



HIDALGO COUNTY PRECINCT 2



Eduardo "Eddie" Cantu
COUNTY COMMISSIONER

MEMO

TO: Commissioner's Court

FROM: Jaime Salinas, 
Hidalgo County Right of Way Department

TE: April 25, 2017

RE: LJ Drainage Project (Parcel # 1)
The Floyd E. Anderson Estate

Attached please find the signed deed where the property owner is accepting the counter-offer below for parcel # 1, for above-mentioned project.

Appraised Value:	\$ 107,426.00
Settlement Request:	\$ 125,000.00
Difference to Landowner	\$ 17,574.00

Commissioners Court Executive Session May 2, 2017

Approved; _____

Not Approved; _____

COPY

Charge to VLTIC
09112037453

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Parcel # 1

RIGHT OF WAY DEED

KNOW ALL MEN BY THESE PRESENTS:

THE STATE OF TEXAS
COUNTY OF HIDALGO

§
§
§

That, MARILYN ELAINE ANDERSON, a single person, 6168 Sylvia Avenue, Tazewell, in the State of California 91335; ROBERT K. ANDERSON aka ROBERT KIMMY ANDERSON, a single person, Individually and as Administrator of the Estate of Josephine K. Anderson aka Josephine Kimmy Anderson, Deceased, 6168 Sylvia Avenue, Tazewell, in the State of California 91335; and KIMMY ANDERSON SHERTS AND HUBBARD, THOMAS BARR SHERTS, 24723 Calvert Street, Woodland Hills, in the State of California 91367, hereinafter referred to as Grantor, whether one or more, for and in consideration of the sum of ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$125,000.00) and other good and valuable consideration to Grantor and hand paid by the County of Hidalgo, Texas, receipt of which is hereby acknowledged, and for which no lien is retained, either expressed or implied, have this day Sold and by these presents do Grant, Sell and Convey unto The County of Hidalgo, Texas, all that certain tracts or parcels of land in Hidalgo County, Texas, being as follows:

Being a 5.207-acre tract of land out of the North one-half (1/2) of Lot 8, Block 48, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as per map recorded in Volume 1, Pages 24-26, Map Records of Hidalgo County, Texas, said North one-half (1/2) of said Lot 8 is vested for The Estate of Floyd E. Anderson, Deceased, from H.S. Anderson, Independent Executor of the Estate of Wilma Anderson, Deceased, dated October 10, 1958, by virtue of a Warranty Deed, recorded in Volume 926, Page 482, Deed Records of Hidalgo County, Texas, by virtue of a Consent to termination of Trust and Conveyance, dated September 11, 1998, recorded in Document Number 854134, Official Records of Hidalgo County, Texas, and by virtue of the Last Will and Testament of Floyd Anderson Kilson, recorded in Document Number 854136, Official Records of Hidalgo County, Texas, said 5.207-acre tract of land being more particularly described by metes and bounds in Exhibit "A", which is attached hereto and incorporated herein for any and all purposes.

SUBJECT TO THE FOLLOWING:

1. Visible and apparent easements not appearing of record;
2. Any discrepancies, conflicts, or shortages in area or boundary lines of any encroachments or any overlapping of improvements which a current survey would show; and
3. Easements, rights of way, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances, and other instruments (other than liens and conveyances) presently of record in the Official Public Records of Hidalgo County, Texas, that affect the property, but only to the extent that said liens are still valid and in force and effect at this time.

SAVE AND EXCEPT:

Grantor reserves all of the oil, gas and sulphur in and under the land herein conveyed but waives all rights of ingress and egress to the surface thereof for the purpose of exploring, developing, mining or drilling for same, however, nothing in this reservation shall affect the title and rights of the Grantee to take and use all other minerals and materials thereon, therein and hereunder.

TO HAVE AND TO HOLD the premises herein described and herein conveyed together with all and singular the rights and appurtenances thereto in any wise belonging unto the County of Hidalgo and its assigns forever and Grantors do hereby bind ourselves, our heirs, executors, administrators, successors and assigns to Warranty Defend all and strengthen the said premises herein

conveyed unto the County of Hidalgo and its assigns against every person whomsoever lawfully

IN WITNESS WHEREOF, this instrument is executed on this the 10th day of February, 2017.

Marilyn Elaine Anderson
MARTLYN ELAINE ANDERSON

Robert K. Anderson
ROBERT K. ANDERSON aka ROBERT

KEMMY ANDERSON, Individually and as
Administrator of the Estate of Josephine K.
Anderson aka Josephine Kemmy Anderson,
Deceased

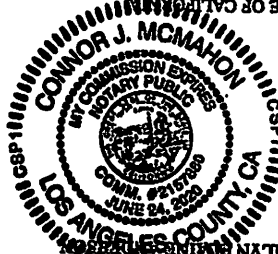
Mildred Anderson Sheets
MILDRED ANDERSON SHEETS

Thomas Bahr Sheets
THOMAS BAHR SHEETS

STATE OF CALIFORNIA

COUNTY OF Los Angeles

This instrument was acknowledged before me on 03/04/17, 2017 by



NOTARY PUBLIC, STATE OF CALIFORNIA

Connor J. McMahon

STATE OF CALIFORNIA

COUNTY OF Los Angeles

This instrument was acknowledged before me on 03/04/17, 2017 by ROBERT

K. ANDERSON aka ROBERT KEMMY ANDERSON, a single person, Individually and as
Administrator of the Estate of Josephine K. Anderson aka Josephine Kemmy Anderson, Deceased.



NOTARY PUBLIC, STATE OF CALIFORNIA

Connor J. McMahon

PREPARED IN THE LAW OFFICE OF:
I.G. "JERRY" CANALES
6013 N. 10th Street
McAllen, Texas 78594
File No. 120374

AFTER RECORDED IN THE PUBLIC RECORDS TO:
THE COUNTY OF HIDALGO, TEXAS
1902 Joe Stephens Avenue
Westaco, Texas 78596

NOTARY PUBLIC, STATE OF CALIFORNIA

[Signature]

This instrument was acknowledged before me on 03/04/17 by THOMAS BARRER



COUNTY OF Los Angeles

STATE OF CALIFORNIA

NOTARY PUBLIC, STATE OF CALIFORNIA

[Signature]

This instrument was acknowledged before me on 03/04/17 by MILDRED BARRER



COUNTY OF Los Angeles

STATE OF CALIFORNIA

EXHIBIT "A"

COUNTY: HIDALGO

DITCH: L. J. Drainage Lateral

PROJECT LIMITS: From Cesar Chavez Rd. to Alamo Lateral Drain

**Eng08.024J
June 26, 2009
Parcel 1
Page 1 of 3
Rev.: 10/02/09**

FIELD NOTES FOR PARCEL - 1

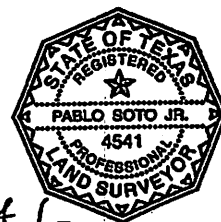
Being a 5.207-acre tract of land out of the North one-half (1/2) of Lot 8, Block 48, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as per map recorded in Volume 1, Pages 24~26, Map Records of Hidalgo County, Texas. Said North one-half (1/2) of said Lot 8 is vested to: The Estate of Floyd E. Anderson, Deceased, from H.S. Anderson, Independent Executor of the Estate of Minnie Anderson, Deceased, dated October 10, 1958, by virtue of a Warranty Deed, recorded in Volume 926, Page 482, Deed Records of Hidalgo County, Texas, by virtue of a Consent to termination of Trust and Conveyance, dated September 11, 1998, recorded in Document No. 854134, Official Records of Hidalgo County, Texas, and by virtue of the Last Will and Testament of Floyd Anderson Ellison, recorded in Document No. 854136, Official Records of Hidalgo County, Texas. Said 5.207-acre tract of land being more particularly described by metes and bounds as follows;

Beginning at a No. 4 rebar set at the Northeast corner of Lot 8, for the Northeast corner and the POINT OF BEGINNING of this tract of land;

1. **THENCE, South 08 degrees 31 minutes 51 seconds West, with the East line of said Lot 8, a distance of 178.39 feet to a No. 4 rebar set at the Proposed South Right of Way line of L.J. Drainage Lateral, for the Southeast corner of this tract of land;**
2. **THENCE, North 81 degrees 14 minutes 23 seconds West, with the Proposed South Right of Way line of said L.J. Drainage Lateral, a distance of 1290.00 feet to a No. 4 rebar set at the Existing East Right of Way line of Cesar Chavez Road, for the Southwest corner of this tract of land;**
3. **THENCE, North 08 degrees 31 minutes 51 seconds East, with the Existing East Right of Way line of said Cesar Chavez Road, a distance of 173.23 feet to a No. 4 rebar set at the North line of said Lot 8, for the Northwest corner of this tract of land;**

4. THENCE, South 81 degrees 28 minutes 09 seconds East, with the North line of said Lot 8, a distance of 1290.00 feet to the POINT OF BEGINNING, containing 5.207-acres, of which 0.865-acres lies in the Existing Hidalgo County Irrigation District No. 2 Easement, leaving a Proposed Net Taking of 4.342-acres of land, more or less.

I, Pablo Soto, Jr., a Registered Professional Land Surveyor in the State of Texas, do hereby certify the above metes and bounds are true and is the result of an actual survey performed on the ground under my direction.



A handwritten signature in black ink, appearing to read "Pablo Soto, Jr.", written over a horizontal line.

PABLO SOTO, JR. - R.P.L.S. No. 4541

Date: 6/26/09

Rev.: 10/2/09



HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

Jose N. Peña
Director

ADMINISTRATIVE SETTLEMENT DISAPPROVAL LETTER

January 13, 2010

Certified Letter # 7006-2760-0002-0142-2931

Floyd E. Anderson Estate
Robert K. Anderson, Executor
6168 Sylvia Ave.
Tarzana, Ca. 91335-6603

Re: Settlement Disapproval
LJ Drainage Project
Parcel # 1

Dear Mr. Robert K. Anderson:

I reviewed your counter offer which increases to \$ 29,500 per acre on open land and \$ 14,750 per acre on easement acquisition. Your offer would result to a total of \$ 140,848.00. This would increase our original offer by \$ 33,422.

I presented your request to Mr. Jose N. Pena, Director of Right of way Acquisitions. He asked that I prepare your counter offer for presentation to the Hidalgo County Commissioner's court. Enclosed is the document presented to Commissioner's Court.

Your counter offer was denied. Commissioner's Court asked that I counter your offer with a total offer of \$ 125,000.00. This would increase our original offer of \$ 107,426.00 by \$ 17,574.00.

If this offer is not accepted I will be forced to refer this case to our legal department and our original offer of \$ 107,426.00 will stand before the condemnation court. Please contact our office, otherwise, within ten working days from the date receipt of this letter, condemnation proceedings will be instituted for the acquisition of right of way.

We would like to thank you for your effort and cooperation in attempting to settle this acquisition in order to expedite this much needed project.

Sincerely,

Lupe Rodriguez, Right of Way Agent
Hidalgo County Right of Way Department

6168 Sylvia Ave.
Tarzana, CA 91335-6603
January 29, 2010

Lupe Rodriguez
Hidalgo County Right of Way Department
2401 N. Moorefield Rd.
Mission, TX 78572

Re: LJ Drainage Ditch Project

Dear Mr. Rodriguez,

Thank you for your letter of January 13th in response to the counter offer submitted on our land to be purchased by the Right of Way Department.

Though Mr. Jose N. Pena did not accept our counter, I was pleased to hear in our recent telephone conversation that there was a new offer of \$26,200.00 per acre with an additional \$13,010.00 for the easement. I stated at the time that this was an offer we could accept and I now do so in writing.

I'm a little puzzled by your recent letter. You state that the Commissioner's Court has asked you to counter our offer with a total offer of \$125,000.00. Given the figures you quoted me in our phone conversation, and as I've repeated above, how does this factor out? I was also concerned that the letter did not address our wish to retain the mineral rights to the property as expressed in my letter dated December 15, 2009.

Thank you again for your assistance and patience. It would appear that we're nearing a resolution that is amicable to all parties concerned.

Sincerely,



Robert K. Anderson
Executor, Floyd E. Anderson

REAL ESTATE APPRAISAL REPORT

TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: Located approximately 300' feet South of District Pharr

 Owassa Road along the east line of ROW CSJ: N/A

 Cesar Chavez Road, Hidalgo County, Texas

Property Owner: Floyd E Anderson Parcel: 1 (Revised 10/06/09)

Address of Property Owner: 6168 Sylvia Avenue, Tarzana, CA Federal Project No: N/A

 91335-6603

Occupant's Name: Vacant Acreage

Whole: Partial: Acquisition Highway: LJ Drainage Project County: Hidalgo

Purpose of the Appraisal

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


Market Value

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

Certificate of Appraiser

I hereby certify that, it is my opinion the total compensation for the acquisition of the herein described property is \$107,426.00 as of July 10, 2009, based upon my independent appraisal and the exercise of my professional judgment; on July 10, 2009 (date)(s), I personally inspected in the field the property herein appraised; I afforded The Estate of Floyd E. Anderson, Deceased, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection. The comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on May 4, 2009 (date)(s), I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the County of Hidalgo or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law or until I am released from this obligation by having publicly testified to such findings; and, my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

I certify to the best of my knowledge and belief that the statements of fact contained in this report are true and correct; the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions; I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; and, my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement other than that due to the physical deterioration within the reasonable control of the owner has been disregarded in estimating the compensation for the property.



 Appraiser Signature - Leonei Garza III

 State Certified General Real Estate Appraiser - TX 1328375-General

 Certification Number

 October 6, 2009

 Date

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

Certificate of Appraisal

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

Identification of Client & Intended User of Appraisal Report

The client for this report is identified as Hidalgo County Precinct No. 2 under the direction of Honorable Hidalgo County Commissioner Hector "Tito" Palacios. Commissioner Palacios and others which would be involved with the acquisition of said proposed right-of-way. The part to be acquired is for the expansion and improvement of an existing drainage canal with the project limits: Being an area of land located between Owassa Road and Minnesota Road, from Cesar Chavez Road to east of Tower Road, in Hidalgo County, Texas.

The intended use of the report is to assist Lupe Rodriguez, Right-of-Way Agent and others involved with the project, for future negotiations of acquiring a portion of said property as fee simple in the name of the County of Hidalgo. This report is not intended for any other use, unless specified by the client. The clients have identified that the report shall be a limited restricted appraisal report, which is to conform with the ROW-A-6 Form Rev. 7/2004. The intended user of the report is defined as Hidalgo County Precinct No. 2 and may include other governmental entities which may be participating in the project. Lupe Rodriguez is the right-of-way agent of which has a local office located at 509 E Earling Road, San Juan, Texas. Lupe Rodriguez, Right-of-Way Agent of the Hidalgo County Right-of-Way Department, shall be the project manager for this project under the direction of Commissioner Hector "Tito" Palacios. Mr. Rodriguez can be contacted at (956) 283-8134.

Scope of the Assignment

By work order dated July 7, 2009, on behalf of Hidalgo County Precinct No. 2, Lupe Rodriguez, requested for Leonel Garza Jr. & Associates LLC to prepare an appraisal report of the part to be acquired as described by survey and metes and bounds created by R. Gutierrez Engineering Corporation located at 130 E. Park Avenue, Pharr, Texas. The scope of the assignment is to appraise the area as fee simple, to be acquired as indicated by the survey as of the date of on-site or off-site inspection as permitted by the owner of record. Market sales within the market area and comparable market areas are to be identified and analyzed for comparability and for their reliability in determining the estimated market value of the subject property. The comparables have been collected, confirmed and analyzed with respect to comparability to the subject property. These comparable sales were gathered through various sources which included the Greater McAllen Multiple Listing Service, local Realtors & Brokers, Real Estate Appraisers, and conversations with various owners along the project. The appraisal report shall indicate the current market value of the subject property as per date of on-site and or off-site inspection. This inspection is limited by the permissibility of the subject owner as per date of report. A copy of a certified letter of intent to inspect said property is located within the addenda of this appraisal report. In the event an on-site inspection was not permitted, the appraiser continued the inspection off-site along existing road Cesar Chavez Road.

Purpose of the Appraisal Report

This appraisal is prepared for the purpose of estimating the current market value of the fee simple estate of the subject property in order to determine the value of the proposed right-of-way to be acquired by the Hidalgo County Precinct No. 2, as defined within this report. This appraisal does not include any enhancement in value resulting from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases (mineral and or ground lease), or operating agreements and project influence (if any exist). The area to be acquired may contain personal property items and or real estate items, which may be compensable for the purpose of right-of-way acquisition only. These items deemed compensable shall be included within the body of the report and itemized for clarity. Any improvements not located within the part to be acquired and outside of the permissibility of inspection as defined by the subject owner, shall be given a stated value based on the assessment established by the corresponding Appraisal District and or by off-site estimation by appraiser as they are not affected by the acquisition.

Property Rights Appraised

As per scope of the assignment the property rights being appraised in this report consist of the fee simple estate of the subject property and an easement that encumber said subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 113, by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." The subject property is encumbered with an active irrigation easement. As per scope of the assignment a value estimate for the easement is also to be determined. According to the Dictionary of Real Estate Appraisal "An easement is the conveyance of certain property rights, but not ownership, to a parcel of real estate." By definition, the ownership of real estate is endowed with a bundle of rights.

Accessibility To Subject Property

The owner of record of the subject property, as per Hidalgo County Appraisal District Records was sent a letter of intent to inspect the subject property. The letter afforded the property owner the opportunity to accompany the appraiser during the on or off-site inspection of the subject property. A copy of the certified letter is located within the addenda of this report. In the event no written or verbal permission was granted to the office of Leonel Garza Jr. & Associates LLC prior to date of inspection, the inspection proceeded off-site along existing road right-of-way. The property owner shall reserve the right to contact this office after the date of inspection for an additional on-site inspection in their presence.

Analysis of Subject As A Whole

A survey of the property owners entire tract was not performed as the part to be acquired incorporates a portion of land located along southern property boundary of the subject property and does not affect the remainder of the tract in the remainder after state. As per scope of the assignment, the subject property shall be analyzed based on the combined information of several sources including, the survey provided, on-site and or off-site inspection, personal interviews, and information gathered from the local appraisal district. The property was analyzed based on the whole property less any existing road right-of-way. Based on the inspection of the subject property and the evaluation of the subject as a whole, the remainder shall not be affected by the part to be acquired and therefore shall not be included within the valuation of this report.

Economic Unit Analysis

The subject property shall be analyzed based on a 20.00 acre tract of land as described by survey. Any existing road right-of-way indicated along Cesar Chavez Road shall be excluded as per scope of the assignment. The area for the subject property as a whole is indicated as per survey provided by R. Gutierrez Engineering Corporation dated October 2, 2009. The comparable sales used for the analysis of the subject property as whole and as the partial acquisition indicated a range of economic units of 7.47 acres to 15.01 acres. These indicated economic unit values are used for the valuation of the proposed acquisition as the part to be acquired does constitute an economic unit. Therefore, the pro-rata part of the whole is applied as the market valuation of the whole.

Part To Be Acquired

The proposed acquisition is comprised of fee land in which the gross land area to be acquired is 5.207 acres (226,817 square feet). The proposed acquisition is located along the northern property line of the subject whole property which fronts the east line of Cesar Chavez Road. The proposed acquisition has approximately 173.23' lineal feet of frontage along the east line of Cesar Chavez Road and depth of 1,290 lineal feet. The subject whole property is encumbered with several irrigation easements that are located along the northern, eastern and western property boundaries. The proposed acquisition, which is the subject of this report, shall be evaluated as a whole as determined by the approaches to market value selected. The subject shall be valued based on the highest and best use as a residential use tract of land, which is based on the local market trends along Owassa Road, Cesar Chavez and nearby thoroughfares. This highest and best use is further explained on page 1.4 of this report.

To Be Acquired	5.2070 Acres
	226,817 S.F.

Legal Description of the Part To Be Acquired

A 5.207 acre tract of land out of the north one-half of Lot 8, Block 48, Alamo Land & Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume 1, Page 24 - 26, Map Records, Hidalgo County, Texas.

Remainder Before and After Acquisition

The remainder before and after the acquisition is defined as the partial acquisition subtracted from the whole property which is described as the subject property. It is determined at the time of appraisal whether or not damages to the remainder are caused by the proposed part to be acquired. The highest and best use of the subject property before and after the proposed partial acquisition is analyzed to determine whether or not the use of the subject property will be altered as a result of the proposed part to be acquired. After a review of the remainder after the acquisition, no damages to the remainder were indicated.

Property Tax Information

This appraiser has examined the property tax information indicated by the Hidalgo County Appraisal District (HCAD) as of the date of appraisal and has found that the subject property is under the ownership of Floyd E. Anderson. The part to be acquired was identified as the subject whole property which contained tax identification no. R112903. The subject property, which is a vacant agricultural use tract of land, is valued at \$293,100 with an indicated assessed value at \$8,187. The property taxes for the subject appear to be current, however, further research with the Hidalgo County Tax Office shall be required to confirm any outstanding tax liabilities attributable to the subject property.

General Site Assessment Statement

This appraiser has made an off-site inspection of the subject property, and no obvious adverse environmental concerns or potentially hazardous materials were observed. This appraiser is not qualified to make a detailed environmental study and highly recommends that an inspection be made by a qualified environmental engineer if an environmental concerns exists. Leonel Garza Jr. & Associates LLC has performed this appraisal report under the hypothetical condition and extraordinary assumption that the subject property has not experienced any adverse environmental concerns which may influence it's marketability and or value. A survey of the remainder of the subject property was not provided nor necessary due to the acquisition size of the partial acquisition. The extraordinary assumption that no adverse easements nor encroachments are located within the subject property which would affect the value of the whole. The subject property was observed that the property is generally level and typical of the surrounding market area. No severe low lying areas were observed, however, this appraiser is not an engineer and cannot certify to the topography nor drainage of the subject property.

Utility Services Available

The subject property is located in a region, which contains potable water, electricity, and phone service, which is typical of the market area.

Identification of Personal Property

As per scope of the assignment, no personal property located within the proposed right-of-way and the remainder before and after the taking shall be included for compensation, unless it was determined by the appraiser that these item shall be affected or damaged by the proposed taking. In the event the selected items are determined to be compensable, then they shall be included within the cost approach section of this report. A value which shall be either the cost to cure and or the cost of replacement shall be delineated for each item for clarity.

Current Listing Status

Based on the off-site inspection of the subject property no visible "For Sale" signs were located on-site indicated the subject property listed for sale. Additional research was conducted with local Realtor's® Multiple Listing Services and the subject property was not listed.

Estimated Marketing Time Period

The indicated marketing period is based on the marketing periods of the comparable sales used in the Sales Comparison Approach and the surrounding sales found. Based on the research performed, a twelve (12) to twenty-four month (24) marketing time period appears to be adequate. This time period was selected after a review of multiple land sales within the Edinburg, San Juan and Alamo markets. The analysis included the indicated "DOM" Days on Market as shown on the McAllen Multiple Listing Service which provides local Realtors an avenue to advertise properties located in the Rio Grande Valley, with its primary focus on properties within Hidalgo County.

Exposure Time

Exposure time is defined as the "length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Based on research performed within the market area, an indicated twelve (12) to twenty-four month (24) exposure time is indicated for the subject property. This was estimated based on current and past listings located within the market area which were reviewed during our sales search for comparables similar to the subject property.

Statement of Highest & Best Use

The subjects highest and best use as vacant and as if improved is indicated for residential development use. This type of use is concurrent with the recent trends located along Cesar Chavez Road within Hidalgo County and nearby municipalities to the project including the City of Edinburg, City of San Juan and the City of Alamo. This highest and best use is based on the determined economic unit of the subject property as whole which is being acquired in the name of the County of Hidalgo, Texas.

When a property is evaluated, the highest and best use must always be considered. In the current case, the highest and best use of the whole is determined to be for residential development use based on several factors. Factors taken into consideration are defined by The Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 135, by the Appraisal Institute as being: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and there results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

The scope of the assignment is to evaluate the subject property as a whole, part to be acquired and the remainder before and after the acquisition, excluding project influence as required by Standards Rule 1-4(f) under the Jurisdictional Exception provision as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). The highest and best use is analyzed for each of these scenarios as each parcel shall be evaluated before and after the proposed acquisition if applicable. In order to determine the highest and best use, research was performed within Hidalgo County with the corresponding municipalities located near the subject property. Since the subject lies within the jurisdiction of the County of Hidalgo, Texas municipal zoning ordinance restrictions are not applicable to the subject as per date of appraisal. This office shall evaluate the subject properties based on the continuing trend along Cesar Chavez Road and should continue its use before and after the proposed right-of-way acquisition. Therefore, the highest and best use of single family residential development "as vacant" and "as if improved" would therefore be legally permissible as of the date of this report.

The physical characteristics of the subject property as a whole are typically found throughout the central region of Hidalgo County. The subject property contains adequate land area to allow the future residential development before and after the proposed acquisition. Based on the size and shape of the subject property as a whole and the remainder before and after the acquisition, the property shall maintain a residential highest and best use. As for the part to be acquired, it contains limited use based on its proposed size and shape and therefore does not constitute an economic unit in itself and must be used in conjunction with the whole. Since the valuation of the part to be acquired is based on the pro-rata part of the whole, then the part to be acquired shall be evaluated with a similar highest and best use as the whole. This highest and best use shall not be affected for the remainder before and after the acquisition.

The financial feasibility and maximally productive use of the subject property is based on the growth trends along Owassa Road include agricultural, grazing, residential, and small retail developments. Based on the stable growth along Cesar Road and nearby Tower Road and Alamo Road, it is estimated that the subject can be financially feasible to contain residential development "as vacant" and "as if improved". This determination of financial feasibility and productivity is also attributed to the remainder before and after the acquisition which will not be affected nor damaged as a result of the part to be acquired. After careful review of the four approaches to the highest and best use test, it is concluded that the subject property "as vacant" and "as if improved" shall be for residential development use. This conclusion is correlated to the subject property as a whole and selected economic unit.

LOCATION MAP OF SUBJECT PROPERTY



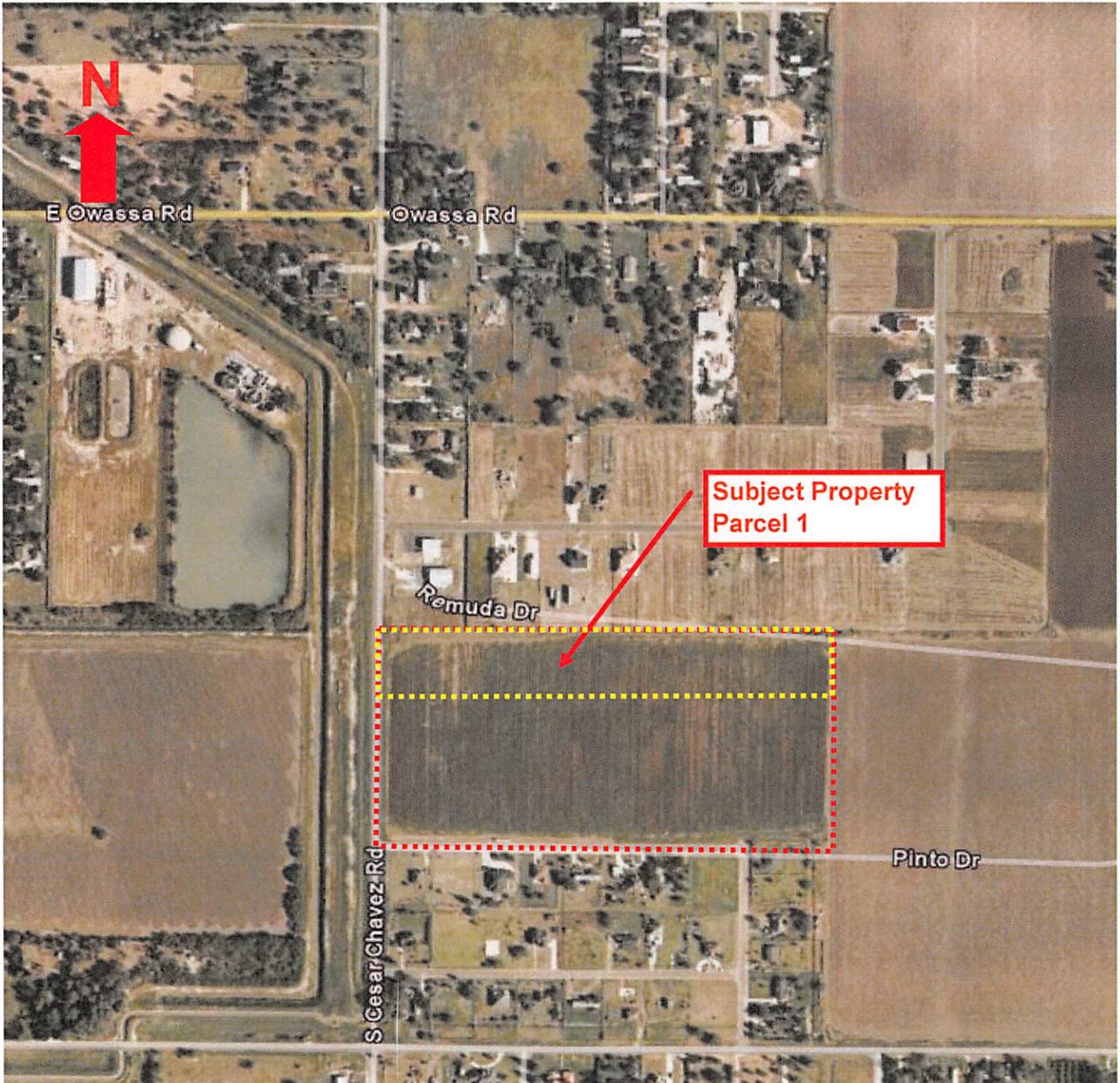
Copyright 1996-2007 TexMaps; 8th Edition

AERIAL PHOTOGRAPH OF SUBJECT PROPERTY



AERIAL PHOTOGRAPH OF SUBJECT

(Closer View of Subject Property)



NOTE: SUBJECT PROPERTY AS A WHOLE IS ESTIMATED AND DEPICTED BY THE RED DASHED LINE. THIS INCLUDES THE PART TO BE ACQUIRED WHICH IS OUTLINED IN YELLOW. COMPLETE SURVEY OF SUBJECT AS A WHOLE WAS NOT PROVIDED BY R. GUTIERREZ ENGINEERING CORPORATION, AND IS ESTIMATED BASED ON INFORMATION GATHERED DURING THE INSPECTION OF THE SUBJECT PROPERTY OR THE HIDALGO COUNTY APPRAISAL DISTRICT.

FIELD NOTES OF PART TO BE ACQUIRED (Page 1 of 2)

EXHIBIT "A"

COUNTY: HIDALGO

DITCH: L. J. Drainage Lateral

PROJECT LIMITS: From Cesar Chavez Rd. to Alamo Lateral Drain

**Eng08.024J
June 26, 2009
Parcel 1
Page 1 of 3
Rev.: 10/02/09**

FIELD NOTES FOR PARCEL – 1

Being a 5.207-acre tract of land out of the North one-half (1/2) of Lot 8, Block 48, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as per map recorded in Volume 1, Pages 24~26, Map Records of Hidalgo County, Texas. Said North one-half (1/2) of said Lot 8 is vested to: The Estate of Floyd E. Anderson, Deceased, from H.S. Anderson, Independent Executor of the Estate of Minnie Anderson, Deceased, dated October 10, 1958, by virtue of a Warranty Deed, recorded in Volume 926, Page 482, Deed Records of Hidalgo County, Texas, by virtue of a Consent to termination of Trust and Conveyance, dated September 11, 1998, recorded in Document No. 854134, Official Records of Hidalgo County, Texas, and by virtue of the Last Will and Testament of Floyd Anderson Ellison, recorded in Document No. 854136, Official Records of Hidalgo County, Texas. Said 5.207-acre tract of land being more particularly described by metes and bounds as follows;

Beginning at a No. 4 rebar set at the Northeast corner of Lot 8, for the Northeast corner and the **POINT OF BEGINNING** of this tract of land;

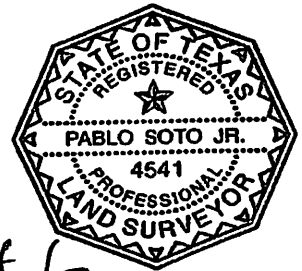
1. **THENCE**, South 08 degrees 31 minutes 51 seconds West, with the East line of said Lot 8, a distance of 178.39 feet to a No. 4 rebar set at the Proposed South Right of Way line of L.J. Drainage Lateral, for the Southeast corner of this tract of land;
2. **THENCE**, North 81 degrees 14 minutes 23 seconds West, with the Proposed South Right of Way line of said L.J. Drainage Lateral, a distance of 1290.00 feet to a No. 4 rebar set at the Existing East Right of Way line of Cesar Chavez Road, for the Southwest corner of this tract of land;
3. **THENCE**, North 08 degrees 31 minutes 51 seconds East, with the Existing East Right of Way line of said Cesar Chavez Road, a distance of 173.23 feet to a No. 4 rebar set at the North line of said Lot 8, for the Northwest corner of this tract of land;

FIELD NOTES OF PART TO BE ACQUIRED (Page 2 of 2)

Eng08.024J
June 26, 2009
Parcel 1
Page 2 of 3
Rev.: 10/02/09

4. **THENCE**, South 81 degrees 28 minutes 09 seconds East, with the North line of said Lot 8, a distance of 1290.00 feet to the **POINT OF BEGINNING**, containing 5.207-acres, of which 0.865-acres lies in the Existing Hidalgo County Irrigation District No. 2 Easement, leaving a **Proposed Net Taking** of 4.342-acres of land, more or less.

I, Pablo Soto, Jr., a Registered Professional Land Surveyor in the State of Texas, do hereby certify the above metes and bounds are true and is the result of an actual survey performed on the ground under my direction.



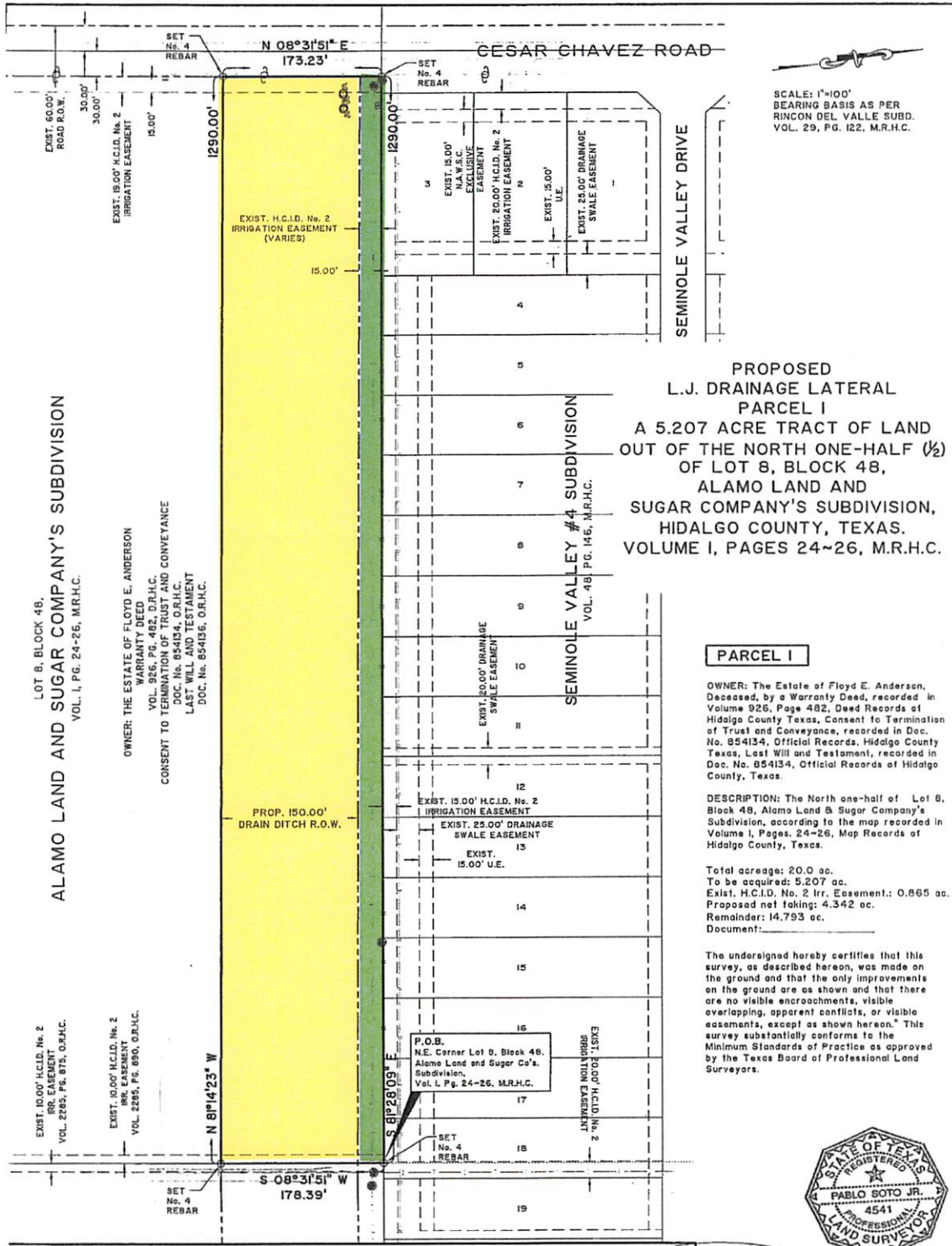


PABLO SOTO, JR. - R.P.L.S. No. 4541

Date: 6/26/09

Rev.: 10/2/09

SURVEY OF PART TO BE ACQUIRED (Page 1 of 1)



SCALE: 1"=100'
BEARING BASIS AS PER
RINCON DEL VALLE SUBD.
VOL. 29, PG. 122, M.R.H.C.

PROPOSED
L.J. DRAINAGE LATERAL
PARCEL I
A 5.207 ACRE TRACT OF LAND
OUT OF THE NORTH ONE-HALF (1/2)
OF LOT 8, BLOCK 48,
ALAMO LAND AND
SUGAR COMPANY'S SUBDIVISION,
HIDALGO COUNTY, TEXAS.
VOLUME I, PAGES 24~26, M.R.H.C.

PARCEL I

OWNER: The Estate of Floyd E. Anderson,
Deceased, by a Warranty Deed, recorded in
Volume 926, Page 482, Deed Records of
Hidalgo County Texas, Consent to Termination
of Trust and Conveyance, recorded in Doc.
No. 854134, Official Records, Hidalgo County
Texas, Last Will and Testament, recorded in
Doc. No. 854134, Official Records of Hidalgo
County, Texas.

DESCRIPTION: The North one-half of Lot 8,
Block 48, Alamo Land & Sugar Company's
Subdivision, according to the map recorded in
Volume I, Pages 24-26, Map Records of
Hidalgo County, Texas.

Total acreage: 20.0 ac.
To be acquired: 5.207 ac.
Exist. H.C.I.D. No. 2 Irr. Easement: 0.865 ac.
Proposed net taking: 4.342 ac.
Remainder: 14.793 ac.
Document: _____

The undersigned hereby certifies that this
survey, as described hereon, was made on
the ground and that the only improvements
on the ground are as shown and that there
are no visible encroachments, visible
overlapping, apparent conflicts, or visible
easements, except as shown hereon. This
survey substantially conforms to the
Minimum Standards of Practice as approved
by the Texas Board of Professional Land
Surveyors.



LOT 8, BLOCK 48,
ALAMO LAND AND SUGAR COMPANY'S SUBDIVISION
VOL. I, PG. 24-26, M.R.H.C.

OWNER: THE ESTATE OF FLOYD E. ANDERSON
WARRANTY DEED
VOL. 926, PG. 482, D.R.H.C.
CONSENT TO TERMINATION OF TRUST AND CONVEYANCE
DOC. No. 854134, O.R.H.C.
LAST WILL AND TESTAMENT
DOC. No. 854136, O.R.H.C.

EXIST. 10.00' H.C.I.D. No. 2
IRR. EASEMENT
VOL. 2285, PG. 875, O.R.H.C.

EXIST. 10.00' H.C.I.D. No. 2
IRR. EASEMENT
VOL. 2285, PG. 890, O.R.H.C.

P.O.B.
N.E. Corner Lot 8, Block 48,
Alamo Land and Sugar Co.'s
Subdivision,
Vol. I, Pg. 24-26, M.R.H.C.

R. Gutierrez
Engineering
Corporation

Professional Engineers & Land Surveyors
130 E. PARK AVENUE • PHARR, TEXAS 78577
(TEL) 956 782-2557 • (FAX) 956 782-2558
FIRM No. 486

Pablo Soto Jr.
PABLO SOTO, JR. - R.P.L.S. No. 4541
Date: 6/26/09 Rev: 10/2/09

JOB No.: ENG08.024J DATE: 6/11/09
DRAWN BY: J.H.F. PAGE: 3 OF 3

PHOTOGRAPHS OF SUBJECT PROPERTY

Parcel No.: 1

Local Address: Located approximately 300' feet South of Owassa Road along the east line of Cesar Chavez Road, Hidalgo County, Texas

Date Taken: July 10, 2009

Taken By: Leonel Garza III

1. Point from which taken: Photo 1: Cesar Chavez Road
Photo 2: Cesar Chavez Road

Looking: Photo 1: Eastern
Photo 2: Northern View



Photo 1

Eastern view of the subject whole property from Cesar Chavez Road.



Photo 2

Northern view of Cesar Chavez Road and the most western property boundary of the subject property. The survey stake indicates the southwest corner of the proposed acquisition.

2. Point from which taken: Photo 3: Existing HCID ROW
Photo 4: Existing HCID ROW

Looking: Photo 3: Western View
Photo 4: Western View



Photo 3

Southern view of Cesar Chavez Road. The proposed acquisition is located along the left of the photo.



Photo 4

Eastern view of the subject whole property as seen from its most southwestern property boundary.

DESCRIPTION OF PROPERTY:

The subject property, as a whole, is a 20.00 gross acre vacant agricultural tract of land located along the eastern line of Cesar Chavez Road in the County of Hidalgo, Texas. According to the survey provided by R. Gutierrez Engineering Corporation, dated October 2, 2009, the part to be acquired is approximately 5.207 acres (226,817 square feet) located along the most northern property boundary of the subject whole property. The subject whole property is encumbered with a 0.865 acre irrigation easement held by Hidalgo County Irrigation District No. 2. The proposed acquisition contains 173.23' lineal feet of frontage along the east line of Cesar Chavez Road and a depth of 1,290 lineal feet. This area includes a 19.0 foot wide Hidalgo County Irrigation District easement along the most western property boundary of the partial acquisition. Access to the subject whole property is via Cesar Chavez Road, a county maintained asphalt paved road. Based on the area indicated by the survey provided the subject of this report shall be utilized as the economic unit of the subject property for valuation. This land area currently in fee simple shall be calculated at 100% of the unit value derived from the sales comparison approach as vacant. This is performed in order to determine the unit value for the proposed acquisition for the purchase of said tract in the name of the County of Hidalgo, Texas

AREA OR NEIGHBORHOOD ANALYSIS:

The subject neighborhood along Cesar Chavez Road, south of Owassa Road, is a mixture of single family homes, single family residential developments and agricultural uses. Leonel Garza Jr. & Associates LLC has inspected the market area along Cesar Chavez Road and Owassa Road and has found that the market contains stable growth as traffic in the immediate area along Cesar Chavez Road continues to increase.

SITE ANALYSIS:

Five Year Sales History:

The subject property is indicated to be under the ownership of Floyd E Anderson, Deceased as indicated by survey and field notes provided by R Gutierrez Engineering Corporation. Further investigation of the subjects ownership history through the Hidalgo County Appraisal District and the Hidalgo County Clerks Office confirmed the current owner of record to be Floyd E Anderson, Deceased. The subject property was transferred from H. S. Anderson, Independent Executor of the Estate of Minnie Anderson, Deceased (Grantor) to Floyd E. Anderson (Grantee) on October 10, 1958. The subject has been in the name of The Estate of Floyd E. Anderson, Deceased for over fifty (50) years.

**Legal Description:
(Whole Property)**

Being 20.0 acres out of Lot 8, Block 48, Alamo Land & Sugar Company's Subdivision, according to the map recorded in Volume 1, Pages 24-26, Map Records of Hidalgo County, Texas.

**Legal Description:
(Part To Be Acquired)**

A 5.207 acre tract of land out of the north one-half of Lot 8, Block 48, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas Volume 1, Pages 24-26, M.R.H.C.

Improvements:

During the off-site inspection of the subject property no building or site improvements were indicated within the part to be acquired. Any utilities located within the part to be acquired shall be relocated as an item of construction and shall not be included within the compensation of the subject property.

HIGHEST AND BEST USE ANALYSIS: Single Family Residential Development

VALUATION OF PART TO BE ACQUIRED

LAND VALUATION

**Representative Comparable Sales
 Subject**

	Comp. No. 1	Comp. No. 2	Comp. No. 3	
Grantor	H.S. Anderson, Independent Executor of the Estate of Minnie Anderson, Deceased	Johnny J. Harper, Sr.	Todd D. Kinney and Michelle Kinney	Nahum Rodriguez and wife, Jaine V. Rodriguez
Grantee	Floyd E Anderson	Jaime J. Munoz, Trustee	Garco, LTD	Ester A. Salazar
Date	October 10, 1958	July 13, 2009	May 5, 2008	May 18, 2007
Unit Price	/ Ac	\$ 22,949 / Ac	13,324 / Ac	\$ 22,972 / Ac
Relative Location	Average	Superior -20%	Inferior Tract 20%	Superior -20%
Lot Location	Interior Tract	Interior Tract 0%	Interior Tract 0%	Interior Tract 0%
Financing	Conventional	Similar 0%	Similar 0%	Similar 0%
Conditions of Sale	Cash To Seller	Similar 0%	Similar 0%	Similar 0%
Market Conditions	Average	Similar 0%	Similar 0%	Similar 0%
Physical Characteristics	Level	Similar 0%	Similar 0%	Inferior 20%
Available Utilities	Water / Electricity / Phone	Utilites Available 0%	Similar 0%	All Municipal Utilites Available 0%
Street Access / Frontage	Cesar Chavez Road	Sioux Road East of "I" Road 0%	Alberta Road 0%	Sioux Road West of Cesar Chavez Road 0%
Size of Tract	19.900 Ac	7.68 Acres 0%	15.01 Ac 0%	7.47 Acres 0%
Net Adjustments		Δ -20%	Δ 20%	Δ 0%
Indicated Unit Value	\$ 18,359 / Ac	\$ 15,989 / Ac	\$ 22,972 / Ac	
Estimated Unit Value of Fee Simple Area			\$ 22,500 / Acre	
Estimated Unit Value of Easement Area (\$22,500/Acres x 50% of Fee Simple Value)			\$ 11,250 / Acre	
Estimated Fee Value by Sales Comparison Approach (4.342 Acres x \$22,500/Acre) (Includes Part To Be Acquired Only)			\$ 97,695	
Estimated Value by Sales Comparison Approach (0.865 Acres x \$11,250/Acre) (Easement Portion of Part To Be Acquired Only @ 50% of Fee Simple Value)			\$ 9,731	
Combined Market Value			\$ 107,426	

COMPARABLE DATA SUPPLEMENT

District: Pharr Parcel No.: 1 Highway: LJ Drainage Project County: Hidalgo ROW CSJ N/A

 Land Sale Improved Sale Rental Data



Grantor/Lessor: Johnny J. Harper, Sr. Grantee/Lessee: Jaime J. Munoz, Trustee

 Date: July 13, 2009 Recording Information: Doc# 2018724 Key Map: N/A

 Address: Located along the northern frontage of Sioux Road, East of "I" Road, San Juan, Texas Zip Code: 78589

 Legal Description: A 7.68 acre tract of land out of Lot 9, Block 6, John Closner et al Subdivision, Hidalgo County, Texas, according to the map recorded in Volume 0, Page 4, Map Records in the Office of the County Clerk of Hidalgo County, Texas.

 Confirmed Price \$: 176,250 Verified with: MLS# A117671s

 Terms and Conditions of Sale: Cash to Seller

 Rental Data: N/A

 Land Size: 7.68 Acres Unit Price as Vacant \$: 22,949 per acre

 Type Street: Asphalt Paved – Sioux Road Utilities: All Municipal Utilities Available

 Improvement(s) Description: None

 Improvement(s) Size: NA (GBA) NA (NRA) Unit Price as Improved \$: NA

 Condition and Functional Design: NA

 Current Use: Vacant Highest & Best Use: Single Family Residential Development

 Date of Inspection: August 7, 2009 Zoning: N/A Flood Plain:

 Attach additional information as necessary.

Appraiser: Leonel Garza III October 6, 2009

 (Typed, not signed) Date

COMPARABLE DATA SUPPLEMENT

District: Pharr Parcel No.: 1 Highway: LJ Drainage County: Hidalgo ROW CSJ N/A

 Project

 Land Sale Improved Sale Rental Data



Grantor/Lessor: Todd D. Kinney and Michelle Kinney Grantee/Lessee: Garco, LTD.

 Date: May 5, 2008 Recording Information: Doc# 110853 Key Map: N/A

 Address: Located along the northern frontage of Alberta Road, east of Tower Road, Hidalgo County, Texas Zip Code: 78537

 Legal Description: A 15.01 acre tract of land out of the east 20.00 acres of Block 82, Hall Field Subdivision, Hidalgo County, Texas, according to map or plat thereof recorded in Volume 1, Page 53, Map Records Hidalgo County, Texas.

 Confirmed Price \$: 200,000 Verified with: MLS# F107045s

 Terms and Conditions of Sale: Cash to Seller

 Rental Data: N/A

 Land Size: 15.01 Acres Unit Price as Vacant \$: 13,324 per acre

 Type Street: Asphalt Paved – Alberta Road Utilities: Water, Electricity, and Phone

 Improvement(s) Description: None

 Improvement(s) Size: NA (GBA) NA (NRA) Unit Price as Improved \$: NA

 Condition and Functional Design: NA

 Current Use: Single Family Residential Development Highest & Best Use: Single Family Residential Development

 Date of Inspection: March 4, 2009 Zoning: N/A Flood Plain:

 Attach additional information as necessary.

Appraiser: Leonel Garza III October 6, 2009

 (Typed, not signed) Date

COMPARABLE DATA SUPPLEMENT

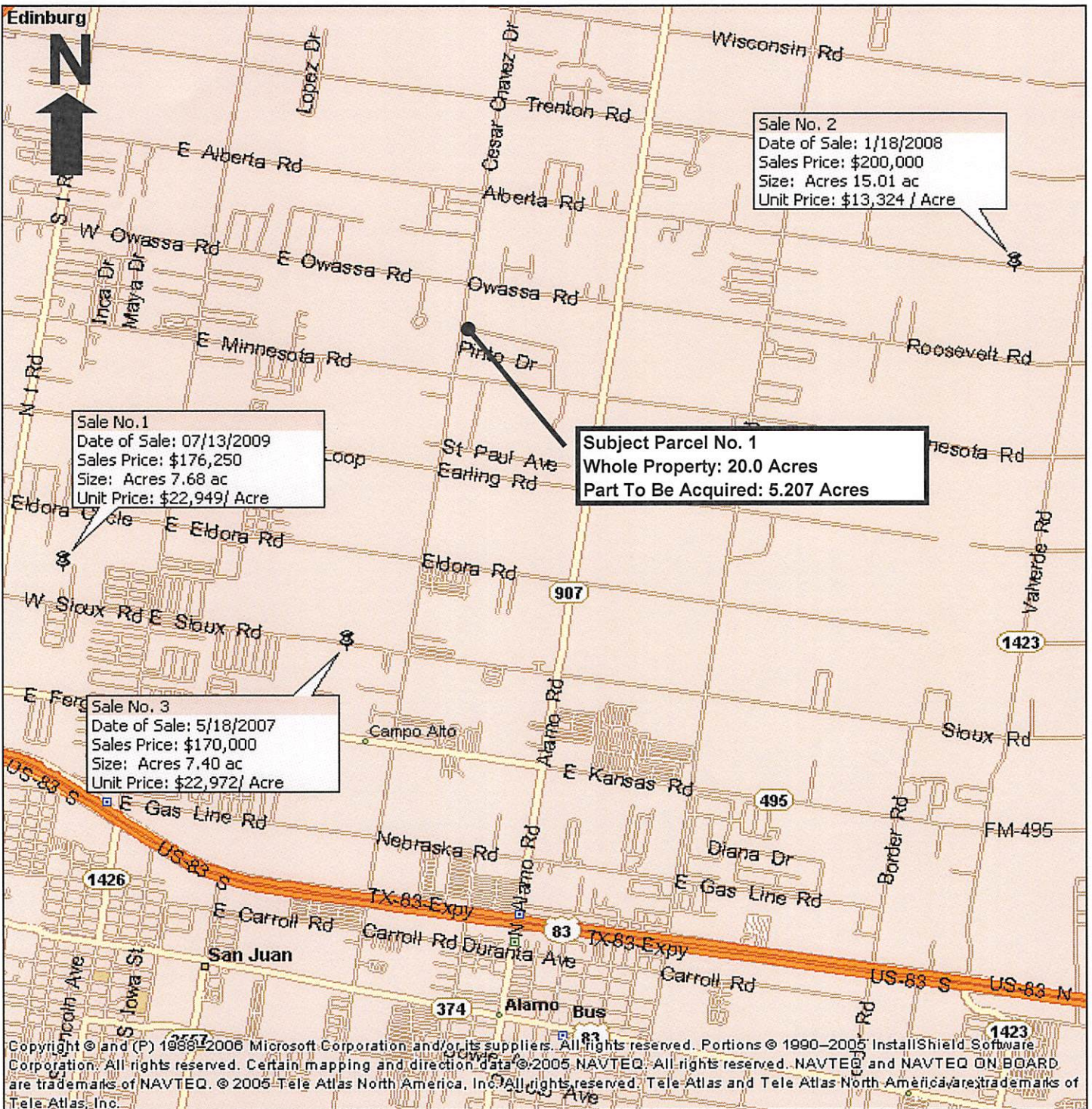
District: Pharr Parcel No.: 1 Highway: LJ Drainage County: Hidalgo ROW CSJ N/A
 Project
 Land Sale Improved Sale Rental Data



Grantor/Lessor: Nahum Rodriguez and wife, Jaine V. Rodriguez Grantee/Lessee: Ester A. Salazar
 Date: May 18, 2007 Recording Information: Doc# 1761468 Key Map: N/A
 Address: Located along the southern side of Sioux Road, west of Cesar Chavez Road, San Juan, Texas. Zip Code: 78589
 Legal Description: A tract consisting of 7.47 gross acres (or 325,314 square feet), more or less, out of and forming a part of Lot Four (4), Block Thirty-nine (39), Alamo Land and Sugar Company Subdivision, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 1, Page 24-27, Map Records of Hidalgo County, Texas. (7.40 Acres Net)
 Confirmed Price \$: 170,000 Verified with: MLS# A100415S
 Terms and Conditions of Sale: Cash to Seller
 Rental Data: N/A
 Land Size: 7.40 acres Unit Price as Vacant \$: 22,972 per acre
 Type Street: Asphalt Paved – Sioux Road Utilities: All Municipal Utilities Available
 Improvement(s) Description: N/A
 Improvement(s) Size: N/A (GBA) N/A (NRA) Unit Price as Improved \$: N/A
 Condition and Functional Design: NA
 Current Use: Vacant Highest & Best Use: Single Family Residential Development
 Date of Inspection: August 7, 2009 Zoning: N/A Flood Plain: N/A
 Attach additional information as necessary.

Appraiser: Leonel Garza III October 6, 2009
 (Typed, not signed) Date

COMPARABLE SALES MAP



Explanation of Adjustments with Reconciliation:

During the analysis of the acquisition area, the value for the subject property as a whole or economic unit was determined. This determination of market value is utilized for the valuation of the proposed acquisition which is a pro-rata part of the whole. The local market and extended market was searched for comparable sales of which contained similar frontage along Cesar Chavez Road and other similar and thoroughfares. Each of the sales utilized are located within Hidalgo County and are the most comparable located in the market place of which all information pertinent to the transaction could be verified. Several sales were located within this parameter of which had occurred within the past three years. Three sales were selected which were the most comparable to the subject property and required the least number of adjustments. The following three comparable sales were reviewed for location, available utilities, financing, site utility, topography and other factors of which the real estate market shall recognized for the purchase of said tracts.

Sale No. 1 is located along the northern frontage of Sioux Road, east of "I" Road within San Juan, Texas. The property was purchased for \$176,250 for 7.68 acres which equates to a unit rate of \$22,949 per acre. The sale is located in an area superior to the subject as such an downward adjustment of -20% was indicated. Due to the sales similar lot location, financing, marketing conditions, physical characteristics, and access as compared to the subject property, no adjustments for these items of comparison were indicated. No other adjustments were indicated. After adjustments a unit value for the subject property is indicated to be \$18,359 per acre.

Sale No. 2 is located along the northern frontage of Alberta Road, east of Tower Road within Hidalgo County, Texas. The property was purchased for \$200,000 for 15.01 acres which equates to a unit rate of \$13,324 per acre. The sale is inferior in location as compared to the subject; as such an upward adjustment of 20% was indicated. Due to the sales similar in financing, marketing conditions, physical characteristics, access and size as compared to the subject property, no adjustments for these items of comparison were indicated. A unit value for the subject property is indicated to be \$15,989 per acre.

Sale No. 3 is located at the along the southern side of Sioux Road, west of Cesar Chavez Road in San Juan, Texas. The property was purchased for \$170,000 for 7.40 acres which equates to a unit rate of \$22,972 per acre. The sale is located in an area superior to the subject as such an downward adjustment of -20% was indicated. An adjustment of +20% were indicated for sales inferior physical characteristics. Due to the sales similar lot location, financing, marketing conditions, and access as compared to the subject property, no adjustments for these items of comparison were indicated. No other adjustments were indicated. After adjustments a unit value for the subject property is indicated to be \$22,972 per acre.

Reviewing the comparable sales selected, an unadjusted range of market unit value of \$13,324 per acre to \$22,949 per acre is indicated. After applicable adjustments were made in a paired sales analysis of the comparables to the subject property, an adjusted range of unit market value of \$15,989 per acre to \$22,972 per acre was determined. Based on the subject property location along Cesar Chavez Road. A value near the mid to upper end of the adjusted unit rates was selected for the subject property, \$18,750 per acre.

As for the portion of the part to be acquired of which is encumbered by the Hidalgo County Irrigation District No. 2 Easement, a 50% discount of the fee simple unit rate is applied for this area only. The purpose of such discount is that the fee simple owner of record does not contain the full bundle of right to said this portion of the subject property as the irrigation district has the right to construct, repair any drain or irrigation lines located within this designated easement area. This area reserved for such use will not be able to be built upon with structures with out the explicit permissibility of the district. However, upon the permissibility of the irrigation district, the fee simple owner may cross, farm, and utilize the surface of said tract of land. Since the fee simple owner does not contain full control of the land area a discount of 50% is applied. Therefore, the 0.865 acres located with the H.C.I.D. No. 2 Irrigation Easement unit rate is calculated at 50% of the \$22,500/acre value determined for the fee simple area. This value shall be included for total compensation for the part to be acquired.

ADDENDUM

1. Certification of Appraisal
2. Assumption & Limiting Conditions
3. Qualification of Appraiser
4. Letter of Inspection Sent To Owner of Record Via Certified Mail
5. Certified Letter Tracking Information
6. Warranty Deed

Certification of Appraisal

I, **Leonel Garza III**, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The employment and compensation of this appraiser in completing this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (2006 Edition)*.
- I have made a personal on-site visit of the property that is the subject of this report.
- Luis C. Garza, State Certified General Real Estate Appraiser with Leonel Garza Jr. & Associates who provided significant professional assistance in the preparation of this report not limited to a physical inspection, taking of photographs of the subject property and value analysis. Personal Assistant Adrian Perez, aided in the physical measuring of the subject property only.
- No one other than those mentioned within this certification provided significant real property appraisal assistance to the person(s) signing this certification.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. I also acknowledge that Leonel Garza III is an associate member of the Appraisal Institute and is not an MAI Designated Appraiser, however is currently seeking designation. Leonel Garza is designated as a Master Real Estate Appraiser through the National Association of Master Appraisers.
- The employment and compensation of this appraiser in completing this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



Leonel Garza III
General Certified Real Estate Appraiser
License No. TX - 1328375 General



Luis Carlos Garza
General Certified Real Estate Appraiser
License No. TX - 1338051 - General

ASSUMPTIONS AND LIMITING CONDITIONS

This report has been prepared with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or un-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
9. It is assumed that the use of the land and improvements is confined within the boundaries or property line of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by this appraiser. The appraiser does not have any knowledge of the existence of such material on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

General Limiting Conditions:

1. Any allocation of the total value of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all or any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. If the property rights appraised are the "Leased Fee Estate", then the Final Indicated Market Value Estimate is based on the continued performance under the lease terms.
6. The original and one copy of this report have been signed in blue ink. Any other copy, which is not signed in blue may have been altered, and this appraiser is not responsible for its contents or value indicated.

Assumptions and Interpretations Made by Appraiser of the Marketing Period

1. Indicated Marketing Time: Begins with the date of value estimate and the exposure time indicated.
2. Exposure to the Open Market: Listing the property on the market for sale with a Realtor, member of Multiple Listing Service, or a licensed Real Estate Broker, that will properly expose the property to the Market. This appraiser does not consider a sign placed by a bank on the property as proper marketing. If the property is presently listed for sale on the market, this appraiser must be notified prior to the completion of the appraisal.
3. Exposure Time: The length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

QUALIFICATIONS OF APPRAISER - LEONEL GARZA III

Education

Graduate, 1995, Texas A&M University, College Station, Texas (Bachelor of Science in Biomedical Science)

Graduate, 1991 McAllen Memorial High School, McAllen, Texas

Licenses

State Certified General Real Estate Appraiser

Number TX - 1328375-General

Licensed Since December 31, 1998

Expires: December 31, 2010 (Active)

State Certified Property Tax Consultant

Number TX - 00003181

Licensed Since May 20, 2002

June 16, 2009 through June 16, 2010 (Active)

Public Service Organizations

Associate Member of the Appraisal Institute (Not MAI Designated)

Currently taking courses toward the designation of MAI through the Appraisal Institute.

National Association of Master Appraisers

Designated as a Master Senior Appraiser in 2006 by the National Association of Master Appraisers. This designation is obtained through educational requirements and experience.

Associate Member of the International Right of Way Association (IRWA) (Member # 7899430)

Former Chairman of the City of McAllen Zoning Board of Adjustments and Appeals

This city board has the duty to hear and decide appeals where it is alleged there is error in any requirement, or determination made administratively in the enforcement of the Zoning Ordinance. The Board hears appeals that grant variances to setback requirements and special exceptions to reconstruction of nonconforming buildings.

Chairman of the Hidalgo County Subdivision Advisory Board

This county board on subdivision reviews primary goal is to ensure that proper standards, set by Texas Water Development Board and the Texas Subdivision Model Rules and or opinions from the Texas State Attorney Generals Office, are conducted in the development of proposed subdivision within the County of Hidalgo and or Extraterritorial Jurisdiction of municipalities throughout the County of Hidalgo. The boards secondary function is to review applications for variances against the Flood Plain Administrators decisions of the base flood elevations throughout the County of Hidalgo.

Chairman of the Hidalgo County Building Line of Adjustments

This county board reviews applications of variances to general set-back regulations set forth by the County of Hidalgo. This review includes the review of existing and or proposed encroachments into set-backs, easements, road right-of-way set-back, subdivision plat requirements and or requirements set forth by adjoining municipalities of which the subject is within the extraterritorial jurisdiction.

Member of The McAllen Palm City Lions Club

Direct the fund raising for the annual Thanksgiving Drive on behalf of Lion Leonel Garza Jr. who founded the drive more than 20 years ago. In 2005 & 2006, the club raised funds to feed 60 family's throughout the City of McAllen.

Former Executive Board Member of the Lower Rio Grande Valley Boy Scouts Council

The goal of the council is to maintain membership and the continued progress of the boy scouts within the Lower Rio Grande Valley. The council shall maintain progress reports of financial status of the council and plan for events world wide which local children may participate as a representative of the council. These events include the World Jamboree and the National Jamboree.

Former Vice Chairman of the City of McAllen Ambulance Advisory Committee

Evaluates and reports to the City Commission on the operation of the emergency ambulance service rendered by company or companies rendering such service.

Former Member of the City of McAllen Building Board of Adjustments and Appeals

The BBOA reviews the decision of City Staff for the demolition of properties deemed unsafe through the City for a variety of reasons. The board review all facts and concerns and make the decision to secure or proceed with demolition based upon the safety of the neighboring property owners and occupants. The greatest concern for the commission is the safety of the surrounding neighborhood occupants.

Former Member of the Pharr Municipal Park Charter Committee

Appointed in 1998-1999, our goal was to establish a 103 acre master planned recreational park to the City of Pharr during our membership with the City of Pharr Leadership Class X.

Work Experience

- *Employee of Leonel Garza Jr. & Associates since 1990*
- *State Certified General Real Estate Appraiser since December 31, 1998*
- *Owner of G-3 Construction which primary focus is custom commercial and multifamily residential construction.*
- *Commercial and residential property manager throughout the City of McAllen & Pharr, Texas.*
- *Licensed Property Tax Consultant Since 2000.*
- *Appraiser Trainee from 1995 thru 1998 under the sponsorship of Leonel Garza Jr. who was a State Certified General Real Estate Appraiser & Board Member of the Texas State Appraisal Review Board from October 23, 1995 Through September 15, 1998. Appointed by Governor George W. Bush for two (2) terms.*

Clients For Which Appraisals Have Been Prepared By This Appraiser

Banks	Bankruptcy Courts	Cities of:	
Attorneys	Homeowners	Alamo	Cameron County
Retailers	Rancher	Alton	Hidalgo County
Doctors	National Franchises	Edinburg	Starr County
Oil Companies	Estate Planners	Hidalgo	
Farmers	Texas Department of	Mercedes	
Mortgage Companies	Transportation	Mission	
Hotel Franchises		McAllen	
US Department of Interior		Pharr	
		San Juan	
		Progresso	

Type of Appraisals Which Have Been Prepared By This Office

Caliche Pits / Land Fills	Apartment Complexes	Agricultural Land
Commercial Lots	Automobile Agencies	Bar / Lounges
Convenience Stores	Mini-Storage Units	Grocery Stores
Farms & Ranches	Mobile Home Park Subdivision	Multi-Tenant Retail
Industrial (McAllen Foreign Trade Zone)	Motels / Hotels	Multi-Tenant Offices
Industrial Subdivisions	Ranches	Residential
Medical Offices	Residential Subdivisions	Vacant Residential Lots
Retail Commercial Strips	Restaurants	Veterinary Clinics
Warehouses	Right of Way Acquisitions	
	Truck Stops	

Areas Where Appraised Properties Have Been Performed By This Office

Alamo	Edcouch	Alice	Austin
Beeville	Hargill	Georgewest	Donna
Elsa	Harlingen	Kingsville	Edinburg
Mission	Hidalgo	McAllen	La Feria
New Braunfels	Los Ebanos	Palmview	La Joya
Progresso	Port Isabel	San Antonio	Mercedes
Rio Grande City	South Padre Island	Sullivan City	San Juan
Roma	Zapata	McCook	Weslaco

QUALIFICATIONS OF APPRAISER - LUIS CARLOS GARZA

Education

- Graduate 2002 University of Texas Pan American, Edinburg, Texas
Bachelor of Business Administration
- Graduate 1995 McAllen High School, McAllen, Texas

Licenses Held

- State Certified General Real Estate Appraiser
Number TX – 1338051-General
Licensed since July 28, 2008
Expires: July 31, 2010 (Active)

Public Service Organization

- McAllen Palm City Lions Club
- Associate Member of the International Right of Way Association (IRWA) (Member # 78992)

Work Experience

- Employee of Leonel Garza Jr. and Associates since 2004

CERTIFIED LETTER OF INSPECTION SENT TO PROPERTY OWNER OF RECORD

Leonel Garza Jr. & Associates LLC
Appraisal Services

1419 Dove, Suite 1 - McAllen, Texas 78504
(956) 687-7295 (24 hour answering service) Fax (956) 687-9236

July 8, 2009

Project: LJ Drainage Project
The North one-half (N. 1/2) of Lot 8, Block 48, Alamo Land & Sugar Company's Subdivision, Hidalgo County, Texas

Parcel No. 1
The Estate of Floyd E Anderson Deceased
6168 Sylvia Ave
Tarzana, CA 91335-6603

To Whom It May Concern:

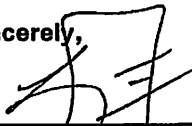
Leonel Garza Jr. & Associates LLC has been contracted by Hidalgo County Precinct No. 2, to appraise various properties within your market area for the purpose of acquiring either land in fee simple or as an easement. This proposed acquisition is for the purpose of creating a master plan drainage system for the County of Hidalgo. Attached is a survey of the property to be appraised. This office shall be inspecting the subject property from existing road right-of-way until verbal or written permission from you is granted to enter the subject property. We would like to extend the opportunity to meet with our office at your site at a later date in order to explain the project and the purpose of the appraisal report requested by Hidalgo County Precinct No. 2.

The Hidalgo County Precinct No. 2 is interested in acquiring said property believed to be in the name of The Estate of Floyd E Anderson Deceased. This is the beginning process for future negotiations to acquire the all or a portion of the subject property. If you or your representative wish to meet with us to discuss the purpose of the appraisal and join me for an on-site inspection of your land, I can be reached at (956) 687-7295. I will be researching the market area for any and all real estate sales, and would appreciate any leads or information in which you may have. If this letter does not pertain to you and you have sold said property, please notify our office as soon as possible so that the proper ownership identification can be performed.

If you have any questions please call the office of Leonel Garza Jr. & Associates LLC at (956) 687-7295.

With this letter I request permission to perform an on-site inspection and photograph your property. If you have any objections to our inspection of your property please call the office of Leonel Garza Jr. and Associates LLC at (956) 687-7295 as soon as possible. Thank you.

Sincerely,



Leonel Garza II
State Certified General
Real Estate Appraiser
TX1328375-General

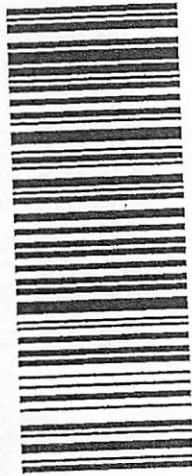
Cc: Hidalgo County Right-of-Way Department
Lupe Rodriguez, Right-of-Way Agent
509 East Earling
San Juan, Texas 78589
(956) 283-8134

Leonel Garza Jr. & Associates LLC

CERTIFIED LETTER TRACKING INFORMATION

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL™



7009 0080 0000 5956 8502
 7009 0080 0000 5956 8502

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$ _____ Certified Fee _____ Return Receipt Fee (Endorsement Required) _____ Restricted Delivery Fee (Endorsement Required) _____ Total Postage & Fees \$ _____	Postmark Here
Parcel No. 1 Sent To The Estate of Floyd E Anderson Deceased Street, Apt. No. or PO Box No. 6168 Sylvia Ave City, State, ZIP+4 Tarzana, CA 91335-6603	
PS Form 3800, April 2004 UJ Drainage Project See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:
The Estate of Floyd E Anderson Deceased
6168 Sylvia Avenue
Tarzana, CA 91335-6603

Parcel No. 1

2. Article Number
(Transfer from serv.) **7009 0080 0000 5956 8502**

COMPLETE THIS SECTION ON DELIVERY

A. Signature _____ Agent
 Addressee

B. Received by (*Printed Name*) _____ C. Date of Delivery _____

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (*Extra Fee*) Yes

15573
 The State of Texas, County of HIDALGO, Known all Men by these Presents:

That I, H. S. ANDERSON, Independent Executor of the Estate of Minnie Anderson, deceased, of the County of HIDALGO, State of Texas, for and in consideration of the sum of \$10.00 (TEN AND NO/100) DOLLARS, and other good and valuable considerations

do hereby acknowledge and confess, to me in hand paid by FLOYD E. ANDERSON, the receipt of which is hereby

VOLUME 926, PAGE 482, DEED RECORDS

WARRANTY DEED (Page 1 of 2)

WARRANTY DEED (Page 2 of 2)

483

Have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said FLOYD E. ANDERSON of the County of Los Angeles State of California all that certain lot, tract or parcel of land situated in Hidalgo County, Texas, and more particularly described by metes and bounds as follows; to wit: The North one-half (N. 1/2) of Lot Eight (8), Block Forty-eight (48), Alamo Land & Sugar Company's Subdivision of lands in Hidalgo County, Texas,

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said FLOYD E. ANDERSON, his heirs and assigns forever and I do hereby bind myself, my heirs, executors and administrators, to Warrant and Forever Defend, all and singular the said premises unto the said FLOYD E. ANDERSON, his

heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS my hand at McAllen, Texas this 10th day of October 1958 Witness at request of Grantor:

[Signature] H. S. Anderson, Independent Executor of the Estate of Minnie Anderson, Deceased.

SINGLE ACKNOWLEDGEMENT

THE STATE OF TEXAS, COUNTY OF HIDALGO. I, FREDERICK M.E. the undersigned, a Notary Public, in and for said County, Texas, on this day personally appeared H. S. ANDERSON, Independent Executor of the Estate of Minnie Anderson, deceased, known to me to be the person whose name is subscribed to the foregoing instrument, and in the capacity thereof, executed the same for the purposes and consideration therein expressed, and in the presence of me, Notary Public, at my office, on the 17th day of October, A. D. 1958, at McAllen, Texas. Notary Public in and for Hidalgo County, Texas.

JOINT ACKNOWLEDGEMENT

THE STATE OF TEXAS, COUNTY OF HIDALGO. I, the undersigned, a Notary Public, in and for said County, Texas, on this day personally appeared

Filed for Record on the 18th day of October A.D. 1958, at 8:08 A.M.
Duly Recorded this the 21st day of October A.D. 1958, at 1:20 P.M.
Instrument No. 65772
GEO. L. ANDERSON, County Clerk
Hidalgo County, Texas
By J. Ramsey Deputy