

**REAL ESTATE APPRAISAL REPORT
TEXAS DEPARTMENT OF TRANSPORTATION**

Address of Property: Located at the northwestern corner of Curve Road and Dillon Road, Hidalgo County, Texas. Account: N/A
Property Owner: Theodora Jacqueline Aguilar Parcel: N/A
Address of Property Owner: P.O. Box 58, La Blanca, Texas 78558 CSJ: N/A
Occupant's Name: Vacant Federal Project No: N/A
Whole: Partial: Acquisition Highway: Curve Road County: Hidalgo

Purpose of the Appraisal

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

Market Value

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

Certificate of Appraiser

I hereby certify that, it is my opinion the total compensation for the acquisition of the herein described property is \$574,365 as of December 16, 2008 based upon my independent appraisal and the exercise of my professional judgment; on December 16, 2008, (date)(s), I personally inspected in the field the property herein appraised; I have not afforded Theodora Jacqueline Aguilar, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the off-site inspection.

The comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on December 16, 2008 (date)(s), I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the, County of Hidalgo, Texas Department of Transportation, or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law or until I am released from this obligation by having publicly testified to such findings; and, my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

I certify to the best of my knowledge and belief that the statements of fact contained in this report are true and correct; the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions; I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; and, my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State,

and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement other than that due to the physical deterioration within the reasonable control of the owner has been disregarded in estimating the compensation for the property.

Appraiser Signature - Leonel Garza III

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

January 19, 2009

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

Certificate of Appraisal

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

Identification of Client & Intended User of Appraisal Report

The client for this report is identified as Hidalgo County Precinct No. 4 under the direction of Honorable Hidalgo County Commissioner Oscar L. Garza. Commissioner Garza and others involved with the San Carlos Drainage Improvement Project are requesting said appraisal report for the purpose of acquiring the subject property as part of the master drainage plan for the community of San Carlos. The subject property shall be acquired for the creation of a holding pond in conjunction with the San Carlos Drainage Improvement Project. The intended use of the report is to assist Bob Kaufold, Hidalgo County Right-of-Way Agent for future negotiations of acquiring all or part of said property as fee simple in the name of the County of Hidalgo, Texas. This report is not intended for any other use, unless specified by the client. The clients have identified that the report shall be a limited restricted appraisal report, which is to conform with the ROW-A-6 Form Rev. 7/2004.

The intended user of the report is defined as Hidalgo County Precinct No. 4, and may include other County agencies and or state agencies which may be participating in the project. Bob Kaufold is a Right-of-Way Agent for Precinct No. 4 who has a local office established at Precinct No. 4, located at 1102 N. Doolittle Road, Edinburg, Texas 78539. Mr. Kaufold, shall be the project manager for this project under the direction of Commissioner Oscar L. Garza. Mr. Kaufold can be contacted at (956) 467-2617.

Scope of the Assignment

By work order dated December 12, 2008 on behalf of Hidalgo County Precinct No. 4, Bob Kaufold, requested for Leonel Garza Jr. & Associates LLC to prepare an appraisal report of the fee simple estate of the subject property described within this report. The scope of the assignment is to appraise the area as "Fee Simple", to be acquired as indicated by Hidalgo County Deed Records as of the date of on-site or off-site inspection as permitted by the owner of record. In the event the owner was not present during the inspection, the owner shall reserve the right to meet with this appraiser on-site at a later date if requested.

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

Purpose of the Appraisal Report

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

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

Property Rights Appraised

The property rights being appraised in this report consist of the fee simple estate of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 113, by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Accessibility To Subject Property

The owner of record, as per the Hidalgo County Appraisal District was sent a letter of intent to inspect the subject property. The letter afforded the property owner the opportunity to accompany the appraiser during the on or off-site inspection of the subject property. No one was at home at the time of inspection, so the inspection proceeded off-site from existing road right-of-way.

Analysis of Subject As A Whole

As per scope of the assignment, the subject property shall be analyzed based on the combination of information gathered from several sources including, any survey provided, on-site and or off-site inspection, personal interviews, and information gathered from the Hidalgo County Appraisal District. The property was analyzed based on the whole property less any existing road right-of-way in order to determine the net acreage value of the subject.

Economic Unit Analysis

The subject property shall be analyzed based on a 41.772 acre net tract of land. Any existing road right-of-way and easements indicated along Curve Road and Dillion Road shall be excluded as per scope of the assignment. The area for the subject property as a whole is indicated as per survey provided by Quintanilla, Headley and Associates, Inc. dated December 18, 2008. The comparable sales used for the analysis of the subject property as whole indicated a range of economic units of 4.00 acres to 21.63 acres. These indicated economic unit tracts shall be utilized for the analysis of the subject property.

To Be Acquired (Net)	41.772 Acres
	1,819,588 S.F.

Legal Description of Area to Be Acquired

Lot Fourteen (14), Block Four (4), R.B. Curry Survey No. 1, 2, 3, and 4, Hidalgo County, Texas.

Remainder Before and After The Acquisition

Since the subject property shall be a whole acquisition, no remainder shall remain. Therefore, no further analysis is required for the remainder before and after the acquisition.

**Hidalgo County
Precinct#4
Exhibit A**

Dickerson Pond

Land Original Cost	Number Acres	Price/ Acre
4,031,830.33	281.47	14,324.19
Num. of acres sold to DD#1		<u>201.11</u>
Land Total		2,880,738.26
Improvements Total		<u>2,415,179.12</u>
Total Sale		<u>5,295,917.38</u>

Aguilar Pond

Land Original Cost	Number Acres	Price/ Acre
579,324.15	47.66	12,155.35
Num. of acres sold to DD#1		<u>47.66</u>
Land Total		579,324.15
Improvements Total		<u>650,311.67</u>
Total Sale		<u>1,229,635.82</u>

Total Assets to be Sold **6,525,553.20**

REAL ESTATE APPRAISAL REPORT
TEXAS DEPARTMENT OF TRANSPORTATION

RECEIVED BY
 COUNTY APPRAISER
 2009 MAR 19 PM 2:55

Address of Property: Located at the southwestern corner of Tex-Mex Road Account: San Carlos Drainage Project
 and Dillon Road, Hidalgo County, Texas.

Property Owner: Barry W. Dickerson and wife, Linda R. Dickerson Parcel: N/A
 Address of Property Owner: 107 Laurel Dr., Weslaco, Texas 78596-7515 CSJ: N/A

Occupant's Name: Vacant Federal Project No: N/A
 Whole: Partial: Acquisition Highway: Curve Road County: Hidalgo

Purpose of the Appraisal

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

Market Value

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

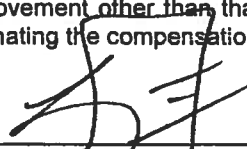
Certificate of Appraiser

I hereby certify that, it is my opinion the total compensation for the acquisition of the herein described property is \$3,432,400 as of March 10, 2008 based upon my independent appraisal and the exercise of my professional judgment; on March 10, 2008, (date)(s), I personally inspected in the field the property herein appraised; I have not afforded Barry W. Dickerson and wife, Linda R. Dickerson, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the off-site inspection.

The comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on March 10, 2008 (date)(s), I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the, County of Hidalgo, Texas Department of Transportation, or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law or until I am released from this obligation by having publicly testified to such findings; and, my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

I certify to the best of my knowledge and belief that the statements of fact contained in this report are true and correct; the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions; I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; and, my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State,

and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement other than that due to the physical deterioration within the reasonable control of the owner has been disregarded in estimating the compensation for the property.



 Appraiser Signature - Leonel Garza III

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

 March 13, 2009

 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

Certificate of Appraisal

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

Identification of Client & Intended User of Appraisal Report

The client for this report is identified as Hidalgo County Precinct No. 4 under the direction of Honorable Hidalgo County Commissioner Oscar L. Garza. Commissioner Garza and others involved with the San Carlos Drainage Improvement Project are requesting said appraisal report for the purpose of acquiring the subject property as part of the master drainage plan for the community of San Carlos. The subject property shall be acquired for the creation of a holding pond in conjunction with the San Carlos Drainage Improvement Project. The intended use of the report is to assist Bob Kaufold, Hidalgo County Right-of-Way Agent for future negotiations of acquiring all or part of said property as fee simple in the name of the County of Hidalgo, Texas. This report is not intended for any other use, unless specified by the client. The clients have identified that the report shall be a limited restricted appraisal report, which is to conform with the ROW-A-6 Form Rev. 7/2004.

The intended user of the report is defined as Hidalgo County Precinct No. 4, and may include other County agencies and or state agencies which may be participating in the project. Bob Kaufold is a Right-of-Way Agent for Precinct No. 4 who has a local office established at Precinct No. 4, located at 1102 N. Doolittle Road, Edinburg, Texas 78539. Mr. Kaufold, shall be the project manager for this project under the direction of Commissioner Oscar L. Garza. Mr. Kaufold can be contacted at (956) 467-2617.

Scope of the Assignment

By work order dated December 12, 2008 on behalf of Hidalgo County Precinct No. 4, Bob Kaufold, requested for Leonel Garza Jr. & Associates LLC to prepare an appraisal report of the fee simple estate of the subject property described within this report. The scope of the assignment is to appraise the area as "Fee Simple", to be acquired as indicated by the survey as of the date of on-site or off-site inspection as permitted by the owner of record. In the event the owner was not present during the inspection, the owner shall reserve the right to meet with this appraiser on-site at a later date if requested.

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

Purpose of the Appraisal Report

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

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

Property Rights Appraised

The property rights being appraised in this report consist of the fee simple estate of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 113, by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Accessibility To Subject Property

As per scope of the assignment the appraisal was performed off-site. The owner of record shall retain the right to contact this appraiser for an on-site inspection at a later date (if requested).

Analysis of Subject As A Whole

As per scope of the assignment, the subject property shall be analyzed based on the combination of information gathered from several sources including, any survey provided, on-site and or off-site inspection, personal interviews, and information gathered from the Hidalgo County Appraisal District. The property was analyzed based on the whole property as per survey provided.

Economic Unit Analysis

The subject property shall be analyzed based on approximately 240.28 gross acre tract of land (232.66 acres-net). Any existing road right-of-way and easements indicated along Sunflower Road, Dillon Road, Curry Road, and Tex Mex Road, have been excluded as per scope of the assignment. The area for the subject property as a whole is indicated as per survey provided by Quintanilla, Headley, and Associates, Inc. dated March 5, 2009. As per scope of the assignment the appraiser shall evaluate the subject property as fee simple for purposes of this report unless instructed otherwise. The comparable sales used for the analysis of the subject property as whole indicated a range of economic units of 16.81 acres to 73.30 acres. These indicated economic unit tracts shall be utilized for the analysis of the subject property.

To Be Acquired (Gross)	240.28 Acres
-----------------------------------	---------------------

Legal Description of Area to Be Acquired

A 240.28 acre tract of land (Map Records: 240.67 acres) being all of Lots 1, 2, 3, 6, 7, 8, 9 and 10, R.B. Curry Survey, Unit No. 4, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 2, Page 23, Map Records, Hidalgo County, Texas, and according to Assumption Deed recorded in Volume 1730, Page 28, Official Recorded, Hidalgo County, Texas. (232.66 - Net)

Remainder Before and After The Acquisition

Since the subject property shall be a whole acquisition, no remainder shall remain. Therefore, no further analysis is required for the remainder before and after the acquisition.

**Hidalgo County
Precinct#4
Exhibit A**

Dickerson Pond

Land Original Cost	Number Acres	Price/ Acre
4,031,830.33	281.47	14,324.19
Num. of acres sold to DD#1		<u>201.11</u>
Land Total		2,880,738.26
Improvements Total		<u>2,415,179.12</u>
Total Sale		<u>5,295,917.38</u>

Aguilar Pond

Land Original Cost	Number Acres	Price/ Acre
579,324.15	47.66	12,155.35
Num. of acres sold to DD#1		<u>47.66</u>
Land Total		579,324.15
Improvements Total		<u>650,311.67</u>
Total Sale		<u>1,229,635.82</u>

Total Assets to be Sold **6,525,553.20**