

EXHIBIT "B"
Basis for Payment

1419 Dove Avenue, Suite 1, McAllen, Texas 78504
Email Address: leonel3@garza-associates.com
Office (956) 687-7295 Fax (956) 687-9236

Leonel Garza Jr. & Associates LLC

Best & Final & Scope of Services For Appraisal Services

To: Hidalgo County Urban County Program
3304 West Alberta
Edinburg, Texas 78539

From: Leonel Garza III, General Certified Appraiser

Fax: (956) 318-2988

Pages: 2 Pages

Phone: (956) 787-8127

Date Submitted: August 15, 2013

Re: Penitas Drain Project

CC: Amanda V. Flores, Program Coordinator 1

Ms. Serna:

As per e-mail from Amanda V. Flores on August 15, 2013, our office is pleased to present our best and final offer proposal for appraising the various properties in connection with Acquisition of Land, Rights of Way, Easements, Condemnations Proceedings for properties located along what is known as the Penitas Drain located within Precinct No. 3, Hidalgo County. The appraisal reports shall be based on the Texas Department of Transportation Form A-6, A-5s & A-5 as required and confirmed during inspection of said tracts. Each report shall follow Senate Bill 18 (SB-18) as required by State Law. The following is an itemization of the Best & Final Cost of Services::

Appraisal Report Cost	\$2,000.00 Per Parcel (4) Original Appraisal Reports Included
Additional Original Reports	\$ 50.00 Per Original Copy This cost shall apply for additional original (color) copies required by the client and or other agencies involved in the project.
Updated/Revised Reports	\$ 500.00 Per Parcel This cost shall apply when a major change to the survey and or correction of the survey and or right-of-way map has been performed after the completion of the appraisal report. These revision cost shall be discussed with the client prior to billing. Minor revisions to a parcel report will be billed on a case by case basis depending on complexity of the revision as determined by Leonel Garza Jr. & Associates LLC.
Condemnation Hearing	Hourly Rate = \$ 150.00 Per Hour (Plus Expenses) Hourly rate shall apply to any and all preparation time required for the condemnation hearing plus expenses.
Appeals Court / Trial	Hourly Rate = \$ 250.00 Per Hour (Plus Expenses) Hourly rate shall apply to any and all preparation time, depositions, and consulting required for an appeal of a Condemnation Hearing to a bench or jury trial.

August 15, 2013

SCOPE OF SERVICES

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. Each 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 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 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, local Realtors & Brokers, Real Estate Appraisers, and conversations with various owners along the project and other sources available to this firm. Listings along the respective projects shall also be reviewed in order to determine the current market asking price for property along the project.

Each appraisal shall be developed on a TxDOT A-5 or an A-6 and A-5s format as promulgated by the Texas Department of Transportation. Each report as of September 1, 2011 must comply with Texas State Senate Bill 18. Leonel Garza III has undergone the mandatory training thru the Texas Department of Texas Training on *Senate Bill 18 (SB-18)* and has included all changes associated with the new law in each report. Mr. Garza is fully aware of the magnitude of the Bill and the overall reporting and valuation effects of the Bill.

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 shall continue the inspection off-site along the project. Once the appraisal has been concluded the report shall be delivered to the client, of which four (4) original copies shall be included in each appraisal packet. Once negotiations have begun, the appraiser shall be available to answer any questions or concerns by the property and assist the negotiator as needed. In the event a consensus cannot be made as to the market value, the appraiser shall be prepared to continue and prepare for condemnation proceedings of which will be billed at an additional cost. This service shall continue until all trial and or other court proceedings are concluded in the acquisition of the subject property.

If there are any questions or concerns or if any item needs clarification please call Leonel Garza III at (956) 687-7295 or via email leonel3@garza-associates.com. Please sign and fax or email back once accepted. Thank you for the opportunity.



Leonel Garza III
State Certified Real Estate Appraiser
TX-1328375-General
Leonel Garza Jr. & Associates LLC

Please Sign Here Upon Acceptance

Please Print Name

Date of Acceptance

EXHIBIT "C"
Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

LEONGAR-02

HEREN1

DATE (MM/DD/YYYY)

5/17/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Shepard Insurance Agency PO Box 4288 McAllen, TX 78502	CONTACT NAME: PHONE (A/C No, Ext): (956) 886-3888 FAX (A/C No): (956) 682-5650 E-MAIL ADDRESS:													
	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Sentinel Ins Co, LTD</td> <td>11000</td> </tr> <tr> <td>INSURER B: State Automobile Mutual Ins Co</td> <td></td> </tr> <tr> <td>INSURER C: Hartford Ins Co of the Midwest</td> <td>37478</td> </tr> <tr> <td>INSURER D: Berkley Assurance Company</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Sentinel Ins Co, LTD	11000	INSURER B: State Automobile Mutual Ins Co		INSURER C: Hartford Ins Co of the Midwest	37478	INSURER D: Berkley Assurance Company		INSURER E:		INSURER F:
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INSURED Leonel Garza Jr & Associates LLC 1419 Dove Ave Suite 1 McAllen, TX 78504														

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		66SBATE2179	5/18/2013	5/18/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPIOP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. REG <input type="checkbox"/> LOC					
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X	BAP 2325081 02	5/23/2013	5/23/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			66SBATE2179	5/18/2013	5/18/2014
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	66WBCAE1721 01	1/11/2013	1/11/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Professional Liabli	X	VUMB0034900	5/18/2013	5/18/2014	See Description

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Professional Liab: \$1,000,000 ea wrongful Act/\$1,000,000 Policy Aggregate
 \$7,500 Deductible per Claim

Scheduled vehicles: 2005/GMC Sierra/1GTEC14X15Z191568 and 2010 Toyota Thundra/5TFRM5F15AX011366

The General Liability policies includes a blanket automatic additional Insured endorsement (provision) that provides additional Insured status to the certificate holder only when there is a written contract between certificate holder that requires it or such status; The General Liability & Business Auto policy has a 30 day NOC;

CERTIFICATE HOLDER Hidalgo County 2812 S. Highway Business 281 Edinburg, TX 78539	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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