

AN APPRAISAL
AND
ANALYSIS OF VALUE OF
A 0.935 Acre Parcel of Land

LOCATED:
FM 1017 West of US Highway 281
Linn, San Manuel, Hidalgo County, Texas

DATE OF APPRAISAL
March 31, 2014

DATE OF APPRAISAL REPORT
April 4, 2014

PREPARED FOR:
Hidalgo County Precinct No.4
Joseph Palacios Commissioner
1051 North Doolittle Road
Edinburg, Texas 75842-0337

BY:
appraisal haus
Real Estate Valuation Services

George Jaime Salazar, II
State Certified General Appraiser
502 West Kuhn Street
Edinburg, Texas 78541

April 4, 2014

Hidalgo County Precinct No.4
Joseph Palacios Commissioner
1051 North Doolittle Road
Edinburg, Texas 75842-0337

RE: A 0.935 acre tract lying in Tract 84, San Salvador Del Tule Grant, Hidalgo County, Texas as part of the Brewster Park Project

Dear Sirs,

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

We have personally inspected the property and have made a careful and detailed study of all factors pertinent to the opinion of value. The accompanying report contains the result of our investigation and analysis.

In our opinion, the "As Is" Market Value of the fee simple interest in the subject property described above as of March 31, 2014 is:

Ten Thousand Five Dollars
\$10,500

We trust this report satisfies the conditions of your request. Please call on us if any item is not clear or if further explanation of any point in this report would be helpful.

This appraisal report complies with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation and comply with Standards of Professional Practice and Code of Ethics of the Appraisal Institute, as well as all reporting requirements of the client, Hidalgo County Precinct No. 4. This appraisal report meets the requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Practice for a Restricted Appraisal Report.

This letter is intended to transmit the attached appraisal report which sets forth the identification of the property , the assumptions and limiting conditions, pertinent facts with reference to the area and the subject property, comparable data, the results of the investigations and analysis, and the reasoning to the conclusions of set forth.

Thank you for the confidence placed in us by virtue of this assignment and for the opportunity of providing our appraisal services to you.

Sincerely,

George Jaime Salazar II
Certified Appraiser

George J. Salazar II, State Certified General Real Estate Appraiser

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EXECUTIVE SUMMARY

Type Property: Vacant Parcel of Land

Location: FM 1017 West of US Highway 281, Linn/San Manuel, Hidalgo County, Texas.

Legal Description: Being a 0.935 acre tract of land lying in and being part of Tract 84, San Salvador Del Tule Grant, Hidalgo County, Texas as per map recorded in Volume 10, Pages 58-60, Hidalgo County Map Records, and also being part of a 10.0 acre tract of land described in deed to Hidalgo County, Texas as recorded in Document No. 2443360, Hidalgo County Official Records. Said 0.935 acre tract being more particularly described by metes and bounds attached at the end of this report.

Interest Appraised: The interest of the appraised real property is that of a Fee Simple absolute interest. An absolute Fee Simple interest is without limitations to any particular class of heirs or restrictions, but subject to the limitations of police power, eminent domain, taxation and escheat. The Market Value fee estate of this report is additionally subject to:

- 1) Existing leases and rights of parties in possession.
- 2) Easements and reservations as may appear upon the recorded map and plat of the subdivision or otherwise of record.
- 3) Vertical interests to include prior reservations of oil, gas and/or other mineral interests.

Site: A 0.935 acre or 40,748.20 square feet. The property is irregular in shape and does not have frontage along FM 1017. The property is accessible from adjacent land tracts and considering the intended use of tract the property will be legally accessible. Topography is generally level with drainage appearing adequate. The subject property is located in a rural area of Hidalgo County. Potable water, electricity and telephone service is available. Sanitary sewer is via septic system. All easements appear typical and do not effect the property in a negative way.

Highest & Best Use: The highest and best use "as vacant" is for assemblage to adjacent land tract for agriculture use.

Environmental Hazards: None noted at the time of inspection.

Flood Zone: FEMA Flood Map Panel #480343-0125B "C" dated January 2, 1981

Zoning: The subject property is situated in a rural setting of northern Hidalgo County. The closest municipality which recognizes zoning is the City of Edinburg. Since the subject is outside the Edinburg City limits no municipal zoning is in place.

Improvement Discussion: None

Extraordinary Assumption: None

Hypothetical Condition: None

Marketing Status: The appraiser estimates a marketing time to be 12 months, with an exposure time of 12 months. This is considered typical marketing and exposure time therefore no discounting is deemed necessary.

Three Approaches to Value:

Cost Approach.....	Not Applicable
Sales Comparison Approach(land only).....	\$10,500
Per Unit Value.....	\$11,500 per acre
Income Approach.....	Not Applicable

Date of Inspection: March 31, 2014

Date of Appraisal: April 4, 2014

Date of Appraisal Report: April 4, 2014

COMPETENCY PROVISION

The Competency Provision of the Uniform Standards of Professional Practice requires that the appraiser properly identify the appraisal problem to be addressed and have the knowledge and experience that will be required to complete the assignment competently. George Jaime Salazar II is State Certified General Real Estate Appraiser. He has been a professional in the real estate appraisal business since 2008. As such, he possesses the knowledge and experience to complete an appraisal of the type of property appraised in this report. Additionally, he has reviewed the subject area and has an understanding of the demographics, costs, sales, rentals, and data germane to the appraisal of real property in the Rio Grande Valley area. Reference may be made to the Qualifications of the Appraiser which is included in this report. References, in addition to those provided, are available upon request.

IDENTIFICATION OF THE PROPERTY

Location: FM 1017 West of US Highway 281, Linn/San Manuel, Hidalgo County, Texas.

Legal Description: Being a 0.935 acre tract of land lying in and being part of Tract 84, San Salvador Del Tule Grant, Hidalgo County, Texas as per map recorded in Volume 10, Pages 58-60, Hidalgo County Map Records, and also being part of a 10.0 acre tract of land described in deed to Hidalgo County, Texas as recorded in Document No. 2443360, Hidalgo County Official Records. Said 0.935 acre tract being more particularly described by metes and bounds attached at the end of this report.

History of the Property - The subject property is currently owned by Hidalgo County and has been since August 13, 2013 as per Special Warranty Deed document #2443360, Hidalgo County, Records. The subject was purchased as part of a 10 acre tract of land. Hidalgo County paid \$175,000. Prior to this Edinburg Consolidated Independent School District owned the property for an excess of three years.

Contract & Listing Information-The subject property has not been offered for sale as per the Greater McAllen Association of Realtors multiple listing service and current land owner.

Assessment & Tax Data- The subject site is identified by Account# D3200-00-084-0000-07 by the Hidalgo County Appraisal District. The Subject has an assessed market value of \$3,948,000 of which \$48,000 is land for the 2014 year. Taxing entities and rates are as presented in the appraisal district worksheet.

HIDALGO COUNTY APPRAISAL DISTRICT WORKSHEET

Hidalgo CAD - Property Details

Page 1 of 2

Hidalgo CAD

Property Search Results > 727648 EDINBURG CISD for Year 2014

Property

Account
 Property ID: 727648 Legal Description: DEL TULE AH IRR TR W1209 58'-E4151 00'-S1080' EXC 6558.12'-W908.41'-E951.00' TR 84 15 AC NET
 Geographic ID: 03200-00-084-0000-07 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:
 Location:
 Address: FM 1017 (.60 MI W OF HWY 281) MAPACO, TX
 Neighborhood: Map ID: VOL10 PG58-60
 Neighborhood CD:
 Owner:
 Name: EDINBURG CISD Owner ID: 481840
 Mailing Address: PO BOX 690 % Ownership: 100.0000000000%
 EDINBURG, TX 78540-0600 Exemptions: EX-XV

Values

(+) Improvement Homestead Value: + \$0
 (+) Improvement Non-Homestead Value: + \$3,900,000
 (+) Land Homestead Value: + \$0
 (+) Land Non-Homestead Value: + \$48,000 Ag / Timber Use Value
 (+) Agricultural Market Valuation: + \$0 \$0
 (+) Timber Market Valuation: + \$0 \$0
 (=) Market Value: = \$3,948,000
 (-) Ag or Timber Use Value Reduction: - \$0
 (=) Appraised Value: = \$3,948,000
 (-) HS Cap: - \$0
 (=) Assessed Value: = \$3,948,000

Taxing Jurisdiction

Owner: EDINBURG CISD
 % Ownership: 100.0000000000%
 Total Value: \$3,948,000

Entity Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD APPRAISAL DISTRICT	0.000000	\$3,948,000	\$0	\$0.00
DR2 DRAINAGE DISTRICT #2	0.000000	\$3,948,000	\$0	\$0.00
FD3 EMS DIST #03	0.030000	\$3,948,000	\$0	\$0.00
CHD HIDALGO COUNTY	0.890000	\$3,948,000	\$0	\$0.00
JCC SOUTH TEXAS COLLEGE	0.160000	\$3,948,000	\$0	\$0.00
RD6 ROAD DIST 00	0.000000	\$3,948,000	\$0	\$0.00
REB EDINBURG ISO	1.230000	\$3,948,000	\$0	\$0.00
BST SOUTH TEXAS SCHOOL	0.048200	\$3,948,000	\$0	\$0.00
Total Tax Rate:	2.059000			
Taxes w/Current Exemptions:				\$0.00
Taxes w/o Exemptions:				\$81,289.32

Improvement / Building

Improvement #1: COMMERCIAL State Code: F1 Living Area: 1.0 sqft Value: \$3,900,000
 Type: NA Description: MAIN AREA Class CD: * Exterior Wall: BRKV Year Built: 2010 ROFT: 1.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	AC	ACREAGE	15.0000	653400.00	0.00	0.00	\$48,000	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2014	\$3,900,000	\$48,000	0	3,948,000	\$0	\$3,948,000
2013	\$3,900,000	\$60,000	0	3,960,000	\$0	\$3,960,000
2012	\$3,900,000	\$60,000	0	3,960,000	\$0	\$3,960,000
2011	\$3,900,000	\$13,750	0	3,913,750	\$0	\$3,913,750
2010	\$0	\$13,750	0	13,750	\$0	\$13,750

http://propaccess.hidalgoad.org/clientdb/Property.aspx?prop_id=727648

4/4/2014

PURPOSE OF THE APPRAISAL

Purpose of this appraisal - This appraisal is made for the purpose of determining an opinion of the Market Value of the subject property as of the inspection date.

Function of the Appraisal - The function of the appraisal is to determine an opinion of Market Value to assist Hidalgo County Precinct No. 4 in evaluating the subject property for an exchange of similar type land with Guerra Brothers, A Texas General Partnership. This exchange is to complete the Brewster Park Project.

Intended User- The intended user of this appraisal report is Hidalgo County Precinct No. 4 only.

Scope of the Appraisal - This appraisal requires a valuation of the fee simple estate, unencumbered by vertical interests, easements of record, or other fractional interests. This assignment requires the appraiser to perform certain basic functions in order to complete the appraisal assignment in accordance with acceptable appraisal standards and practices. An appraisal is a type of research into laws of probabilities with respect to real estate transactions. The degree of research and the amount of supporting documentation included in the appraisal is based primarily on the difficulty of the appraisal assignment, the amount and availability of data in the marketplace and the degree of presentation required by the client. The scope of this appraisal assignment is as follows:

Identify the property utilizing the Hidalgo County Appraisal District as well as information provided by the client.

Perform physical inspection of the property site under appraisal. The appraiser observed the subject property from FM 1017.

Investigate and report regional and city data which directly or indirectly affects the subject neighborhood, as of the effective date of the appraisal.

Analyze and report the market area data which directly or indirectly affects the subject property, as of the effective date of the appraisal.

Analyze the subject site and adjacent land tracts, as applicable, and estimate the highest and best use for the property as vacant and as improved, as of the effective date of the appraisal.

Investigate and analyze market data regarding land sales, relating to the subject property, comparable market data as it affects the subject property and the final opinion of value.

Employ the Sales Comparison Approach, being the only applicable approach, to determine a unit value for the subject property.

Reconcile the Sales Comparison Approach to value.

Provide the appraiser's qualification and report on the Limiting Conditions and Assumptions on which the value opinion and conclusions are based.

Attach pertinent addenda information as a part of the report.

In developing the opinion of value, the appraiser has made an on-site inspection of the property and surveyed the market to provide information relating to appropriate units of comparison including land values and direct comparisons such as price per square foot or price per acre.

MARKET VALUE DEFINED

Market Value Defined - Market value, as used herein, is defined by The Appraisal of Real Estate, 11th Edition, Appraisal Institute,

The most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and acting in what they consider their best interests;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

NEIGHBORHOOD ANALYSIS

The Appraisal of Real Estate, 13th Edition defines a neighborhood as "a group of complimentary land uses".

We will define the boundaries of the subject neighborhood then analyze trends within that area to determine their effects upon the value of real estate including the subject property.

The subject market area is the northern section of Hidalgo County and in the Edinburg Consolidated Independent School District. The area may be defined by the following boundaries: The market area boundaries are considered to the Hidalgo County Line to the north, The Hidalgo County Line to the east, City of Edinburg to the south and Hidalgo County Line to the west. The closest incorporated city is The City of Edinburg, which is approximately 18-20 miles south of the subject property.

Access and location of the neighborhood area is rated fair based on its proximity to the major thoroughfares. US Highway 281 is the main north south thoroughfare in the area. FM 1017/186 and FM 490 are the main east west thoroughfare. These roads link the subject area to US Expressway/Business 83 to the south and US Highway 77 to the east and Starr County to the west. All the thoroughfares are asphalt paved and in good average condition. There are various other thoroughfares that provide a good roadway and street system in and out of the subject area.

The neighborhood consists of mainly agriculture and residential use. Commercial use is limited and is concentrated along the east and west sides of US Highway 281. Residential use which includes multifamily is approximately 10% of the market area with 5% commercial/industrial use with approximately 85% of agriculture land. Commercial use includes small local stores, restaurants, packing sheds, machine and oil field service yards, etc. Single family residential homes range from the low to mid range of value. However there are some large high end homes scattered through the area.

The market area has potable water, electrical and telephone service. Sanitary sewer is also available with septic systems. There are no serious detractors in the neighborhood. The market areas proximity to schools, health care, places of worship, as well as commercial centers is considered to be fair, with the City of Edinburg being the closest city with full urban amenities. This neighborhood is considered to be in its stability stage of the neighborhood cycle.

AREA MAP



SITE DESCRIPTION

Location: FM 1017 West of US Highway 281, Linn/San Manuel, Hidalgo County, Texas.

Access: The property is accessible from adjacent land tracts. Considering the intended use of tract the property will be legally accessible.

Size: The site consists of 0.935 acres (40,748.20 square feet)

Shape: Irregular

Frontage: "As Is" None.

Utilities: Potable Water, electrical, and telephone service is available however not in place.

Easements: The appraiser was provided with an on ground survey. No adverse easements noted.

Elevation: Topography is generally level, Drainage appeared adequate.

Flood Zone: FEMA Flood Map Panel #4854770005B "C" dated August 3, 1981

Zoning: The subject property is situated in a rural setting of northern Hidalgo County. The closest municipality which recognizes zoning is the City of Edinburg. Since the subject is outside the Edinburg City limits no municipal zoning is in place.

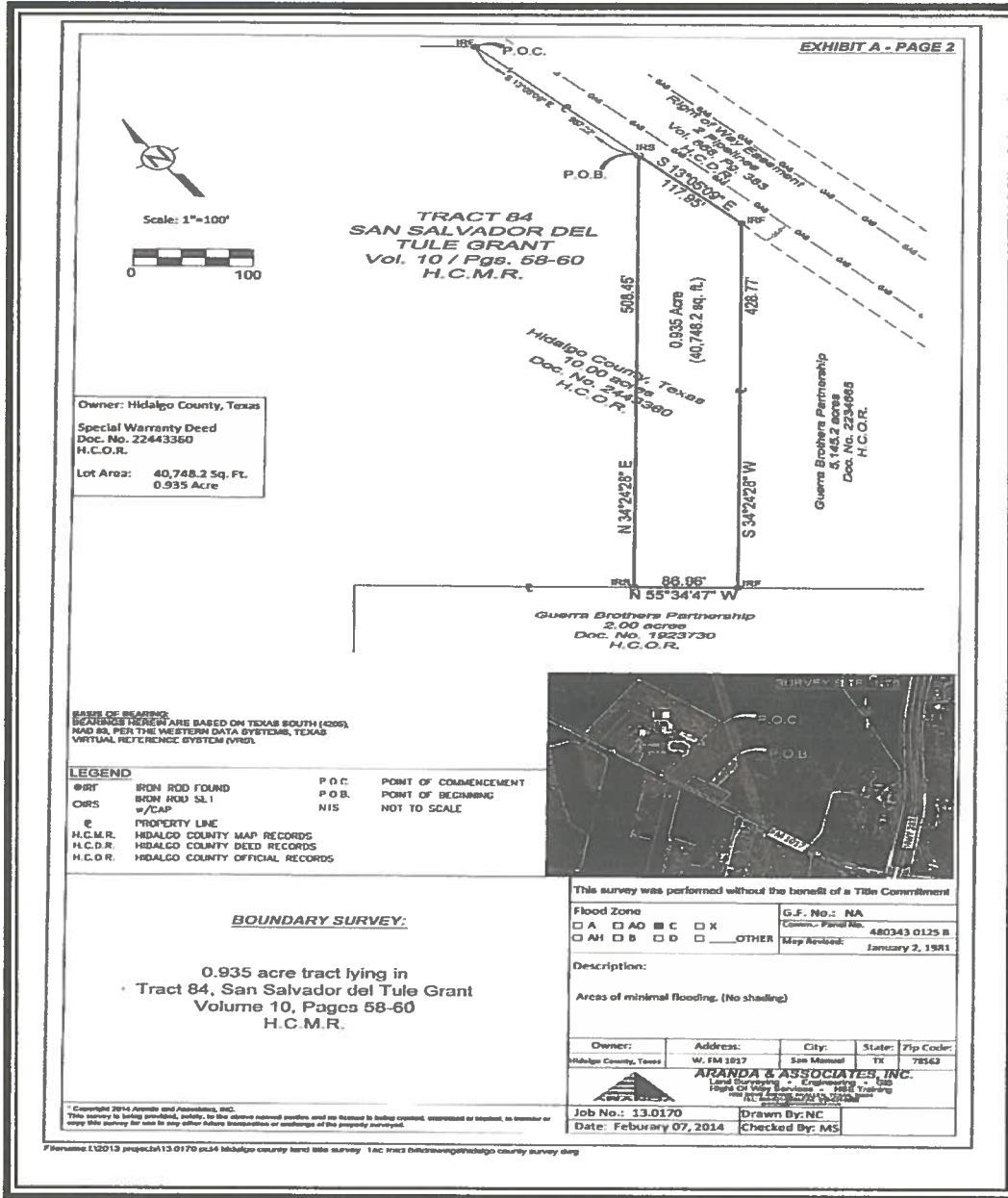
Site Improvements: None.

Surrounding Land Use: The surrounding land use is being utilized the Brewster School within the ECISD and remaining land use is agriculture use

AERIAL VIEW



SURVEY

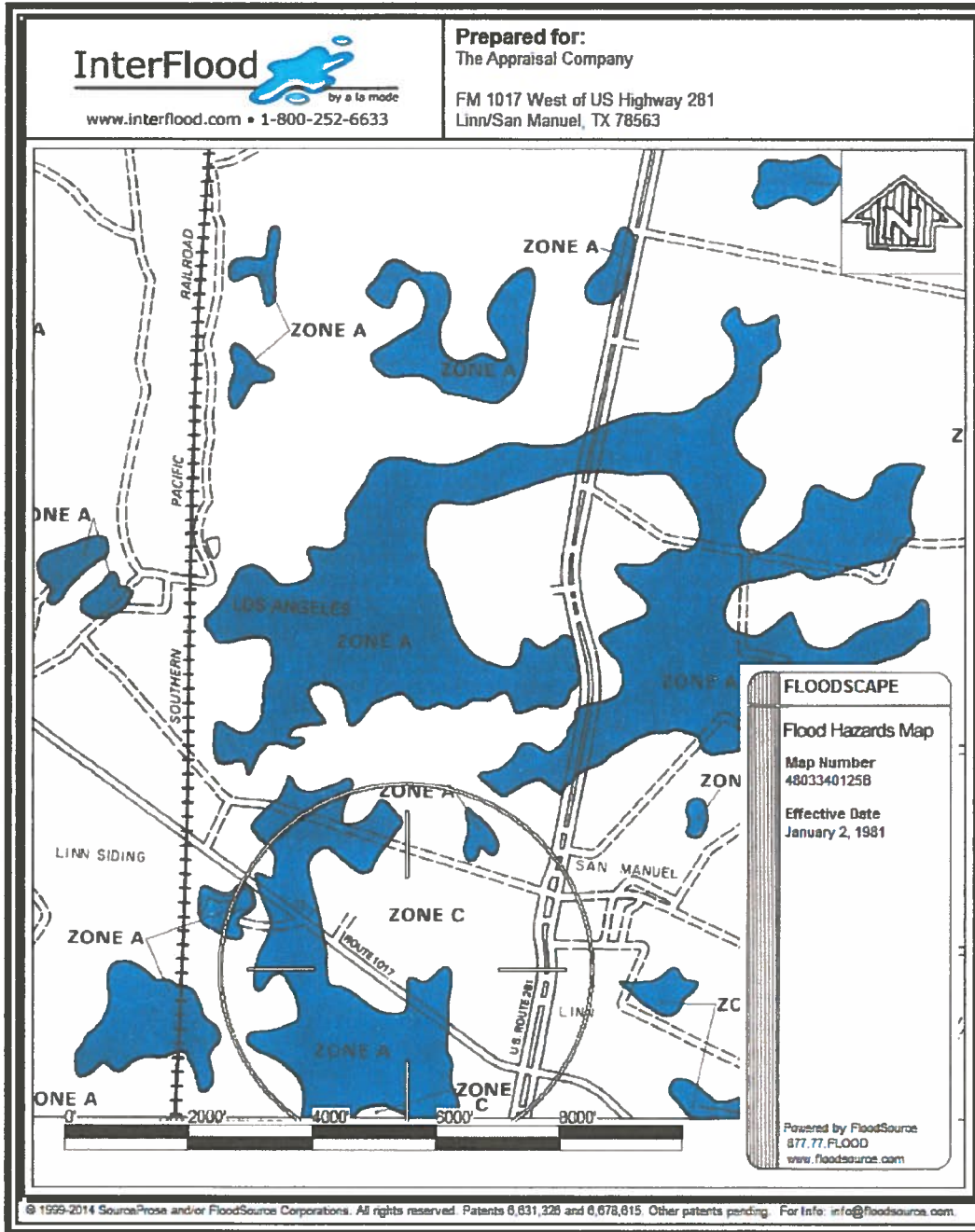


FLOOD MAP

InterFlood
by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
The Appraisal Company

FM 1017 West of US Highway 281
Linn/San Manuel, TX 78563



SUBJECT PHOTOGRAPHS



Viewing the Southern Boundary of Subject Property



FM 1017 Viewing West

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined by The Appraisal of Real Estate, 13th Edition, Appraisal Institute as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The highest and best use of both land as though vacant and property as improved must meet four criteria. The use must be 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximally productive. The analysis is based on information and considerations presented in the regional and city analysis, area and site discussions, and the description of improvements previously discussed in this report. The four criteria relative to highest and best use analysis are considered in the following analysis.

Physically Possible - The location of the subject property is the first physical constraint placed on potential uses. A given site or parcel can be put to any number of different uses. However, logic and reason limit the possibilities to those uses in conformity and balance with the surrounding neighborhood. If potential use does not conform to its surroundings, the value of the site is not maximized and by definition, the site has not reached its highest and best use. It is physically possible for the subject site as vacant to contain a buildings to be used for various uses. The subject is generally level and has utility capacity for residential and commercial. Surface drainage appears fair due to its rural setting. Flood maps indicate a "C" zone flood area. Overall topographical features of the land are rated well.

Legally Permissible - There are no known deed or contractual restrictions. The parcel of land is not zoned. It is legally permissible for various with approval from Hidalgo County Planning Department.

Financially Feasible - From a financial stand point , any property use which is expected to produce a positive rate of return, given an investor's criteria, is regarded as being feasible. The amount of net income which can be produced through development should exceed combined operating expenses, financial expenses, and capital amortization. Based on the subject location and surrounding land use the most financially feasible use is for the assemblage to adjacent tract for agriculture or residential use.

Maximally Productive - Among the financially feasible uses, the use that provides the highest rate of return, or value, is the highest and best use. Based on the subject location and surrounding land use the most maximally productive use is for the assemblage to adjacent tracts for agriculture or residential use.

Conclusion - Highest and Best Use As "Vacant" - Based on the preceding discussion, the highest and best use of the subject property as vacant is for the assemblage to adjacent tracts for agriculture or residential use.

ANALYSIS & INTERPRETATION

The Three Approaches to Value - In the appraisal of real estate, the approach to the final value opinion is, whenever possible, made from three directions:

1. **The Cost Approach** is the value of the land and improvements based on construction cost new less an allowance for depreciation from all causes. The basis for this approach are the valuation principles of Change and Substitution. "The Principle of Change" is the result of the relationship between cause and effect that affects real property value. Change is evident in the Cost Approach in the physical, functional, and economic impairments observed in buildings as they age. These impairments create depreciation, a loss in value from any cause. "The Principle of Substitution" affirms that when a property is replaceable, its value tends to be set by the cost of acquisition of an equally desirable and valuable substitute property, assuming no costly delay is encountered in making the substitution. In other words, no buyer is likely to pay more for a property than the cost of reproducing the property and its benefits, in its present condition.

2. **The Income Approach** develops an indication of the value of the property based on the capitalized value of its income stream. The basis for the income approach is "The Principle of Anticipation". The income investor purchases property for the anticipated benefits of cash flow and future resale. Anticipation is the perception that value is created by the expectation of benefits to be derived in the future. The principles of anticipation, substitution, and change are paramount in the valuation of income properties.

3. **The Sales Comparison Approach** is based on the maxim "to find the market value, go to the market place". The value opinion in this approach is developed by comparing the subject property to other similar properties having comparative utility which are offered for sale or have been sold recently in the open market. "The Principle of Substitution" is very evident in the application of the Sales Comparison Approach.

Given ideal conditions, the three approaches will form a tripod on which the value opinion is soundly based. Often, however, only one or two of the approaches can be used and frequently, it is a reliance upon one approach which will lead to an accurate solution of the problem.

In the final correlation, mathematical computations and empirical formula give way to the balanced and objective judgement of the appraiser. The final important task of the appraiser is to relate the figures disclosed by the three approaches to the practical operation of the real estate market and determine an opinion of value for the property. Only the sales comparison approach will be considered applicable being that the appraised property is vacant land.

SALES COMPARISON APPROACH

In the Direct Sales Comparison Approach, sales of comparable properties are gathered, verified, analyzed and compared to each other relative to the subject property. This approach is based on the value of a property being directly related to the prices paid for comparable properties.

The unit of comparison selected will be the price paid per acre, as this is an important unit of measure for properties similar to the subject used by investors, tax authorities, owners and appraisers.

Percentage adjustments to each comparable's unit price will be calculated and applied, if required. From the final range of adjusted unit prices, an appropriate unit price will be selected for the subject property and then multiplied times the total property size of the subject property and the result will be the opinion of value by the Direct Sales Comparison Approach.

In an appraisal, a specific sequence of adjustments to comparable sales is typically followed. The sequence of adjustments often applicable is property rights conveyed, financing terms, conditions of sale and market conditions; then physical characteristics of location, size, utility capacity, corner influence, zoning, frontage and etc.

Verifiable comparable sales of similar properties available for analysis in the area are limited. A thorough search of the market area from real estate brokers, local appraisers, and investors revealed that there are limited similar properties currently listed for sale or sold within the last several years. We have located transactions in the Northern Hidalgo County area as well as Northern Edinburg area market place, and will illustrate, then make percentage adjustments, if required, and applied to the unit price to compensate for differences.

COMPARABLE LAND SALE #1

Type Property: Vacant Land

Location: US Highway 281 approximately .25 mile north of El Rucio Road, Linn/San Manuel, Hidalgo County, Texas

Date of Sale: October 2012

Consideration: \$21,500

Terms: Cash to Seller

Size: 1.05 acres 45,738 square feet

Unit Value: \$20,476.19 per acre

Legal Description: A 1.05 acre tract of land being out of portion of Tract 76, San Salvador Del Tule Grant, Hidalgo County, Texas

Description: A vacant parcel of land in rural Hidalgo County. This property is irregular in shape and has frontage along the east side of US Highway 281. There is no zoning in this area of the county. Suitable uses include residential only. Topography is generally level with drainage being fair. Utilities are available however not in place. The property is situated in an area of minimal flooding.

Grantor: Brian Garcia & Amanda Garcia

Grantee: Albertico Melendez

MLS/Recording Data: MLS#A158803S; Document #2358877 Hidalgo County, Texas.

HIDALGO COUNTY GIS MAP



COMPARABLE LAND SALE #2

Type Property: Vacant Land
Location: Cibolo Drive North of Mile 22 ½ Mile Road, Hidalgo County, Texas
Date of Sale: March 2013
Consideration: \$60,000
Terms: Owner Financed
Size: 4.98 acres 216,923 square feet
Unit Value: \$12,048.19 per acre

Legal Description: Lot #66, Santa Cruz Ranches No. 2, Hidalgo County, Texas

Description: A vacant parcel of land in rural Hidalgo County. This property is rectangular in shape and has frontage along Cibolo Drive. There is no zoning in this area of the county. Suitable uses include residential only. Topography is generally level with drainage being average. Utilities are available. The property is situated in an area of minimal flooding.

Grantor: Rolando & Sonia Garcia
Grantee: Johana Conejo
MLS/Recording Data: MLS#A156529S; Document #2394400 Hidalgo County, Texas.

HIDALGO COUNTY GIS MAP



COMPARABLE LAND SALE #3

Type Property: Vacant Land
Location: North East Corner of East 8th Street and Lincoln Street, Hidalgo County, Texas
Date of Sale: October 2013
Consideration: \$20,000
Terms: Cash to Seller
Size: 2.67 acres 116,305.20 square feet
Unit Value: \$7,490.64 per acre

Legal Description: 2.67 acres out of Hargill Original Townsite, Block 91, Hidalgo County, Texas

Description: A vacant parcel of land in rural Hidalgo County. This property is rectangular in shape and has frontage along East 8th Street & Lincoln Street. There is no zoning in this area of the county. Suitable uses include residential only. Topography is generally level with drainage being average. Utilities are available. The property is situated in an area of minimal flooding.

Grantor: Rolando Davila Jr. & Mario Davila
Grantee: Eduardo B. Pena
MLS/Recording Data: MLS#A156765S; Document #2454335 Hidalgo County, Texas.

HIDALGO COUNTY GIS MAP



COMPARABLE LAND SALE #4

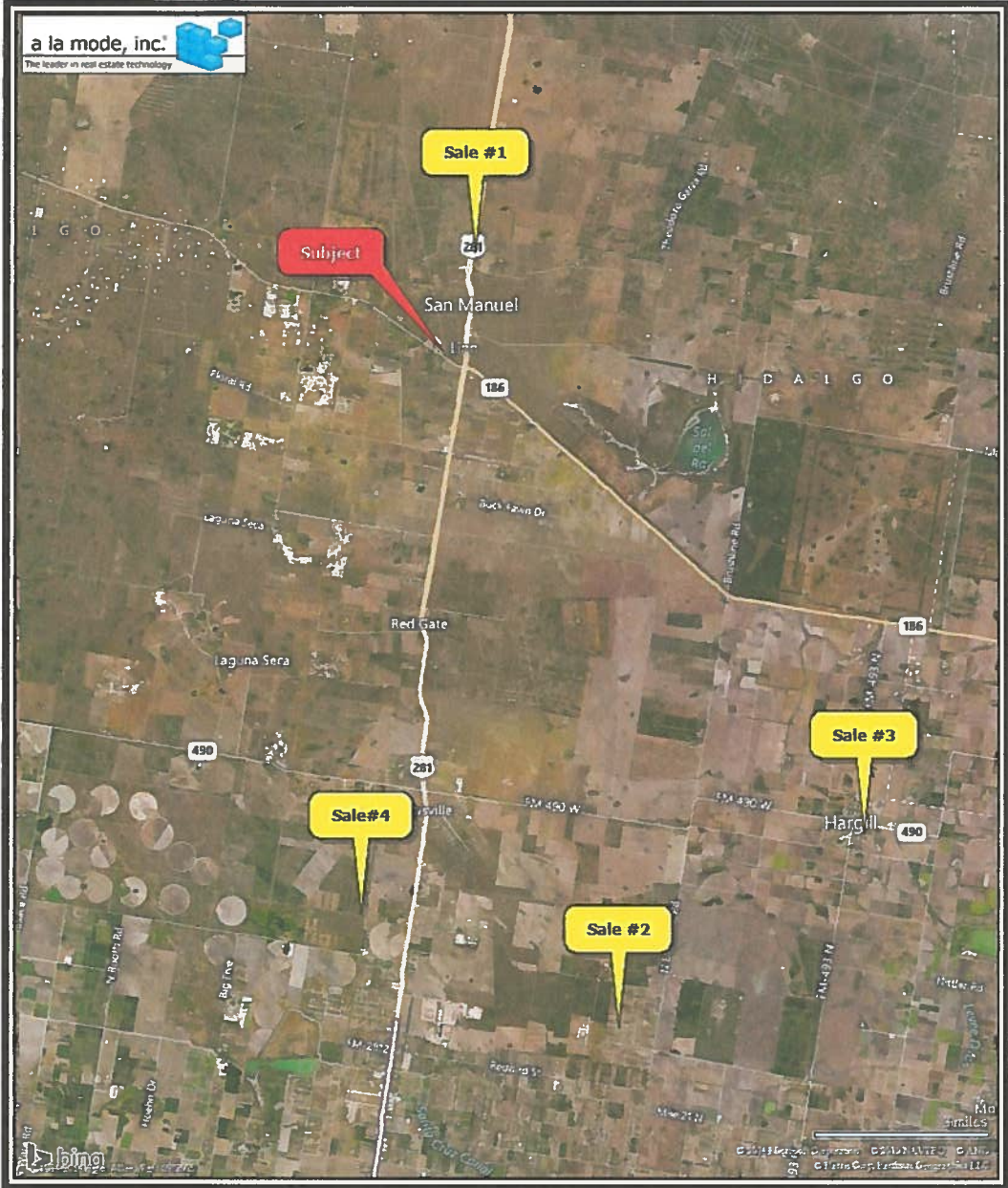
Type Property: Vacant Land
Location: Cibolo Road 0.37 Mile West of US Highway, Hidalgo County, Texas
Date of Sale: October 2010
Consideration: \$75,000
Terms: Cash to Seller
Size: 4.89 acres 213,008 square feet
Unit Value: \$15,337.42 per acre

Legal Description: 4.89 acres out of Block 23 of the Baker Suvdivision of the Cucharria Tract, Hidalgo County, Texas

Description: A vacant parcel of land in rural Hidalgo County. This property is rectangular in shape and has frontage along Cibolo Road. There is no zoning in this area of the county. Suitable uses include residential only. Topography is generally level with drainage being average. Utilities are available. The property is situated in an area of minimal flooding.

Grantor: Carlos Barreiro
Grantee: Mario Alberto Arevalo
MLS/Recording Data: MLS#A139687S; Document #2149796 Hidalgo County, Texas.

COMPARABLE SALES MAP



ADJUSTMENTS

Financing Terms - All transactions are rated cash or cash equivalent . Conventional, cash and owner financing are all typical financing terms.

Condition of Sale- Four sales were presented and analyzed. All four sales were considered arms length transactions and were not adjusted.

Market Conditions(Time) - The four land sales considered all occurred between October 2010 and October 2013. The database for this appraisal is limited in size and is not conducive to extraction of an adjustment for market conditions. Since the sales used are considered recent no adjustments were warranted.

Location – The subject property is situated in Linn/San Manuel north of City of Edinburg. All of the comparable sales are considered to be in similar locations and were not adjusted.

Size - Generally speaking, smaller sized tracts tend to command higher per unit prices than larger sized tracts of land. Therefore, smaller tracts are considered superior and larger tracts are considered inferior. A 5% per doubling will be used to compensate for the differences in size.

Corner Influence- Based on the suitable uses of the subject property and comparable sales adjustments for corner influence are not considered necessary.

Zoning- The appraised property along with all the comparables are situated in areas with no zoning ordinances. No adjustments have been made for zoning.

Utilities- The subject and all of the comparables share similar utility capacity therefore no adjustments are deemed necessary.

Flood Zone - The subject property is situated in a "C" flood zone. All of the comparable sales are located in areas of minimal flooding. No adjustments for flood zone have been made.

Easements- The subject and comparables did not appear to have any adverse easements. All easements were considered typical and warranted not adjustments.

Frontage/Access-The subject property does not have any frontage and has limited access. All of the comparable sales used have superior frontage and access, therefore each sale was adjusted downward by 25%.

CORRELATION OF SALES COMPARISON APPROACH

In the valuation of a vacant parcel, the only reliable indicator is the Direct Sales Comparison Approach. The Cost and Income Approaches are not applicable in estimating the value of a vacant site due to lack of improvements and rental data.

The subject parcel has been valued through the use of the Direct Sales Comparison Approach. To value the site, we analyzed vacant land transactions or land purchased and cleared of existing improvements, then applied the market adjustments to compensate for differences.

The Sales Comparison Approach is implemented through the comparison of the subject to the comparable sales. All the comparables used were considered the best available. The unadjusted range of value is between \$7,490.64 and \$20,476.19 per acre. After adjustments the indicated range is between \$6,179.78 and \$15,357.14 per acre. The arithmetic mean of the adjusted sales prices is \$11,545.99 per acre with a standard deviation of \$4,037.82 per acre. With equal weight being accorded to all four comparables a value of \$11,500 per acre is considered appropriate for the appraised property. The value opinion of the subject as of March 31, 2014 is calculated as follows.

The value opinion of the subject is then calculated as follows.

Subject Size	Price Per Acre	Value
0.935 acres	\$11,500.00	\$10,752.50
Total		\$10,752.50

Final Opinion of Land Value, rounded

Ten Thousand Five Hundred Dollars

\$10,500

CORRELATION AND FINAL VALUE OPINION

The following indicated values:

Sales Comparison Approach (land only)\$10,500
Cost Approach to Value.....Not Applicable
Income Approach to Value.....Not Applicable

In the Sales Comparison Approach, we valued the land as if vacant by using similar comparable sales. All the sales were similar in size, shape, location and suitable uses. When adjusted these sales are good indicators of value.

The Income Approach nor the Cost Comparison Approach were applicable in this report.

With emphasis on the Sales Comparison Approach to value we will assign the subject a final value opinion as the effective date of March 31, 2014:

Ten Thousand Five Hundred Dollars
\$10,500

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. I (We) have no present or contemplated future interest in the real estate that is subject of this appraisal report.
2. I (We) have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. To the best of my knowledge and belief the statements of fact contained in the appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all the limiting conditions (imposed by the terms of my assignment) affecting the analysis, opinions, and conclusions contained in the report.
5. The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
6. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute..
7. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in this appraisal report. **I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report with the three year period immediately preceding acceptance of this assignment.**
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. This appraisal assignment was not based on a requested minimum valuation, or a specific valuation, or contingent upon the approval of a loan.
10. As of the date of this report, I George J. Salazar II have completed the Standards and Ethics Education Requirements of the Appraisal Institute for Associate Members.

11. The undersigned personally inspected the property on March 31, 2014

George Jaime Salazar II
Certified General Appraiser TX-1338209-G

ADDENDA

UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS

The appraiser assumes:

That the record owner has a marketable fee simple title to the subject property. This report is submitted subject to the following contingent conditions:

1. No investigation of title to the property has been made, and the premises are assumed to be free and clear of all deeds of trust, leases, use restrictions and reservations, easements, cases or actions pending tax liens, and bonded indebtedness, unless otherwise specified. The property has been appraised as though free and clear and under responsible ownership unless otherwise noted in the report.

1. No survey has been made as to mineral ownership, drilling or mining rights in the property. No representation as to these rights is made herein.

2. No survey, legal, or engineering analysis of this property has been made by us. Sketches are accurate only for purposes of an approximation. They are in no way intended to be accurate engineers' drawings and should not be used as such. It is assumed that the legal description and area computations furnished are accurate. We assume the existing boundaries to be correct, and assume no responsibility for any conditions not readily observable from our customary inspection of the premises, which might affect the valuation, excepting those items specifically mentioned in this report. This report assumes the condition of the property unchanged since the date of last field inspection.

3. This report is based, in part, upon information assembled from a wide range of sources, and therefore the incorporated data cannot be guaranteed in any fashion. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering, construction and structural data, title and use restrictions, zoning, and proposed public or private projects in the area.

4. The appraiser, by reason of this appraisal, is not required to give testimony or to be in attendance in court or at any governmental or other hearing with reference to the property without prior arrangements having been made with the appraisers relative to such additional employment.
5. The distribution of valuation between land and buildings applies only under the program of utilization and conditions stated in this report and is invalidated under any other program of utilization if applicable.
6. Value is reported in dollars on the basis of the national economy prevailing on the date of appraisal.
7. That the property will be adequately maintained in a good physical condition.
8. The appraiser regards real estate as "... land and structures of a permanent nature erected thereon".
9. It is assumed that applicable federal, state, and local land use statutes and zoning regulations permit use of the property for any lawful purpose.
11. Although an effort has been made to determine if the appraised property is subject to flooding, no responsibility is assumed for the accuracy of the maps and other information utilized for that purpose.
12. It is assumed that the property inspected is in average physical condition, considering its age, location and nature of use, unless the appraisal specifies a different condition.

13. The appraiser assumes no responsibility for any hidden or apparent conditions of the property, subsoil, or structures which would affect value. No responsibility is assumed for engineering which might be required to discover such factors and no inspection of other walls or under floors have been made.
14. The liability of the appraisers and employees is limited to the client only and to the fee received for this appraisal.
15. If this appraisal is provided by the client to any third party, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.
16. The appraiser is in no way responsible for any cost incurred to discover or correct any deficiencies present in the property, whether physical, financial, or legal.
17. The value stated herein is the appraisers opinion of value, the IRS or other tax agency may disagree with or reject the opinion, the appraiser cannot guarantee the outcome of or be financially responsible to the client for an taxes, penalties or interest imposed; an that the appraisers liability will be limited.

VALUATION LIMITATIONS DUE TO ENVIRONMENTAL HAZARDS SPECIAL NOTE BY APPRAISERS:

In recent years, the federal government has issued more than 70,000 pages of environmental laws and regulations. The most far-reaching federal environmental law is the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). Under CERCLA, the adjudication of liability is strict, joint, several, and retroactive. The Superfund Amendments and Reauthorization Act (SARA), in 1986, addressed the matter of the so-called "innocent" purchaser. SARA specifies that "all appropriate inquiry into the previous ownership and uses of the property" must have been undertaken to establish that the defendant had no reason to know of the presence of hazardous substances. Because the potential liability for a contaminated site is so far-reaching, some buyers, sellers, and lending institutions have routinely begun to commission environmental property assessments, before executing a sale or a loan agreement. **Source:** The Appraisal of Real Estate, 13th Edition.

The appraiser has not tested or estimated costs for testing nor the cost to remedy the existence of hazardous conditions or substances such as agricultural chemicals, asbestos, polychlorinated biphenyls, petroleum leakage, or any other hazardous substances or materials. The value estimated herein is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such hazardous condition, nor for any expertise or engineering knowledge required to detect them. If any hazardous substances or materials are to be considered, the value estimated herein is deemed null and void.

George Jaime Salazar II D/B/A Appraisal Haus
Certified General Appraiser
TX-1338209-G
502 West Kuhn Street
Edinburg, Texas 78541
956-867-6398 Fax: 956-386-1533

George Jaime Salazar is a State Certified General Appraiser. Georges' appraisal experience of property types range from single family residences to commercial and industrial properties.

Education:

Edinburg North High School 1993
University of Texas Pan American 1994
San Antonio College 1996

Pertinent Courses:

Business Practice & Ethics	2012	Appraisal Institute
Foreclosures & Short Sales	2010	Champions
Advanced Residential Case Study	2010	Champions
7hr USPAP Update	2010	Champions
Basic Appraisal Principle	2008	Appraisal Institute
Basic Appraisal Practice	2008	Appraisal Institute
National Uspap Course	2008	Champions
General Market Analysis & Highest and Best Use	2007	Appraisal Institute
Residential Sales Comparison & Income Approach	2007	Lincoln Graduate
Yield Capitalization of Income Property	2006	Lincoln Graduate
Direct Capitalization of Income Property	2006	Lincoln Graduate
Financial Analysis of Income Property	2006	Lincoln Graduate
Commercial Investment Appraisal	2006	Lincoln Graduate
Principles of Appraisal Review	2006	Lincoln Graduate
National USPAP Course	2005	Lincoln Graduate
Principles of Real Estate Appraisal	2005	Lincoln Graduate
Practice of Real Estate Appraisal	2005	Lincoln Graduate

Clients and/or Types of Appraisals Which Have Been Prepared:

Federally Insured Banks, Individual Home Owners, Residential Home Builders, Fast Food Chains, Drive In Restaurants, Farm & Ranch Owners, Estates, Retailers, Produce Packing Sheds, Industrial Facilities, Residential Subdivisions, Apartment Complexes.

Areas Where Appraised Properties Are Located:

Mission, Edinburg, McAllen, Pharr, San Juan, Alamo, Weslaco, and other areas within Hidalgo, Starr, Willacy, and Cameron Counties, State of Texas.

Affiliations Appraisal Institute, Associate Member 2012 & International Right of Way Association 2013

CERTIFICATION

Texas Appraiser Licensing and Certification Board

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

Certified General Real Estate Appraiser

Number: TX 1338209 G

Issued: 09/21/2012

Expires: 10/31/2014

Appraiser: GEORGE JAIME SALAZAR II

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


Douglas E. Oldmixon
Commissioner

METES & BOUNDS DESCRIPTION

EXHIBIT "A"

EXHIBIT A - PAGE 1

METES AND BOUNDS DESCRIPTION 0.935 ACRE LYING IN TRACT 84, SAN SALVADOR DEL TULE GRANT HIDALGO COUNTY, TEXAS

Being a 0.935 acre tract of land lying in and being a part of Tract 84, San Salvador Del Tule Grant, Hidalgo County, Texas as per map recorded in Volume 10, Pages 58-60, Hidalgo County Map Records (H.C.M.R.), and also being part of a 10.0 acre tract of land described in a deed to Hidalgo County, Texas as recorded in Document No. 2443360, Hidalgo County Official Records (H.C.O.R.). Said 0.935 acre tract being more particularly described by metes and bounds:

COMMENCING FOR REFERENCE at a 1/2-inch iron rod found for an interior corner on the northern boundary line of said 10.0 acre tract;

THENCE South 13° 05' 09" East with the common boundary line of said 10.0 acre tract and a 5,145.2 acre tract of land described in Document No. 2234065 (H.C.O.R.) to Guerra Brothers Partnership, a distance of 587.22 feet to a 5/8-inch iron rod with plastic cap stamped "AA" (hereinafter referred to as "with cap") set for the northwest corner of the herein described tract and for the POINT OF BEGINNING;

THENCE South 13° 05' 09" East continuing along said common boundary line, a distance of 117.95 feet to a 1/2-inch iron rod found for the northeast corner of the herein described tract and for the common corner of said 10.00 acre and 5,145.2 acre tracts;

THENCE South 34° 24' 28" West and departing from said 5,145.2 acre tract and following the east boundary line of said 10.00 acre tract, a distance of 428.77 feet to a 1/2-inch iron rod found for the southeast corner of the herein described tract and also being the southern most east corner of said 10.00 acre tract;

THENCE North 55° 34' 47" West and departing from said 10.00 acre tract and following the common boundary line of a 2.00 acre tract of land described in Document No. 1923730 (H.C.O.R.) to Guerra Brothers Partnership and said 10.00 acre tract, a distance of 86.98 feet to a 5/8-inch iron rod with cap set for the southwest of the herein described tract;

THENCE North 34° 24' 28" East departing from said common line of 2.00 acre and 10.00 acre tracts, a distance of 508.45 feet to the POINT OF BEGINNING and containing 0.935 acre of land.

JAMES ARANDA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE AND THE SUBSEQUENT PLAT AND DESCRIPTION TO BE A TRUE AND CORRECT REPRESENTATION OF LAND AS SURVEYED ON THE GROUND UNDER MY DIRECTION AND CURRENTLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 18, COMMON N SURVEY.



James Aranda
SIGNATURE
02/07/14
DATE

ARANDA & ASSOCIATES, INC.
Land Surveyors • Engineers • Planners
10000 Katy Road, Suite 1000
Houston, Texas 77054
Tel: 281.460.0000

BOUNDARY SURVEY:

0.935 acre tract lying in
Tract 84, San Salvador del Tule Grant.
Volume 10, Pages 58-60
H.C.M.R.

Job No. 13.0170
Field Work Performed: Date: 01/27/14
Office Work Performed: Date: 02/06/14
Checked / Printed: Date: 02/07/14

*This document has been prepared in accordance with the Texas Surveying and Mapping Act and the Texas Board of Professional Surveyors and Land Surveyors. Page 2 of 2.

NO.	DATE	DESCRIPTION	BY	BY
1	02/05/14	INITIAL SUBMITTAL	MC	JAS
2	02/07/14	FINAL SUBMITTAL	MC	JAS
3				

This document is a true and correct copy of the original as recorded in the public records of the State of Texas. It is not to be used as evidence in any court of law without the original being produced and verified by the Surveyor or Engineer who prepared it.