August 8, 2026

Hidalgo County Head Start Program
Ambrosio Tovar, Procurement Director
1901 W. State Highway 107, McAllen, Texas 78504

RE: Market Valuation 510 S. Salinas Boulevard – Donna, Texas.

Pursuant to your request, the following is the appraisal report for 510 S. Salinas Boulevard, Donna, Texas. This property was personally inspected by this appraiser. The scope of the assignment is to appraise the subject in order to determine the market value of the fee simple estate of the property and its improvements, owned of record by the Donna Independent School District and occupied and operated by the Hidalgo County Head Start Program. This report is for the use and analysis of the Hidalgo County Head Start Program and the Hidalgo County Commissioners Court and has been performed under the standards set forth by the Uniform Standards of Professional Appraisal Practice (USPAP), The State of Texas, Standards of Professional Practice of the Appraisal Institute. This letter along with the assumption & limiting conditions and certification shall be attached herewith. I have carefully studied and analyzed factors pertinent to the estimate of value. It should be understood by the reader that the client and intended users are the Hidalgo County Head Start Program and the Hidalgo County Commissioners Court.

I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the client or until authorized by the client 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. 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 hereby certify that it is my opinion the in-kind market value of the subject property is as follows:

FINAL CONCLUSIONS	
Final Opinion of In-Kind Market Value	$5,150,000
In-Kind Monthly Lease Rate (Market Rent, Triple-Net)	$42,820
In-Kind Annual Lease Rate (Market Rent, Triple-Net)	$513,835; Rounded $514,000
Lease Basis	Single tenant; triple-net (NNN)
Effective Date of Value and Rent Conclusions	June 10, 2026

Sincerely,

Leonel Garza III
Certified General Real Estate Appraiser
TX 1328375-CG

CERTIFICATION OF APPRAISAL

I, Leonel Garza III, a Texas State Certified General Real Estate Appraiser (TX-1328375-CG), 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.

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 (2024 edition) and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

I have made a personal inspection of the property that is the subject of this report. The inspection was performed on an interior and exterior basis on June 10, 2026, with access arranged through the Hidalgo County Head Start Program. The property was photographed and measured during the inspection.

No one provided significant real property appraisal assistance to the person signing this certification.

I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The employment of and the compensation to this appraiser in completing this appraisal assignment were not based upon a requested minimum valuation, a specific valuation, or an amount that would result in approval of a loan. This report was not prepared under the standards required by financial institutions for purposes of applying for a loan.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Leonel Garza III has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

Leonel Garza III
TX 1328375-CG

ASSUMPTIONS & LIMITING CONDITIONS

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.

The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

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.

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.

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.

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 for which the value estimate contained in this report is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass, unless noted in the report.

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 and 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 the 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.

Any allocation of the total value 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.

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.

No 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. Possession of this report, or a copy thereof, does not carry with it the right of publication.

PROVISIONS FOR THE DISABILITIES ACT

This appraiser has not made a compliance survey and inspection of the subject property to determine if the improvements conform to the “ADA Accessibility Guidelines” implemented by the Architectural Transportation Barriers Compliance Board. It is possible that a compliance survey of the property, made by a qualified inspector, acquainted with the Accessibility Guidelines, could reveal that the property is not in compliance with one or more of the ADA provisions, extensive regulations and design specifications that the Federal Government has issued. If so, this could have a negative effect upon the value of the property. Since this appraiser has no direct expertise relating to this issue, possible non-compliance with the requirements of ADA in estimating the value of the property has not been considered. Source: The Americans with Disabilities Act (ADA) became effective January 26, 1992.

APPRAISAL VALUATION PROCESS

An appraisal report is the interpretation of the “Market” in which the subject, “Real Property”, is located. It communicates the analysis, opinions, and final estimate of value of the Appraiser. This is done in such a manner as to be meaningful to the client and not be misleading to any other reader of the report. The appraiser follows certain processes in the appraisal of a property, starting with the identification of the “rights” to be appraised, the effective date at which the appraisal will be prepared, and the intended use of the appraisal. The appraiser, once provided the legal and physical description, must identify the property, and discuss the factors which may have an impact on the value, such as the current zoning or permitted use, the neighborhood trends, and the highest and best use of the subject property as if vacant & improved. Personal property, identified on the subject property, must be detailed in a schedule, but no contributory value is included in the market value unless indicated within the summary of salient facts. Based on the scope of the assignment, the cost approach serves as the primary approach to value for the property, supported by the sales comparison approach for the underlying land, a market rent analysis for the determination of the market lease rate, and a corroborative income capitalization within the final reconciliation.

IN-KIND VALUATION

The scope of the assignment is to determine the in-kind valuation for Head Start Program. In-kind market valuation is a method used to determine the value of a non-cash donation or asset, such as real estate, made to a nonprofit organization. This type of valuation is typically used when a nonprofit receives a donation of real estate and needs to determine the value of the property for accounting and tax purposes.

In the context of real estate, an in-kind market valuation involves assessing the fair market value of the property in its current condition, location, and market conditions. This process usually involves the services of a professional appraiser who is qualified to determine the value of real estate.

For a nonprofit corporation, an in-kind market valuation for real estate purposes would involve conducting a comprehensive analysis of the property, taking into account its physical characteristics, location, and potential uses. This would help the nonprofit to determine the fair market value of the property, which is the price that a willing buyer would pay, and a willing seller would accept in an arms-length transaction.

Once the fair market value of the property has been determined, the nonprofit can use this information for accounting purposes, including reporting the donation on financial statements and tax filings. It can also help the nonprofit to make informed decisions about how to best use the property, such as whether to hold onto it as an asset or sell it to raise funds for its programs and services.

Overall, an in-kind market valuation for real estate purposes can be an important tool for nonprofit organizations to accurately assess the value of donated property and make informed decisions about how to manage their assets.

PURPOSE OF THE APPRAISAL

This appraisal is prepared for the purpose of estimating the market value of the subject property, as defined within this report, based on the date of on-site inspection June 10, 2026. This appraisal does not include any enhancement in value resulting from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, or operating agreements. This is for future funding of the Hidalgo County Head Start Program. This report has not been prepared for loan purposes.

INTENDED USE

The client for this report is identified as Hidalgo County Head Start Program and the Hidalgo County Commissioners Court. The intended use of the report is to assist the Hidalgo County Head Start Program for future funding purposes.

INTENDED USER(S)

Head Start Program
1901 West State Highway 107
McAllen, Texas 78504
Office (956) 383-0706

HIDALGO COUNTY
HEAD START PROGRAM
Head Start...where the learning begins and success follows.

There may be multiple readers of the report, but not all are intended users.

APPRAISAL COMPANY

Leonel Garza Jr. & Associates LLC
7301 N. 7th Street, McAllen, TX 78504
Office: (956) 687-7295 / www.garza-associates.com

GARZA & ASSOCIATES

APPRAISER

Leonel Garza III
Certified General Real Estate Appraiser TX 1328375-CG
Office: (956) 687-7295 / Email: leonel3@garza-associates.com

SCOPE OF THE ASSIGNMENT

As per request of the Hidalgo County Head Start Program, Teresa Flores, Executive Director, requested an appraisal report for the purpose of determining the current market rent for the subject property.

The location was measured and photographed in order to identify the subject as a whole and/or the lease space utilized by the Hidalgo County Head Start Program. It was identified that the location is a leased space which is either free-standing buildings and/or a partition of a facility of which an on-going lease is indicated. To determine the current market value of the location, a combination of the sales comparison approach, income approach and/or cost approach to market value is required to complete the assignment. Not all approaches to value are considered reliable for the location, so the appraiser has selected the most appropriate approach for this site. The scope of the assignment is to provide the client with the determination of market value for this site. In addition, the value will include the contributory market value of the real estate assets owned by Head Start Program. The site was photographed and measured on June 10, 2026. Neither surveys nor lease contracts were provided by the client. The appraiser utilized plans, schematics, and public records for data research of this tract. The subject property land area and building areas are estimated based on the on-site inspection and/or aerial estimations and derived from the Hidalgo County Appraisal District (www.hidalgoad.org) and/or Google Earth estimations. These calculations were sketched for the purposes of the report and are subject to a current survey. Any variation from the survey may affect market value. Sketches produced by Leonel Garza Jr & Associates LLC are included in the body of this report.

This appraisal report is designed for use by the Hidalgo County Head Start Program for internal use and to aid in the determination of value required by a separate governmental agency overseeing the program as indicated by the client. A summary of the appraiser’s conclusions for each property shall be provided in the report. Further available deed information, and/or other data or exhibits utilized for determination of market value and overall analysis are located within the appraiser’s working file.

MARKET VALUE

Market value is defined as: '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.' Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple estate. Fee simple estate is defined as '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 Dictionary of Real Estate Appraisal, 7th Edition.) The value conclusion reflects the market value of the whole property the 5.00-acre site and all improvements thereon in its existing condition, for the Program's use in documenting the in-kind value of the facility it occupies under its partnership arrangement with the Donna Independent School District.

INTENDED USER

Head Start Program and associate officials with the program and Hidalgo County Commissioners Court. There may be other readers of the report, but not all are intended users.

ENVIRONMENTAL ASSESSMENT
This appraiser has made a visual on-site observation of the subject property on June 10, 2026, and no obvious adverse environmental concerns, pesticides or other potentially hazardous materials were present. However, this appraiser is not qualified to make a detailed study of environmental concerns of the subject property. If, for any reason, an environmental concern exists which was not observable to this appraiser, then it is highly recommended that an inspection be made by a qualified environmental engineer. Based on this appraiser's observation and conversations with the subject owner, this appraisal shall be based on the assumption that no environmental concern exists and shall be valued as such. If an environmental concern is noted to this appraiser after the date of report, Leonel Garza Jr. & Associates LLC reserves the right to re-evaluate the market value of the subject property as mentioned in the scope of the assignment.

PERSONAL PROPERTY
No personal property was included nor indicated as per scope of the assignment.

EXPOSURE TIME*
"An opinion, based on supporting market data, of the length of time that 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." Source: USPAP 2024

Exposure time research is conducted through the local real estate multiple listing services and discussions with market participants (appraisers, bankers, investors, and property owners) and others who are active in real estate. Based on the study of the subject market area and the current economic situation the exposure time to sell the subject property would be six (6) months to twelve (12) months. This can vary depending on the marketing of the subject property and owners overall asking price.

PROPERTY RIGHTS APPRAISED
The rights appraised are those of the fee simple estate in the whole property.

Fee Simple Estate*
"The 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."

EXTRAORDINARY ASSUMPTIONS*
The report has been prepared with the following extraordinary assumptions: public records reflect the current owner of record (deed records, appraisal district, and other sources); ownership is fee simple; there are no adverse easements or encroachments; there are no listings or pending contracts on the subject; there are no signs of contamination or environmental issues; there are no fractional ownership interests; there are no pending subdivisions, re-subdivisions, or preliminary plats; there are no pending foreclosures or transfers of heirship; there are no variances or non-conforming uses of the improvements; there are no adverse drainage issues; there are no platting issues (i.e., the site is not landlocked); and no pending zoning changes or applications are known. If any of these assumptions is found to be false, the appraiser reserves the right to amend the analyses, opinions, and conclusions herein.

No hypothetical conditions were employed in this assignment.

APPRAISAL METHODOLOGY

An appraisal report communicates the analysis, opinions, and final estimate of value of the subject property based on a scope of assignment. This is done in such a manner as to be meaningful to the client and not be misleading to the reader of the report. The appraiser follows certain processes in the appraisal of a property, starting with the identification of the "rights" to be appraised, the effective date at which the appraisal will be prepared, and the intended use of the appraisal. The appraiser will then identify the property, and discuss economic factors that may impact the value, such as, zoning, the neighborhood trends, highest and best use, access, size of the tract, etc. The appraiser uses these three traditional approaches to value, the cost approach, income approach and sales comparison approach. Only the approaches to value that are reliable for the determination of a credible valuation shall be utilized in this report.

SALES COMPARISON APPROACH

A major premise of the sales comparison approach is a review of sales that are most similar to the subject property that has been purchased in the market area. This is utilized with a paired sales analysis of these sales reviewed directly in comparison to the subject property. These similar properties are compared with the subject property to review economic factors used to develop an opinion of value. The appraiser reviews the adjusted unit values indicated for the subject property and selects a unit rate to be applied to the whole property.

COST APPROACH

"In the cost approach, appraisers compare the replacement cost of the subject improvements to the cost to develop similar improvements as evidenced by the cost of construction of substitute properties with the similar utility as the subject property. The estimate of development cost is adjusted for market-extracted losses in value caused by the age, condition, and utility of the subject improvements or for locational problems. The land value as if unimproved is then added, usually based on comparison with sales of comparable sites with the same or a similar highest and best use. The sum of the value of the land and the improvements is adjusted for any existing property rights (e.g., leased fee, leasehold interests) included with the subject property, which are implicit in the two other approaches to value."

The appraiser prepares a schedule of depreciated market value for the improvements using a combination of Marshall & Swift Valuation Service and data from local contractors, stores and other experts in the field. The appraiser will examine the age and condition of the improvements, quality of the construction, materials used in construction, and the functional utility structure and site improvements. The final step in the cost approach is adding the underlying land value determined within the sales comparison approach.

INCOME APPROACH*

"In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to the approach. Techniques and procedures from this approach are also used to analyze comparable sales data in the sales comparison approach and to measure obsolescence in the cost approach." The income approach assumes that a property's net income (income remaining after operating expenses) has a measurable relationship to its most probable sale price. The income approach was not developed as a stand-alone primary indicator of value because the subject is owner-occupied under tax-exempt public ownership and is unencumbered by any arm's-length lease; however, the market rent concluded within this report is capitalized within the final reconciliation as a corroborative test of the cost approach conclusion.

APPRAISAL METHOD UTILIZED

The sales comparison approach (land, as though vacant) and the cost approach were determined to be the reliable indicators of market value for the subject property; the market rent analysis establishes the current market rental rate; and the income approach, by direct capitalization of the concluded market rent, is employed as a corroborative test of the value conclusion.

Source: Dictionary of Real Estate Appraisal, 7th Edition, Copyright 2022
Source: The Appraisal of Real Estate – 15th Edition

DESCRIPTION AND SUMMARY OF THE SUBJECT PROPERTY

The subject property is identified as the Guzman Head Start Academy campus located at 510 S. Salinas Boulevard, Donna, Hidalgo County, Texas 78537. The property is owned of record by the Donna Independent School District and is currently occupied and operated by the Hidalgo County Head Start Program as an early childhood education center. The site is legally described as Jennie L. Redfield W5.0-AC Block 5, Hidalgo County, Texas, and is identified by the Hidalgo County Appraisal District as Property ID 536325 (Geographic ID R1450-00-005-000-0-00). The property is exempt from ad valorem taxation under exemption code EX-XV as publicly owned property.

LOCATION AND MARKET AREA

The subject is situated on the east side of S. Salinas Boulevard (FM 493), a paved, two-way municipal thoroughfare that serves as a primary north-south connector through the City of Donna, linking the residential neighborhoods south of the central business district with U.S. Business Highway 83 and Interstate 2 (Expressway 83) to the north. The parcel extends easterly to S. 20th Street and lies generally between Silver Avenue to the north and Caceres Street to the south. The immediate market area is an established, older section of Donna characterized by single-family residential development, neighborhood-scale commercial uses along the Salinas Boulevard corridor, and institutional uses including public school facilities. Commercial intensity increases northward along Salinas Boulevard toward the Business 83 and Expressway 83 interchange area. All municipal utilities, including city water, sanitary sewer, electricity, and telephone service, are available to the site.

SITE DESCRIPTION

The site contains 5.00 gross acres, or 217,800 square feet, subject to survey, and is generally rectangular in shape with an elongated north-south orientation. The tract enjoys substantial frontage along S. Salinas Boulevard on its western boundary and secondary frontage along S. 20th Street on its eastern boundary, providing dual-street access and excellent ingress and egress. Topography is level and at grade with the abutting streets, and drainage appears adequate. According to the Flood Insurance Rate Map for the City of Donna (Community Number 480336 B), the subject lies within Zone C, an area of minimal flood hazard outside the 100-year and 500-year floodplains. The site is located within the corporate limits of the City of Donna and carries a split zoning designation of B-1, Local Business District, along the Salinas Boulevard corridor, and R-2, Multi-Family Residential District, over the eastern portion of the tract.

DESCRIPTION OF THE IMPROVEMENTS

The subject improvements consist of a campus-style educational facility comprised of five principal buildings containing a combined 50,376 square feet of building area, per inspection. Per the Hidalgo County Appraisal District, the original improvements were constructed circa 1995; the principal classroom and support buildings were renovated in 2001 and the library building was constructed in 2001. The principal buildings are summarized as follows: the North Building (Wing B) containing 16,560 square feet; the Main Building (Wing A) containing 18,900 square feet; the Workroom / Teacher Lounge Building containing 3,024 square feet; the Central Kitchen containing 5,792 square feet; and the Library containing 6,100 square feet.

The subject improvements consist primarily of steel-frame construction with concrete block (CMU) walls serving as the exterior walls, interior partition walls, and corridor walls. Exterior walls also include brick or stone veneer accents, and the roof structures are standing seam metal. Interior finishes are consistent with institutional educational use and include painted concrete block walls, vinyl composition tile and resilient plank flooring, suspended standard acoustical ceiling tiles in the classrooms and hallways, fluorescent and LED lighting, and ceramic tile wainscot and floors in the restroom facilities. The buildings are climate controlled by central heating and cooling systems. The floor plans provide classrooms served by double-loaded corridors, administrative offices, a clinic, a teacher lounge and work area, group restroom facilities scaled for early childhood use, a central kitchen and cafeteria service area, and an open-plan library with a sunken reading area. The improvements were observed to be in average overall condition, consistent with their age and continuous institutional use, with evidence of ongoing routine maintenance.

ACCESSORY AND SITE IMPROVEMENTS

Accessory improvements include a detached storage building containing approximately 680 square feet; a steel-frame open pavilion containing approximately 2,050 square feet covering a concrete play court; a steel-frame carport containing approximately 720 square feet; two fabric screen-shade canopy structures of approximately 612 square feet (18’ x 34’) and 912 square feet (24’ x 38’) shading the playground areas; and covered concrete walkways totaling approximately 4,680 square feet connecting the buildings throughout the campus.

Site improvements include asphalt-paved parking and drive areas totaling approximately 28,255 square feet, located along the south, north, west, and east portions of the site; chain link perimeter and interior security fencing with rolling gates and pedestrian gates; four playground equipment installations with poured-in-place rubberized safety surfacing; and a paved running track of approximately 6,400 square feet situated in the open southern portion of the site.

OCCUPANCY AND USE

The property is currently utilized as a Head Start early childhood education center operated by the Hidalgo County Head Start Program under its partnership arrangement with the Donna Independent School District, the owner of record. The scope of this assignment is to provide an in-kind market valuation of the facility for the Program’s use in documenting the value of the facility it occupies for future funding purposes. No income or lease data was provided by the client.

SUMMARY OF SALIENT FACTS

Property Name	Guzman Head Start Academy
Location	510 S. Salinas Boulevard, Donna, Texas 78537
Owner of Record	Donna Independent School District
Legal Description	Jennie L. Redfield W5.0-AC Block 5, Hidalgo County, Texas
HCAD Property ID	536325 (Tax Exempt – EX-XV)
Gross Land Area	5.00 Acres / 217,800 SF (subject to survey)
Building Area	50,376 SF in five principal buildings
Year Built / Renovated	Circa 1995 / Renovated 2001; Library built 2001
Construction	Steel frame; CMU walls with brick/stone veneer; standing seam metal roof
Zoning	B-1 Local Business District & R-2 Multi-Family Residential, City of Donna
Flood Zone	Zone C – minimal flood hazard (Community No. 480336 B)
Utilities	All municipal utilities available
Existing Use	Head Start early childhood education center
Condition	Average; routine maintenance evident

510 S. SALINAS BOULEVARD, DONNA, TEXAS

Hallway in Wing B

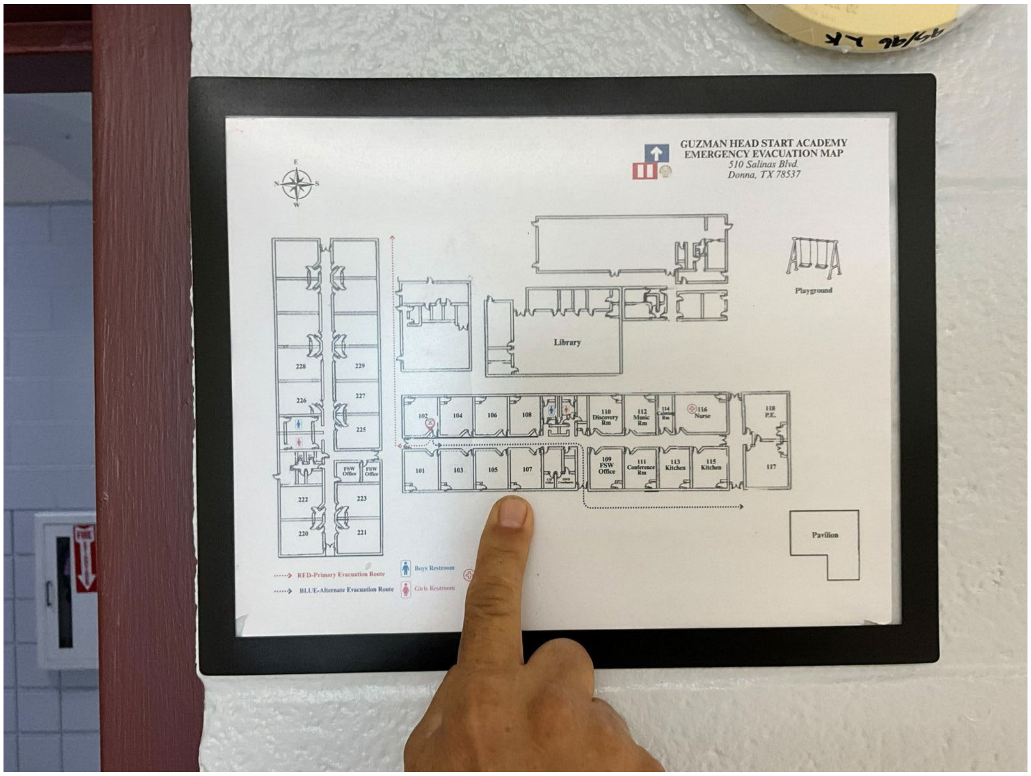
Teacher lounge in Wing B

Classroom in Wing B

Classroom in Wing B


Restroom in Wing B


Restroom in Wing B



Wing A

Classroom in Wing A

GARZA & ASSOCIATES

Hallway in Wing A

Classroom in Wing A

Restroom entry area and water closet in Wing A

Classroom in Wing A

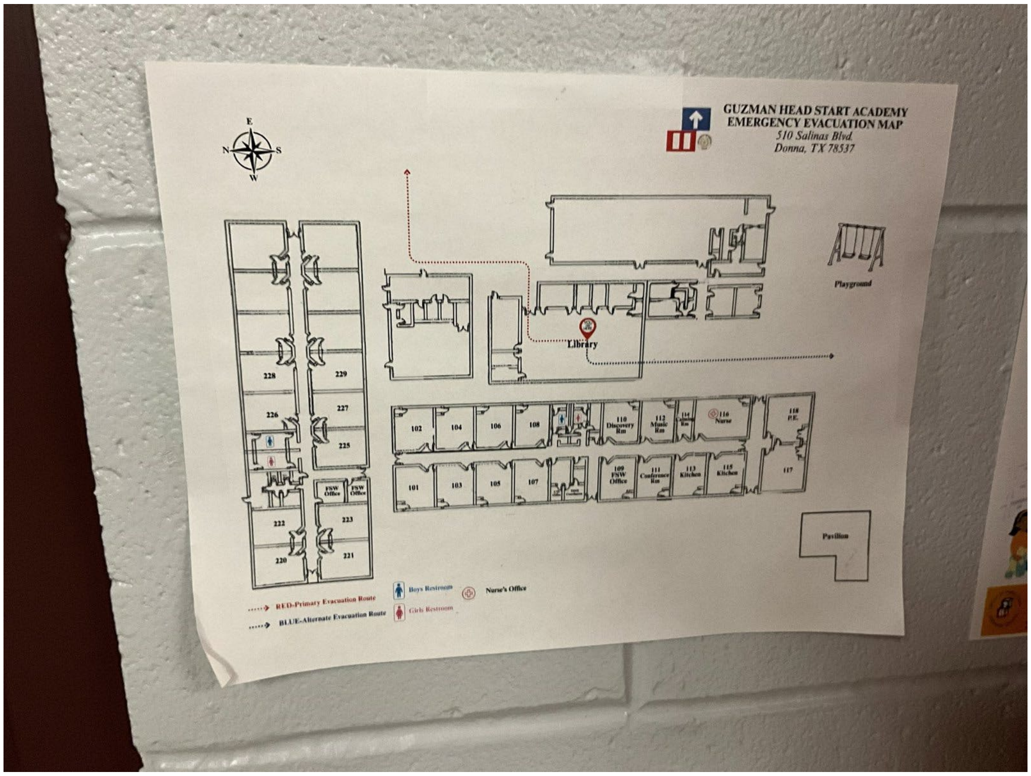
GARZA & ASSOCIATES


Teacher Lounge / Work Area


Teacher Lounge / Work Area


Teacher Lounge / Work Area


Clinic



Library

Library

Sunken area in Library


Additional view of Library

Playground Area

Playground Area

Playground Area with Screen Shade Canopies

Running Track

Open Pavilion

Close up of Open Pavilion

GARZA & ASSOCIATES


Southern Elevation of Wing A


Southern Elevation of Library / Storage / Kitchen


Covered walkway between library and kitchen facing north

Covered walkway between library and kitchen facing south

GARZA & ASSOCIATES

Kitchen facility


Southern Elevation of Storage Building and Kitchen Facility

GARZA
& ASSOCIATES

Northern Elevation of Clinic and Teacher Work Area / Lounge

Walkway between Wing B, Wing A, & Teacher Work Area / Lounge / Clinic

Western Elevation of Wing A

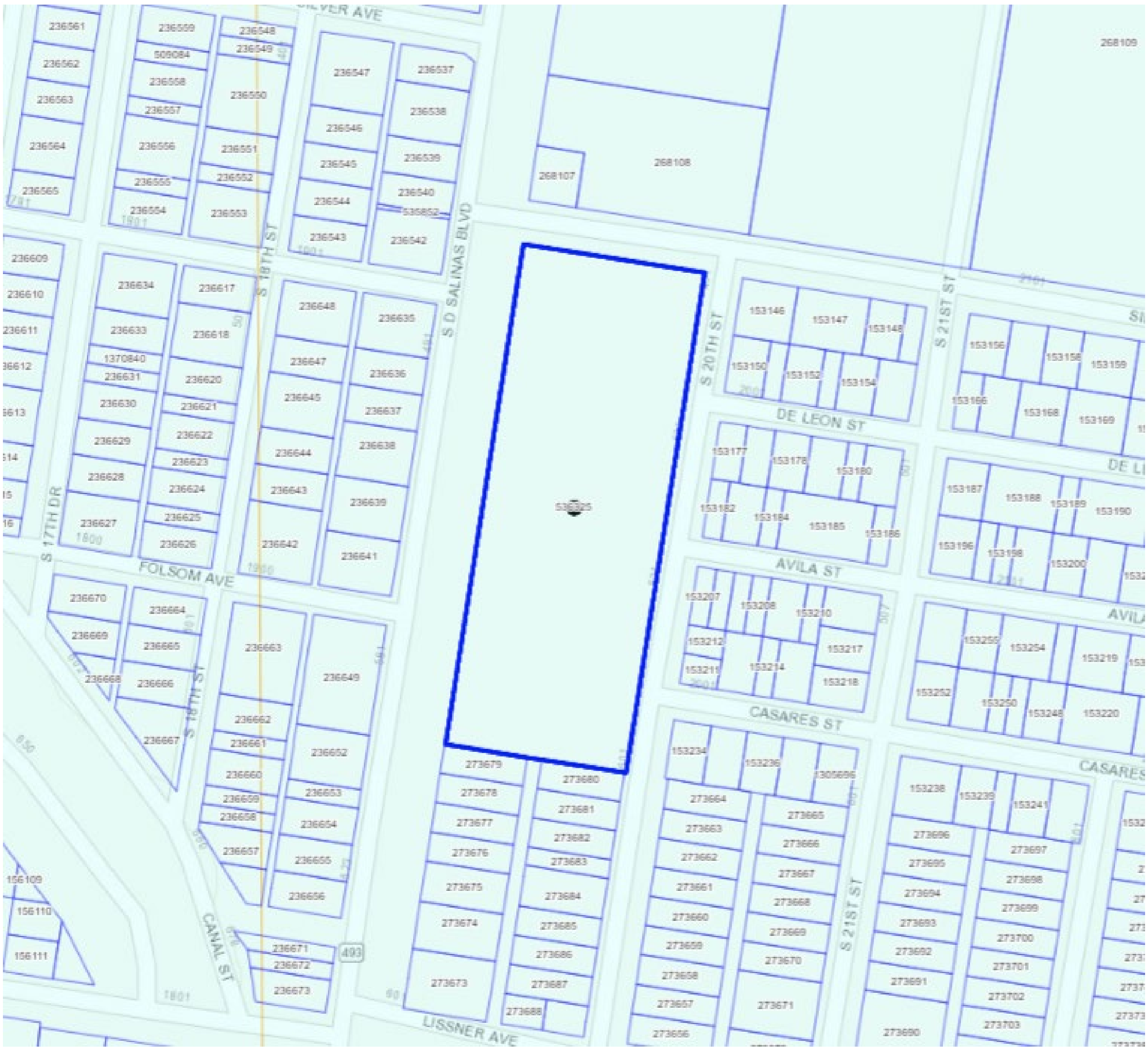

Western Elevation of Wing B

PROPERTY TAXES

The local appraisal district provides general information about the property tax, general information regarding assessed values for taxing purposes and existing exemptions. The district will annually assess properties according to the Texas Property Tax Code. This value may not equal the current market value for a variety of reasons (exemptions, allowances, etc.) and additional information may be required to determine the method and analysis conducted by the district for the determination of assessed value for ad valorem tax purposes.

Hidalgo County Appraisal District
4405 S. Professional Drive, Edinburg, Texas 78539
www.hidalgoad.org

Property ID: **536325**



General Info

Status: Certified

ACCOUNT

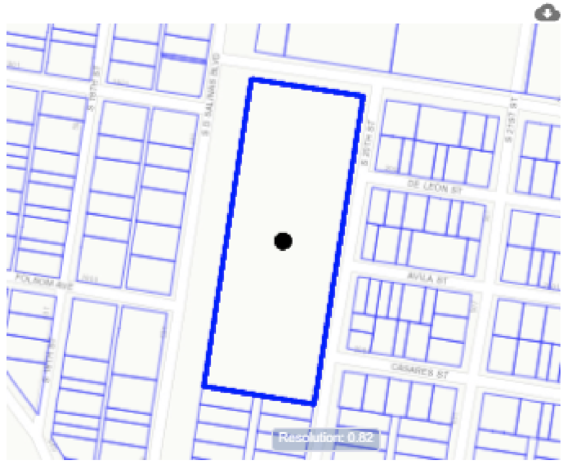
Property ID: 536325 Agent:
Geographic ID: R1450-00-005-000 0-00
Tax Office ID: R1450-00-005-000 0-00
Type: R
Legal Description: JENNIE L REDFIELD W5.0AC BLK 5
Property Use:

OWNER

Name: DONNA I S D
Secondary Name:
Mailing Address: 116 N 10TH ST DONNA TX US 78537-2702
Owner ID: 130958
% Ownership: 100.000000 %
Exemptions: EX-XV - Other Exemptions (including public property, religious organizations, charitable organizations, and other property not report ed elsewhere)
State Code: F1
Homestead Audit:

LOCATION

Address: 510 S SALINAS BLVD, DONNA TX
Market Area:
Market Area CD: ALL
Map ID: CDN VOL 3 PG 6
Zoning: CO



Map Disclaimer

PROTEST INFORMATION

Protest Status:
Informal Date:
Formal Hearing Date & Time:

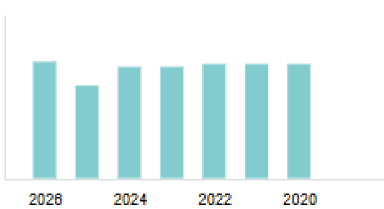
Values

CURRENT VALUES

Land Homesite	0
Land Non-Homesite	871,200
Special Use Land Market	0
Total Land	871,200
Improvement Homesite	0
Improvement Non-Homesite	2,045,750
Total Improvement	2,045,750
Market	2,916,950
Special Use Exclusion (-)	0
Appraised	2,916,950
Value Limitation Adjustment (-)	0
Net Appraised	2,916,950

VALUE HISTORY

Year	Land Market	Improvement	Special Use Exclusion (-)	Appraised	Value Limitation Adj (-)	Net Appraised
2026	871,200	2,045,750	0	2,916,950	0	2,916,950
2025	196,020	2,119,726	0	2,315,746	0	2,315,746
2024	196,020	2,589,681	0	2,785,701	0	2,785,701
2023	196,020	2,589,681	0	2,785,701	0	2,785,701
2022	272,250	2,589,681	0	2,861,931	0	2,861,931
2021	272,250	2,589,681	0	2,861,931	0	2,861,931
2020	272,250	2,589,681	0	2,861,931	0	2,861,931

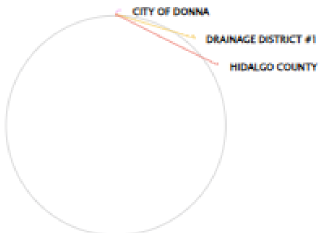


DISCLAIMER
2026 values are preliminary and subject to change before certification.

GARZA & ASSOCIATES

Taxing Units

Owner: DONNA I S D
% Ownership: 100%
Total Value: 2,916,950



Unit	Description	Net Appraised	Taxable Value
CDN	CITY OF DONNA	2,916,950	0
DR1	DRAINAGE DISTRICT #1	2,916,950	0
GHD	HIDALGO COUNTY	2,916,950	0
JCC	SOUTH TEXAS COLLEGE	2,916,950	0
SDN	DONNA ISD	2,916,950	0
SST	SOUTH TEXAS SCHOOL	2,916,950	0

View Tax Transparency

Improvement

Improvement #1: MOBILE HOME | Improvement Value: $ 1,951,084 | Main Area: 38,807 sqft
State Code: F1 | Description: | Gross Building Area: 82,872 sqft

Type	Description	Class CD	Exterior Wall	Number of Units	EFF Year Built	Year Built	SQFT
CLS	CLASSROOM	CSCL		1	1995	1995	15,756
CLS	CLASSROOM	CSCL		1	1995	1995	12,167
CAF	CAFETERIA	CSCL		1	1995	1995	5,676
CLS	CLASSROOM	CSCL		1	1995	1995	2,914
CONC-GD	CONCRETE GD	CSCL		1	1995	1995	17,044
CAN	CANOPY	CSCL		1	1995	1995	5,424
CAN	CANOPY	CSCL		1	1995	1995	2,510
CAN	CANOPY	CSCL		1	1995	1995	2,102
CASP-LW	ASPHALT LW	CSCL		1	1995	1995	16,273
PLH	POOL HOUSE	CSCL		1	1995	1995	775
PLH	POOL HOUSE	CSCL		1	1995	1995	775
PLH	POOL HOUSE	CSCL		1	1995	1995	744
STG	STORAGE	CSCL		1	1995	1995	680
CAN	CANOPY	CSCL		1	1995	1995	32

Improvement Features

CLS	Exterior Wall: CBK Roof Covering: * Foundation: SLB
CLS	Heating/Cooling: AND Plumbing: 1 Construction Style: COM Roof Style: GAB Flooring: VYL Exterior Wall: PFM Interior Finish: SRK Foundation: SLB Roof Covering: MTL Ceiling: 8

Improvement #2: MOBILE HOME | Improvement Value: $ 94,666 | Main Area: 1,625 sqft
State Code: F1 | Description: | Gross Building Area: 5,532 sqft

& ASSOCIATES

Type	Description	Class CD	Exterior Wall	Number of Units	EFF Year Built	Year Built	SQFT
CLS	CLASSROOM	CSCL		1	1995	1995	1,625
CAN	CANOPY	CSCL		1	1995	1995	1,500
FNC	FENCE	CSCL		1	1995	1995	1,681
CAN	CANOPY	CSCL		1	1995	1995	390
CAN	CANOPY	CSCL		1	1995	1995	336

Improvement Features

CLS	Construction Style: **COM**

Land

Land	Description	Acres	SQFT	Market Value	Special Use Value
AC	ACREAGE	5.0000	217,800.00	871,200	0

Deed History

Deed Date	Type	Description	Grantor/Seller	Grantee/Buyer	Book ID	Volume	Page	Instrument

MUNICIPAL ZONING

Zoning is a method of urban planning in which a municipality will divide the city into land area called "zones". Each zone will have a set of regulations for new developments. These zones will define the differences in the type of developments allowed in order to provide "city planning". Zones may be of multiple or single use such as residential (single family or multifamily), commercial (retail, office, mixed use), light or heavy industrial, agricultural use, etc. Ordinances or rules for each zone type are typically defined and are governed by the associated planning department. This can include density, size and shape of allowed structures, setbacks, inclusion of parks and other items. Zoning will specify a variety of uses and/or conditional uses for the associated land. Everything outside of the designated zones is located within the extraterritorial jurisdiction. The subject property is located in the city of Donna, Texas where zoning does apply to the subject.

SUBJECT: ZONE – LOCAL BUSINESS DISTRICT (B-1) AND MULTI-FAMILY RESIDENTIAL (R-2)

GARZA & ASSOCIATES

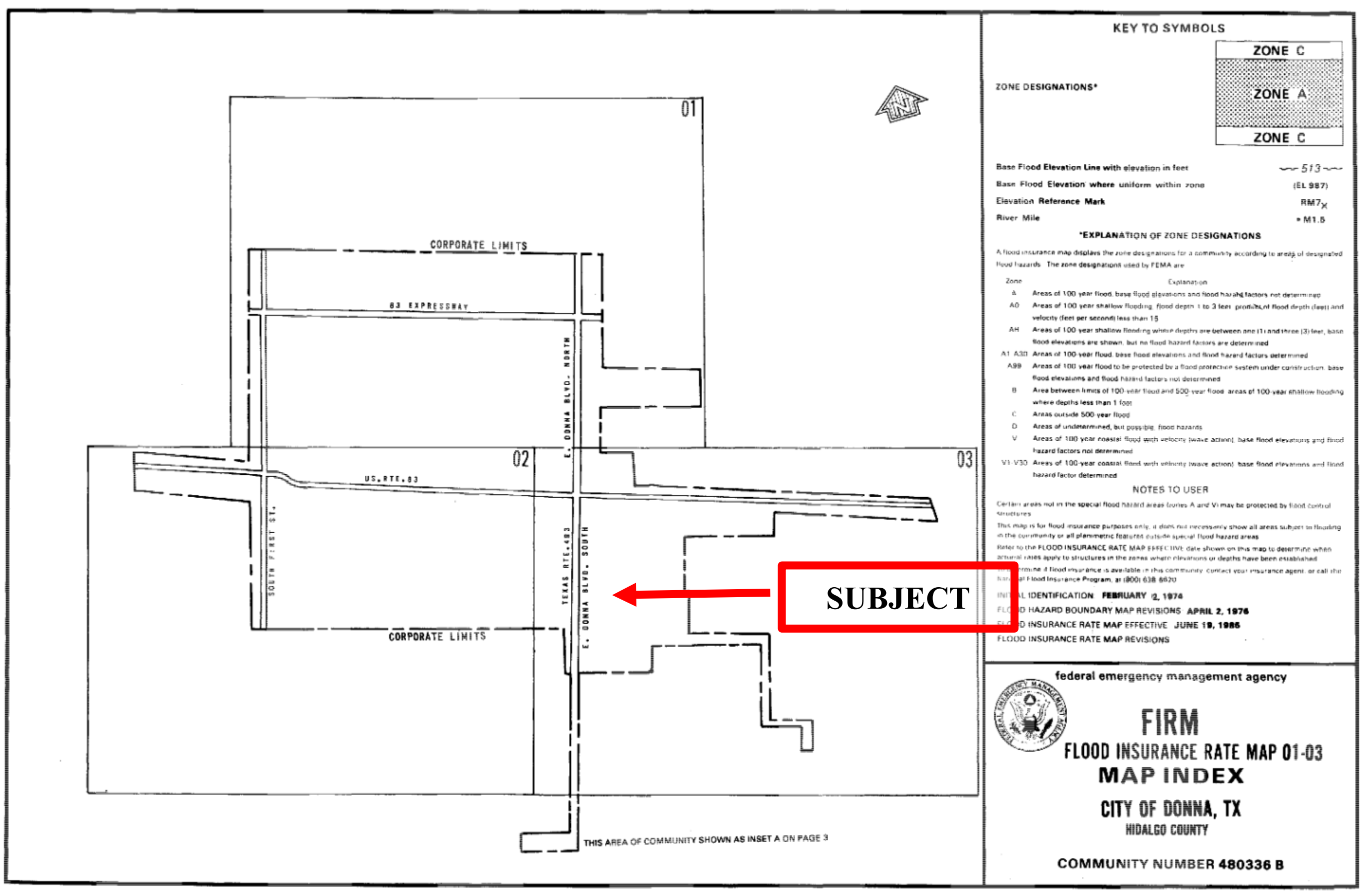
FLOOD ZONE

A flood zone designation refers to an area that has been identified as being at risk of flooding by the Federal Emergency Management Agency (FEMA) or other relevant authorities. These designations categorize areas based on the likelihood and severity of flooding, taking into account factors such as topography, hydrology, historical flood data, and rainfall patterns. The flood zone designation plays a significant role in real estate as it has implications for property owners, potential buyers, and lenders. The designation and its associated floodplain regulations can affect the market value of real estate in several ways:

Floodplain regulations may impose restrictions on new construction or modifications to existing structures within the designated flood zones. These regulations aim to minimize flood damage and protect public safety. Development limitations can include requirements for elevated construction, limitations on building materials, and restrictions on expansion. Such restrictions may reduce the development potential and flexibility of the property, potentially affecting its market value.

Properties located in flood zones may face challenges in attracting buyers. The perception of increased risk and the potential for property damage due to flooding can deter some buyers from considering properties in flood-prone areas. This decreased demand can result in longer marketing times and potentially lower sale prices, impacting the market value of the property. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map.
Source: www.msc.fema.gov

SUBJECT: ZONE C



HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined as: 'Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.' Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022. The analysis is conducted first for the site as though vacant, testing the legally permissible, physically possible, financially feasible, and maximally productive uses of the land, and then for the property as improved, to determine whether the existing improvements contribute value above the site as though vacant and whether continued use, renovation, or removal is the maximally productive course. These four criteria are analyzed below.

HIGHEST AND BEST USE AS THOUGH VACANT

Legally Permissible

The subject is located within the corporate limits of the City of Donna, where municipal zoning applies. The site carries a split zoning designation: the western portion of the tract, fronting S. Salinas Boulevard, lies within the B-1, Local Business District, which accommodates neighborhood and community-scale retail, office, personal service, and general business uses; the eastern portion of the tract lies within the R-2, Multi-Family Residential District, which accommodates duplex, townhome, and apartment development in addition to single-family uses. No deed restrictions, adverse easements, or encroachments were noted or disclosed, and it is an extraordinary assumption of this report that none exist. Accordingly, the legally permissible uses of the site as though vacant include commercial retail and general business development along the Salinas Boulevard frontage and multi-family residential development along the eastern portion of the tract, as well as institutional and educational uses, which are customarily permitted or conditionally permitted in both districts.

Physically Possible

The site contains 5.00 acres (217,800 square feet) in a generally rectangular configuration with level topography at street grade. The tract offers substantial primary frontage along S. Salinas Boulevard (FM 493), a paved two-way collector connecting directly to U.S. Business Highway 83 and Interstate 2 to the north, and secondary frontage along S. 20th Street at the rear (eastern) boundary, providing dual points of ingress and egress. All municipal utilities are available to the site, and the property lies within Flood Zone C, an area of minimal flood hazard, imposing no floodplain development restrictions. The size, shape, frontage, access, topography, and utility availability of the tract are physically sufficient to support essentially any of the legally permissible uses, including a commercial retail center or general business development oriented to the Salinas Boulevard frontage, multi-family residential development on the eastern portion of the site, a mixed-use combination of the two, or continued institutional development.

Financially Feasible

Financially feasible uses are those physically possible and legally permissible uses that generate a return greater than the cost of development. The Salinas Boulevard corridor is an established commercial artery through Donna, and the comparable land sales analyzed within this report evidence continuing demand for commercially zoned tracts along and near the corridor, with recent transactions to end users and developers including commercial and residential development interests. The surrounding neighborhood provides an established residential population base supporting neighborhood retail and service uses, while the shortage of quality rental housing in the Donna market, as evidenced by the marketing of comparable tracts for apartment and mixed-use development, supports the feasibility of multi-family residential improvement on the eastern portion of the site. Speculative holding for future development and interim institutional use are also financially feasible given the minimal carrying costs of the site. Development of the site with uses for which market demand is not evident, such as heavy industrial uses, would not be financially feasible and, in any event, is not legally permissible.

Maximally Productive

Of the financially feasible uses, the maximally productive use of the site as though vacant is development with a commercial retail center or other general business development oriented to the available frontage along S. Salinas Boulevard, and/or a mixed-use development combining commercial improvement along the Salinas Boulevard frontage with multi-family residential improvement along the eastern boundary of the property, consistent with the split B-1 and R-2 zoning pattern. This combination of uses takes full advantage of the site's dual frontage, its exposure along an established commercial corridor, and its depth, which is greater than that required for a single-use commercial development.

CONCLUSION – AS THOUGH VACANT

The highest and best use of the subject site, as though vacant, is for commercial retail / general business development along the S. Salinas Boulevard frontage and/or a mixed-use development to include multi-family residential use along the eastern portion of the tract, as demand warrants.

HIGHEST AND BEST USE AS IMPROVED

The site is improved with a campus-style educational facility containing 50,376 square feet of building area in five principal buildings, together with accessories and site improvements, all in average condition and fully functional for their designed use. The improvements are currently occupied and operated by the Hidalgo County Head Start Program as an early childhood education center under the Program's partnership arrangement with the Donna Independent School District. The cost approach analysis within this report indicates that the depreciated improvements contribute substantial value over and above the value of the underlying land as though vacant; the contributory value of the improvements materially exceeds the concluded market value of the site as vacant land. Demolition or removal of functional improvements that contribute value in excess of the vacant land value would not be economically justified at the present time.

The existing improvements are purpose-built for educational and institutional occupancy and continue to serve that use efficiently. Continued use of the property in the interim as constructed, as an early childhood education facility operated for the Head Start Program, therefore represents the maximally productive use of the property as improved. However, the reader is advised that as the improvements approach the end of their remaining economic life, the underlying land value – driven by the amount of available frontage along S. Salinas Boulevard and the commercial and multi-family zoning of the tract – can be expected to represent an increasing share of total property value, and the property could be readily redeveloped into a commercial retail center or other general business development and/or a mixed-use development to include multi-family residential improvement along the eastern boundary of the property. This long-term redevelopment potential does not presently warrant interruption of the existing use.

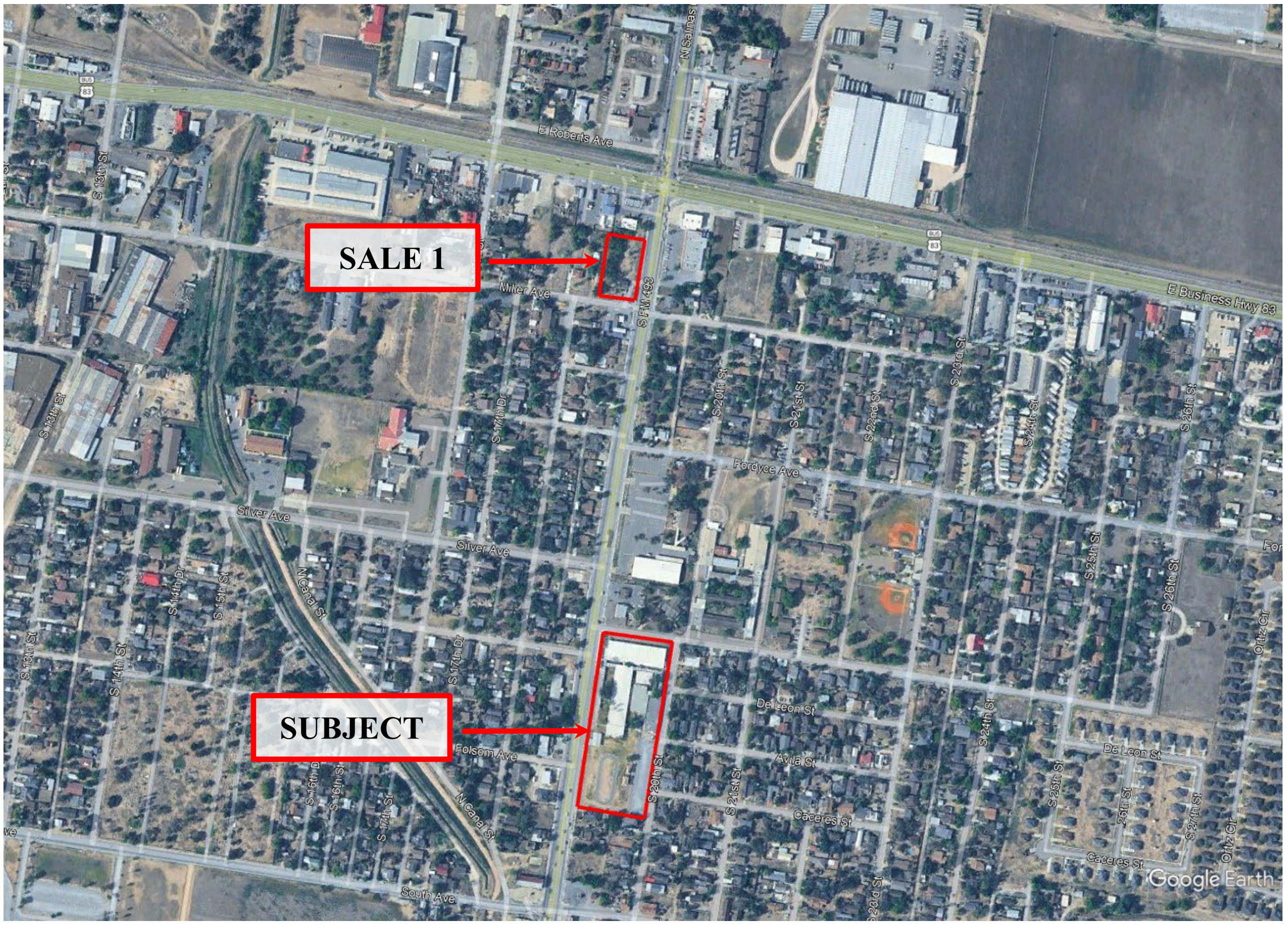
CONCLUSION – AS IMPROVED

The highest and best use of the subject property, as improved, is continued interim use as constructed as an educational facility for the Head Start Program, with long-term redevelopment potential for commercial retail / general business and/or mixed-use development including multi-family residential use along the eastern boundary as the improvements approach the end of their economic life.

SALES COMPARISON APPROACH

During the analysis of the subject property, the value was determined utilizing the direct sales comparison approach to land value, as though vacant, in order to determine the market value of the underlying land. This approach utilizes land sales with similar highest and best uses within the market area of the subject. Each sale is researched and vetted through various sources, including but not limited to, the multiple listing service (MLS), deed records, appraisal district, realtors, real estate appraisers, and conversations with various property owners within the market area.

LAND SALE 1



Grantor: Darling Junkin, Individually and as Independent Executrix of The Estate of John Frances Rogers

Grantee: Border Air Conditioning, Inc.

Date: August 8, 2025

Recording Information: 3673174

Address: 115 S Salinas Boulevard, Donna

Zip Code: 78537

Legal Description: Adams Acres E Lot 29 thru 36 Co., Adams Acres E. 1/2 of 28 Rs

Confirmed Price: $245,000

Verified with: MLS 460088 and HCAD 108194

Terms and Conditions of Sale: Cash to Seller

Rental Data: N/A

Land Size: 0.76-Acres / 33,106 SF

Unit Price as Vacant: $7.40 / Square Foot

Type Street: Paved

Utilities: City Sewer Access: City Street, Paved Road

Improvement(s) Description: N/A

Improvement(s) Size: N/A

Unit Price as Improved: N/A

Condition and Functional Design: N/A

Highest and Best Use: Commercial

Current Use: Vacant

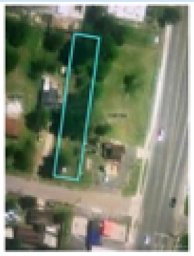
Zoning: General Business District

Flood Plain Zone X

LAND SALE 1 – MULTIPLE LISTING SERVICE DATA

E / MLS #: 460088 (Sold) **List Price: $249,000** **115 S Salinas Boulevard, Donna, TX 78537**

Sold Price:	$245,000	**Closing Date:**	08/01/2025	**Financing:**	Cash
Selling Office:	Select Properties			**Selling Agent:**	Vicki Lynn Chrysler
Seller Concessions	$0	**Seller Conc Type:**		**Non-Realty Items $:**	
Non Allowables:	No	**Repairs:**	No	**Buyer Closing Costs/Prepaids:**	No
SP/SqFt:					
SP/Acre:	320,274.00				



Type:	Commercial, Residential Multi-Family, Residential Single Family	**County:**	Hidalgo
		Subdivision:	Adams Acres
		School District:	Donna ISD
Suitable Use:	Commercial, Other, Residential, Subdevelopment	**Elementary Sch:**	Runn
		Middle School:	Solis
		High School:	Donna H.S.
Lot Dim:	00000	**POA/HOA:**	No **Mandatory:**
Lot SqFt:	33,322	Lease Exp Date:	
Acreage:	0.76		
Topography:	Gently Rolling, Lake/Pond		
Crops:	None		
Improvements:	None		
Tax GEO ID:	A700-00-000-0028-10, A0700-00-000-0029-00		
Base Taxes:	$3,157		
Tax Year:	2024		

Showing Instructions: Use ShowingTime, Vacant
Directions: South of Bus. 83 and Salinas Blvd. in Donna.
Legal Description: Adams Acres E Lot 29 thru 36 Co., Adams Acres E. 1/2 of 28 RS

Utilities	Electric, Other, Septic	**Location Features:**	Alley, Corner Lot, Curb & Gutters
Water/Sewer:	City Sewer	**Access:**	City Street, Paved Road
Water Supplier:	Other	**Street Type:**	Paved
Water Comments:	none	**Fence Type:**	None
Irrigation District:	HCID#1	**Community Amenities:**	Curb & Gutter, Street Lights
Irrig/Water Rights:	No	**Leased (Rent/Share):**	0

Remarks: Selling 2 lots, One is Residential 10,571 SF and the front corner larger lot 23410 SF is the Commercial Lot. Snow cone stand does not convey.

Agent Remarks: Text /call Vicki 956-821-1939 for more details.

Escrow (Use $ or %):	5,000						
REO:	No	**Relocation:**		**Short Sale:**			
Agreement Type:	Exclusive Right to Sell w/Exclusions			**Possession:**	Closing and Funding		
Proposed Terms:	Cash, Conventional						
Owner Name:	Darling Junkin			**Owner Name 2:**			
Original LP:	$249,000	**List Date:**	01/28/2025	**Expiration Date:**	01/31/2026	**DOM:**	28
Internet:	Yes	**Display Addr:**	Yes	**Allow AVM:**	Yes	**Allow Comments:**	Yes
Broker License #:	489650			**Broker:**	Hilda Garza		
LP/OLP:	1.00	**LP/SqFt:**					
Curr $/Acre:	$320,274.00	**LP/Acre:**	$325,502.96				

Listing Office:	Select Properties	**Listing Agent:**	Vicki Lynn Chrysler
Address:	PO Box 4821, McAllen, TX 78502	**Agent Email:**	vicki@selectpropertiesrgv.com
Main:	(956) 821-1939	**Contact #:**	(956) 821-1939
Fax:		**License #:**	0520386

Listing information provided by Greater McAllen Association of REALTORS MLS.
Information is deemed to be reliable but is not guaranteed.

LAND SALE 2

Grantor: Clavel Apartments, LLC | Grantee: Noe Ramos and Alma A. Ramos, a married couple

Date: February 24, 2025 | Recording Information: 3624066

Address: 2102 E Hester Avenue, Donna | Zip Code: 78537

Legal Description: Lot 2 Salinas & Hester Subdivision

Confirmed Price: $250,000 | Verified with: MLS 448559 and HCAD 1307559

Terms and Conditions of Sale: Cash to Seller | Rental Data: N/A

Land Size: 1.05-Acres / 45,738 SF | Unit Price as Vacant: $5.47 / Square Foot

Type Street: Paved | Utilities: Public Water, Sewer Avail Not Connected Access: Paved Road

Improvement(s) Description: N/A | Improvement(s) Size: N/A | Unit Price as Improved: N/A

Condition and Functional Design: N/A | Highest and Best Use: Commercial

Current Use: Vacant | Zoning: General Business District | Flood Plain Zone X

LAND SALE 2– MULTIPLE LISTING SERVICE DATA

E / MLS #: 448559 (Sold) **List Price: $255,000** **2102 E Hester Avenue, Donna, TX 78537**

Sold Price: $250,000 **Closing Date:** 02/10/2025 **Financing:** Other
Selling Office: CapStone Realty PLLC **Selling Agent:** Juan Chavez
Seller Concessions $0 **Seller Conc Type:** **Non-Realty Items $:**
Non Allowables: No **Repairs:** **Buyer Closing Costs/Prepaids:** No
SP/SqFt:
SP/Acre: 238,549.62

Type: Unimproved
Suitable Use: Commercial
Lot Dim: IRREGULAR
Lot SqFt: 45,651
Acreage: 1.05
Topography: Level
Crops: None
Improvements: None
Tax GEO ID: S0159-00-000-0002-00
Base Taxes: $5,145
Tax Year: 2022

County: Hidalgo
Subdivision: Salinas & Hester
School District: Donna ISD
Elementary Sch: Truman
Middle School: Todd
High School: Donna H.S.
POA/HOA: No **Mandatory:**
Lease Exp Date:

Showing Instructions: Call LO/LA
Directions: Located on the north side on Hester before the high school.
Legal Description: SALINAS & HESTER LOT 2

Utilities None
Water/Sewer: Public Water, Sewer Avail Not Connected
Water Supplier: Other
Water Comments: NA
Irrigation District: Other
Irrig/Water Rights: No

Location Features: Irregular Lot
Access: Paved Road
Street Type: Paved
Fence Type: None
Community Amenities: None
Leased (Rent/Share): 0

Remarks: Back on the Market. This property, strategically located adjacent to Donna High School and just 3 blocks north of U.S. Business 83 on Salinas Blvd, near Interstate 2, presents an excellent opportunity for a variety of development projects. Approved by the City of Donna for uses including apartment complexes, office buildings, or mixed-use developments, it offers outstanding visibility and accessibility. With versatile zoning and close proximity to essential amenities, this site is ideally suited to accommodate diverse commercial ventures, making it a prime location for investors and developers seeking lucrative opportunities in a growing area.

Agent Remarks: Call L.A

Escrow (Use $ or %): 1,000
REO: No **Relocation:** **Short Sale:**
Agreement Type: Exclusive Right to Sell **Possession:** Closing and Funding
Proposed Terms: Cash, Conventional, Other, Texas Veterans
Owner Name: Clavel Apartments LLC **Owner Name 2:**
Original LP: $295,000 **List Date:** 09/03/2024 **Expiration Date:** 03/13/2025 **DOM:** 141
Internet: Yes **Display Addr:** Yes **Allow AVM:** No **Allow Comments:** No
Broker License #: 568614 **Broker:** Belle B. Moya
LP/OLP: 0.86 **LP/SqFt:**
Curr $/Acre: $238,549.62 **LP/Acre:** $243,320.61

Listing Office: CapStone Realty PLLC **Listing Agent:** Juan J. Chavez
Address: 700 W Redwood Ave., MCALLEN, TX 78501 **Agent Email:** jjchaveza@yahoo.com
Main: (956) 408-0268 **Contact #:** (956) 638-8821
Fax: **License #:** 0616301

Listing information provided by Greater McAllen Association of REALTORS MLS.
Information is deemed to be reliable but is not guaranteed.

Photos

Aerial View - Bird's eye view

Aerial View - Birds eye view of property

Community - View of street

LAND SALE 3

Grantor: Hamilton Valley Management, Inc.

Grantee: Aria Mia Construction LLC

Date: July 27, 2026

Recording Information: 3773564

Address: N Main Street, Donna, Texas

Zip Code: 78537

Legal Description: Lott Town & Improvements S150'-n660' Lot 2 Blk 55 1.24 acres (Gross)

Confirmed Price: $200,000

Verified with: MLS 482775 and HCAD 546771

Terms and Conditions of Sale: Cash to Seller

Rental Data: N/A

Land Size: 1.08-Acres (Net) / 47,045 SF

Unit Price as Vacant: $4.25 / Square Foot

Type Street: Paved

Utilities: City Sewer, Public Water Access: City Street

Improvement(s) Description: N/A

Improvement(s) Size: N/A

Unit Price as Improved: N/A

Condition and Functional Design: N/A

Highest and Best Use: Commercial / Multifamily

Current Use: Vacant

Zoning: Multifamily District

Flood Plain Zone X

LAND SALE 3 – MULTIPLE LISTING SERVICE DATA

E / MLS #: 482775 (Sold) **List Price: $215,500** **000 N Main Street, Donna, TX 78537**

Sold Price: $200,000 **Closing Date:** 07/23/2026 **Financing:** Cash
Selling Office: Dominion Real Estate **Selling Agent:** Ana De La Garza
Seller Concessions $0 **Seller Conc Type:** **Non-Realty Items $:**
Non Allowables: No **Repairs:** **Buyer Closing Costs/Prepaids:** No
SP/SqFt:
SP/Acre: 185,188.61

Type: Unimproved
Suitable Use: Other, Residential, Subdevelopment
Lot Dim: TBD
Lot SqFt: 47,044
Acreage: 1.08
Topography: Level
Crops: Grass Pasture
Improvements: None
Tax GEO ID: L0250-00-055-0002-01
Base Taxes: $8,654
Tax Year: 2025

County: Hidalgo
Subdivision: Lott Town
School District: Donna ISD
Elementary Sch: LeNoir
Middle School: Todd
High School: Donna H.S.
POA/HOA: No **Mandatory:**
Lease Exp Date:

Recent: **07/30/2026 : Sold : P->S**

Showing Instructions: Show Anytime
Directions: Use GPS or Call for ping location.
Legal Description: LOTT TOWN & IMPROVEMENTS S150'-N660' LOT 2 BLK 55 1.24AC G

Utilities None
Water/Sewer: City Sewer, Public Water
Water Supplier: Other
Water Comments: Available
Irrigation District: HCID#1
Irrig/Water Rights: No

Location Features: None
Access: City Street
Street Type: Paved
Fence Type: None
Community Amenities: None, Street Lights
Leased (Rent/Share): NA

Remarks: Introducing a prime development opportunity at 546771 N Main St, a strategically located 1.08-acre parcel in Texas, now available for $215,500. This property is ideally situated within a vibrant community, surrounded by established residential homes and multifamily apartment complexes, making it an attractive prospect for residential development. Zoned for general use, the lot features a significant net appraised value of $324,609, underscoring its potential within this growing market. The surrounding neighborhood enhances its appeal and positions it favorably for investors and land developers seeking to meet the increasing demand for quality housing. This represents an exceptional opportunity to acquire a valuable asset in a highly desirable location. Explore the possibilities this property has to offer.

Agent Remarks: Sign visible. Take all precautions when on site. Agent/Broker makes no guarantees, warranties, or representations as to the accuracy thereof. It is Buyer's responsibility to independently confirm the accuracy and completeness of the subject property's specs, details, and all pertaining information. Preferred title company is San Jacinto Title Company, Inc. Seller will consider all offers submitted with pre-approval letter or proof of funds. CBLM, NOR ITS AGENTS MAKE NO REPRESENTATION, WARRANTIES, OR GUARANTEES ABOUT THE CONDITION, UTILITES, PRESENT OR FUTURE USE OF THE PROPERTY OR SIZE OR SQUARE FOOTAGE OF THE PROPERTY. BUYERS ARE ADVISED TO DO THEIR OWN RESEARCH WITH THE CITY AND COUNTY WHERE THE PROPERTY IS LOCATED. Agents permitted to share property photos on social media with credits.

Escrow (Use $ or %): 2,500
REO: No **Relocation:** **Short Sale:**
Agreement Type: Exclusive Right to Sell **Possession:** Closing and Funding
Proposed Terms: Cash, Conventional, FHA, Texas Veterans
Owner Name: Hamilton Valley Mangement **Owner Name 2:**
Original LP: $215,500 **List Date:** 10/01/2025 **Expiration Date:** 10/01/2026 **DOM:** 221
Internet: Yes **Display Addr:** Yes **Allow AVM:** Yes **Allow Comments:** Yes
Broker License #: 561680 **Broker:** Daniel Galvan
Office Lic #: 582851
LP/OLP: 1.00 **LP/SqFt:**
Curr $/Acre: $185,188.61 **LP/Acre:** $199,540.73

Listing Office: Coldwell Banker La Mansion **Listing Agent:** Hortencia Camargo
Address: 508 E. Dove, McAllen, TX 78504-8222 **Agent Email:** 956@rgvrealtor.us
Main: (956) 631-1322 **Contact #:** (956) 212-6840
Fax: (956) 994-0443 **License #:** 0782191

Listing information provided by Greater McAllen Association of REALTORS MLS.
Information is deemed to be reliable but is not guaranteed.

SALES COMPARISON APPROACH – LAND GRID

	Subject		Comp. No. 1			Comp. No. 2			Comp. No. 3		
Municipality	Donna		Donna			Donna			Donna		
Date of Sale			August 8, 2025			February 24, 2025			July 27, 2026		
Sales Price			$	245,000		$	250,000		$	200,000	
Unit Price	N/A		$	322,368	/ Acre	$	238,095	/ Acre	$	185,185	/ Acre
			$	7.40	/ SF	$	5.47	/ SF	$	4.25	/ SF
Conditions of Sale	Cash To Seller		Similar	0%		Similar	0%		Similar	0%	
Market Conditions	Average		Similar	0%		Similar	0%		Similar	0%	
Adjusted Unit Price			$	322,368	/ Acre	$	238,095	/ Acre	$	185,185	/ Acre
			$	7.40	/ SF	$	5.47	/ SF	$	4.25	/ SF
Relative Location	Average (Salinas Boulevard)		Superior (Salinas Blvd South of Expressway	-10%		Similar	0%		Inferior	20%	
Site Utility	Average		Similar	0%		Similar	0%		Similar	0%	
Utilities (Water/Sewer)	Water / Sewer		Similar	0%		Similar	0%		Similar	0%	
Size	5.00	Acres	0.76	-10%		1.05	-5%		1.08	-5%	
	217,800	SF	33,106	SF		45,738	SF		47,045	SF	
	Net Adjustment		$	(64,474)	-20%	$	(11,905)	-5%	$	27,778	15%
			$	(1.48)	/ SF	$	(0.27)	/ SF	$	0.64	/ SF
Adjusted Unit Price			$	257,895	/ Acre	$	226,190	/ Acre	$	212,963	/ Acre
			$	5.92	/ SF	$	5.19	/ SF	$	4.89	/ SF
Indicated Unit Rate									**$**	**5.00**	**/ SF**
Market Land Value									**$**	**1,089,000**	

GARZA & ASSOCIATES

EXPLANATION OF SALES ADJUSTMENTS

The three comparable land sales summarized within the valuation grid were analyzed and adjusted to the subject on a price per square foot basis to derive the market value of the underlying land as though vacant. Adjustments are considered in two categories: transactional adjustments, applied first and sequentially, consisting of property rights conveyed, financing terms, conditions of sale, and market conditions; and property adjustments, applied thereafter, consisting of relative location, site utility, utilities, and size. The adjustments applied to each sale are explained below.

PROPERTY RIGHTS CONVEYED / FINANCING / CONDITIONS OF SALE

Each of the three comparable sales conveyed the fee simple estate, unencumbered by leases or other partial interests, consistent with the property rights appraised for the subject site; therefore, no adjustment for property rights conveyed was required. Each sale was a cash to seller transaction, or its equivalent, with no seller concessions, atypical financing, or non-realty items included in the reported consideration; therefore, no adjustments for financing terms were required. Each sale was verified as an arm's-length, open-market transaction between unrelated parties, marketed through the multiple listing service, with neither party acting under duress; therefore, no adjustments for conditions of sale were required, and each sale is adjusted 0% in this category.

MARKET CONDITIONS (TIME)

The comparable sales closed between February 2025 and July 2026, a period of approximately seventeen months preceding and encompassing the effective date of this appraisal. A review of the local multiple listing service data, discussions with market participants, and paired analysis of the sales themselves indicate that land prices within the Donna market area have remained generally stable over this period, with neither measurable appreciation nor decline in unit prices for similar commercial corridor tracts. Accordingly, no adjustments for market conditions were applied, and each sale is adjusted 0% in this category. Sale 3 closed on July 27, 2026, shortly after the June 10, 2026 effective date of this report; it is included as confirming evidence of stable market conditions through and immediately following the effective date, and its use is considered appropriate given the stability of the market over the analysis period.

RELATIVE LOCATION

The subject fronts S. Salinas Boulevard south of the central portion of Donna, within an established neighborhood commercial corridor with average exposure and traffic counts for the market area. Comparable Sale 1 is located at 115 S. Salinas Boulevard, on the same corridor but immediately south of U.S. Business Highway 83 and the Expressway 83 interchange area, where commercial intensity, traffic exposure, and demand are greater than at the subject's location; a downward adjustment of 10% was therefore applied to Sale 1 for its superior location. Comparable Sale 2, located on E. Hester Avenue adjacent to Donna High School and approximately three blocks north of Business 83 near the Salinas Boulevard corridor, exhibits locational attributes similar overall to the subject, balancing its proximity to the Business 83 commercial node against its secondary-street frontage; no location adjustment was applied to Sale 2. Comparable Sale 3 is an interior tract on N. Main Street situated within a predominantly residential neighborhood with inferior commercial exposure, lesser traffic, and a highest and best use weighted toward residential and multi-family development; an upward adjustment of 20% was therefore applied to Sale 3 for its inferior location relative to the subject's Salinas Boulevard corridor frontage.

SITE UTILITY

Site utility considers the shape, topography, frontage-to-depth relationship, access, and overall development utility of each tract. The subject is a level, generally rectangular tract with dual-street frontage and no floodplain encumbrance. Each of the three comparable sales is likewise a level tract of regular or generally usable configuration with paved street frontage, adequate access, and location within Flood Zone X or an equivalent minimal-hazard designation; the modest irregularity of Sale 2's configuration was not observed to impair its development utility. No adjustments for site utility were warranted, and each sale is adjusted 0% in this category.

UTILITIES (WATER / SEWER)

The subject is served by all municipal utilities, including city water and sanitary sewer. Sale 1 is served by city sewer with water available to the site; Sale 2 is served by public water with sewer available in proximity though not connected at the time of sale; and Sale 3 is served by city sewer and public water. In each case, municipal water and wastewater service is available to the comparable to substantially the same practical extent as to the subject, and the cost of connection where applicable is nominal in relation to the transaction prices; therefore, no adjustments for utilities were applied.

SIZE

The subject contains 5.00 acres, or 217,800 square feet, while the comparable sales range from 0.76 acres to 1.08 acres. The market for vacant land within the subject market area demonstrates a well-established inverse relationship between parcel size and unit price: smaller tracts appeal to a broader pool of purchasers, require lower total capital outlays, and consistently command higher prices per square foot than larger tracts, which trade at discounted unit rates reflecting the larger total investment and the extended absorption or development period they require. Because each comparable is materially smaller than the subject, downward size adjustments were applied to each sale. Sale 1, at 0.76 acres, is the smallest of the three and the furthest removed from the subject in size, warranting a downward adjustment of 10%. Sales 2 and 3, at 1.05 acres and 1.08 acres respectively, are closer in scale though still substantially smaller than the subject, and each was adjusted downward 5%.

RECONCILIATION

After adjustment, the three comparable sales indicate a range of unit values for the subject site of $4.89 to $5.92 per square foot, with Sale 1 indicating $5.92 per square foot ($257,895 per acre), Sale 2 indicating $5.19 per square foot ($226,190 per acre), and Sale 3 indicating $4.89 per square foot ($212,963 per acre). The net adjustments applied were -20% to Sale 1, -5% to Sale 2, and +15% to Sale 3. Greatest weight was accorded to Sale 2, which required the least gross adjustment and is most similar to the subject in location and overall development appeal, with supporting weight given to Sale 3 as the most recent transaction in the data set. Sale 1 established the upper limit of the range, tempered by its superior location and small size.

CONCLUSION

Based on this analysis, a unit rate of $5.00 per square foot was concluded for the subject site, which, applied to the 217,800 square foot land area, indicates a market land value, as though vacant, of $1,089,000, rounded.

COST APPROACH ANALYSIS

ESTIMATED REPLACEMENT / REPRODUCTION COST					
IMPROVEMENT	**Number of Units**	**$ Per Unit**	**Cost New**	**Depreciation**	**Value**
North Building - Renovated 2001	16,560	$ 180.00	$ 2,980,800	60%	$ 1,192,320
Main Building - Renovated 2001	18,900	$ 180.00	$ 3,402,000	60%	$ 1,360,800
Workroom / Lounge Building - Renovated 2001	3,024	$ 180.00	$ 544,320	50%	$ 272,160
Central Kitchen - Renovated 2001	5,792	$ 120.00	$ 695,040	50%	$ 347,520
Library - Built 2001	6,100	$ 120.00	$ 732,000	50%	$ 366,000
					$ -
Contributory Value of the Buildings					**$ 3,538,800**
Accessory Improvements					
Storage Building	680	$ 150	$ 102,000	50%	$ 51,000
Steel Frame Pavillion	2,050	$ 70.00	$ 143,500	50%	$ 71,750
Steel Frame Carport	720	$ 19.20	$ 13,824	5%	$ 13,133
Screen Shade 18' x 34'	612	$ 17.15	$ 10,496	15%	$ 8,921
Screen Shade 24' x 38'	912	$ 17.15	$ 15,641	15%	$ 13,295
Covered Walkway	4,680	$ 65	$ 304,200	50%	$ 152,100
Contributory Value of the Accessory Improvements					**$ 310,199**
Site Improvements					
Asphalt Parking - South	18,700	$ 6.50	$ 121,550	65%	$ 42,543
Asphalt Parking - North	3,900	$ 6.50	$ 25,350	65%	$ 8,873
Asphalt Driveway - West	4,110	$ 6.50	$ 26,715	50%	$ 13,358
Asphalt Parking - East	1,545	$ 6.50	$ 10,043	50%	$ 5,021
Chain Link Fencing	2,175	$ 18.00	$ 39,150	25%	$ 29,363
Chain Link Rolling Gate	8	$ 650	$ 5,200	25%	$ 3,900
Chain Link Door	16	$ 250	$ 4,000	25%	$ 3,000
Kids Playground	4	$ 25,000	$ 100,000	15%	$ 85,000
Track	6,400	$ 15.00	$ 96,000	15%	$ 81,600
Contributory Value of the Site Improvements					**$ 272,656**
Contributory Value of All Improvements					**$ 4,121,655**
	Net Land Area		**Price / Unit**		
Land Value (Fee)	217,800	Acres x	$ 5.00 / Acre		$ 1,089,000
Estimated Value By Cost Approach					**$ 5,210,655**

MARKET RENT ANALYSIS

The value of the subject property having been developed by way of the cost approach within the preceding section, the following analysis is developed to determine a reasonable market rent for the subject property, as though offered to a single tenant in the open market. It is recognized that the subject is owned by the Donna Independent School District and occupied by the Hidalgo County Head Start Program, both tax-exempt public entities, and that no arm's-length lease encumbers the property. The scope of this assignment, however, calls for an opinion of the current market lease rate of the subject facility; accordingly, the analysis that follows estimates the rent that the 50,376 square foot campus would command from a single tenant under a market-oriented lease as of the effective date of this report. Market rent is defined as "the most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus." (The Appraisal of Real Estate, 15th Edition). Consistent with this definition, the concluded rent assumes a lease of the entire facility to a single tenant, exposure to the open market for a reasonable marketing period, and a triple-net (NNN) structure under which the tenant is responsible for operating expenses, consistent with the prevailing structure observed for single-tenant institutional-grade space in the market area.

SURVEY OF COMPETITIVE LEASE OFFERINGS

A survey of current MLS commercial lease listings throughout the Rio Grande Valley market area (Hidalgo, Cameron, and Willacy Counties) was conducted, encompassing thirty-nine (39) active and recently closed lease offerings of office, medical office, institutional, mixed-use, and flex product. Asking base rents across the full survey range from approximately $0.59 to $3.28 per square foot per month, with the broad mid-range of conventional office and medical office product clustering between $1.00 and $2.00 per square foot per month. Two consistent patterns are evident within the survey data: first, asking rents in the primary McAllen–Edinburg–Mission corridor are materially higher than rents in the smaller tertiary communities of the Valley (including Donna, Alamo, Alton, Elsa, and Raymondville); and second, an inverse relationship exists between the size of the space offered and the achievable unit rate, with small suites commanding premium rates and large single-tenant blocks commanding discounted rates and experiencing extended marketing periods. From the survey, eight listings were selected as most comparable to the subject in terms of use type, tenancy profile, size, and market orientation, with emphasis on freestanding, single-tenant-capable buildings and on properties marketed for educational, training, daycare, medical, and professional office uses. The rent comparables are summarized below; asking rates are stated on a base-rent basis, exclusive of NNN expense reimbursements.

COMPETITIVE LEASE LISTINGS

No.	Location	MLS #	Property Type	SF Avail.	Yr Built	$/SF/Mo	$/SF/Yr	Lease Type
R-1	201 S. 8th Street, Donna	511388	Office / Retail	8,300	1992	$1.00	$12.00	TBD / Neg.
R-2	111 N. 17th Street #B, Donna	501786	Medical / Office	1,690	2007	$1.35	$16.20	NNN
R-3	2413 Colorado Street, Mission	505145	Former Daycare Center	7,020	2010	$1.42	$17.10	Mod. Gross
R-4	900 E. Esperanza Avenue, McAllen	482778	Stand-Alone Prof. Office	19,752	1993	$1.45	$17.40	NNN
R-5	1060 Mackintosh Drive, Brownsville	439697	Office / Institutional	18,320	2009	$1.00	$12.00	NNN
R-6	2101 S. Cynthia Street, McAllen	487245	Freestanding Medical Office	30,811	2000	$1.46	$17.50	NNN
R-7	622 Alton Boulevard, Alton	478530	Freestanding Retail / Office	8,000	2001	$0.83	$10.00	NNN
R-8	640 S. Expressway 77 #1, Raymondville	488036	Medical / Office	7,500	2009	$1.00	$12.00	Neg.

Rent Comparable Summary – MLS Lease Listings, Rio Grande Valley Market Area

Exhibit A – Asking base rents by building size and market tier; subject shown at concluded rate

ANALYSIS AND ADJUSTMENT OF THE RENT COMPARABLES

The asking rates of the eight comparables were adjusted to reflect the characteristics of the subject property in the following categories. Location: The comparables situated within the primary McAllen and Mission commercial corridors (R-3, R-4, and R-6) command the highest unit rates in the survey and were adjusted downward 10% to 20% to reflect the subject's location in Donna, a smaller tertiary community with a more limited tenant pool and lower prevailing rent levels; the Brownsville comparable (R-5), located in an institutional corridor of a larger metropolitan area, was adjusted downward 5%; the comparables located in Donna and in similar tertiary communities (R-1, R-2, R-7, and R-8) required no locational adjustment. Size: The subject offers 50,376 square feet to a single tenant, a block larger than all but one listing in the entire thirty-nine-listing survey. Reflecting the inverse rate-size relationship evident in the market data, graduated downward adjustments of 5% to 25% were applied, with the largest adjustment applied to the smallest comparable (R-2, at 1,690 square feet) and the smallest adjustment applied to the largest (R-6, at 30,811 square feet). Age and Condition: The subject was constructed circa 1995 and renovated in 2001 and is in average overall condition; comparables of materially newer construction (R-2, R-3, R-5, R-6, and R-8) were adjusted downward 5% to 10%. Use and Utility: Comparable R-6 reflects specialized medical build-out superior to the subject's institutional educational finish-out and was adjusted downward 5% accordingly. No adjustments for market conditions were required, as all listings represent current offerings.

ADJUSTMENT OF RENT COMPARABLES

Comp	Asking Base Rent $/SF/Mo	Location	Size	Age / Condition	Use / Utility	Net Adj.	Adjusted $/SF/Mo
R-1	$1.00	0%	-15%	0%	0%	-15%	$0.85
R-2	$1.35	0%	-25%	-5%	0%	-30%	$0.95
R-3	$1.42	-10%	-15%	-5%	0%	-30%	$0.99
R-4	$1.45	-20%	-10%	0%	0%	-30%	$1.02
R-5	$1.00	-5%	-10%	-10%	0%	-25%	$0.75
R-6	$1.46	-20%	-5%	-5%	-5%	-35%	$0.95
R-7	$0.83	0%	-15%	0%	0%	-15%	$0.71
R-8	$1.00	0%	-15%	-5%	0%	-20%	$0.80
Adjusted Range: $0.71 – $1.02 | Mean: $0.88 | Median: $0.90						**Concluded**	**$0.85**

Market Rent Adjustment Grid – Base Rent, $/SF/Month, NNN Basis

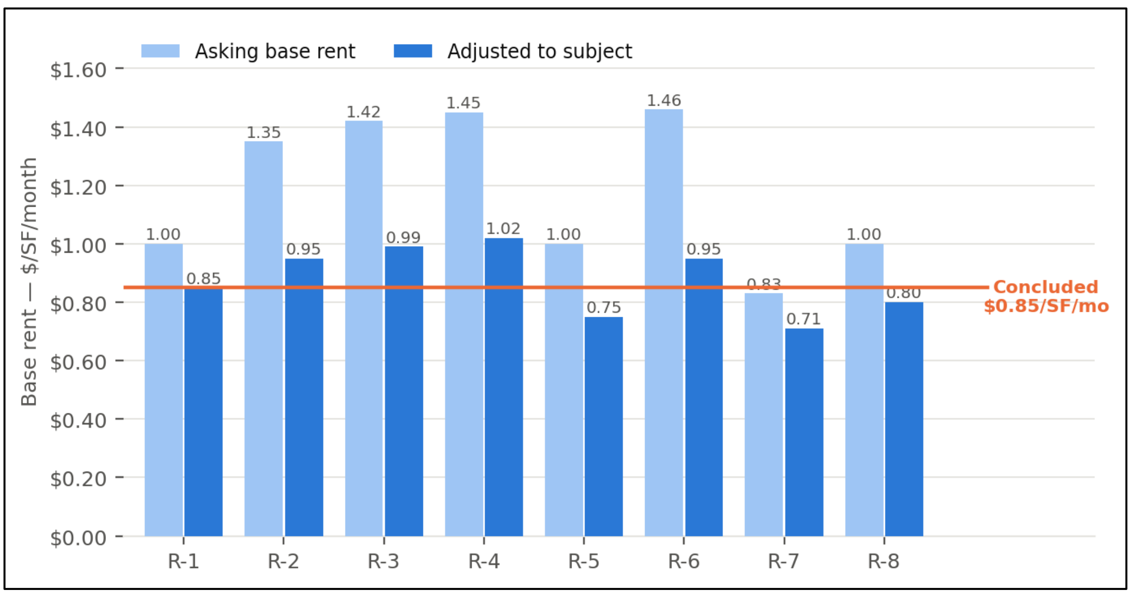


Exhibit B – Asking versus adjusted rent indications relative to the concluded market rent

After adjustment, the comparables indicate a range of $0.71 to $1.02 per square foot per month for the subject, with a mean of $0.88 and a median of $0.90. The tightest cluster of indications falls between $0.80 and $0.95 per square foot per month.

SUPPORTING MARKET EVIDENCE

Three additional observations from the market data support a conclusion in the lower-central portion of the adjusted range. First, achieved rents trail asking rents in this market: the one closed lease transaction identified in the survey (Trenton Crossroads Plaza, Edinburg; 8,036 square feet) was consummated in February 2026 at $1.37 per square foot per month against an asking rate equivalent to $1.50, a discount of approximately 9% from the asking level. Second, in-place rents within the City of Donna itself are modest: the rent roll of a multi-tenant commercial plaza at 401 Hooks Avenue in Donna reflects contract rents of $1.00 to $1.20 per square foot per month for small retail and office suites, and the only current lease offering identified within Donna comparable in scale to the subject (201 S. 8th Street, 8,300 square feet) is asking $1.00 per square foot per month. Small-suite offerings such as 111 N. 17th Street (1,690 square feet at $1.35 NNN) confirm that premium unit rates in Donna are associated with small divisible spaces rather than large single-tenant blocks. Third, the subject's size would place any single tenant among the largest office-type occupancies in the submarket, implying a limited pool of prospective tenants (institutional, governmental, educational, or corporate users), extended marketing time, and negotiating leverage consistent with a rate at or below the central tendency of the adjusted indications.

RECONCILIATION AND CONCLUSION OF MARKET RENT

Primary weight is accorded to Comparable R-1, the only active offering in Donna of meaningful scale, which indicates $0.85 per square foot per month after adjustment, and to Comparables R-4 and R-5, the two large freestanding institutional-quality buildings in the survey (19,752 and 18,320 square feet, respectively) which are expressly marketed for teaching, training, and similar users and which bracket the concluded rate at $1.02 and $0.75 after adjustment. Based on the foregoing analysis, a market rent of $0.85 per square foot per month, on a triple-net basis, is concluded for the subject property.

Concluded Market Rent (Base, Triple-Net)	**$0.85 / SF / Month ($10.20 / SF / Year)**
Applied to Building Area	50,376 SF
Indicated Monthly Market Rent	$42,820
Indicated Annual Market Rent	**$513,835, Rounded: $514,000**

As a test of reasonableness, the concluded annual market rent of $513,835 represents an overall return of approximately 10.1% on the market value of $5,101,755 concluded by the cost approach within this report, which is consistent with overall capitalization and required-return levels for single-tenant, institutional-grade property in tertiary Rio Grande Valley markets. The concluded rent is stated on a triple-net basis; under such a lease the tenant would bear operating expenses, including insurance, utilities, and maintenance, with the subject's exemption from ad valorem taxation under its present public ownership noted as an economic benefit to a public or exempt tenant but not relied upon in the market rent conclusion.

FINAL ANALYSIS AND CONCLUSION OF MARKET VALUE AND IN-KIND LEASE RATE DETERMINATION

The preceding sections of this report have developed, in sequence, the market value of the underlying land as though vacant by the sales comparison approach; the market value of the whole property by the cost approach; and the market rent of the subject facility to a single tenant in the open market by a comparative rental analysis of competitive lease offerings. This final section correlates those independent analyses, explains the derivation of the in-kind monthly and annual lease rates, and reconciles the several indications into a final opinion of the in-kind market value and market lease rate of the subject property.

SUMMARY OF VALUE AND RENT INDICATIONS	
Market Land Value, As Though Vacant (Sales Comparison Approach)	$1,089,000
Depreciated Contributory Value of All Improvements	$4,121,655
Indicated Market Value (Cost Approach)	$5,210,655
Concluded Market Rent (Market Rent Analysis, NNN)	$0.85 / SF / Month $10.20 / SF / Year
Indicated Annual Market Rent (50,376 SF)	$513,835
Indicated Market Value (Income Approach) - Direct Capitalization @ 10.0%	$5,138,350

CORRELATION OF THE COST APPROACH AND THE INCOME APPROACH

The cost approach was constructed from replacement cost data published by Marshall & Swift Valuation Service, tested against local construction cost experience, depreciated for observed physical deterioration and age, and added to a land value derived from three verified sales of commercial land in Donna. The market rent analysis, by contrast, was constructed from a survey of thirty-nine (39) current MLS commercial lease offerings across the Rio Grande Valley, of which eight comparables were adjusted to the subject for location, size, age and condition, and use.

The concluded market rent provides the basis for an income capitalization test of the cost approach conclusion. The market rent concluded within this report supplies the market-derived net income necessary to apply the direct capitalization technique. Under the concluded triple-net lease structure, the tenant bears the operating expenses of the property, including insurance, utilities, and maintenance; the annual market rent of $513,835 is therefore treated as the property's stabilized net operating income for capitalization purposes, this is consistent with standard appraisal practice for single-tenant property leased on an absolute net basis. The overall capitalization rate was developed by the band of investment technique, reflecting financing and equity return requirements currently observed for commercial property in the Rio Grande Valley market: a loan-to-value ratio of 70% at a 7.5% interest rate with 20-year amortization produces an annual mortgage constant of 0.0967, and an equity dividend rate of 11.0% reflects the return required by investors in single-tenant, institutional-grade property in tertiary Valley communities, considering the age of the improvements, the limited pool of prospective tenants of this scale, and the extended marketing period such a property would require.

DERIVATION OF OVERALL CAPITALIZATION RATE — BAND OF INVESTMENT	
Mortgage Component: 70% × 0.0967 (annual constant; 7.5% interest, 20-year amortization)	6.77%
Equity Component: 30% × 11.0% (equity dividend rate)	3.30%
Indicated Overall Capitalization Rate	10.07%
Overall Capitalization Rate Concluded (Rounded)	10.0%

Applying the concluded overall rate to the annual market rent produces the following value indications, with the sensitivity of the indication tested one-half percentage point above and below the concluded rate:

DIRECT CAPITALIZATION OF CONCLUDED MARKET RENT — $513,835 NNN	
Value Indication at 9.5% Overall Rate	$5,408,789
Value Indication at 10.0% Overall Rate (Concluded)	$5,138,350
Value Indication at 10.5% Overall Rate	$4,893,667
Value Indication by Cost Approach	$5,101,755
Variance, Income Indication @ 10.0% vs. Cost Approach	$36,595 (0.7%)

The correlation between the two approaches is direct and mutually reinforcing. The income approach indication of $5,138,350 at the concluded 10.00% overall rate lies within 0.7% of the cost approach indication of $5,101,755 a variance without material significance in the valuation of a property of this size. The correlation may also be tested in reverse: dividing the concluded annual market rent of $513,835 by the cost approach value of $5,101,755 produces an implied overall capitalization rate of 10.07%, which falls squarely within the 9.50% to 10.50% range supported by the band of investment analysis and by required-return levels observed for comparable-risk property in the market area. The two approaches thus validate one another in both directions: the rent concluded from the lease market, capitalized at a market-supported rate, reproduces the value concluded from the cost and land-sale data; and the value concluded from the cost approach, measured against the concluded rent, implies a rate of return consistent with the market.

IN-KIND MONTHLY AND ANNUAL LEASE RATE EXPLANATION

The subject property is owned of record by the Donna Independent School District and is occupied and operated by the Hidalgo County Head Start Program under the partnership arrangement between the two entities. Because the Program does not pay a market-rate rent for its occupancy, the value of that occupancy constitutes an in-kind benefit to the Program, and the measure of that benefit is the rent the facility would command from a single tenant in the open market. The in-kind lease rate concluded herein therefore answers a specific question: what would the Program (or any single institutional tenant) be required to pay, per month and per annum, to occupy the subject facility under a market-oriented lease negotiated at arm's length as of the effective date of this report.

The in-kind lease rate is derived directly from the market rent analysis within this report. The concluded unit rent of $0.85 per square foot per month, on a triple-net basis, was applied to the 50,376 square feet of building area confirmed by on-site inspection, producing the monthly and annual amounts summarized below:

DERIVATION OF THE IN-KIND LEASE RATE	
Concluded Unit Market Rent (Triple-Net)	$0.85 / SF / Month
Building Area, Per Inspection	50,376 SF
In-Kind Monthly Lease Rate (50,376 SF × $0.85)	$42,820
In-Kind Annual Lease Rate ($42,820 × 12)	$513,835
In-Kind Annual Lease Rate, Rounded	$514,000
Equivalent Annual Unit Rate	$10.20 / SF / Year, NNN

The concluded rates are stated on a triple-net (NNN) basis, the prevailing structure observed among the comparable lease offerings for single-tenant institutional-grade space in the market area. Under such a lease, the tenant bears the operating expenses of the property including building insurance, utilities, janitorial service, and routine maintenance in addition to the base rent; accordingly, the in-kind figures stated above represent base rent only, and the total annual economic benefit of the Program's occupancy would equal the base rent plus the operating expenses the Program already bears directly. The subject's exemption from ad valorem taxation under its present public ownership (HCAD exemption code EX-XV) is noted: a taxable private owner would ordinarily pass property taxes through to the tenant under a triple-net lease, and the absence of that expense burden is an additional economic benefit of the present arrangement; however, consistent with the market rent analysis, no premium for this benefit was added to the concluded rates, which renders the conclusions conservative.

FINAL RECONCILIATION AND OPINION OF VALUE

In reconciling the approaches to a final opinion of value, the appraiser has considered the quantity and quality of the data underlying each analysis, the relevance of each approach to the property type and to the scope of the assignment, and the degree to which each conclusion is corroborated by the others. The cost approach is accorded primary weight: it is the approach most directly responsive to the scope of this assignment — the in-kind valuation of the improvements the Program occupies — and it rests on verified local land sales and published, independently maintained cost data appropriate to special-purpose institutional property of this character, for which an active resale market of directly comparable improved sales does not exist. The sales comparison approach was applied to the underlying land only, as no sufficiently comparable improved sales of educational campus facilities were identified within the market area; its product is embedded within the cost approach as the land value component. Giving primary weight to the cost approach indication of $5,210,655, as corroborated by the income approach indication of $5,138,350, the final opinion of the in-kind market value of the subject property, as of the effective date of this report, is concluded at $5,150,000, rounded. The corresponding in-kind lease rates are those developed within the market rent analysis and restated below.

FINAL CONCLUSIONS	
Final Opinion of In-Kind Market Value	$5,150,000
In-Kind Monthly Lease Rate (Market Rent, Triple-Net)	$42,820
In-Kind Annual Lease Rate (Market Rent, Triple-Net)	$513,835; Rounded $514,000
Lease Basis	Single tenant; triple-net (NNN)
Effective Date of Value and Rent Conclusions	June 10, 2026

The conclusions are supported at each step by market evidence identified within the body of this report and retained within the appraiser's working file, including the comparable land sales, the Marshall & Swift cost data, and the thirty-nine (39) MLS lease listings from which the rent comparables were drawn, such that each figure appearing in this section may be traced to its underlying market data and independently recomputed.