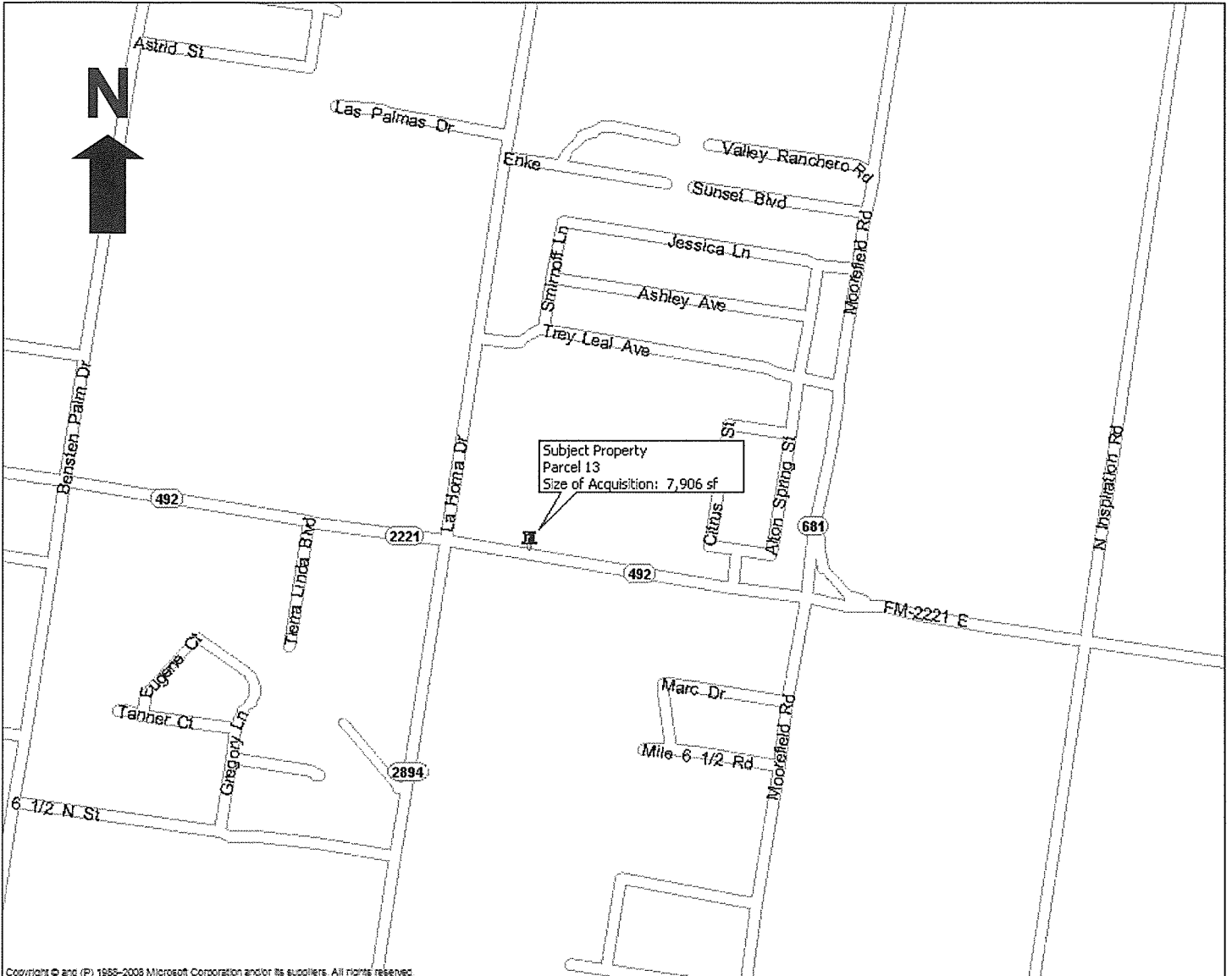
Purpose of the Appraisal Report

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.

LOCATION MAP OF SUBJECT PROPERTY PARCEL No. 13



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