




HIDALGO COUNTY PRECINCT 2



Eduardo "Eddie" Cantu
COUNTY COMMISSIONER

MEMO

TO: Commissioner's Court

FROM: Jaime Salinas, 
Hidalgo County Pct# 2
Right of Way Department

TE: August 16, 2016

RE: Yuma Ave Road Project (Parcel # 2)
Hidalgo County Irrigation Dist. No. 2

Attached please find letter provided by the property owner for above-mentioned project.

Appraised Value:	\$ 48,132.00
Settlement Request:	\$ 48,432.00
Difference to Landowner	\$ 300.00

Commissioners Court August 16, 2016

Approved; _____

Not Approved; _____

Board of Directors

Karl Obst
President

J.D. Dreibelbis
Vice-President

Fred Schuster
Secretary

Marcus Forthuber
Asst. Secretary

Frank Schuster
Member

Sonny Hinojosa, General Manager

Hidalgo County Irrigation District Number Two

P.O. Box 6, San Juan, Texas 78589 (956) 787-1422 FAX (956) 781-7622

August 8, 2016

Jaime Salinas
ROW Agent
Hidalgo County Precinct 2
300 W. Hall Acres, Suite G
Pharr, Texas 78577

Re: Parcel ^{AS}2 McColl/Yuma Roads

Dear Mr. Salinas:

The Board of Directors of the Hidalgo County Irrigation District No. 2 has considered your offer for the 22,920 square feet to be acquired for Yuma Road. The Board has countered the offer with \$48,432 to cover our legal review expenses.

Please advise if acceptable. You have already provided the survey and metes and bounds description. Please provide name and address of grantee and we can prepare the deed. Contact me if you have any questions or comments.

Sincerely,


Sonny Hinojosa
General Manager

SH:asm

SCANNED
AUG 11 2016

AN APPRAISAL

AND

ANALYSIS OF VALUE OF:

0.53 Acres or 22,920 Square Feet Of Land Being
A Portion of Hidalgo County Irrigation District Canal
Lateral "E" Right of Way

LOCATION:

Yuma Avenue East of South McColl Road
McAllen, Hidalgo County, Texas

DATE OF APPRAISAL

June 2, 2016

DATE OF APPRAISAL REPORT

June 30, 2016

PREPARED FOR:

L & G Engineering
900 South Stewart Road, Suite 9
Mission, Texas 78572

BY:

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Real Estate Valuation Services

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

June 30, 2016

L & G Engineering
900 South Stewart Road, Suite 9
Mission, Texas 78572

RE: Yuma Extension Project (Parcel 2)

Legal Description: Being a 22,920 square foot or 0.53 of an acre tract of land, out of Lot 6, Block 15 and Lot 1, Block 16, Steele and Pershing Subdivision, as recorded in Volume 8, Page 115, of the Deed Records, Hidalgo County, Texas.

Dear Luana Gonzalez, Right of Way Administrator

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 and sets forth any extraordinary assumptions and hypothetical condition if any which are discussed in the executive summary of this report.

In our opinion, the "As Is" Market Value of the fee simple interest in the subject property described above as of June 2, 2016 is:

Total Compensation
0.53 acres 22,920 square feet
Forty Eight Thousand One Hundred Thirty Two Dollars
\$48,132

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, L & G Engineering as well requirements set forth by State of Texas for right of way acquisitions. This appraisal report meets the requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Practice for an 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,

A handwritten signature in blue ink, consisting of a stylized 'G' and 'S' intertwined.

George Jaime Salazar II
Certified Appraiser

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EXECUTIVE SUMMARY

Type Property: 0.53 Acres or 22,920 Square Feet Of Land Being A Portion of Hidalgo County Irrigation District Canal Lateral "E" Right of Way

Location: Yuma Avenue East of South McColl Road, City of McAllen, Hidalgo County, Texas.

Legal Description: Being a 22,920 square foot or 0.53 of an acre tract of land, out of Lot 6, Block 15 and Lot 1, Block 16, Steele and Pershing Subdivision, as recorded in Volume 8, Page 115, of the Deed Records, Hidalgo County, Texas.

Ownership: Hidalgo County Irrigation District No. 2

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 Description (Whole Property/Economic Unit): The appraised property is part of an existing irrigation canal system which services this area of the City of McAllen and surrounding areas. A survey of the whole property was not provided, therefore the appraiser will utilize 10 acres (435,600 square feet) as the whole/larger property as the base unit of comparison. The compensation for the part to be acquired is a pro rata share of the economic unit. Access to the property is on north side of Yuma Avenue. The shape of the whole/economic unit property is triangular. The property is situated within a "C" flood zone and does not require flood insurance. Topography is generally level with drainage appearing adequate. All utilities are available and include potable water, sanitary sewer, electrical and telephone service. The property is zoned and suitable for a small multi family development as warranted by demand.

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Site Description (Part To Be Acquired): The appraised property to be acquired is 0.53 acres (22,920 square feet) as indicated by survey provided by L & G Engineering. The survey was performed by ROW Surveying Services, LLC dated June 1, 2016. Access to the property is on the north side of Yuma Avenue. The shape of the property is irregular and is a portion of an irrigation canal. The property is situated within a "C" flood zone. Topography is generally level to sloping with drainage appearing adequate. All utilities are available and include potable water, sanitary sewer, electrical and telephone service are available.

Site Description (Remainder After Acquisition): The remainder after the acquisition, is defined as the partial acquisition subtracted from the whole property/economic unit. The size of the remainder will be approximately 9.47 acres (412,680 square feet). Access to the property is on north side of Yuma Avenue. The shape of the remainder property is triangular. The property is situated within a "C" flood zone and does not require flood insurance. Topography is generally level with drainage appearing adequate. All utilities are available and include potable water, sanitary sewer, electrical and telephone service. The property is zoned and suitable for a small multi family development as warranted by demand.

Zoning: R-3A Apartments

Highest & Best Use: The highest and best use of the subject property is for as vacant is for irrigation purposes or assemblage to adjacent land tracts.

Flood Zone Designation: FEMA Flood Map Panel #4803340425C "C" Dated November 16, 1982. This property is situated within an area which does not require flood insurance.

Environmental Hazards: No environmental hazards were noted at time of inspection.

Improvements: A shotcreted irrigation canal and a residential subdivision that was not recorded with Hidalgo County. The subdivision appears completely finished and is improved with drainage, electrical capacity, water distribution, sanitary sewer, concrete curb, gutter and asphalt paving. Other improvements include a dilapidated concrete block fence, metal gate, and exterior lighting. As per survey provided for the part be acquired it appears that there is some asphalt paving encroaching the adjacent irrigation canal right of way.

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Utilizing Google imagery the appraiser estimates the un recorded subdivision was constructed in circa 2006-2007. No inspection of the improvements was provided to the appraiser. As per the City of McAllen, the property must be legally platted and recorded prior to any new development which would entail an extensive project review by various departments within the City of McAllen. Some of these improvements may or may not be useable depending on the City of McAllen review conclusions for new development.

Extraordinary Assumption: Is “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions”. The subject property is part of a master irrigation canal system. It is assumed and understood that the relocation or any reconstruction of the irrigation canal to maintain its utility shall be a item of construction and will not be added to the valuation of the part to be acquired. In addition as per survey provided by L & G Engineering there is some asphalt paving encroaching the part to be acquired. It is being assumed that any asphalt paving encroaching the canal right of way have no contributory value and is not a compensable item to the property owner.

Hypothetical Conditions: Is one “that which is contrary to what exists but is supposed for the purpose of the analysis”. None exist

Marketing Status: The appraiser estimates a marketing time to be 9-12 months, with an exposure time of 9-12 months. This is based on available market data and information provided by brokers, owners, as well as other market participants. No discounting for marketing and exposure time is deemed necessary.

Value Summary:

Cost Approach.....	\$N/A
Income Approach.....	\$N/A
Sales Comparison Approach...Whole Property	\$914,760
Sales Comparison Approach...Remainder Property..	\$866,628
Value of Property to Be Acquired.....	...\$48,132

Date of Inspection & Value Estimate: June 2, 2016

Date of Appraisal Report: June 30, 2016

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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 on this parcel? no (yes or no)
2. If so, is the denial of direct access material? not applicable (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.

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 a State Certified General Real Estate Appraiser and has been since 2008. He has been in the real estate appraisal business in the Rio Grande Valley of Texas since 2005. 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.

Jurisdictional Exception: Jurisdictional Exception is defined in the Uniform Standards of Professional Appraisal Practice (2014-2015 Edition) as an assignment condition established by applicable law or regulation which precludes an appraiser from complying with a part of USPAP. Project impact/influence is disregarded in the appraisal of the subject whole property. This is a departure from Standards Rule 1-4(f) which states that “when analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such improvements to the extent they are reflected in market actions.” (U-20, Lines 618-620). Departure from this Standard is permitted by Jurisdictional Exception. This report has been conducted in which any market influences projected by the proposed development shall not be taken into consideration. However, any other developments within the area that are driving factors to the overall market value shall be included in the overall analysis of the subject property as a whole, part to be acquired and the remainder before and after.

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IDENTIFICATION OF THE PROPERTY

Location: Yuma Avenue East of South McColl Road, City of McAllen, Hidalgo County, Texas.

Legal Description: Being a 22,920 square foot or 0.53 of an acre tract of land, out of Lot 6, Block 15 and Lot 1, Block 16, Steele and Pershing Subdivision, as recorded in Volume 8, Page 115, of the Deed Records, Hidalgo County, Texas.

Sales History: The subject property is currently owned by Hidalgo County Irrigation District No. 2 and has been for an excess of three years as per Hidalgo County Records.

Sales Contract Information: There are no known contracts or leases on the subject property.

Listing Information: The subject property is not being offered for sale.

Assessment & Tax Data: No ad valorem tax information was found for the subject property. The subject is property is owned by the Hidalgo County Irrigation District No. 2 which is a taxing entity and is not assessed by the Hidalgo County Appraisal District.

PURPOSE OF THE APPRAISAL

Purpose of this Appraisal - This appraisal is made for the purpose of forming an opinion of Market Value of the subject property as a whole, as the part to be acquired and the remainder after acquisition as of the inspection date

Function of the Appraisal - The function of the appraisal is to determine an opinion of Market Value to assist L & G Engineering and Hidalgo County evaluating the subject property for possible sale to Hidalgo County for future transportation purposes, namely the development of the Yuma Extension project.

Intended User - The intended user of this appraisal report is L & G Engineering and Hidalgo County as well as review process personnel.

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:

1. Identify the property utilizing a survey provided by L & G Engineering, Hidalgo County Appraisal District as well as Hidalgo County Records.
2. Perform an inspection of the property site under appraisal.
3. Investigate and report regional and city data which directly or indirectly affects the subject neighborhood, as of the effective date of the appraisal.

4. Analyze and report the market area data which directly or indirectly affects the subject property, as of the effective date of the appraisal. No enhancement from the future project is being considered when determining a per unit value for the subject property, however any existing market driving factors shall be included in this appraisal report.
5. Analyze the subject site and adjacent land tracts, as applicable, and estimate the highest and best use for the property as vacant, as of the effective date of the appraisal.
6. 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.
7. Employ the Sales Comparison Approach, being the only applicable approach, to determine a unit value for the subject property. This is the only applicable approach. The subject property will be valued as whole before acquisition utilizing a 10 acres (435,600 square feet) base unit tract. This is done in order to determine the pro rata portion of whole, which is the subject property. No improvements been valued in this report. Once the subject property has been valued, the remainder before and after acquisition will be analyzed to determine in any diminution of market value is indicated.
8. Reconcile the Sales Comparison Approach to value.
9. Provide the appraiser's qualification and report on the Limiting Conditions and Assumptions on which the value opinion and conclusions are based.
10. Attach pertinent addenda information as a part of the report.

MARKET VALUE DEFINED

Market Value Defined - Market value, as used herein, is defined by The Appraisal of Real Estate, 14th Edition, Appraisal Institute

The most probable price, as of a specified date, in cash, or in 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. 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.

REGIONAL ANALYSIS

The region considered in this report is the Rio Grande Valley of the State of Texas. The Rio Grande Valley is located along the north bank of the Rio Grande River in the southernmost part of the state. The four south Texas counties comprising the region are Cameron and Willacy Counties along the Gulf of Mexico and Hidalgo and Starr Counties to the west. U.S. Census Bureau population 2009 estimates for each county are as follows: Hidalgo 741,152, Cameron 396,371, Starr 92,671, Willacy 20,395. All four counties that make up the Rio Grande Valley has significant changes in population. According the Texas State Data Center as of January 1, 2008 the Rio Grande Valley is estimated to be 1,250,589.

One factor which significantly influences the Valley area is Mexico. The neighboring border cities of Reynosa, Matamoros, and Rio Bravo have a combined population estimated at 1,300,000. Including northern Mexico, the total population of the Rio Grande Valley market area is in excess of 2.0 million. According to the U.S. Census Bureau information released in the year 2009, placing in among the largest metropolitan areas in the United States. A growing segment of the manufacturing base in the Valley results from the "Maquiladora", or twin plant operations. The Maquila system usually works with a highly automated or technology oriented plant in the U.S. and a labor intensive sister plant on the Mexican side. The North American Free Trade Agreement (NAFTA) appears to have significantly increased trade in the area.

The Rio Grande Valley has a three expressway system which portions were designated as interstate highways in 2013. Interstate Highway 2 (IH 2) begins at the intersection of US Expressway and US Business Highway 83 west of Mission and runs east to the intersection US Highway 77 and US Expressway 83 in Harlingen. Two segments of the new Interstate Highway 69 are located in the Rio Grande Valley. IH-69 C is located on a section of US Expressway 281 and begins in Pharr, Texas and extends 13.5 miles through Edinburg, Texas. IH-69 E begins in Brownsville, Texas and continues 53 miles through Harlingen and terminates in Raymondville, Texas. Highway 83 runs from Brownsville north to Harlingen and then west to Laredo. This highway is the main thoroughfare across the

Rio Grande Valley and it links every major city. US 83 also links to nine international border crossing to Mexico. US Highway 281 which begins in Brownsville and extends northwest generally parallel to the Rio Grande River, south of the City of Pharr and turns northward to Edinburg and on north to San Antonio. There a numerous state highways and farm to market roads which provide an adequate roadway system to and from these major thoroughfares.

Transportation for the Hidalgo County area consist of air transportation provided by the McAllen International Airport ,Edinburg Municipal Airport Valley International Airport and the Brownsville-South Padre Island Airport. Ground transportation is provided by the Greyhound Bus Lines and Valley Transit Bus Company.

The valley economy is versatile. Basic industries are retail, trade, manufacturing, tourism and agricultural. Some of which include cotton, vegetables, grain sorghum, corn, citrus, sugarcane, nursery, exotic plants and livestock. Oil, gas production and seafood are also major contributors to the local valley economy. While farming is becoming less due to increased population to the area other industries have thrived such as the medical sector and retail sector. The Rio Grande Valley is home to various hospitals and doctors hospitals as wells several malls and retail outlets. The Rio Grande Valley retail industry ranks among the best in the nation.

Tourism and eco tourism has been an important part of the economy as well. South Padre Island is a popular vacation destination as it provides a vast selection of recreation from fishing to the Shiltebahn Waterpark. During the winter months which generally range from November to February. The Rio Grande Valley also experiences and increase in winter visitors from the north spending millions of dollars in the market place. These winter visitors have a vast variety of options when it comes to mobile home parks as well as other retirement resorts. The Rio Grande Valley is home to numerous retirement parks and resorts.

Higher education is provided by the The University of Texas Pan American, University of Texas Brownsville, South Texas College in McAllen with satellite campuses in several valley cities as well as several technical schools. These education institutions provide technical degrees, associate degrees as wells four year and master degrees of various fields of study.

Overall the Rio Grande Valley has strong diversified economy and with increasing population growth point to a continued strong demand for real estate. Job growth is increasing in manufacturing, retail, construction, medical as well as other service industries. The Rio Grande Valley remains in a growth period with an optimistic future.

REGIONAL MAP



CITY ANALYSIS - MCALLEN, TEXAS

General Overview - The City of McAllen is located in Hidalgo County which is part of the Rio Grande Valley of Texas. McAllen enjoys all the natural resources, physical attributes, agricultural, and commercial trends that the entire Lower Rio Grande Valley experiences. McAllen was incorporated in 1911 and is the largest city in Hidalgo County.

Population Data and Growth Statistics - The 2010 census information indicates the population for the City of McAllen at 132,225.

Governmental Services - McAllen operates under a commissioner-manager form of city government, in which the mayor and four commissioners serve as the legislative body. The police and fire departments have operated efficiently and the parks and recreation programs offer a variety of programs and facilities for public use. The McAllen Civic Center and Conventional Hall, the McAllen Library, and the McAllen International Museum are also valuable facilities offered for public use and entertainment.

Transportation - The two major highways serving the area are U.S. 83 and U.S. 281. U.S. 83 runs east and west through every major city in the Valley. U.S. 281 runs north and south and does not run through McAllen, however, it does intersect U.S. 83 which runs through the southern section of McAllen. The interchange of U.S. 83 and U.S. 281 is approximately two miles from McAllen. The Missouri Pacific and Southern Pacific are railroads serving this area. McAllen has its own airport providing connecting flights to all major Texas cities. Bus service includes Continental Trailways and Valley Transit. The nearest navigable waterway and port facility is located at Port Harlingen, approximately 34 miles east of McAllen.

Employment- The employment to City of McAllen is provided by a vast array of business and industries. McAllen is home to several large hospitals, major retail centers, manufacturing, schools, as well as the City of McAllen which provided employment to McAllen and surrounding cities. The median household income in 2009 was 34,984 this is slight increase from 2000 data.

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Summary - McAllen leads the Valley economically, according to figures released by the Bureau of Information and Statistics of the McAllen Chamber of Commerce. The City of McAllen should continue to prosper and grow in relation to the county as a whole. Current growth statistics demonstrate a steadily increasing population trend. Building permits, bank deposits, and the number of housing units indicate growth increases. All these factors indicate a growing community and a generally favorable financial picture.

MARKET AREA & NEIGHBORHOOD ANALYSIS

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 situated in the southeastern section of the City of McAllen. The area may be defined by the following boundaries: Nolana Loop to the north, Cage Boulevard to the east, Dicker Road to the south and 10th Street to the west.

The area has good ingress and egress from all major thoroughfares. The primary east / west traffic artery in the area is US Expressway & US Business 83 which are a four lane asphalt paved road with curb and gutter and links the subject property to the City of Rio Grande City to west and the City of Brownsville to the east. Other east / west thoroughfares include Ridge Road, Jackson Avenue, Yuma Avenue and El Ranch Blanco Road. The primary north / south thoroughfare is Cage Boulevard, McColl Roads and Jackson Roads which are a four lane with center turning lane asphalt paved roads in average condition. Both these thoroughfares link the subject property north to the City of Edinburg and south to the US /Mexico Border. Expressway 83 is located north of the subject and links the City of Pharr with every major city in the Rio Grande Valley.

The market area consists of mainly residential use with commercial along the major thoroughfares . The zoning for much of the area is commercial and residential zoning. Single family residential homes in the area range from mid to upper value ranges with apartment complexes being primarily 4-8 unit complexes with some larger complexes scattered throughout. Commercial developments include convenience stores, office, and retail businesses. This area is considered to be 75% developed at the time.

Proximity to shopping, schools, and work centers is considered good. There are several major commercial/industrial developments located north and south of the subject property. This area has experienced an increase development which can be attributed to increased population and the close proximity to Mexico. Notable developments just north of the subject property include multi unit retail centers and gas stations, Home Store, Golds, Gym and Panda Express restaurant, as well various new retail developments and redevelopments. There is also been and increase in single and multi family developments which range from small four plex unit to larger multi family developments. There has also been significant growth to south of the subject property. This area has is more inundated with industrial as well as import export oriented developments based on its proximity to the Pharr International Bridge.

With the availability of vacant land in the area commercial as well as residential developments should continue to grow as warranted by demand. There are no serious distractions in the area which have a negative effect on subject property.

In summary, it can be said that the market area has a good reputation, is within a developing sector of McAllen, and has capacity for future growth through conversion and transition to new residential and commercial use.

NEIGHBORHOOD & MARKET AREA MAP



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SITE ANALYSIS AS A WHOLE PROPERTY/ECONOMIC UNIT

Location: Yuma Avenue East of South McColl Road, City of McAllen, Hidalgo County, Texas.

Size: *The appraised property as whole consists of 10.00 acres (435,600 square feet).*

Shape: Triangular

Frontage: Approximately 900' feet along the north side of Yuma Avenue

Depth: Adequate. The subject triangular shape could hinder some planning issues, however it is the appraisers opinion that there is still an adequate amount depth suitable for development.

Improvements: A shotcreted irrigation canal and a residential subdivision that was not recorded with Hidalgo County. The subdivision appears completely finished and is improved with drainage, electrical capacity, water distribution, sanitary sewer, concrete curb, gutter and asphalt paving. Other improvements include a dilapidated concrete block fence, metal gate, and exterior lighting. As per survey provided for the part be acquired it appears that there is some asphalt paving encroaching the adjacent irrigation canal right of way. Utilizing Google imagery the appraiser estimates the un recorded subdivision was constructed in circa 2006-2007. No inspection of the improvements was provided to the appraiser. As per the City of McAllen, the property must be legally platted and recorded prior to any new development which would entail an extensive project review by various departments within the City of McAllen. Some of these improvements may or may not be useable depending on the City of McAllen review conclusions for new development.

Topography: Generally level

Soil Condition: Typical of the area and adequate for development.

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Utilities: All utilities are available and include potable water, sanitary sewer, electrical and telephone service.

Zoning Restrictions/Legal Considerations: The appraised property is currently R-3A Apartments. R-3A Multifamily Residential Apartment allows all uses listed as permitted uses in the R-2 district; Apartment buildings with 5 or more units; Storage buildings not used for living quarters & accessory to the residential use. R-2 Duplex-Fourplex Residential allows all uses listed as permitted uses in the R-1 district; Duplex-fourplex; Duplex-fourplex townhouses; Duplex-fourplex condominiums; Parking facilities associated with uses permitted within R-1, R-2, R3-T, R3-A or R3-C zoning districts; All signs permitted in the R-1 single-family residential district, and nameplates. (McAllen Planning & Zoning Website)

Flood Zone -Fema Flood Map Panel #4803340425C "C" Dated November 16, 1982. This property is situated within an area which does not require flood insurance.

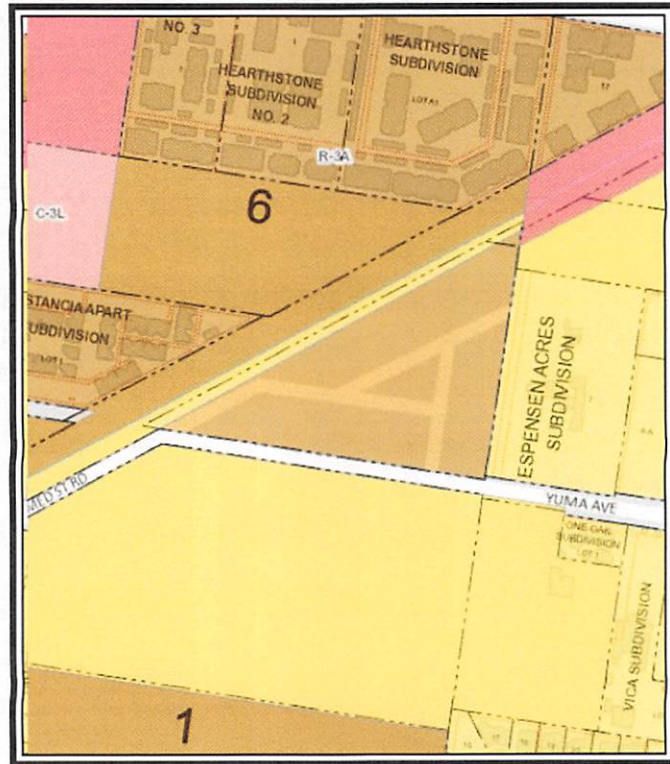
Highest and Best Use: Based upon the preceding discussion, the highest and best use for the appraised property as vacant is for the construction of multi family residential oriented development as warranted by demand.

Easements: No adverse easements were noted. All easements are considered to be typical for the area.

Nuisances and Hazards: No environmental hazards were noted at the time of inspection. An environmental site assessment was not provided to the appraiser. It is assumed that appraised property is free and clear of any potential environmental hazards or nuisances

Functional Adequacy: Based on location and physical characteristics of the subject site, it is expected that the site is functional for most probable uses for irrigation purposes or

CITY OF MCALLEN PLANNING & ZONING MAP



Legend

- R-2 - Duplex-Fourplex Residential
- R-3A - Apartments
- R-3C - Condominiums
- R-3T - Townhouses
- R-4 - Mobile Home

Parcel Editing
McAllen Parcels

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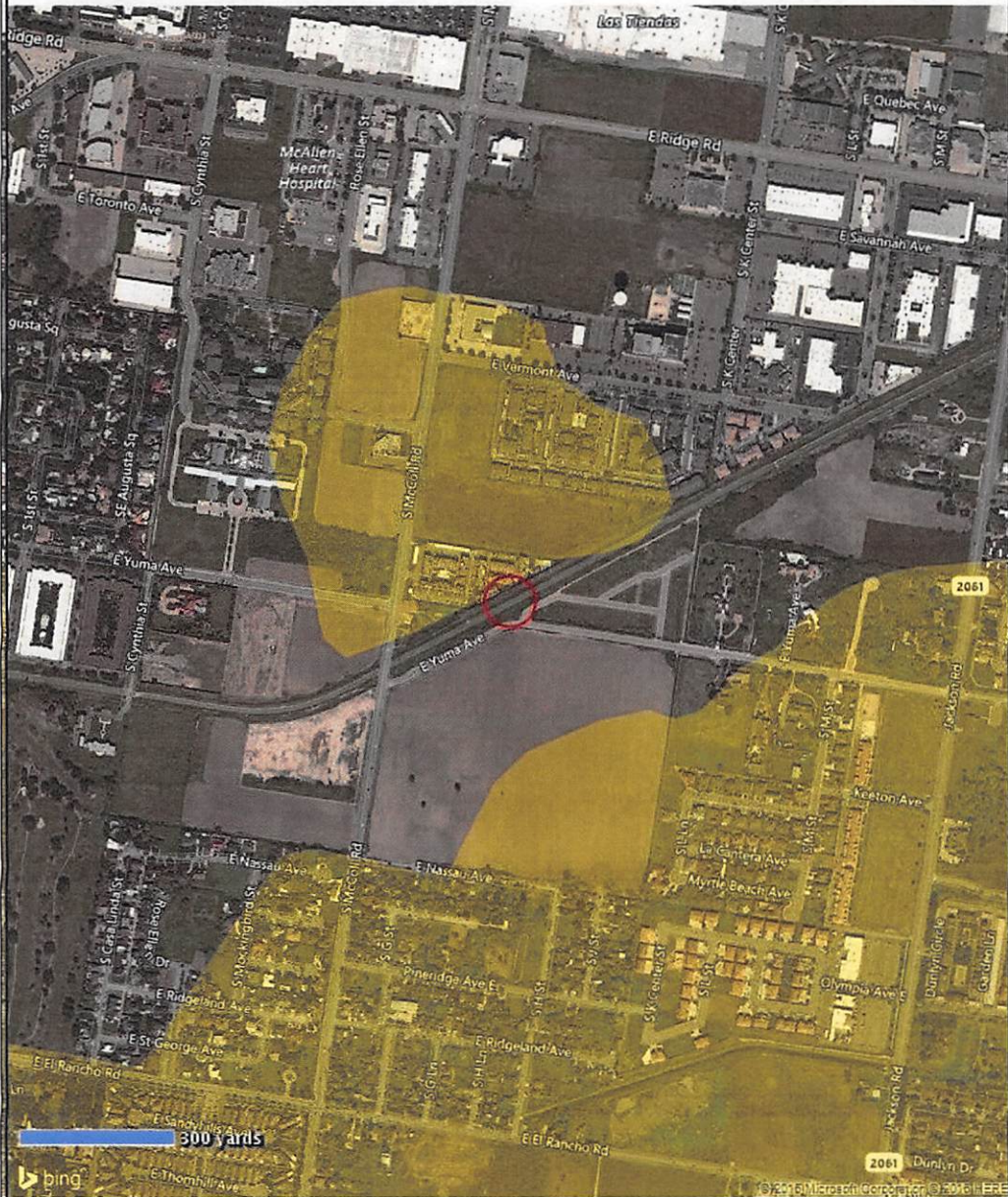
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FLOOD MAP

InterFlood by a la mode

Prepared for: The Appraisal Company
South McColl Road & Yuma Avenue



MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **4803340425C**
 Zone: **C**
 Map Date: **November 16, 1982**
 FIPS: **48215**

MAP LEGEND

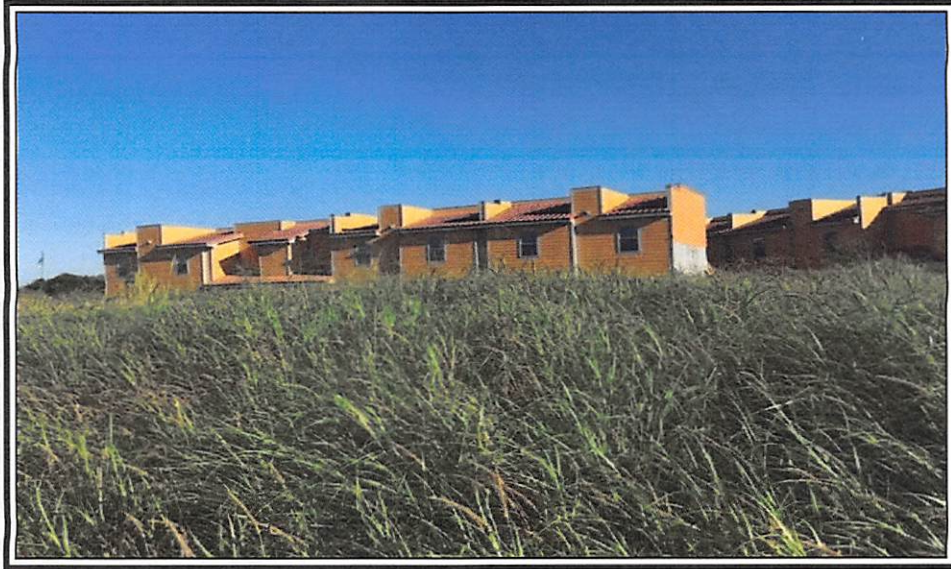
- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

Powered by CoreLogic®

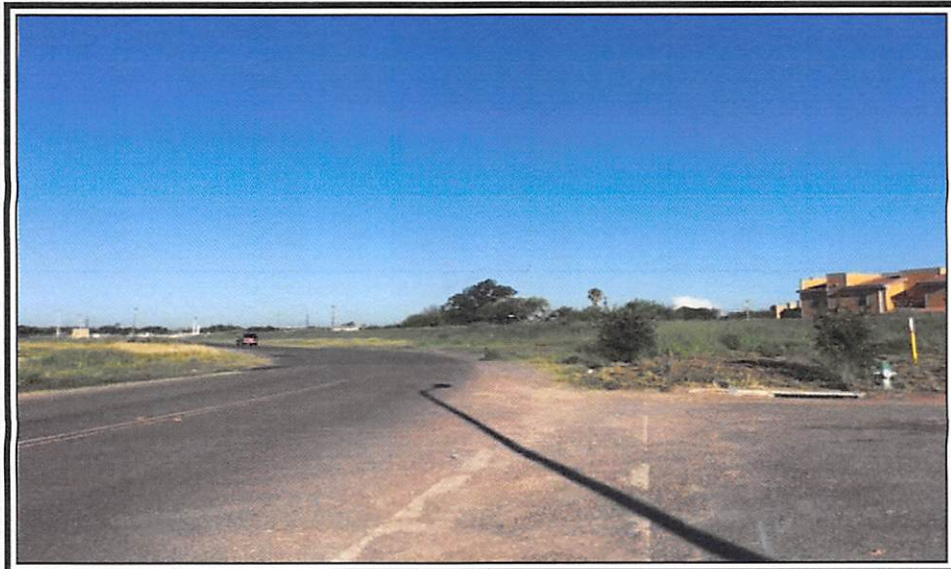
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SUBJECT PHOTOGRAPHS



Irrigation Canal Right of Way Viewing West



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SUBJECT PHOTOGRAPHS



Canal Right of Way Viewing North & South



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SUBJECT PHOTOGRAPHS



Yuma Avenue Viewing East & West



HIGHEST AND BEST USE ANALYSIS

Highest and best use 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 importance of highest and best use analysis cannot be overemphasized. It provides the basis for the selection of comparable data and the methodology of the valuation of the property to be utilized in the remainder of the 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 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. The subject property is located on the north side of Yuma Avenue east of South McColl Road, City of McAllen, Hidalgo County, Texas. The appraised property is part of irrigation canal system. For valuation purposes, the appraiser will utilize 10 acres (435,600 square feet) as a base unit of comparison in determining a per unit value. A survey of the whole property was not provided. The site utilities include electricity, water, sewer and telephone. Physical characteristics of the subject property as a whole are typically found with similar dimensions for residential development. Physically possible uses based on size and location is for multi family residential development.

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Legally Permissible - The subject site is zoned R-3A Apartments by the City of McAllen. This zoning allows for various types multi family residential uses.

Financially Feasible - 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 commercial development should exceed combined operating expenses, financial expenses, and capital amortization. The most financially feasible use is for existing use is for multi family development.

Maximally Productive - Among the financially feasible uses, the use that provides the highest rate of return, or value, is the highest and best use. The most maximally productive use is for multi family development.

Conclusion - Highest & Best Use As Vacant (Whole Property/Economic Unit) - Based upon the preceding discussion, the highest and best use for the appraised property as vacant is for the construction of multi family residential oriented development as warranted by demand.

Conclusion - Highest & Best Use As Vacant (Part to Be Acquired) - The parcel which will be acquired has separate access from Yuma however the subject shape and size are not adequate for independent use. The highest and best use is in conjunction with the whole property.

Conclusion - Highest & Best Use As Vacant (Remainder After Acquisition) The remainder property will be reduced by 0.53 acres or 22,920 square feet leaving approximately 9.47 acres (412,680 square feet). The property will continue to have direct access from Yuma Avenue, therefore the highest and best use of the remainder property will be for the construction of multi family residential oriented development as warranted by demand.

SITE ANALYSIS PART TO BE ACQUIRED

Location: Yuma Avenue East of South McColl Road, City of McAllen, Hidalgo County, Texas.

Size: The appraised property to be acquired is 0.53 acres or 22,920 square feet

Shape: The parcel is irregular in shape

Frontage: Yuma Avenue

Improvements: Shotcrete irrigation canal. The subject property is part of a master irrigation canal system. It is understood that the relocation or any reconstruction of the irrigation canal to maintain its utility shall be a item of construction and will not be added to the valuation of the part to be acquired.

Topography: Generally level to sloping

Utilities: All utilities are in place and include potable water, sanitary sewer (septic systems), electrical and telephone service.

Zoning Restrictions/Legal Considerations: The appraised property is currently R-3A Apartments. R-3A Multifamily Residential Apartment allows all uses listed as permitted uses in the R-2 district; Apartment buildings with 5 or more units; Storage buildings not used for living quarters & accessory to the residential use. R-2 Duplex-Fourplex Residential allows all uses listed as permitted uses in the R-1 district; Duplex-fourplex; Duplex-fourplex townhouses; Duplex-fourplex condominiums; Parking facilities associated with uses permitted within R-1, R-2, R3-T, R3-A or R3-C zoning districts; All signs permitted in the

R-1 single-family residential district, and nameplates. (McAllen Planning & Zoning Website)

Flood Zone -Fema Flood Map Panel #4803340425C "C" Dated November 16, 1982. This property is situated within an area which does not require flood insurance.

Highest and Best Use: The parcel which will be acquired has separate access from Yuma however is adequate in size for independent use. The highest and best use is in conjunction with the whole property.

Easements or Encroachments: No adverse easement were noted. All easements are considered to be typical for the area.

Nuisances and Hazards: No environmental hazards were noted at the time of inspection. An environmental site assessment was not provided to the appraiser. It is assumed that appraised property is free and clear of any potential environmental hazards or nuisances.

Functional Adequacy: Based on location and physical characteristics of the subject site, it is expected that the site is functional for most probable uses include irrigation canal use.

Surrounding Land Use: Multi family to north, development land to the east, west and south.

AERIAL VIEW OF PART TO BE ACQUIRED

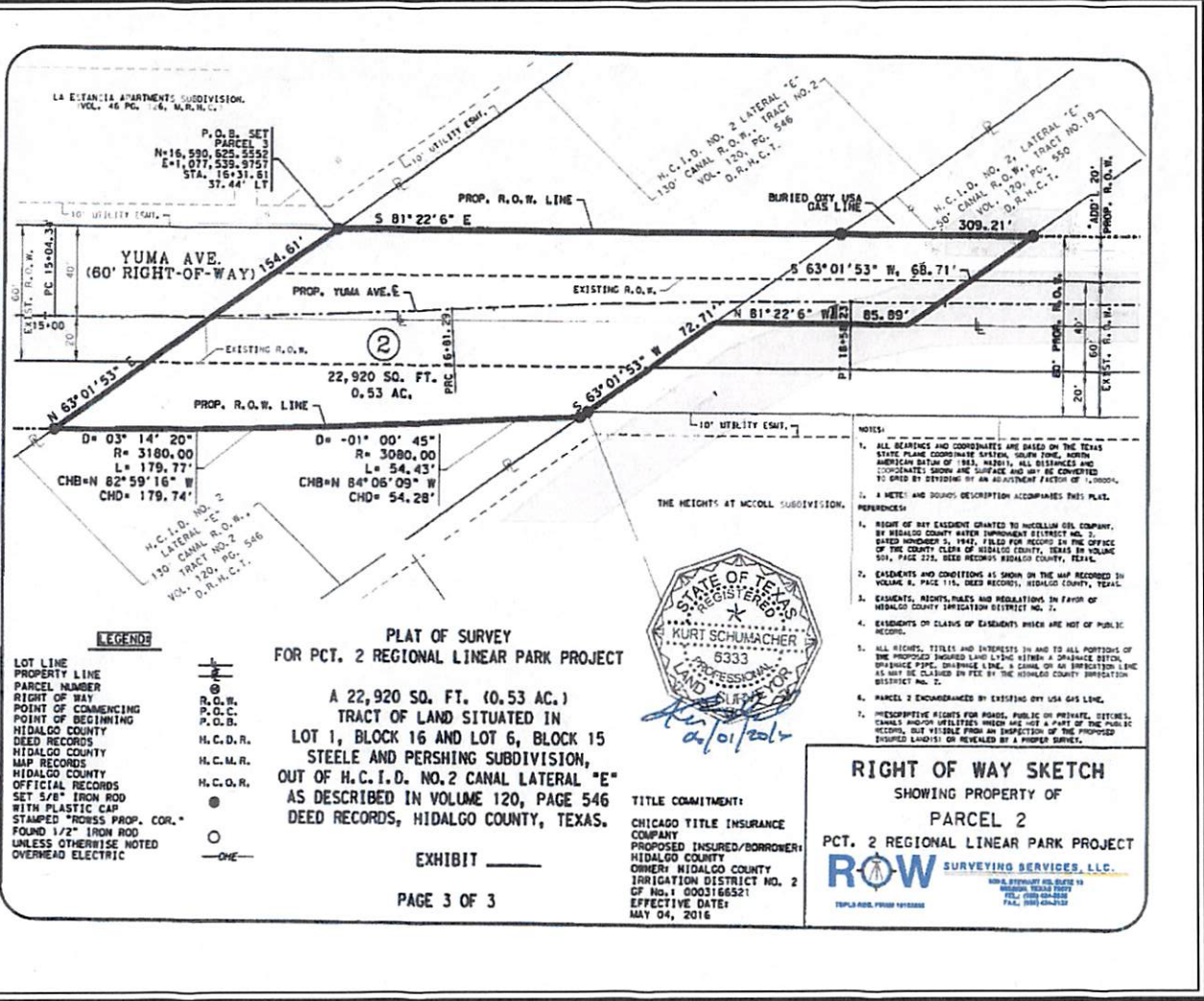


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SURVEY



**PLAT OF SURVEY
FOR PCT. 2 REGIONAL LINEAR PARK PROJECT**

A 22,920 SQ. FT. (0.53 AC.)
TRACT OF LAND SITUATED IN
LOT 1, BLOCK 16 AND LOT 6, BLOCK 15
STEELE AND PERSHING SUBDIVISION,
OUT OF H.C.I.D. NO. 2 CANAL LATERAL "E"
AS DESCRIBED IN VOLUME 120, PAGE 546
DEED RECORDS, HIDALGO COUNTY, TEXAS.

LEGEND

LOT LINE	—
PROPERTY LINE	—+—
PARCEL NUMBER	①
RIGHT OF WAY	⊖
POINT OF COMMENCING	⊙
POINT OF BEGINNING	⊙
HIDALGO COUNTY DEED RECORDS	⊙
HIDALGO COUNTY MAP RECORDS	⊙
HIDALGO COUNTY OFFICIAL RECORDS	⊙
SET 5/8" IRON ROD WITH PLASTIC CAP	⊙
STAMPED "ROSS PROP. COR." FOUND 1/2" IRON ROD UNLESS OTHERWISE NOTED	⊙
OVERHEAD ELECTRIC	—O—



- NOTES:**
- ALL BEARINGS AND COORDINATES ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTHWESTERN HORIZON DATUM OF 1983, NAD83. ALL DISTANCES AND COORDINATES SHOWN ARE SURFACE AND MAY BE CONVERTED TO GRID BY APPLYING AN ADJUSTIVE FACTOR OF 1.0000.
 - A METE AND SOUND DESCRIPTION ACCOMPANIES THIS PLAT.
 - RIGHT OF WAY EASEMENTS GRANTED TO MICELLUM OIL COMPANY, BY HIDALGO COUNTY WATER IMPROVEMENT DISTRICT NO. 2, DATED NOVEMBER 21, 1943, FILED FOR RECORD IN THE OFFICE OF THE COUNTY CLERK OF HIDALGO COUNTY, TEXAS IN VOLUME 504, PAGE 275, DEED RECORDS HIDALGO COUNTY, TEXAS.
 - EASEMENTS AND CONDITIONS AS SHOWN ON THE MAP RECORDED IN VOLUME 4, PAGE 114, DEED RECORDS, HIDALGO COUNTY, TEXAS.
 - EASEMENTS, RIGHTS, RULES AND REGULATIONS IN FAVOR OF HIDALGO COUNTY IRRIGATION DISTRICT NO. 2.
 - EASEMENTS OF CLAIMS OF EASEMENTS WHICH ARE NOT OF PUBLIC RECORD.
 - ALL RIGHTS, TITLES AND INTERESTS IN AND TO ALL PORTIONS OF THE PROPOSED IMPROVED LAND LINES HEREIN A CHALLENGE CHECK, SURFACE PIPE, CHALLENGE LINE, A CANAL OR AN IRRIGATION LINE AS MAY BE CLAIMED OR FILED IN THE HIDALGO COUNTY IRRIGATION DISTRICT NO. 2.
 - PARCEL 2 ENCLAVED BY EXISTING OXY USA GAS LINE.
 - PROSPECTIVE RIGHTS FOR ROADS, PUBLIC OR PRIVATE, ETC., CANALS AND/OR UTILITIES WHICH ARE A PART OF THE PUBLIC RECORD, BUT VISIBLE FROM AN INSPECTION OF THE PROPOSED IMPROVED LANDS OR REVEALED BY A PROPER SURVEY.

**RIGHT OF WAY SKETCH
SHOWING PROPERTY OF
PARCEL 2
PCT. 2 REGIONAL LINEAR PARK PROJECT**

ROW SURVEYING SERVICES, L.L.C.
1004 STEWART AVE. SUITE 10
HOUSTON, TEXAS 77055
TEL: (281) 284-2828
FAX: (281) 284-2828

TITLE COMMITMENT:
CHICAGO TITLE INSURANCE COMPANY
PROPOSED INSURED/BORROWER:
HIDALGO COUNTY
OWNER: HIDALGO COUNTY
IRRIGATION DISTRICT NO. 2
OF NO. 1 0003166521
EFFECTIVE DATE:
MAY 04, 2016

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METES & BOUNDS DESCRIPTION

April 20, 2016
Revised June 1, 2016
Parcel 2
1 of 3 Pages

County: Hidalgo, Precinct 2
WA#22 Supplemental #2: Yuma Extension

Exhibit: A
FIELD NOTES FOR PARCEL 2

Being a 22,920 square foot or 0.53 of an acre tract of land, out of Lot 6, Block 15 and Lot 1, Block 16, Steele and Pershing Subdivision, as recorded in Volume 8, Page 115, of the Deed Records, Hidalgo County, Texas, and being out of Hidalgo County Irrigation District Canal Lateral "E" Right of Way, referenced as Tract No. 2, described in Volume 120, Page 546, Deed Records Hidalgo County, Texas, and referenced as Tract No. 19, as described in Volume 120, Page 550, of the Deed Records, Hidalgo County, Texas, said 0.53 of an acre tract of land being more particularly described by metes and bounds as follows;

1. Beginning at a 1/2" iron pin found (N=16,590,625.56, E=1,077,539.98) in the East line of said Lateral "E" Right of Way, for the Southeast corner of La Estancia Subdivision, as recorded in Volume 46, Page 126, of the Map Records, Hidalgo County, Texas, for the Northwest corner of this herein described tract of land;
2. Thence with the proposed 80.00 foot Right of Way line of Yuma Avenue, across and through said Lateral "E" Tract No.2, South 81° 22' 06" East, at a distance of 223.22 feet passing the Northwesterly line of said Lateral "E" Tract No. 19, continuing a total distance of 309.21 feet to a 5/8" iron pin with plastic cap stamped "R.O.W. PROP. COR." set in the Northwesterly line of a called 6.444 acre tract of land as described in Document No. 2695551, of the Official Records, Hidalgo County, Texas, for the Northeast corner of this herein described tract of land;
3. Thence departing the proposed 80.00 foot Right of Way line of Yuma Avenue, and with the Northwesterly line of said 6.444 acre tract of land, South 63°01'53" West, at a distance of 34.36 feet passing the existing North Right of Way line of Yuma Avenue, continuing a total distance of 68.71 feet to the South line of said Lot 6, Block 15, for the North line of said Lot 1, Block 15, and for a corner of this herein described tract of land;
4. Thence with the North line of said Lot 1, Block 16 and the South line of said Lot 6, Block 15, and the South line of said Lateral "E" Tract 19, North 81°22'06" West a distance of 85.89 feet to the Southeasterly line of said Lateral "E" Tract No. 2, for an interior corner of this herein described tract of land;
5. Thence departing the South line of said Lot 6, Block 15, across and through said Lot 1, Block 16 with the Southeasterly line of said Lateral "E" Tract No. 2, South 63°01'53" West a distance of 72.71 feet to a 5/8" iron pin with plastic cap stamped "R.O.W. PROP. COR." set in the existing South Right of Way line of Yuma Avenue, for the beginning of a curve concave to the Southwest, and for an exterior corner of this herein described tract of land;

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METES & BOUNDS DESCRIPTION

April 20, 2016
Revised June 1, 2016
Parcel 2
2 of 3 Pages

6. Thence with the South proposed 80.00 foot Right of Way line of Yuma Avenue, across and through said Lateral "E" with said curve concave to the Southwest, having a radius of 3080.00 feet, an arc length of 54.43 feet, a delta angle of $01^{\circ}00'45''$, a chord bearing of North $84^{\circ}06'09''$ West and a chord distance of 54.28 feet to a $5/8''$ iron pin with plastic cap set for the beginning of a curve concave to the Northeast and a corner of this herein described tract of land;
7. Thence continuing with the proposed South 80.00 foot Right of Way line of Yuma Avenue, across and through said Lateral "E" tract No. 2, with said curve concave to the Northeast having a radius of 3180.00 feet, an arc length of 179.77 feet, a delta angle of $03^{\circ}14'20''$, a chord bearing of North $82^{\circ}59'16''$ West and a chord distance of 179.74 feet to a $5/8''$ iron pin with plastic cap stamped "R.O.W. PROP. COR." set in the Southeasterly line of a called 0.95 of an acre tract of land as described in Document No. 1500418, of the Official Records, Hidalgo County, Texas, for the Southwest corner of this herein described tract of land;
8. Thence departing the South proposed 80.00 foot Right of Way line of Yuma Avenue, with the Southeasterly line of said called 0.95 of an acre tract of land, North $63^{\circ}01'53''$ East, at a distance of 51.54 feet passing the South existing Right of Way line of Yuma Avenue, continuing a total distance of 154.61 feet to the Point of Beginning and being a 22,920 square foot or 0.53 of an acre tract of land.

Bearings based on the Texas Coordinate System, South Zone, NAD83 (NA2011), adjusted to surface using a grid to surface adjustment factor of 1.00004.

A plat survey of even survey date herewith accompanies this description.

I, Kurt Schumacher, a Registered Professional Land Surveyor, hereby certify that the legal description hereon and the accompanying plat represent an actual survey made on the ground under my supervision.

 06/01/2016

Kurt Schumacher
Registered Professional Land Surveyor
Texas Registration No. 6333



FLOOD MAP



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SITE ANALYSIS REMAINDER AFTER ACQUISITION

Location: Yuma Avenue East of South McColl Road, City of McAllen, Hidalgo County, Texas.

Size: The appraised property after acquisition will consist of 9.47 acres (413,680 square feet).

Shape: Irregular

Frontage: No survey for the whole property was provided. The canal system has frontage along several thoroughfares and include McColl Road and Yuma Avenue.

Depth: The canal system right of way has a depth 130' feet

Improvements: A shotcreted irrigation canal and a residential subdivision that was not recorded with Hidalgo County. The subdivision appears completely finished and is improved with drainage, electrical capacity, water distribution, sanitary sewer, concrete curb, gutter and asphalt paving. Other improvements include a dilapidated concrete block fence, metal gate, and exterior lighting. As per survey provided for the part be acquired it appears that there is some asphalt paving encroaching the adjacent irrigation canal right of way. Utilizing Google imagery the appraiser estimates the un recorded subdivision was constructed in circa 2006-2007. No inspection of the improvements was provided to the appraiser. As per the City of McAllen, the property must be legally platted and recorded prior to any new development which would entail an extensive project review by various departments within the City of McAllen. Some of these improvements may or may not be useable depending on the City of McAllen review conclusions for new development.

Topography: Generally level

Soil Condition: Typical of the area and adequate for development.

Utilities: All utilities are available and include potable water, sanitary sewer, electrical and telephone service.

Zoning Restrictions/Legal Considerations: The appraised property is currently R-3A Apartments. R-3A Multifamily Residential Apartment allows all uses listed as permitted uses in the R-2 district; Apartment buildings with 5 or more units; Storage buildings not used for living quarters & accessory to the residential use. R-2 Duplex-Fourplex Residential allows all uses listed as permitted uses in the R-1 district; Duplex-fourplex; Duplex-fourplex townhouses; Duplex-fourplex condominiums; Parking facilities associated with uses permitted within R-1, R-2, R3-T, R3-A or R3-C zoning districts; All signs permitted in the R-1 single-family residential district, and nameplates. (McAllen Planning & Zoning Website)

Flood Zone -Fema Flood Map Panel #4803340425C "C" Dated November 16, 1982. This property is situated within an area which does not require flood insurance.

Highest and Best Use: The remainder property will be reduced by 0.53 acres or 22,920 square feet leaving approximately 9.47 acres (412,680 square feet). The property will continue to have direct access from Yuma Avenue, therefore the highest and best use of the remainder property will be for the construction of multi family residential oriented development as warranted by demand.

Easements: No adverse easements were noted. All easements are considered to be typical for the area.

Nuisances and Hazards: No environmental hazards were noted at the time of inspection. An environmental site assessment was not provided to the appraiser. It is assumed that appraised property is free and clear of any potential environmental hazards or nuisances

Functional Adequacy: Based on location and physical characteristics of the subject site, it is expected that the site is functional for most probable uses for irrigation purposes or assemblage to adjacent land tracts.

Surrounding Land Use: Multi family to the north and west , development land to the south and single family residential use to the east.

AERIAL VIEW OF REMAINDER AFTER ACQUISITION



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ANALYSIS & INTERPRETATION

The Three Approaches to Value - In the appraisal of real estate, the approach to the final value estimate 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 estimate 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 estimate 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 formulae 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 estimate a final value for the property. Only the sales comparison approach is utilized in the report.

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 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 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 Rio Grande Valley market place between and in the City of McAllen and PSJA ISD area and will illustrate, then make percentage adjustments, if required, and applied to the unit price to compensate for differences. Comparable sales were chosen based on their development potential.

LAND COMPARABLE #1

Type Property: Vacant Developmental Tract

Location: 1225 West Minnesota, Pharr, Texas

Date of Sale: June 18, 2015

Consideration: \$360,000

Terms: Cash to Seller

Size: 3.42 acres & 148,975.20 square feet

Unit Value: \$105,263.16 per acre & \$2.42 per square foot

Legal Description: A tract of land out of Lot Eight (8), Block 4, A.J. McColl Subdivision, Hidalgo County, Texas.

Description: A rectangular shaped parcel of land with 170' feet frontage on the south side of West Minnesota Road. This property is an interior parcel and has average frontage along the south side of West Minnesota Road. The topography is generally level. Flood Zone is X500. The property is suitable for commercial and or residential use. Potable water, sanitary sewer, electrical, telephone are available to the property. No adverse easements or encroachments were noted. Note: This property has a power line that bisects the property. This line easement does not affect the property in a negative way.

Grantor: Johnny Mettlach

Grantee: Larki, LLC

Recording Data: MLS#A176892S, Document#2621196, Hidalgo County Official Records, Texas.

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AERIAL ILLUSTRATION



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LAND COMPARABLE #2

Type Property: Vacant Developmental Tract

Location: 1401 South Jackson Road, Pharr, Texas

Date of Sale: January 22, 2015

Consideration: \$1,850,000

Terms: Cash to Seller

Size: 20.83 acres & 907,354.80 square feet

Unit Value: \$88,814.21 per acre & \$2.04 per square foot

Legal Description: A 21.12- acre tract of land (Deed Record: 21.16 acres), more or less, out of Lot 8, Block 8, A.J. McColl Subdivision, Hidalgo County, Texas.

Description: An irregular shaped parcel of land with frontage along South Jackson Road. This property is an interior parcel and has average frontage along the east side of South Jackson Road. Depth is considered adequate. The topography is generally level. Flood Zone is "X". The property is zoned and suitable for residential use. Potable water, sanitary sewer, electrical telephone are available to the property. No adverse easements or encroachments were noted. This sale is encumbered by a cell phone tower which is considered not to affect the property in a negative way. This property is currently being improved with a multi family development.

Grantor: Banco Mercantil Del Norte

Grantee: Esponjas Development

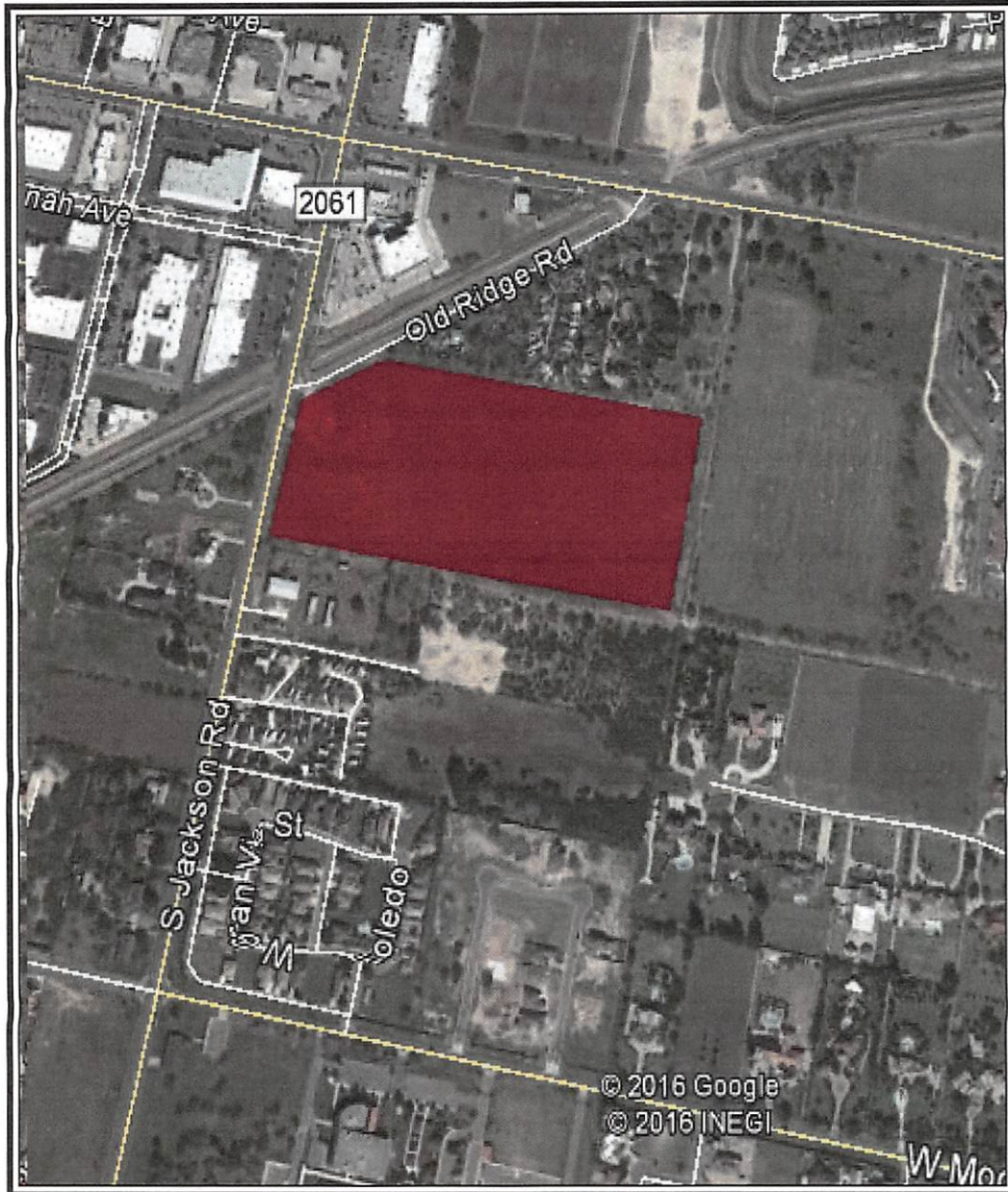
Recording Data: MLS#A173267S Document #2580693, Hidalgo County Official Records, Texas

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AERIAL ILLUSTRATION



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LAND COMPARABLE #3

Type Property: Vacant Developmental Tract

Location: South McColl Road & Yuma Avenue, McAllen, Hidalgo County, Texas

Date of Sale: October 15, 2015

Consideration: \$2,500,000

Terms: Conventional

Size: 42.47 acres 1,849,993.20 square feet

Unit Value: \$58,865.08 per acre \$1.35 per square foot

Legal Description: A 43.97 gross acre tract of land out of Lot 1, Block 16, Steele and Pershing Subdivision, Hidalgo County, Texas.

Description: An irregular shaped land tract located on South McColl Road. This property is an interior parcel and has average frontage along the east side of South McColl Road and the south side of Yuma Avenue. Depth is considered adequate. The topography is generally level. Flood Zone is "X". The property is zoned for suitable multi family residential use. Potable water, sanitary sewer, electrical telephone are available to the property. This property is currently being improved with a multi family residential subdivision.

Grantor: Meyerhoff Family Trust

Grantee: Esponjas Development, LTD.

Recording Data: Confirmed with HUD-1; Document #2656167, Hidalgo County Official Records, Texas

AERIAL ILLUSTRATION

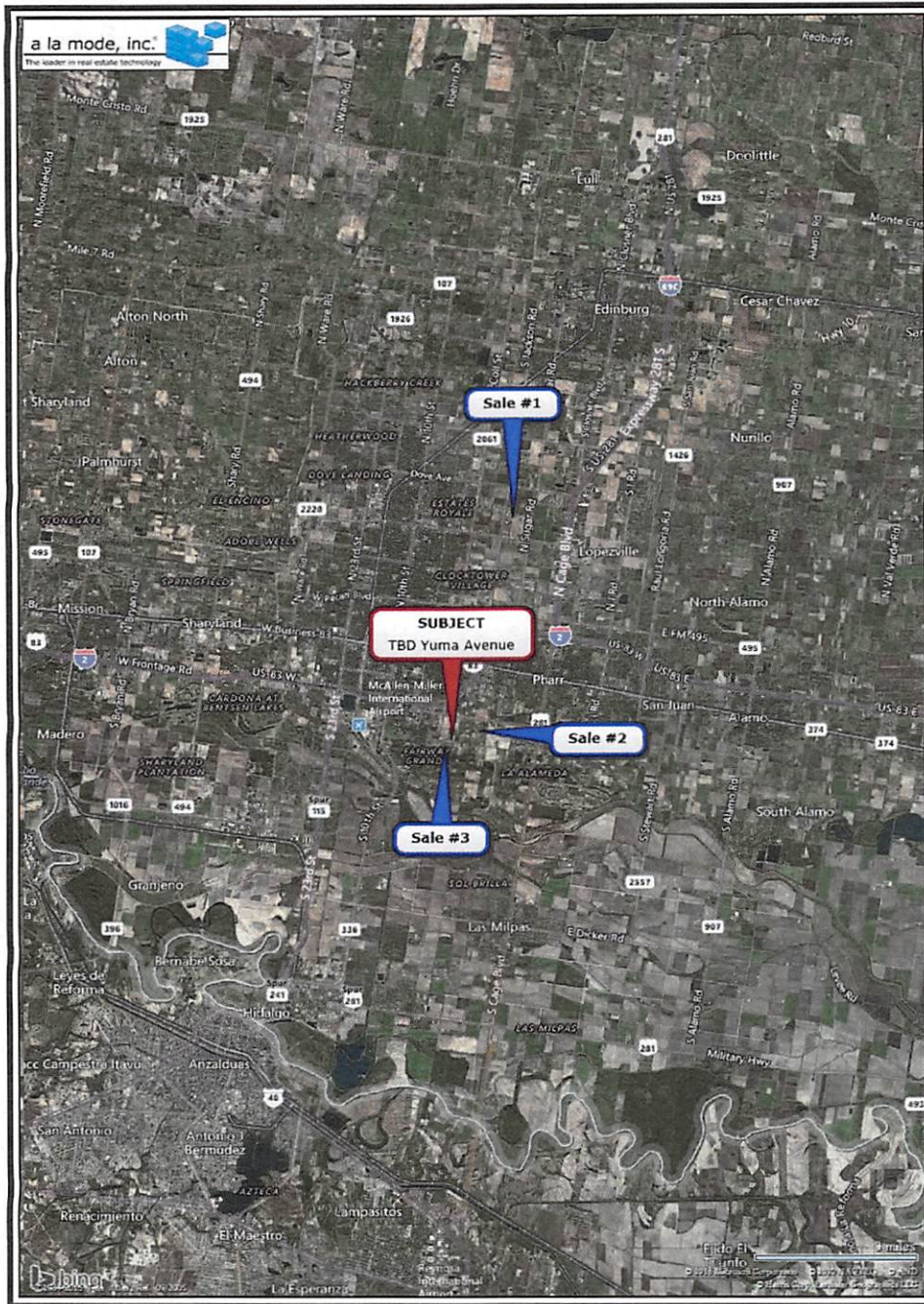


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COMPARABLE SALES MAP



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ADJUSTMENTS OF WHOLE PROPERTY/ECONOMIC UNIT

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

Condition of Sale- This adjustment takes into consideration unusual features of the transaction as whether or not the sale took place under typical sale conditions. Comparable sales # 1 & #3 were considered arms length transactions and required no adjustments for this item. Comparable sale #2 was a bank sale, generally these types of transaction sell at a discounted price however it is the appraiser opinion that this sale conveyed at market levels and did not require any adjustments.

Market Conditions(Time) - The three land sales considered all occurred between January 2015 to October 2015. No adjustments for time have been made due to the recentness of the sales.

Location - The subject property is located on the north side of Yuma Avenue east of South McColl Road, McAllen, Hidalgo County, Texas. Comparable sale #1 is located on Minnesota Road and is considered inferior therefore an upward adjustment of 5% was used. Comparable sales #2 & #3 are considered to be in relatively similar locations, therefore no adjustments were warranted.

Size - Typically a larger development tract command lower unit prices than equally desirable smaller development tracts. This can be attributed to the fact that the purchase of a larger tract entails a greater capital outlay, which restricts the number of potential buyers. 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- The subject property is an interior parcel. Comparable sale #1 is also an interior parcel and was not adjusted. Comparable sales #2 and #3 are corner parcels along minor thoroughfares where corner influence is considered not to have an affect on value. No adjustments to these sales were deemed necessary.

Zoning- The appraised property along with all the comparables share similar zoning designations or highest and best use. 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 and will require flood insurance. All of the comparable sales are located in similar areas in regards to having adequate drainage. No adjustments for flood zone have been made.

Easements- The subject property nor any of the comparable sales have any adverse easements which effect development. Comparable sale #1 has a transmission line easement which bisects the property. Comparable sale #2 is encumbered with a cell phone tower. These easements are considered not to hinder any development issues. No adjustments for easements were made.

Frontage- The subject property has average frontage along Yuma Avenue. Comparable sale #1 and #2 have inferior frontage than the subject property, therefore a positive adjustment of 5% is deemed reasonable. Comparable sale #3 has double frontage and is superior than the subject property. For this a negative 5% adjustment is deemed appropriate.

Shape- The subject property is triangular in shape. No adjustment for shape was warranted as all sales have sufficient size for development.

Amenities- The subject property does not have any positive amenities. No adjustments for amenities were deemed necessary.

ADJUSTMENT GRID CHART OF WHOLE/ ECONOMIC UNIT

	Subject	Comparable #1	Comparable #2	Comparable #3
Location	Yuma Avenue, McAllen	1225 West Minnesota Road, Pharr	1401 South Jackson Road, Pharr	South McColl Road ,McAllen
Sales Price/Listing Price	N/A	\$360,000.00	\$1,850,000.00	\$2,500,000.00
\$ /Square Feet		\$2.42	\$2.04	\$1.35
Financing	N/A	Cash to Seller	Cash to Seller	Conventional Financing
Adjustment				
Condition of Sale	N/A	Arms Length	Foreclosure	Arms Length
Adjustment				
Time Adjustment	June 2016	June 2015	January 2015	October 2015
Adjustment				
Total Adjustment		\$0.00	\$0.00	\$0.00
Adjusted /Square Feet		\$2.42	\$2.04	\$1.35
Location	Urban	Inferior	Urban	Urban
Adjustment		5.0%		
Physical Characteristics				
Size Adj.	435,600 SF	148,975.20 SF	907,354.80 SF	1,849,993.20 SF
Adjustment		-7.5%	5.0%	10.0%
Corner Influence	Interior	Interior	Corner	Corner
Adjustment				
Utilities	Available	Available	Available	Available
Adjustment				
Flood Zone	"C" Flood Zone	"X500" Flood Zone	"X" Flood Zone	X "Flood Zone"
Adjustment				
Easements	No Adverse Easement	No Adverse Easement	No Adverse Easement	None
Adjustment				
Frontage	Average	Inferior	Inferior	Double Frontage
Adjustment		5.0%	5.0%	-5.0%
Shape	Triangular	Rectangular	Irregular	Irregular
Adjustment				
Amenities	Non Contributing	None	None	None
Adjustment				
Total Adjustment		\$0.06	\$0.20	\$0.07
Adjusted /Square Feet		\$2.48	\$2.24	\$1.42
Mean Value	\$2.05			
Standard Deviation	\$0.56			

Note: The percentage adjustment made in the grid charts are subject to rounding from the computer program Quattro Pro for Windows.

RECONCILIATION OF VALUE OF WHOLE/ECONOMIC UNIT

In the valuation of a vacant land, 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 site 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. The amount of recent verifiable sales in the McAllen is sufficient. The sales considered were the best available. The unadjusted range of value is between \$1.42 per square foot and \$2.48 per square foot. After adjustments the indicated range is between \$1.42 per square foot and \$2.48 per square foot. The arithmetic mean of the adjusted sales prices is \$2.05 per square foot with a standard deviation of \$0.56 per square foot. Each adjusted value indications have been in considered in determining a final reconciled value of \$2.10 per square foot. Comparable sales #1 and #2 are being given most weight since they are most similar is size. Comparable sale #3 is the most proximate however is a much larger parcel therefore less consideration was given this sale. The value opinion of the subject as of June 2, 2016 is calculated as follows.

435,600	Square Feet	X	\$2.10	=	\$914,760
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Land Value Of Whole/Larger Property Indicated.....\$914,760

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Real Estate Valuation Services

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

ADJUSTMENTS OF REMAINDER AFTER ACQUISITION

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

Condition of Sale- This adjustment takes into consideration unusual features of the transaction as whether or not the sale took place under typical sale conditions. Comparable sales # 1 & #3 were considered arms length transactions and required no adjustments for this item. Comparable sale #2 was a bank sale, generally these types of transaction sell at a discounted price however it is the appraiser opinion that this sale conveyed at market levels and did not require any adjustments.

Market Conditions(Time) - The three land sales considered all occurred between January 2015 to October 2015. No adjustments for time have been made due to the recentness of the sales.

Location - The subject property is located on the north side of Yuma Avenue east of South McColl Road, McAllen, Hidalgo County, Texas. Comparable sale #1 is located on Minnesota Road and is considered inferior therefore an upward adjustment of 5% was used. Comparable sales #2 & #3 are considered to be in relatively similar locations, therefore no adjustments were warranted.

Size - Typically a larger development tract command lower unit prices than equally desirable smaller development tracts. This can be attributed to the fact that the purchase of a larger tract entails a greater capital outlay, which restricts the number of potential buyers. 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- The subject property is an interior parcel. Comparable sale #1 is also an interior parcel and was not adjusted. Comparable sales #2 and #3 are corner parcels along minor thoroughfares where corner influence is considered not to have an affect on value. No adjustments to these sales were deemed necessary.

Zoning- The appraised property along with all the comparables share similar zoning designations or highest and best use. 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 and will require flood insurance. All of the comparable sales are located in similar areas in regards to having adequate drainage. No adjustments for flood zone have been made.

Easements- The subject property nor any of the comparable sales have any adverse easements which effect development. Comparable sale #1 has a transmission line easement which bisects the property. Comparable sale #2 is encumbered with a cell phone tower. These easements are considered not to hinder any development issues. No adjustments for easements were made.

Frontage- The subject property has average frontage along Yuma Avenue. Comparable sale #1 and #2 have inferior frontage than the subject property, therefore a positive adjustment of 5% is deemed reasonable. Comparable sale #3 has double frontage and is superior than the subject property. For this a negative 5% adjustment is deemed appropriate.

Shape- The subject property is triangular in shape. No adjustment for shape was warranted as all sales have sufficient size for development.

Amenities- The subject property does not have any positive amenities. No adjustments for amenities were deemed necessary.

ADJUSTMENT GRID CHART OF REMAINDER AFTER ACQUISITION

	Subject	Comparable #1	Comparable #2	Comparable #3
Location	Yuma Avenue, McAllen	1225 West Minnesota Road, Pharr	1401 South Jackson Road, Pharr	South McColl Road ,McAllen
Sales Price/Listing Price	N/A	\$360,000.00	\$1,850,000.00	\$2,500,000.00
\$ /Square Feet		\$2.42	\$2.04	\$1.35
Financing	N/A	Cash to Seller	Cash to Seller	Conventional Financing
Adjustment				
Condition of Sale	N/A	Arms Length	Foreclosure	Arms Length
Adjustment				
Time Adjustment	June 2016	June 2015	January 2015	October 2015
Adjustment				
Total Adjustment		\$0.00	\$0.00	\$0.00
Adjusted /Square Feet		\$2.42	\$2.04	\$1.35
Location	Urban	Inferior	Urban	Urban
Adjustment		5.0%		
Physical Characteristics				
Size Adj.	412,680 SF	148,975.20 SF	907,354.80 SF	1,849,993.20 SF
Adjustment		-7.5%	5.0%	10.0%
Corner Influence	Interior	Interior	Corner	Corner
Adjustment				
Utilities	Available	Available	Available	Available
Adjustment				
Flood Zone	*C* Flood Zone	*X500* Flood Zone	*X* Flood Zone	*X* Flood Zone
Adjustment				
Easements	No Adverse Easements	No Adverse Easements	No Adverse Easements	No Adverse Easements
Adjustment				
Frontage	Average	Inferior	Inferior	Double Frontage
Adjustment		5.0%	5.0%	-5.0%
Shape	Triangular	Rectangular	Irregular	Irregular
Adjustment				
Amenities	Non Contributing	None	None	None
Adjustment				
Total Adjustment		\$0.06	\$0.20	\$0.07
Adjusted /Square Feet		\$2.48	\$2.24	\$1.42
Mean Value	\$2.05			
Standard Deviation	\$0.56			

Note: The percentage adjustment made in the grid charts are subject to rounding from the computer program Quattro Pro for Windows.

RECONCILIATION OF VALUE AFTER ACQUISITION

In the valuation of a vacant land, 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 site 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. The amount of recent verifiable sales in the McAllen is sufficient. The sales considered were the best available. The unadjusted range of value is between \$1.35 per square foot and \$2.42 per square foot. After adjustments the indicated range is between \$1.42 per square foot and \$2.48 per square foot. The arithmetic mean of the adjusted sales prices is \$2.05 per square foot with a standard deviation of \$0.56 per square foot. Each adjusted value indications have been in considered in determining a final reconciled value of \$2.10 per square foot. Comparable sales #1 and #2 are being given most weight since they are most similar is size. Comparable sale #3 is the most proximate however is a much larger parcel therefore less consideration was given this sale. The value opinion of the subject as of June 2, 2016 is calculated as follows.

412,680	Square Feet	X	\$2.10	=	\$866,628
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Land Value Of Whole/Economic Unit Indicated.....\$866,628

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Real Estate Valuation Services

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

CORRELATION AND FINAL VALUE OPINION

The sales comparison approach presents three comparable properties which have sold, however many were analyzed, then compared to the subject. Adjustments were made to the sales based on dissimilarities to the subject. When adjusted the sales presented in this appraisal report were considered reliable in forming a per square foot unit value. These unit values were then multiplied by the square feet thus a value was derived. This sales comparison approach to value is considered the only reliable approach to value since development land.

Sales Comparison Approach...Whole/Economic Unit\$914,760

Sales Comparison Approach...Remainder Property. \$866,628

The Acquired Property Value is Whole Property Value Minus Remainder After Acquisition The Difference is the Compensable Amount of the Part to Be Acquired

$$\$914,760 - \$866,628 = \$48,132$$

Value of Property to Be Acquired ...\$48,132

Damages(if any).....\$0

Access.....\$0

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 June 2, 2016



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

ADDENDA

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Real Estate Valuation Services

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

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.
2. 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.
3. 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.

4. 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.
5. 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.
6. 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.
7. Value is reported in dollars on the basis of the national economy prevailing on the date of appraisal.
8. That the property will be adequately maintained in a good physical condition.
9. The appraiser regards real estate as "... land and structures of a permanent nature erected thereon".
10. 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.

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, 14th 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

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Real Estate Valuation Services

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

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.

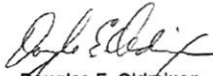
Affiliations Appraisal Institute, Associate Member 2012 & International Right of Way Association 2013

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: **10/10/2014** Expires: **10/31/2016**
Appraiser: **GEORGE JAIME SALAZAR II**

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


Douglas E. Oldmixon
Commissioner

PRE APPRAISAL LETTER TO APPRAISE



502 West Kuhn Street
Edinburg, Texas 78541
Office (956)386-1500 Cell (956)867-6398
jaimosalazar@appraisalhaus.org

June 2, 2016

CERTIFIED MAIL

HCID #2
Sonny Hinojosa
P.O. Box 6
San Juan, Texas 78589

RE: Hidalgo County Precinct No. 2
Yuma Avenue Extension Project
(Parcel #2)

To Whom It May Concern:

Appraisal Haus is a locally based company specializing in the appraisal of commercial and real estate in South Texas. Our firm has been engaged by I. & G Engineering, a contractor for Hidalgo County, to perform a fee simple appraisal of a portion of the district's irrigation canal located at Yuma Avenue and McColl Road. It is our understanding that this property is potentially designated for acquisition so as to allow for a proposed extension of Yuma Avenue in McAllen, Texas.

Consequently, we are currently involved in the performance of a multi-faceted process that will ultimately lead to a property appraisal report specific to this property. The process, in part, requires a site visit and visual assessment of the actual property. In order to best execute this task, we will, with your consent, gain entry to the property for closer inspection and assessment.

In the event this property is currently rented, leased or subject to a contract for use or sale; or, occupied by person(s) other than yourself, please notify our office immediately. This allows us the opportunity to request consent to enter from any and all appropriate party(ies) made known to us.

In the absence of consent to enter the property, our firm shall inspect the property from existing road right-of-way.

Additionally, the process involves our firm in conducting a market analysis as it relates to this property. This market study, in part, requires research into real estate sales in the area and comparison of comparable/similar property sales. Because sales are not always recorded in a timely manner, we ask that if you have knowledge of recent sales in the immediate area you make this information known to us for further investigation. In this way, you can assist us in assuring we are accounting for complete and timely data.

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

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PRE APPRAISAL LETTER TO APPRAISE

It is extremely important that you schedule a visit to this property as soon as possible. You may do so by contacting my office at telephone number (956) 383-1500 or via email address jaimosalazar@appraisalhaus.org. Keep in mind that a timely site visit expedites completion and delivery of the official appraisal report to L & G Engineering, Inc. and the County of Hidalgo.

Should you have any questions pertaining to the appraisal of this property or the appraisal process in general, feel free to contact me by either telephone or email. Questions regarding other aspects of this project should be directed to L & G Engineering, Inc., telephone number (956)585-1909.

I look forward to meeting you at your property location in the very near future.

Sincerely,


George J. Salazar II
State Certified General
Real Estate Appraiser

CC: L & G Engineering, Inc.
Luana M. Gonzalez
Right of Way Administer
900 S. Stewart Road
Mission, Texas 78572

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Real Estate Valuation Services

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

PRE APPRAISAL LETTER TO APPRAISE CERTIFIED MAIL RECEIPT

7016 0340 0000 2694 0033

**U.S. Postal Service®
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com™

SAN JUAN, TX 78589

Certified Mail Fee	\$3.30	0068
Extra Services & Fees (check box, add fee)	\$2.70	11
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.47	
Total Postage and Fees	\$6.47	

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

OFFICIAL USE

Postmark
08/02/2016

Send To: **HCID#2 ATTN: Sonny Hinojosa**
 P.O. Box 6
 San Juan, Texas 78589

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HCID#2
 ATN: Sonny Hinojosa
 P.O. Box 6
 San Juan, Texas 78589

9590 9402 1682 6053 6268 18

2. Article Number (Transfer from service label)

7016 0340 0000 2694 0033

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Signature Agent

B. Received by (Printed Name)
A. Mirales Addressed

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

888-888-82 XT
 8107 / 11 NIT

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation®
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

Domestic Return Receipt

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