

SECTION 2

GROUP A SALES

INTRODUCTION

This section of the report provides information sheets for sales that were utilized extensively for analysis pertaining to the LRGV real estate market, particularly for production agriculture tracts. A majority of the appraisal assignments created by the border fence project are anticipated to involve production agriculture tracts. Those tracts may or may not have an impact in value created from land adjacent to desirable rural highways or possess an increased potential for development. Tracts may or may not contain adjudicated water rights out of the Rio Grande River. At the heart of the appraisal problem lies the question of whether or not the border fence project has a negative, positive, or neutral impact to the land in which it bisects. Sales contained within this section of the report have been identified as having the border fence present through their boundaries. These attributes, as well as others, may be analyzed utilizing this set of market transactions. While sales may exist that we failed to identify, we are confident that the information contained within this section give a well-rounded representation of the production agriculture and speculative development environment found throughout the Lower Rio Grande Valley.

Each sale contained within this section of the report has been allocated based upon several items. First, the tillable acreage found within each sale is allocated based upon its irrigated or non-irrigated capability class as outlined by the NRCS soil survey system. These soils are depicted in the allocation table associated with each sale. Second, outage areas contained within the property are measured and allocated appropriately. These areas are typically poor soils that have not been farmed for various reasons ranging from drainage issues, to wetlands. Additionally, those farms that contain levees associated with the IBWC Flood Control Project have such areas allocated as outage. Doing so gives an indication of a contributory value for such land and may prove useful in valuation assignments seeking the value of land beneath the levee system. Finally, those sales that contain better access to utilities, primarily potable water lines and wastewater services, or are located along major roadways undergoing transition have acreage allocated as speculative development. This allocation aids in equalizing sale prices for analysis purposes.

Those sales that were transferred after the 2008 border fence project and have the border fence either bisecting or creating a boundary line have been analyzed and the results of that analysis are contained within the sale sheet. The first sales presented in this section are those sales with the border fence followed by other river sales that transferred water rights, and finally all other sales categorized as Group A sales.

SALE ID: RGV502

Grantor:	Betty L. Morgan	Sale Price:	\$ 226,600
Grantee:	Ricardo De La Cruz and Norma De La Cruz	Deeded Acres:	119.218
County:	Cameron	\$/Acre:	\$ 1,901
Date:	06/12/2009		
Recording:	2009-24173	Property Type:	River Farm
		Land Use:	Irrigated Crop
Location:	6.8 Miles South of La Feria	Grid ID:	Progreso

Legal Description: A 119.218 acre tract of land, more or less, being ot of a certain 136.11 acre tract out of the La Feria Grant, Cameron County, Texas, said certain 136.11 acre tract being described in a Deed recorded in Volume 154, Page 190 of the Cameron County Deed Records, described by metes and bounds in deed of conveyance.

COMMENTS

Overview

This is an elongated and irregularly shaped tract of irrigated farmland that contains 119.218 acres and is located east of Santa Maria and south of the small community of Bluetown. That village is situated at the intersection of Highway 281 and FM 506, which extends north to La Feria. The La Feria Irrigation District's pumping plant is located on the river and on the south side of this farm. Accordingly, the southeast boundary of the property adjoins the river while the southwest corner does not. The tract is generally level and its surface has an elevation ranging from 60 to 65 feet above sea level. Irrigation practices are considered to be efficient and drainage is from the south to the north. The farm has been used for cotton and grain production and the broker stated that the buyer intends to use it for hay production. Military Highway Water Supply Corporation confirmed that major potable water lines are present along the north side of Highway 281 as is a forced main sewer line. Neither of those utilities is on site; however, electricity is extended along the Canal and to the La Feria pumping plant. The seller reserved one half of an unknown amount of minerals.

The property sold shortly after extensive title work was performed in conjunction with the 2008 border fence project. Title commitments pertaining to condemnation proceedings during that time stated that the property did not have legal ingress and egress access. Conversations with the broker at the time of sale also indicates the property did not have a legal access point to the highway. Physical access to the property is primarily along the elevated La Feria Main Canal utilizing two ramps which exit the canal to the farm. The manager of the irrigation district confirmed that use of the canal for access was an informal and unwritten allowance made by the District for the benefit of the landowner, but that such agreement could be terminated at the will of the District. The farm is also physically accessible via a county road situated east of Bluetown that extends south to the levee, at which point the levee road is utilized to access the property through similar informal agreement with IBWC. The tenant was an interested buyer of the property and did buy other land from the seller. In an interview, the tenant confirmed the property's lack of access caused him to withdraw.

Soils and Allocation

The IBWC levee system divides the property in its central regions and the tract contains approximately 42.7 acres north of the levee, and approximately 76.518 acres south of the levee. Outage is measured at 11.218 acres, or approximately 9.5% of the gross acreage, and includes land adjacent to the levee, and areas of brush along the western edge of the land south of the levee and along the Rio Grande River. Class II soils north of the levee system account for 42 acres of the property. The remainder of the soils are found within the Rio Grande Floodway and are subject to IBWC rules and regulations. This acreage is allocated as 32 acres of Class I floodway soils, 32 acres of Class II floodway soils, and 2 acres of Class IV floodway soils. The tract was sold without any water rights out of the Rio Grande, however it is within the La Feria Irrigation District and obtains water from the District for irrigation. It has full irrigation potential.

Border Fence

The border barrier fence was under construction while this sale was being negotiated. Those negotiations resulted in an agreement in which the buyer was responsible for future negotiations with the government; and the proceeds from the sale of the part taken was to be split equally between buyer and seller. Affidavits provided by both the grantor and grantee are conflicting in their opinion as to whether or not the border fence impacted the sale price. The grantor felt that the fence project had a negative impact to the whole property whereas the grantee did not feel it had an impact stating, "if any, it has a positive impact."

The property was analyzed in multiple ways, all of which indicate the tract sold for less than expected. The reconciled reduction in price is approximately 20%. This factor is considered attributable to either the legal access issues, or the border fence project. It is noted that the property sold again on July 9, 2015 for \$3,400 per acre which exceeds similar analysis indications at the time of that sale.

Land Allocation Table

<u>Description</u>	<u>Ratio</u>	<u>Acres</u>	<u>Indicated \$/Ac.</u>	<u>Total Contribution</u>
Class I Soils	100%	0	\$ 2,548.28	\$ 0
Class I Soils Floodway	80%	32	\$ 2,038.62	\$ 65,236
Class II Soils	90%	42	\$ 2,293.45	\$ 96,325
Class II Soils Floodway	72%	32	\$ 1,834.76	\$ 58,712
Class III Soils	70%	0	\$ 1,783.8	\$ 0
Class III Soils Floodway	56%	0	\$ 1,427.04	\$ 0
Class IV - VIII Soils	50%	0	\$ 1,274.14	\$ 0
Class IV - VIII Soils Floodway	40%	2	\$ 1,019.31	\$ 2,039
Outage	15%	11.218	\$ 382.24	\$ 4,288
Spec. Dev.	180%	0	\$ 4,586.91	\$ 0
TOTALS		119.218	\$ 1,900.72	\$ 226,600
Equiv. Rating		75%		

TOTAL SALE PRICE ALLOCATION

Total Sale Price:	\$ 226,600
Less Est. Land Value:	\$ 226,600
Less Est. Improvements	\$
Residual to Other Contribution:	\$ 0
Other Description:	None

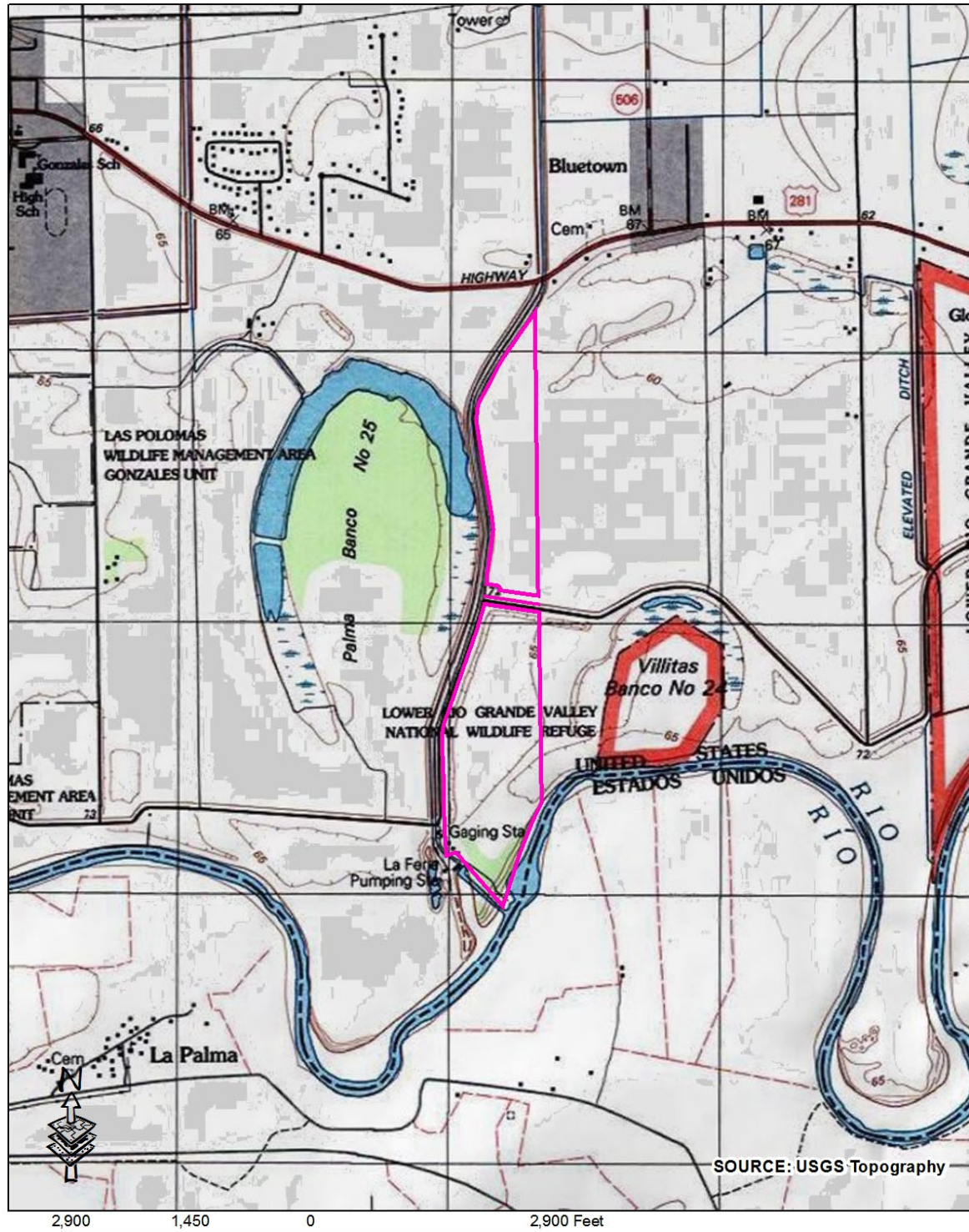
Note: All information contained herein is subject to rounding which may slightly alter total sale price and further allocations. Such small inefficiencies within the software do not materially impact the results of any analysis.

RGV502 Aerial



0 1,150 2,300 4,600 Feet

RGV502 USGS Topography

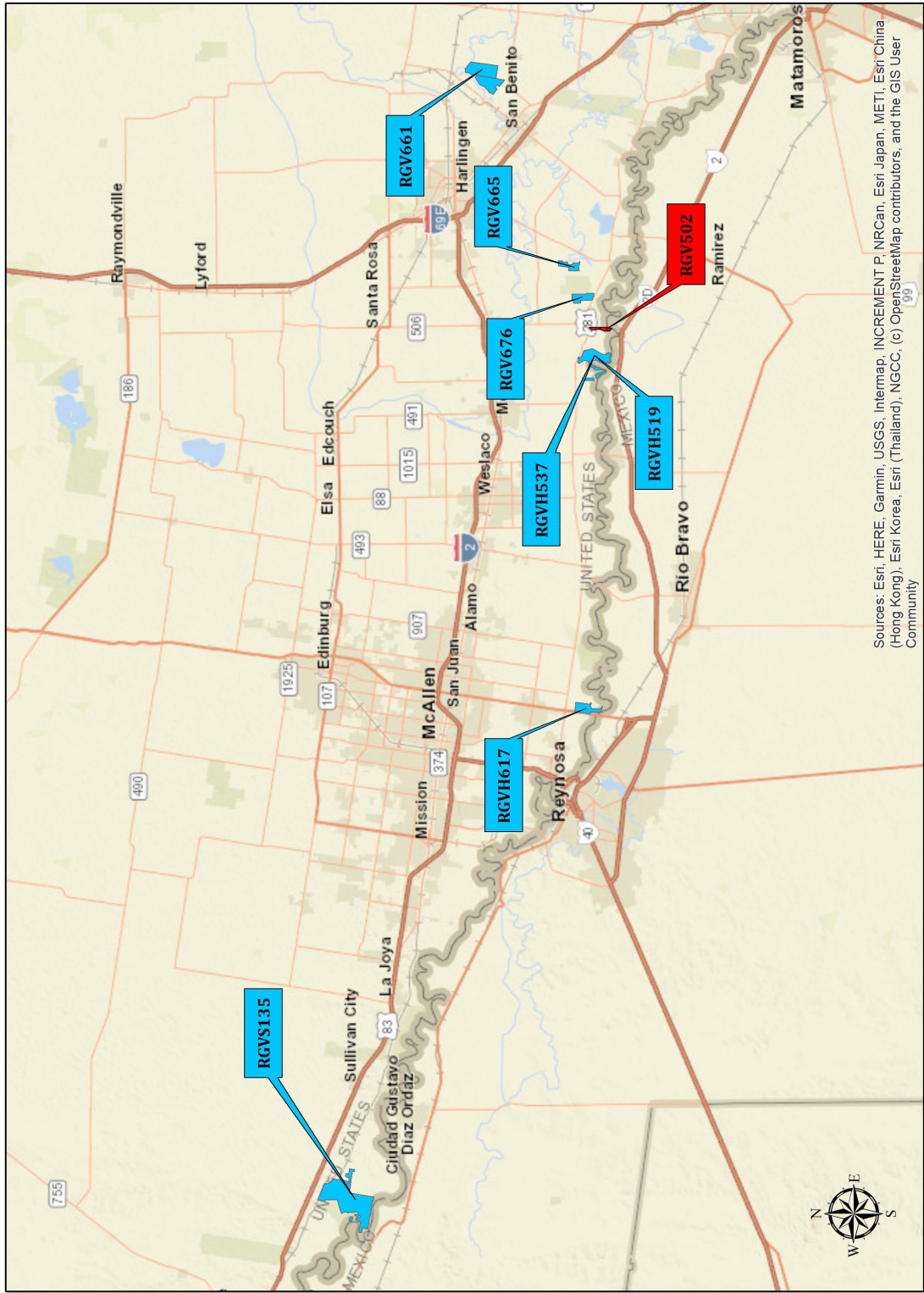


RGV502 Allocation



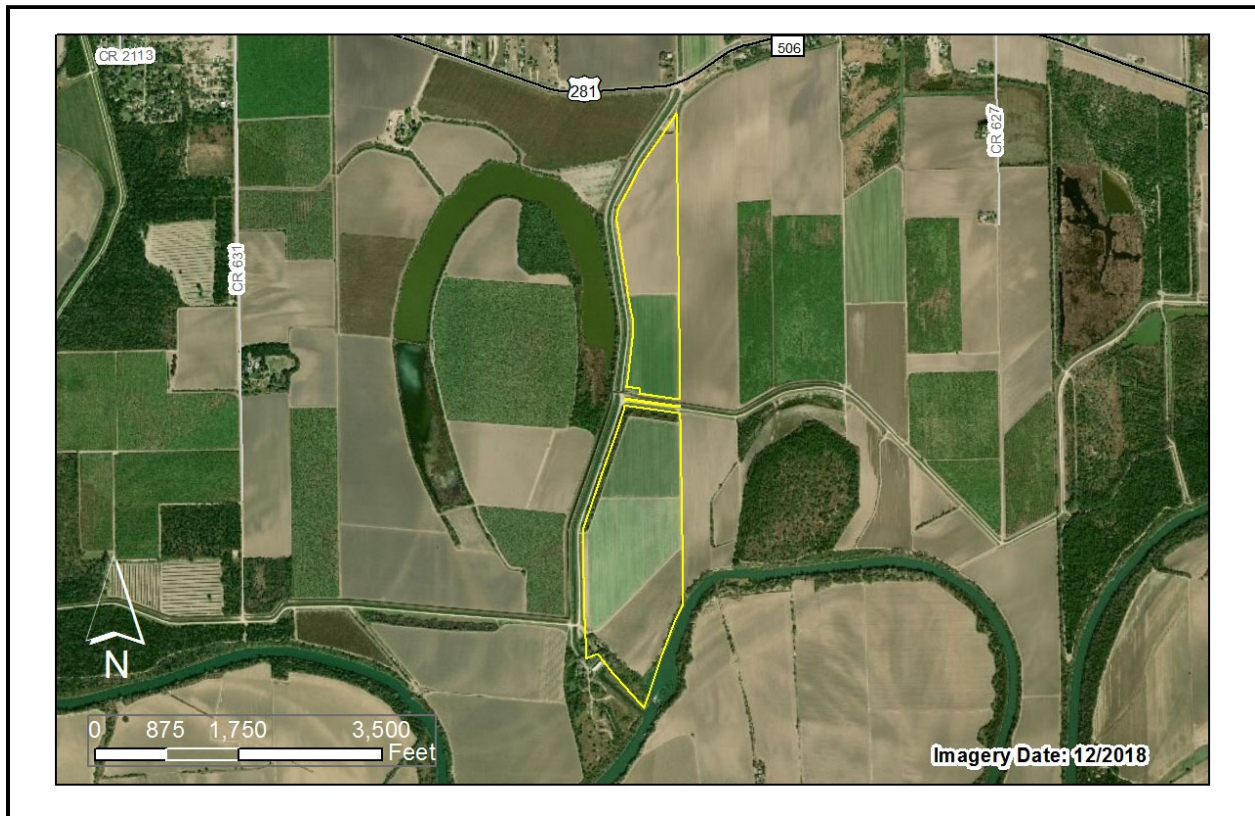
Border Fence Analysis No. 1 of RGV502		
	RGV502	Median Sale
Property Type	Irrigated Crop	Irrigated Crop
Date	6/12/2009	5/5/2013
Sale Price	\$226,600	\$1,414,665
Deeded Acres	119.218	428.69
Price/Acre ¹	\$1,901	\$3,300
ER ²	75%	89%
%? in ER ³		-15.73%
Adjusted Price		\$2,781
Time Periods		-47
Rate		0.25%
Adjusted Price		\$2,473
Irrigation Potential	100%	100%
Adjustment ⁴		0%
Adjusted Price		\$2,473
Size Doubles		1.00
Rate ⁵		0%
Adjusted Price		\$2,473
AF of Water Rights	0.00	0
Water Right Adjustment ⁶		\$0
Adjusted Price	\$1,901	\$2,473
Indicated Impact ⁷	-23%	
Notes:		
1. \$226,600 ÷ 119.22		
2. ER utilizing ratios found in Table 3.12		
3. %? from 89 to 75 ((89 - 75) ÷ 89)		
4. %? in Irrigation Potential x 25% (Above 100% receives no adjustment)		
5. +12% per double large to small, -10% per double small to large		
6. \$380/AF x AF of water for Subject ÷ Subject Gross Acres		
7. Difference divided into median indicated price per acre.		

RGV502 Border Fence Analysis 2 Comparable Sales



RGV502 BORDER FENCE ANALYSIS NO. 2									
SALE ALLOCATION DATA									
A. Property ID	RGV502	RGVH617	RGV5135	RGV676	RGVH537	RGVH519	RGV665	RGV662	RGV661
B. Sale Price		\$1,000,000	\$5,113,251	\$749,780	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
C. Sale Date	6/12/2009	10/23/2006	1/26/2006	10/12/2007	1/30/2008	4/1/2010	12/8/2008	9/13/2007	9/25/2006
D. Water Rights		\$195,841	\$1,069,919	\$55,301	\$0	\$0	\$0	\$0	\$0
E. Surface (B - D)		\$804,159	\$4,043,332	\$694,479	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
F. Deeded Acres	119.218	429.1384	309.8.91	374.89	924.08	853.39	282.789	630.968	843
G. Price/Deeded Acre (B/F)		\$2,330	\$1,650	\$2,000	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
H. Surface/Deeded Acre (D/F)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
I. Water/Deeded Acre (D / F)		\$456	\$345	\$148	\$0	\$0	\$0	\$0	\$0
J. Ac. Feet of Water	0	702.8	4859.1	131.7	0	0	0	0	0
K. \$/AF of Water (D / J)		\$279	\$220	\$420	\$0	\$0	\$0	\$0	\$0
Sale Adjustment Progression									
L. Surface \$/Ac. (H)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
ER Adjustment	M. Equiv. Ratio	75%	66%	65%	76%	55%	56%	79%	87%
	N. % Change from Subject		13.64%	15.38%	-1.32%	36.36%	33.93%	-5.06%	-13.79%
	O. ER \$ Adjustment (L x N)		\$256	\$201	\$24	\$411	\$594	\$127	\$390
	P. Adjusted Price (L + O)		\$2,129	\$1,505	\$1,828	\$1,539	\$2,344	\$2,373	\$1,923
Time Adjustment	Q. Time Periods		32	41	20	17	10	6	21
	R. Compound Rate		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	S. Time Adjusted Price		\$2,307	\$1,668	\$1,922	\$1,606	\$2,286	\$2,409	\$2,566
Size Adjustment	T. % Adjustment		0%	12%	0%	12%	12%	0%	12%
	U. \$ Adjustment (S x T)		\$0	\$200	\$0	\$193	\$274	\$0	\$251
	V. Adjusted Price (S + U)		\$2,307	\$1,868	\$1,922	\$1,799	\$2,560	\$2,409	\$2,339
Irrigation Adjustment	W. Irrigation Efficiency	100%	74%	76%	15.5%	0%	0%	100%	100%
	X. Effective Efficiency	100%	74%	76%	15.5%	50%	30%	100%	100%
	Y. % Difference from Sale to Subject		26%	24%	85%	50%	70%	0%	50%
	Z. Adjustment Rate		33%	33%	33%	33%	33%	0%	33%
	AA. Total % Adjustment (Y * Z)		8.58%	7.92%	27.89%	16.50%	23.10%	0.00%	16.50%
	BB. Total \$ Adjustment (AA x V)		\$198	\$148	\$536	\$297	\$591	\$0	\$386
Access Adjustment	CC. Adjusted Price (V + BB)		\$2,504	\$2,016	\$2,458	\$2,096	\$3,152	\$2,409	\$2,566
	DD. % Adjustment		0%	0%	0%	0%	0%	0%	0%
	EE. \$ Adjustment (CC x DD)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Right Adjustment	FF. Adjusted Price (CC + EE)		\$2,504	\$2,016	\$2,458	\$2,096	\$3,152	\$2,409	\$2,566
	GG. Sale Water Right/ Surface Ac. (I)		\$456	\$345	\$148	\$0	\$0	\$0	\$0
	HH. Adjusted Price/Acre (FF + GG)		\$2,961	\$2,361	\$2,605	\$2,096	\$3,152	\$2,409	\$2,566
	II. Indicated Subj. Water/AF. (K)		\$279	\$220	\$420	\$380	\$380	\$380	\$380
	JJ. Indicated Subj. Water/Surface Ac.		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Right Adjustment	KK. Water Right Adjustment (JJ - HH)		\$456	\$345	\$148	\$0	\$0	\$0	\$0
	LL. Final Indicated Value (FF + KK)		\$2,504	\$2,016	\$2,458	\$2,096	\$3,152	\$2,409	\$2,566
Indicator									
Median Indication		\$2,481							
Average Indication		\$2,491							
Concluded Value		\$2,485							
Sale Price		\$226,600							
Price/Acre		\$1,901							
Relation to Concluded Value		76%							

SALE ID: RGV505



Grantor:	Ricardo De La Cruz and Norma L. De La Cruz	Sale Price:	\$404,686
Grantee:	The S.D. & M.E. Bauer Living Trust, UTD July 23, 1999	Deeded Acres:	119.0254
County:	Cameron	\$/Acre:	\$3,400
Date:	07/09/2015		
Recording:	2015-25406	Property Type:	River Farm
		Land Use:	Irrigated Crop
Location:	6.8 Miles South of La Feria	Grid ID:	Progreso

Legal Description: A 119.218 acre tract of land, more or less, being out of a certain 136.11 acre tract out of the La Veria Grant, Cameron, County, Texas, said certain 136.11 acre tract being described in a Deed Recorded in Volume 154, Page 190, of the Cameron County Deed Records, said 119.218 acre tract of land being more particularly described by metes and bounds in the deed of conveyance. Save and except a 0.1926 acre tract of land or 8,391 square feet of land located in the La Faria Grant, Cameron County, Texas; being out of a called 119.218 acre tract of land as shown in General Warranty Deeded dated December 5, 2012, executed by Ricardo De La Cruze and wife, Norma L. De La Cruz to United States of America and its assigns, recorded in Volume 18980, Page 210, Official Public Records, Cameron County, Texas.

COMMENTS

Overview

This comparable represents the resale of comparable RGV502, less the portion of the tract obtained for construction of the border fence. The La Feria Irrigation District's pumping plant is located on the river and on the south side of this farm. Accordingly, the southeast boundary of the property adjoins the river while the southwest corner does not. The tract is generally level and its surface has an elevation ranging from 60 to 65 feet above sea level. Irrigation practices are considered to be efficient and drainage is from the south to the north. Military Highway Water Supply Corporation confirmed that major potable water lines are present along the north side of Highway 281 as is a forced main sewer line. Neither of those utilities is on site; however, electricity is extended along the Canal and to the La Feria pumping plant. The grantor reserved all mineral rights remaining with the surface and waived the right of ingress and egress related to the mineral estate.

The acquisition of and construction of the border fence resulted in improved access to portions of the property. In the original purchase of the tract, multiple parties to the transaction as well as extensive title work performed during the fence acquisition indicated the whole property lacked legal access. The property was physically accessed via the irrigation district's roadways and/or along the IBWC levee road from a nearby county road. After the acquisition of the border fence, the owner was granted access along the all weather road constructed on the south side of the fence in conjunction with the fence project which extends to Parker Road. This gives the south portion of the farm legal access. The northern portion of the farm still requires the use of an informal agreement with La Feria Irrigation District to utilize the canal roadway. The canal road does have a border fence gate which can be utilized to pass from the south side of the levee to the north side.

Soils and Allocation

The tract has full irrigation potential (100%) since it is in the La Feria Irrigation District. The soil capability is rated as class II and several soils are present which is typical for a River farm. At the time of sale, the grantor was using the farm for hay production and the grantee stated that he had to deep plow the entire farm in order to return it to cultivation. He now considers the tract to be a "vegetable farm" due his improvements. The property is estimated to contain approximately 11 acres of outage with the remainder of the soils allocated as tillable acreage. The portion north of the levee contains an estimated 42 acres of Class II soils. South of the levee contains 32 acres of Class I soils, 32 acres of Class II soils and 2 acres of Class IV-VIII soils.

Border Fence

This sale has been analyzed in multiple ways regarding its value ignoring any potential impact from the border fence. All analysis indicates the property commanded a price that exceeds the value estimate for the farm. One analysis included a valuation of the tract utilizing a median price provided from 78 sales. This valuation indicated a value of \$2,975 per acre. Another analysis included direct comparison of the tract to 6 other properties. This analysis concluded a value of \$3,025 per acre. Neither of the analyses suggest an impact from the border fence as the actual sale price exceeds the expected price by approximately 12% and 14% in each scenario.

Land Allocation Table

<u>Description</u>	<u>Ratio</u>	<u>Acres</u>	<u>Indicated \$/Ac.</u>	<u>Total Contribution</u>
Class I Soils	100%	0	\$ 4,552.47	\$ 0
Class I Soils Floodway	80%	32	\$ 3,641.97	\$ 116,543
Class II Soils	90%	42	\$ 4,097.22	\$ 172,083
Class II Soils Floodway	72%	32	\$ 3,277.78	\$ 104,889
Class III Soils	70%	0	\$ 3,186.73	\$ 0
Class III Soils Floodway	56%	0	\$ 2,549.38	\$ 0
Class IV - VIII Soils	50%	0	\$ 2,276.23	\$ 0
Class IV - VIII Soils Floodway	40%	2	\$ 1,820.99	\$ 3,642
Outage	15%	11.0254	\$ 682.87	\$ 7,529
Spec. Dev.	180%	0	\$ 8,194.44	\$ 0
TOTALS		119.0254	\$ 3,400	\$ 404,686
Equiv. Rating		75%		

TOTAL SALE PRICE ALLOCATION

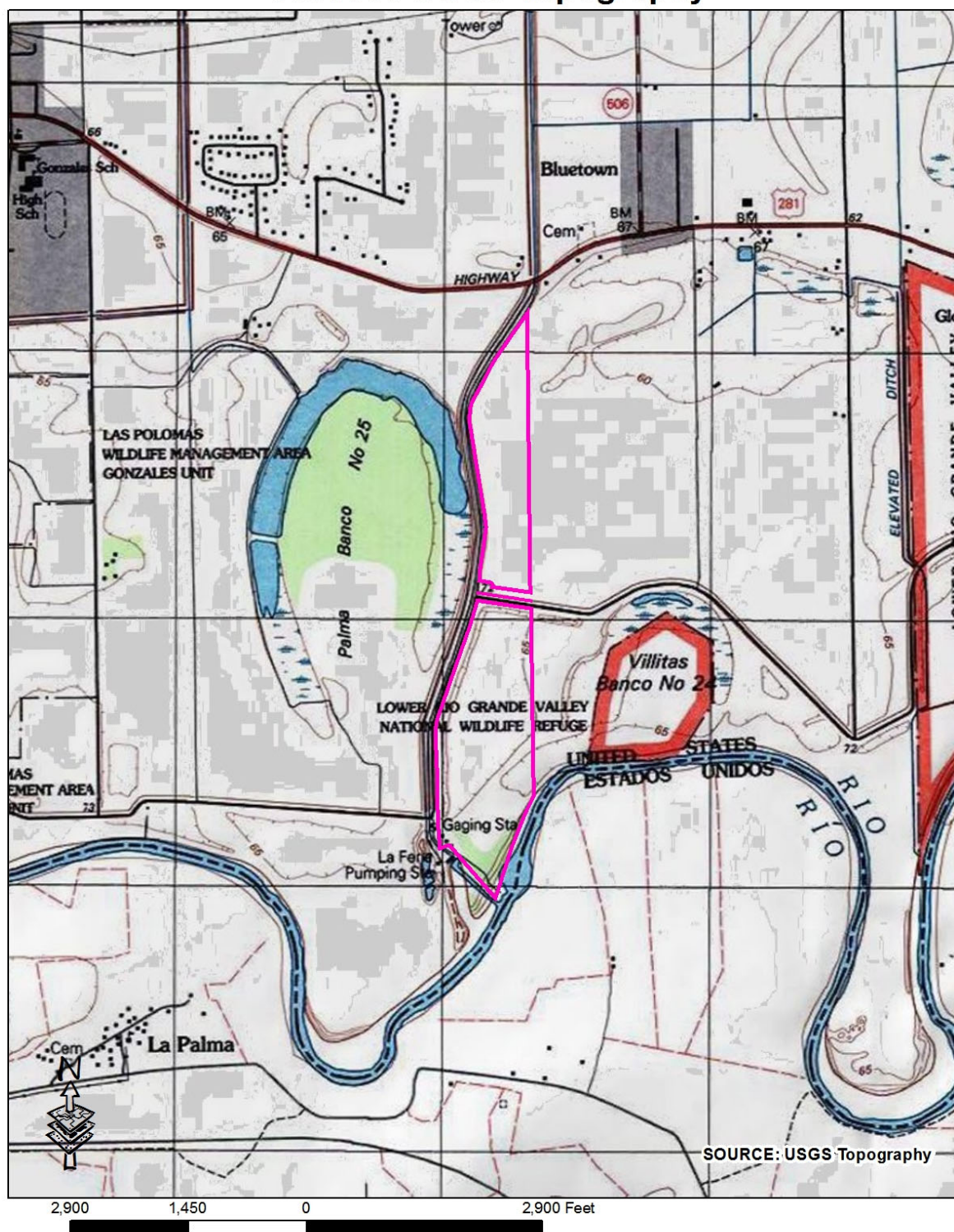
Total Sale Price:	\$ 404,686
Less Est. Land Value:	\$ 404,686
Less Est. Improvements	\$
Residual to Other Contribution:	\$ 0
Other Description:	None

Note: All information contained herein is subject to rounding which may slightly alter total sale price and further allocations. Such small inefficiencies within the software do not materially impact the results of any analysis.

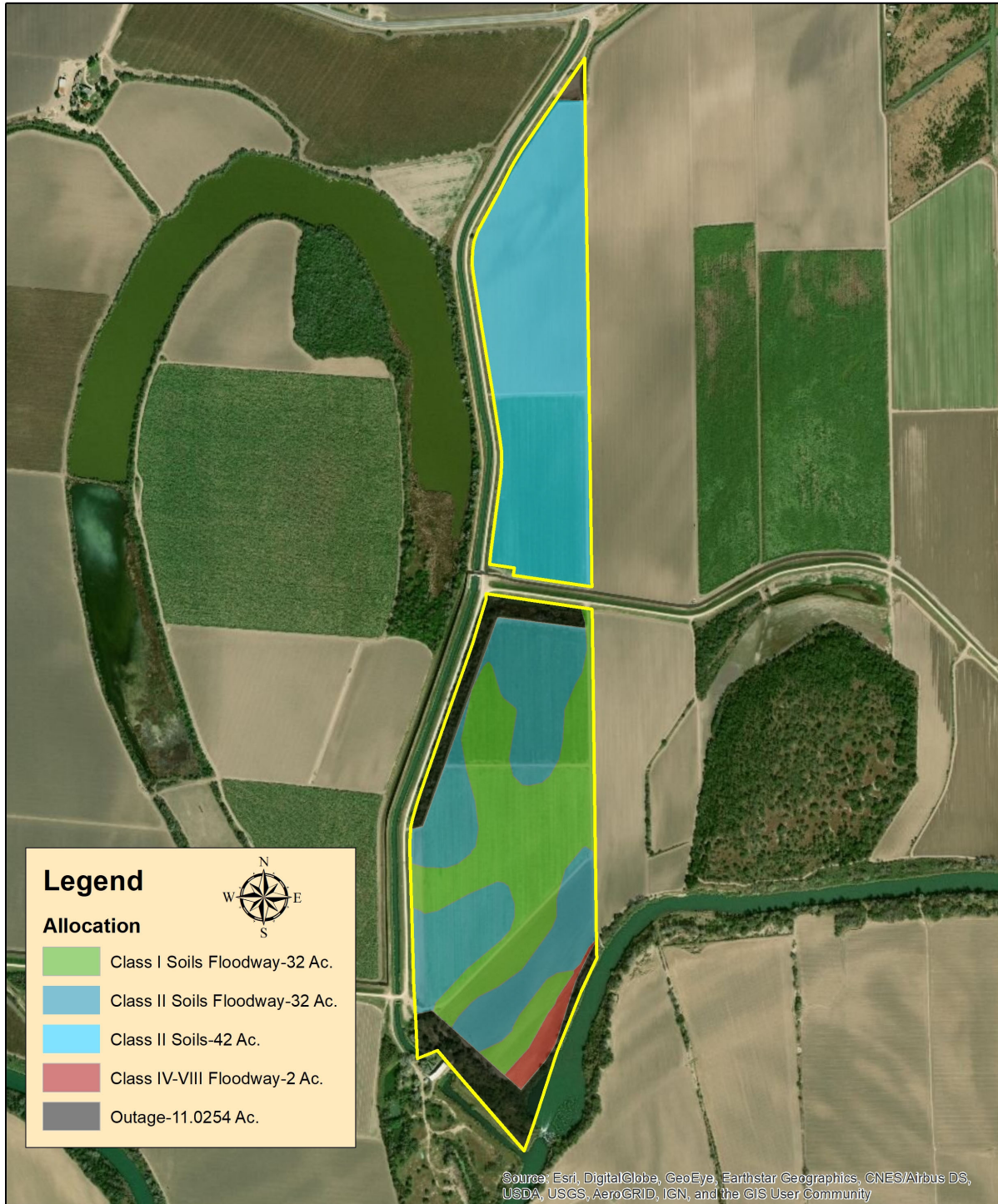
RGV505 Aerial



RGV505 USGS Topography



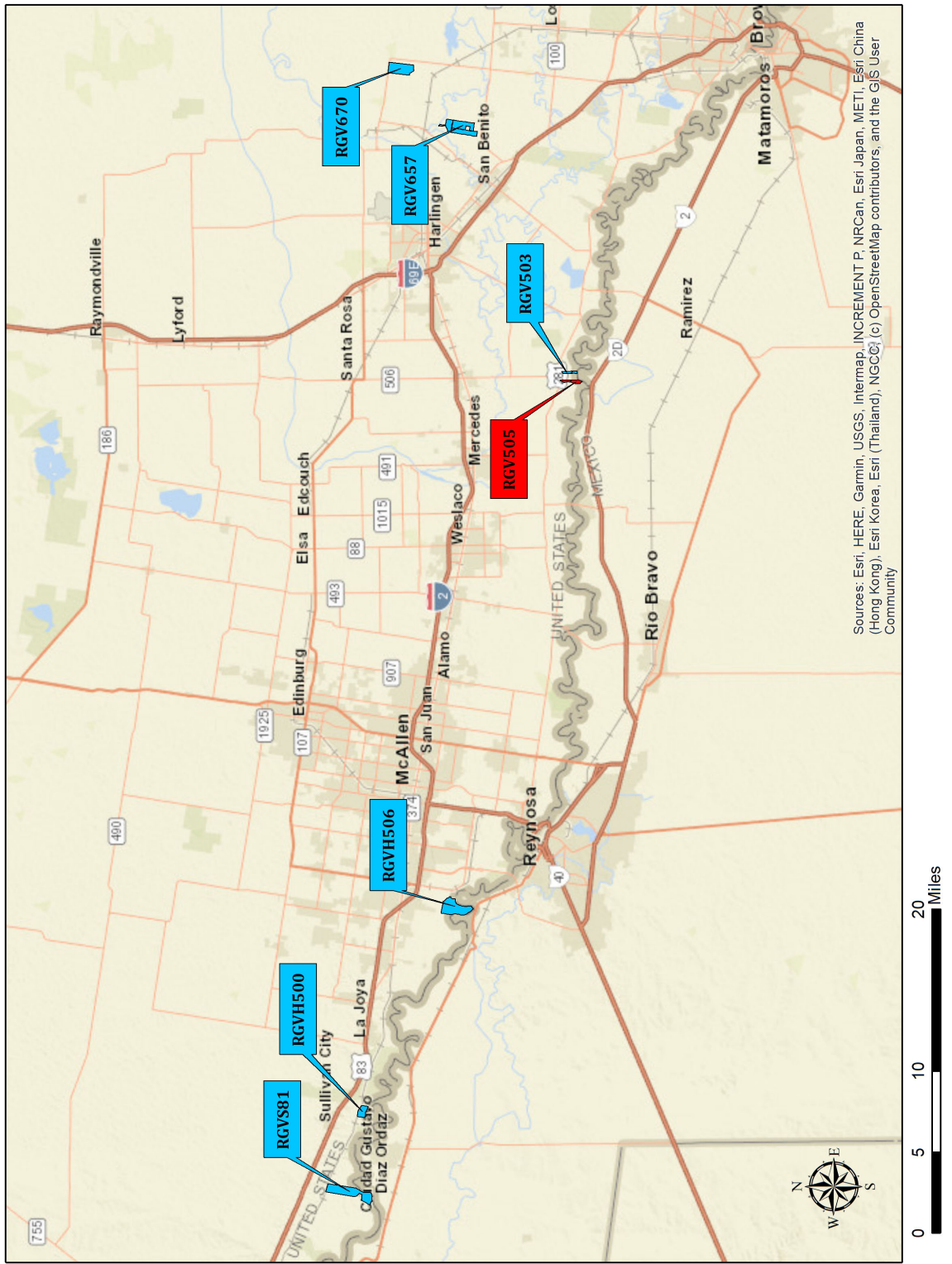
RGV505 Allocation Map



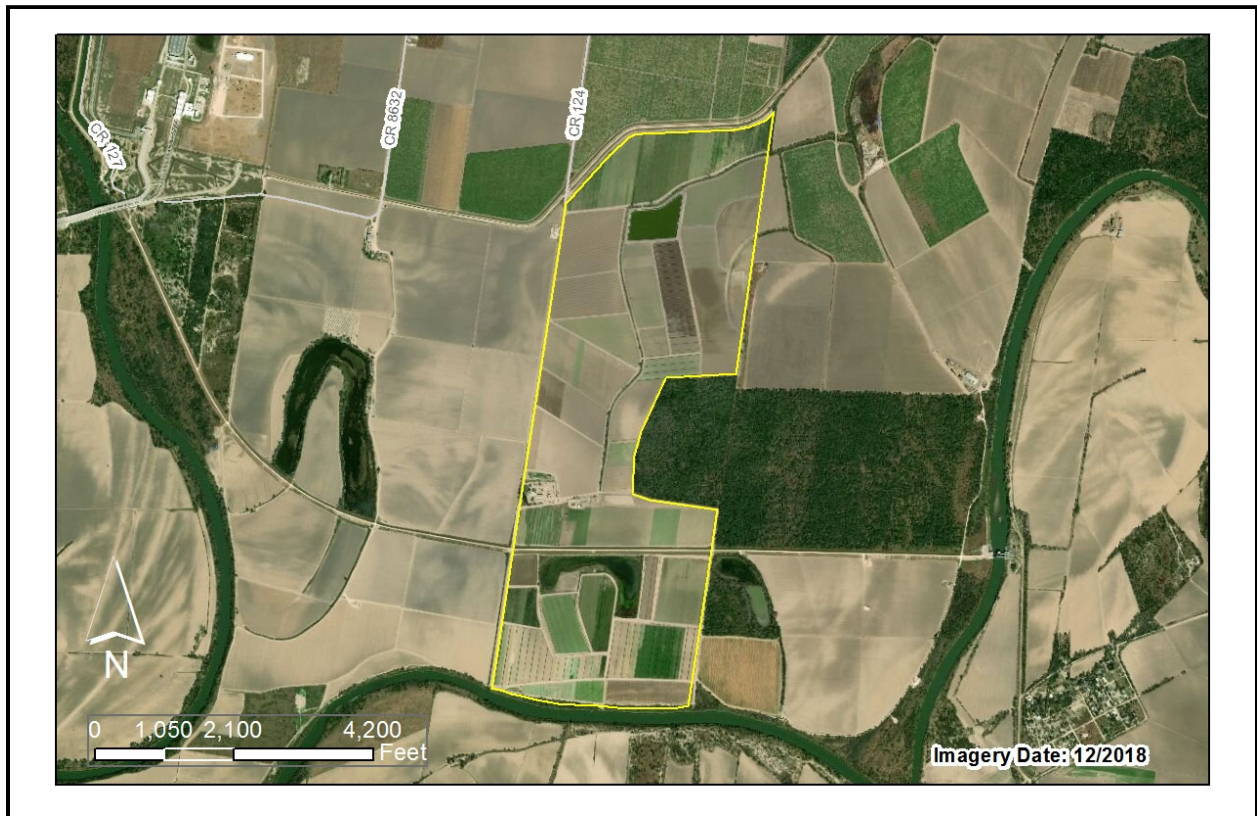
0 700 1,400 2,800 Feet

Border Fence Analysis No. 1 of RGV505		
	RGV505	Median Sale
Property Type	Irrigated Crop	Irrigated Crop
Date	7/9/2015	5/5/2013
Sale Price	\$404,686	\$1,414,665
Deeded Acres	119.0254	428.69
Price/Acre ¹	\$3,400	\$3,300
ER ²	75%	89%
%? in ER ³		-15.73%
Adjusted Price		\$2,781
Time Periods		27
Rate		0.25%
Adjusted Price		\$2,975
Irrigation Potential	100%	100%
Adjustment ⁴		0%
Adjusted Price		\$2,975
Size Doubles		1.00
Rate ⁵		0%
Adjusted Price		\$2,975
AF of Water Rights	0.00	0
Water Right Adjustment ⁶		\$0
Adjusted Price	\$3,400	\$2,975
Indicated Impact ⁷	14%	
Notes:		
1. \$404,686 ÷ 119.03		
2. ER utilizing ratios found in Table 3.12		
3. %? from 89 to 75 ((89 - 75) ÷ 89)		
4. %? in Irrigation Potential x 25% (Above 100% receives no adjustment)		
5. +12% per double large to small, -10% per double small to large		
6. \$380/AF x AF of water for Subject ÷ Subject Gross Acres		
7. Difference divided into median indicated price per acre.		

RGV505 Border Fence Analysis 2 Comparable Sales



RGV505 BORDER FENCE ANALYSIS NO. 2							
SALE ALLOCATION DATA							
A. Property ID	RGV505	RGV503	RGV581	RGVH500	RGVH506	RGV670	RGV657
B. Sale Price		\$247,200	\$3,476,250	\$756,648	\$2,585,600	\$2,015,435	\$2,556,478
C. Sale Date	7/9/2015	12/10/2012	3/18/2016	5/12/2015	9/28/2016	5/12/2012	12/26/2012
D. Water Rights		\$0	\$1,086,081	\$163,230	\$619,815	\$0	\$0
E. Surface (B - D)		\$247,200	\$2,390,169	\$593,418	\$1,965,785	\$2,015,435	\$2,556,478
F. Deeded Acres	119.0254	77.26	933.54	210.18	807.73	620.13	845.603
G. Price/Deeded Acre (B/F)		\$3,200	\$3,724	\$3,600	\$3,201	\$3,250	\$3,023
H. Surface/Deeded Acre (D/F)		\$3,200	\$2,560	\$2,823	\$2,434	\$3,250	\$3,023
I. Water/Deeded Acre (D / F)		\$0	\$1,163	\$777	\$767	\$0	\$0
J. Ac. Feet of Water	0	0	2307.98	450.82	2565.235	0	0
K. \$/AF of Water (D / J)		\$0	\$471	\$362	\$242	\$0	\$0
Sale Adjustment Progression							
L. Surface \$/Ac. (H)		\$3,200	\$2,560	\$2,823	\$2,434	\$3,250	\$3,023
ER Adjustment	M. Equiv. Ratio	75%	79%	71%	73%	65%	86%
	N. % Change from Subject		-5.06%	5.63%	2.74%	15.38%	-12.79%
	O. ER \$ Adjustment (L x N)		-\$162	\$144	\$77	\$374	-\$387
	P. Adjusted Price (L + O)		\$3,038	\$2,705	\$2,901	\$2,808	\$2,637
Time Adjustment	Q. Time Periods		31	-8	2	-15	31
	R. Compound Rate		0.25%	0.25%	0.25%	0.25%	0.25%
	S. Time Adjusted Price		\$3,282	\$2,651	\$2,915	\$2,705	\$3,081
Size Adjustment	T. % Adjustment		-10%	12%	0%	12%	0%
	U. \$ Adjustment (S x T)		(\$328)	\$318	\$0	\$325	\$0
	V. Adjusted Price (S + U)		\$2,954	\$2,969	\$2,915	\$3,029	\$3,191
Irrigation Adjustment	W. Irrigation Efficiency	100%	100%	107%	92%	150%	100%
	X. Effective Efficiency	100%	100%	100%	92%	100%	100%
	Y. % Difference from Sale to Subject		0%	0%	8%	0%	0%
	Z. Adjustment Rate		33%	33%	33%	0%	33%
	AA. Total % Adjustment (Y * Z)		0.00%	0.00%	2.64%	0.00%	0.00%
	BB. Total \$ Adjustment (AA x V)		\$0	\$0	\$77	\$0	\$0
	CC. Adjusted Price (V + BB)		\$2,954	\$2,969	\$2,992	\$3,029	\$3,191
Access Adjustment	DD. % Adjustment		0%	0%	0%	0%	0%
	EE. \$ Adjustment (CC x DD)		\$0	\$0	\$0	\$0	\$0
	FF. Adjusted Price (CC + EE)		\$2,954	\$2,969	\$2,992	\$3,029	\$3,191
Water Right Adjustment	GG. Sale Water Right/Surface Ac. (I)		\$0	\$1,163	\$777	\$767	\$0
	HH. Adjusted Price/Acre (FF + GG)		\$2,954	\$4,133	\$3,769	\$3,797	\$3,191
	II. Indicated Subj. Water/AF. (K)		\$380	\$471	\$362	\$242	\$380
	JJ. Indicated Subj. Water/Surface Ac.		\$0	\$0	\$0	\$0	\$0
	KK. Water Right Adjustment (JJ - HH)		\$0	-\$1,163	-\$777	-\$767	\$0
LL. Final Indicated Value (FF + KK)		\$2,954	\$2,969	\$2,992	\$3,029	\$3,081	\$3,191
Indicator							
Median Indication		\$3,011					
Average Indication		\$3,036					
Concluded Value		\$3,025					
Sale Price		\$404,686					
Price/Acre		\$3,400					
Relation to Concluded Value		112%					

SALE ID: RGVH540

Grantor:	John L. Lackey, Lissa Hartley, and Mindy Kaase	Sale Price:	\$ 2,206,176
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Grantee:	J & D Produce, Inc.	Deeded Acres:	535.887
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County:	Hidalgo	\$/Acre:	\$ 4,117
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Date:	08/08/2008
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Recording:	1919605	Property Type:	River Farm
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		Land Use:	Irrigated Crop
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Location:	6.3 Miles West of Progreso	Grid ID:	Donna
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Legal Description: Tract I: Being 531.8 acres of land, more or less, situated in Hidalgo County, more particularly described by metes ad bounds within deed.

Tract 2: Being 4.087 acres of land situated in Hidalgo County, Texas, and being out of Pena Flora Banco No. 106 as surveyed by the IBWC in February 1927, more particularly described within deed.

Together with all water rights owned by Grantor, , and 25% of the oil, gas, and other minerals in and under and that may be produced from the property. (Water right number 317--1,325 AF Class A rights, confirmed by appraiser through TCEQ records).

COMMENTS

Overview

An irregular tract of land with a gross area of 535.887 acres, more or less, located on the Rio Grande south of the USIBWC levee. The tract is accessed via an easement road that connects with the south line of US Highway 281. The northern boundary follows the south right of way line of the USIBWC levee for 0.71-mile, the east boundary is about 1.72 miles in length, the west boundary is about 1.40 miles long, and the south boundary has 3,048.90' (0.58-mile) of frontage on the Rio Grande. Uneven terrain and the presence of 2 bancos cause the natural elevations to range from 75' to 90' above sea level, based on the USGS topography map for the San Juan SE quadrangle; however, the farm has since been bench leveled into 24 pans (fields), each of which appears to have been surface leveled for irrigation efficiency. Furthermore, a large drain was dug through the midsection for improved drainage. A dike crosses the south $\frac{1}{4}$ of the farm, and below the dike is a manmade reservoir of approximately 20 acres. At the time of sale, it was in cultivation and it has historically been used to grow vegetables. (It is noted that the Grantee is a large, successful vegetable packer and shipper.) The farm has an extensive irrigation system fed by a river pump powered by a diesel engine, which reportedly contribute about \$37/acre. Also included in the farm were some dilapidated barns that have no measurable value. For analysis purposes, the \$37 per acre for the irrigation system is left in the sale price

Soils

The soils are analyzed based on irrigated capability classes as defined by NRCS Soil Surveys. The property is irrigated directly from the Rio Grande River via adjudicated water rights. Total acreage allocated to tillable soils is 499. The remaining 36.887, or 6.9% of the tract is allocated as outage. The outage acreage accounts for the man made reservoir and a small area along the Rio Grande River inundated with brush. The bulk of the tillable soils (297 acres) carry a Class I capability rating followed by 154 acres of Class II soils and 48 acres of Class III soils. Total water rights transferred account for 1,325-acre feet of Class A water rights which further equates to 2.66-acre feet of water per surface acre of tillable land. Based on a typical irrigation rate of 2.5-acre feet per surface acre, the farm is considered to have a 106% irrigation capacity.

Water Right Comments

The deed specifically states that all water rights convey with the tract but does not reference a Certificate of Adjudication Number. Research was conducted in the Texas Commission of Environmental Control (TCEQ) database and Water Right Number 317 was transferred with the sale to the grantee. The water right accounts for 1,325-acre feet of water annually on a Class A priority basis. The broker commented that the buyer placed a great deal of consideration on the water rights.

Analysis Comments

The farm was paired with the median price per acre of irrigated farm tracts that were irrigated via irrigation districts and/or ground water wells. The median price indicates a value of \$2,278 per acre for the surface of the tract. Deducting the \$2,278 per acre from the total sale price yields a water contribution of \$1,839 per surface acre, or a total contribution of \$985,537. The total contribution converts to a price per acre foot of \$744. As referenced, the rights are a Class A priority basis and the price is at the upper end of the range of measured water right contribution in the area.

Border Fence

On the day of original inspection, the border barrier fence was under construction along the top of the levee adjacent to the farm; a gate crossing was placed across the road to the property and the broker stated that the fence project did not impact the price. The property was analyzed in two different manners. First, it was valued utilizing a median price of 78 irrigated and non-irrigated sales. After adjustments, the value indication was \$3,217/Ac. vs the sale price of \$4,117/Ac. indicating the tract commanded about 28% higher than expected. Second, the tract was valued utilizing 8 sales that occurred from 2006 to 2010. The valuation concluded a price of \$3,200/ac. vs the actual price of \$4,117/ac. indicating the sale commanded about 29% higher than expected. In this instance, the broker's statements about the buyer having a strong desire for the water rights is confirmed through all analyses, and the border fence is concluded to have had no impact to the sale price.

Land Allocation Table

<u>Description</u>	<u>Ratio</u>	<u>Acres</u>	<u>Indicated \$/Ac.</u>	<u>Total Contribution</u>
Class I Soils	100%	0	\$ 3,204.68	\$0
Class I Soils Floodway	80%	297	\$ 2,563.74	\$761,431
Class II Soils	90%	0	\$ 2,884.21	\$0
Class II Soils Floodway	72%	154	\$ 2,307.37	\$355,335
Class III Soils	70%	0	\$ 2,243.27	\$0
Class III Soils Floodway	56%	48	\$ 1,794.62	\$86,142
Class IV - VIII Soils	50%	0	\$ 1,602.34	\$0
Class IV - VIII Soils Floodway	40%	0	\$ 1,281.87	\$0
Outage	15%	36.887	\$ 480.7	\$17,732
Spec. Dev.	180%	0	\$ 5,768.42	\$0
TOTALS		535.887	\$ 2,277.79	\$ 1,220,640
Equiv. Rating		71%		

TOTAL SALE PRICE ALLOCATION

Total Sale Price:	\$ 2,206,176
Less Est. Land Value:	\$ 1,220,640
Less Est. Improvements	\$
Residual to Other Contribution:	\$ 985,537
Other Description:	Water Rights

Note: All information contained herein is subject to rounding which may slightly alter total sale price and further allocations. Such small inefficiencies within the software do not materially impact the results of any analysis.

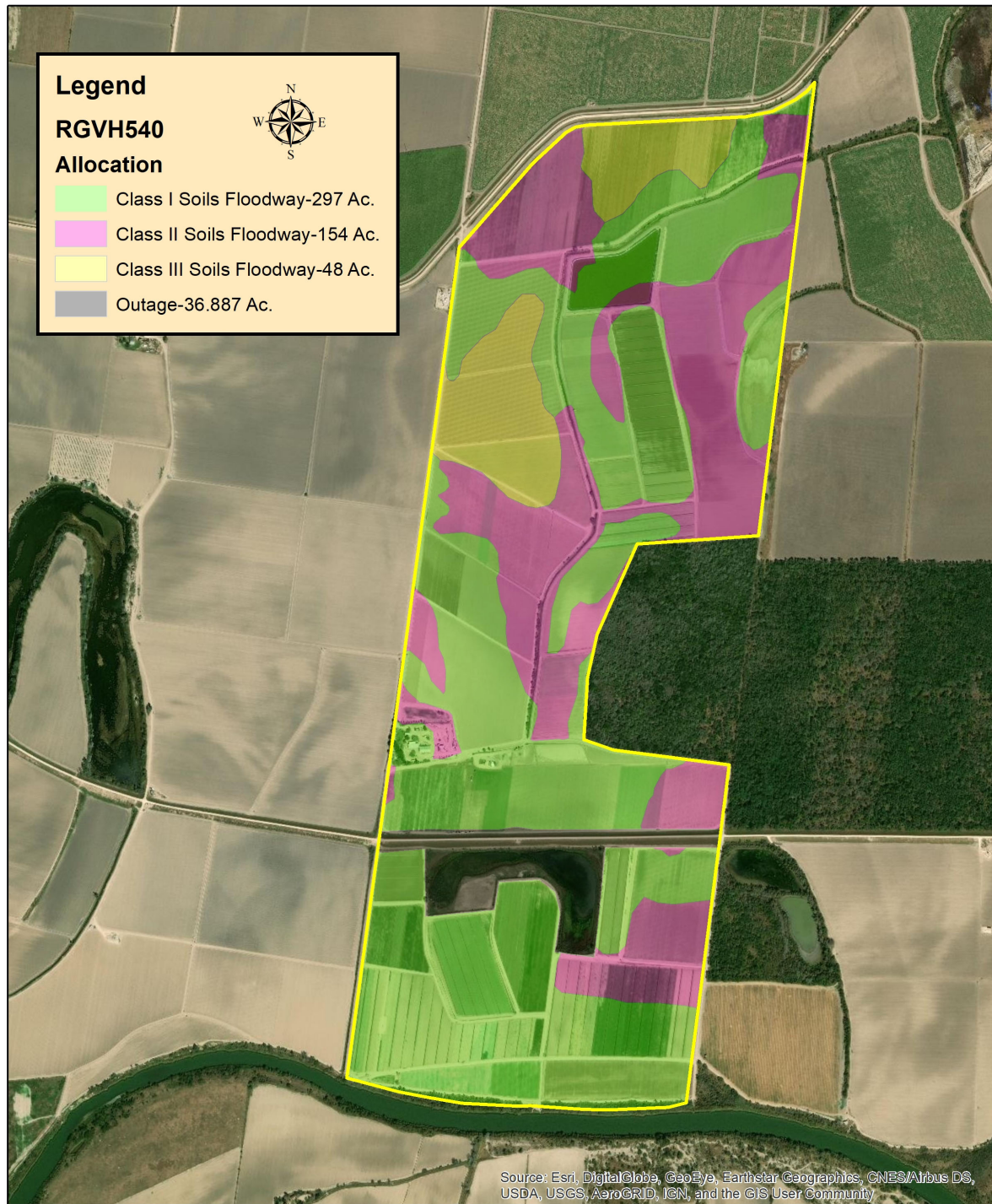
An aerial photograph of a rural landscape. A yellow boundary line outlines a specific area of interest. The landscape is a patchwork of agricultural fields in various shades of green and brown. A road, labeled 'CR 124', runs vertically through the upper portion of the map. A north arrow is located in the bottom left corner, and the text 'Imagery Date: 12/2018' is in the bottom right corner. The boundary line starts near the top center, follows a road, then turns right and follows a field boundary, then turns left and follows another field boundary, and finally turns right and follows a road that runs horizontally across the bottom of the map.

0 1,450 2,900 5,800 Feet

This topographic map depicts the Lower Rio Grande Valley National Wildlife Refuge and surrounding areas. The Rio Grande flows along the southern and eastern edges. Key features include:

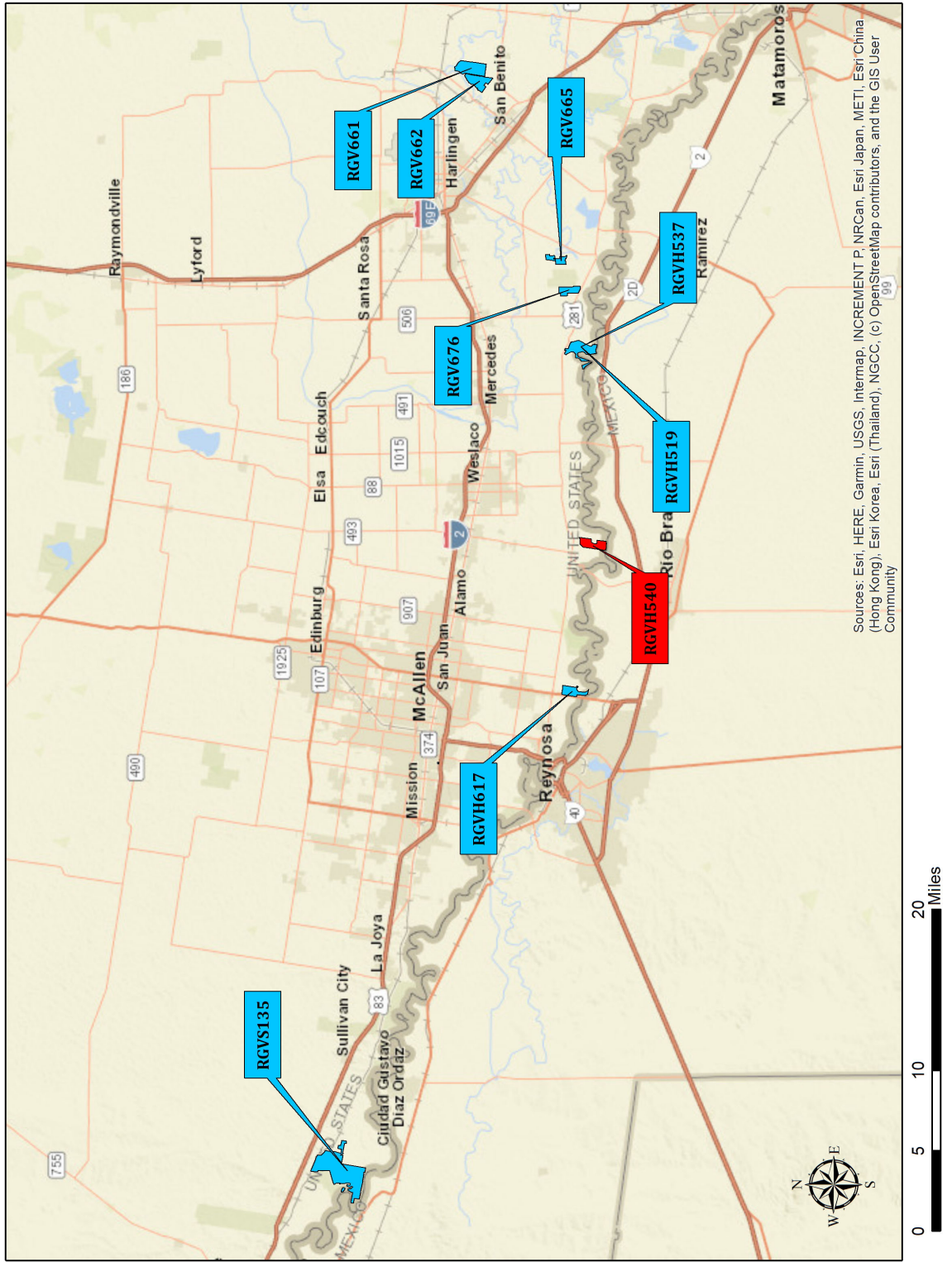
- Mc Mann Wildlife Management Area:** A green-shaded rectangular area in the center.
- Lower Rio Grande Valley National Wildlife Refuge:** A large area outlined in red, situated south of the Mc Mann area.
- Ranches (Bancos):** Longoria Banco No 39 (shaded blue), Retamal Banco No 105 (shaded blue), and Pecos Flora Banco No 106 (shaded blue).
- Other Landmarks:** Las Bonitas Banco No 37, Asadores Cem, and various oil wells and communication towers.
- Geographic Labels:** "ESTADOS UNIDOS MEXICANOS" is written along the Rio Grande, and "FIELD" is visible in the upper left.
- Scale and Orientation:** A scale bar at the bottom indicates distances up to 3,600 feet. A north arrow is located in the bottom left corner.
- Source:** The map is sourced from USGS Topography.

RGVH540 Allocation



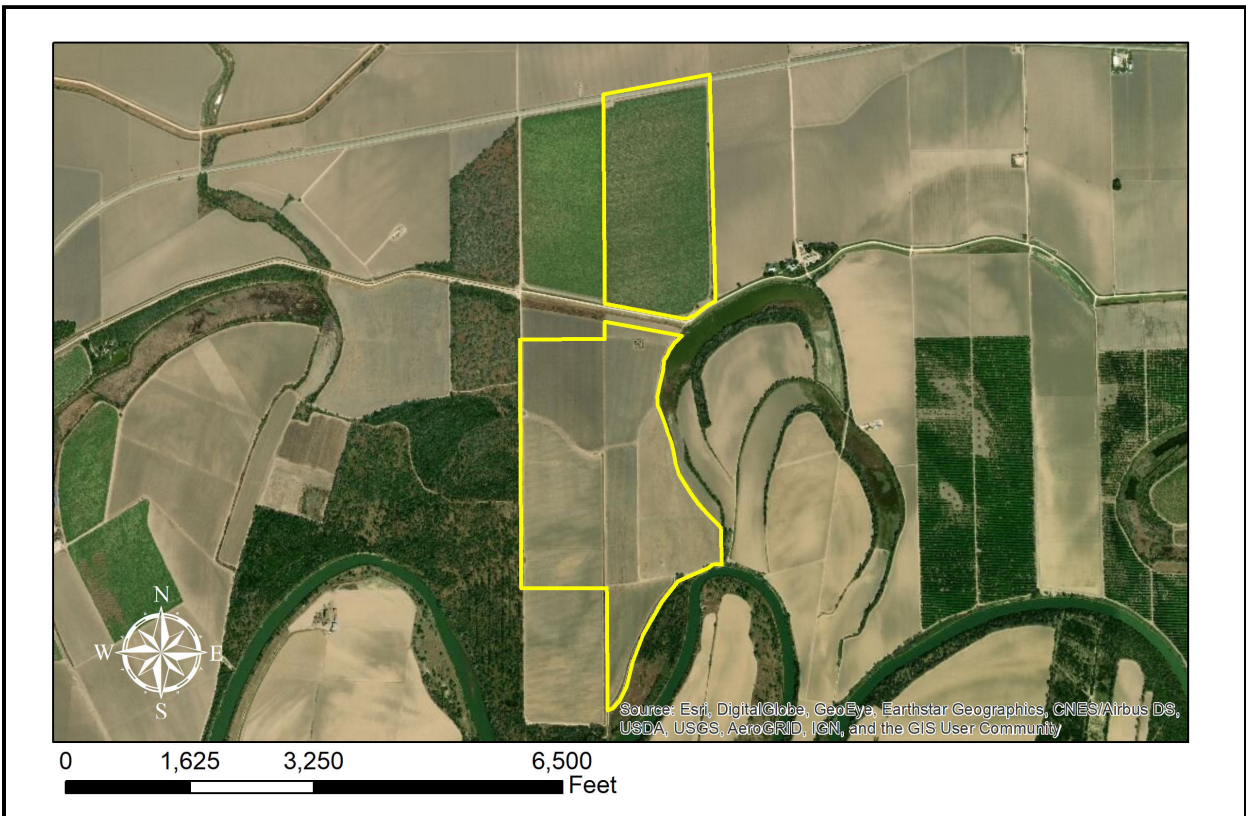
Border Fence Analysis No. 1 of RGVH540		
	RGVH540	Median Sale
Property Type	Irrigated Crop	Irrigated Crop
Date	8/8/2008	5/5/2013
Sale Price	\$2,206,176	\$1,414,665
Deeded Acres	535.887	428.69
Price/Acre ¹	\$4,117	\$3,300
ER ²	71%	89%
%? in ER ³		-20.22%
Adjusted Price		\$2,633
Time Periods		-58
Rate		0.25%
Adjusted Price		\$2,278
Irrigation Potential	106%	100%
Adjustment ⁴		0%
Adjusted Price		\$2,278
Size Doubles		0.25
Rate ⁵		0%
Adjusted Price		\$2,278
AF of Water Rights	1325.00	0
Water Right Adjustment ⁶		\$940
Adjusted Price	\$4,117	\$3,217
Indicated Impact ⁷	28%	
Notes:		
1. \$2,206,176 ÷ 535.89		
2. ER utilizing ratios found in Table 3.12		
3. %? from 89 to 71 ((89 - 71) ÷ 89)		
4. %? in Irrigation Potential x 25% (Above 100% receives no adjustment)		
5. +12% per double large to small, -10% per double small to large		
6. \$380/AF x AF of water for Subject ÷ Subject Gross Acres		
7. Difference divided into median indicated price per acre.		

RGVH540 Border Fence Analysis 2 Comparable Sales



RGVH540 BORDER FENCE ANALYSIS NO. 2									
SALE ALLOCATION DATA									
A. Property ID	RGVH540	RGVH617	RGV5135	RGV676	RGVH537	RGVH519	RGV665	RGV662	RGV661
B. Sale Price		\$1,000,000	\$5,113,251	\$749,780	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
C. Sale Date	8/8/2008	10/23/2006	1/26/2006	10/12/2007	1/30/2008	4/1/2010	12/8/2008	9/13/2007	9/25/2006
D. Water Rights		\$195,841	\$1,069,919	\$55,301	\$0	\$0	\$0	\$0	\$0
E. Surface (B - D)		\$804,159	\$4,043,332	\$694,479	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
F. Deeded Acres	535.887	429.1384	309.8.91	374.89	924.08	853.39	282.789	630.968	843
G. Price/Deeded Acre (B/F)		\$2,330	\$1,650	\$2,000	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
H. Surface/Deeded Acre (D/F)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
I. Water/Deeded Acre (D / F)		\$456	\$345	\$148	\$0	\$0	\$0	\$0	\$0
J. Ac. Feet of Water	1325	702.8	4859.1	131.7	0	0	0	0	0
K. \$/AF of Water (D / J)		\$279	\$220	\$420	\$0	\$0	\$0	\$0	\$0
Sale Adjustment Progression									
L. Surface \$/Ac. (H)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
ER Adjustment	M. Equiv. Ratio	71%	66%	65%	76%	55%	56%	79%	87%
	N. % Change from Subject		7.58%	9.23%	6.58%	29.09%	26.79%	10.13%	18.39%
	O. ER \$ Adjustment (L x N)		\$142	\$120	\$122	\$328	\$469	\$253	\$519
	P. Adjusted Price (L + O)		\$2,016	\$1,425	\$1,731	\$1,457	\$2,219	\$2,247	\$2,305
Time Adjustment	Q. Time Periods		22	31	10	6	20	4	11
	R. Compound Rate		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	S. Time Adjusted Price		\$2,130	\$1,540	\$1,774	\$1,479	\$2,111	\$2,225	\$2,369
	T. % Adjustment		0%	12%	0%	12%	12%	0%	0%
Size Adjustment	U. \$ Adjustment (S x T)		\$0	\$185	\$0	\$178	\$253	\$0	\$231
	V. Adjusted Price (S + U)		\$2,130	\$1,725	\$1,774	\$1,657	\$2,364	\$2,225	\$2,369
Irrigation Adjustment	W. Irrigation Efficiency	106%	74%	76%	15.5%	0%	0%	100%	100%
	X. Effective Efficiency	100%	74%	76%	15.5%	50%	30%	100%	100%
	Y. % Difference from Sale to Subject		26%	24%	85%	50%	70%	0%	0%
	Z. Adjustment Rate		33%	33%	33%	33%	33%	0%	0%
	AA. Total % Adjustment (Y * Z)		8.58%	7.92%	27.89%	16.50%	23.10%	0.00%	0.00%
	BB. Total \$ Adjustment (AA x V)		\$183	\$137	\$495	\$273	\$546	\$0	\$356
	CC. Adjusted Price (V + BB)		\$2,312	\$1,861	\$2,269	\$1,930	\$2,910	\$2,225	\$2,369
Access Adjustment	DD. % Adjustment		0%	0%	0%	0%	0%	0%	0%
	EE. \$ Adjustment (CC x DD)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	FF. Adjusted Price (CC + EE)		\$2,312	\$1,861	\$2,269	\$1,930	\$2,910	\$2,225	\$2,369
Water Right Adjustment	GG. Sale Water Right/ Surface Ac. (I)		\$456	\$345	\$148	\$0	\$0	\$0	\$0
	HH. Adjusted Price/Acre (FF + GG)		\$2,769	\$2,207	\$2,417	\$1,930	\$2,910	\$2,225	\$2,369
	II. Indicated Subj. Water/AF. (K)		\$279	\$220	\$420	\$380	\$380	\$380	\$380
	JJ. Indicated Subj. Water/Surface Ac.		\$689	\$544	\$1,038	\$940	\$940	\$940	\$940
	KK. Water Right Adjustment (JJ - HH)		\$233	\$199	\$891	\$940	\$940	\$940	\$940
LL. Final Indicated Value (FF + KK)		\$3,001	\$2,406	\$3,307	\$2,870	\$3,850	\$3,164	\$3,309	\$3,455
Indicator									
Median Indication		\$3,236							
Average Indication		\$3,170							
Concluded Value		\$3,200							
Sale Price		\$2,206,176							
Price/Acre		\$4,117							
Relation to Concluded Value		129%							

SALE ID: RGVH621



Grantor:	L.J. & J Family LP	Sale Price:	\$ 1,000,000
Grantee:	Eberle Investments, LTD	Deeded Acres:	275.251
County:	Hidalgo	\$/Acre:	\$3,633
Date:	03/11/2020		
Recording:	3098142	Property Type:	River Farm w/Spec. Dev.
		Land Use:	Irrigated Crop
Location:	Near Progreso	Grid ID:	Donna

Legal Description: 281.95 Acres of land, Save and Except 6.699 acres described in a Warranty Deed from L.J.&J. Family Limited Partnership to United States of America, dated October 24, 2019, recorded in Document #3059047, Official Records of Hidalgo County, Texas. Together with 350-acre feet of Class B water rights associated with the Texas Commission on Environmental Quality-Certificate of Adjudication No. 23-420.

COMMENTS

Overview

This sale is located +/- 4 miles west of Progresso Lakes and is on the south side of Military Highway extending to the Rio Grande River. The tract is bisected by the IBWC levee and extends from Military Highway to the Rio Grande River. The tract contains approximately 99 acres north of the levee system with the remainder being located south of the levee. The tract had been farmed by Neuhaus & Sons who own other properties in the vicinity of this tract. Sugar cane had been grown on the north side of the levee, but was in its fifth year and was taken out September of 2019. No grinding rights transferred with the purchase, and Neuhaus was the owner of the two river pumps utilized for irrigation and retained those as personal property after the sale. There is a concrete pipeline under the levee providing the ability to deliver water to the north tract. The grantors had an old family cemetery found just south of the levee and the broker indicated it was a significant point of discussion between the two parties. The broker also indicated he felt the seller was under slight pressure by their son to dissolve a couple of family partnerships and felt the property could have brought around \$500 per acre more without such pressure. The buyers are in the sand and fill business. This tract had not been significantly mined, though the Russel family had reportedly mined some sand out of the adjacent banco and the accreted land along the river.

Soils and Allocation

Based upon aerial photography, approximately 6.251 acres of the tract are allocated as outage. The primary area of outage is a portion of the property that lies within the Military Highway right-of-way which the deed reports as being 3.26 acres. The remaining outage is south of the levee and is burrow pits. The frontage along Military Highway is allocated as speculative development and contains 32 acres at a depth of approximately 1,000 feet. This area is in a transition stage with the interim use continuing to be agriculture. The remaining 237 acres are tillable with an agriculture highest and best use. Tillable acreage north of the levee contains 12 acres of Class II soils and 50 acres of Class III soils. South of the levee in the Rio Grande floodway, soils are allocated with 88 acres of Class I soils, 74 acres of Class II soils, 8 acres of Class III soils, and 5 acres of Class IV-VIII soils. Based on our system of price ratios, the property has an overall equivalency rating of approximately 78%.

Irrigation and Water Rights

The property sold with 350-acre feet of Class B water rights which translates to 140 irrigatable acres using a standard rate of 2.5-acre feet of water per surface acre of land. The tract has 237 acres allocated as tillable and 32 acres allocated as speculative development which still has agriculture as an interim use, thus total current tillable acreage is 269 acres. Dividing irrigatable acres into tillable acreage results in a 52% irrigation efficiency. Analysis of the sale indicates a surface value of approximately \$3,412 per acre. Removing this allocated contributory value from the sale price yields a residual of \$60,757 for the water rights which further indicates a contribution rate of \$174 per acre foot of water. It is noted that the broker specifically stated he thought the sale price was a little low and that the seller was being pressured by family members to sell the property. The broker felt given the water rights the tract could have brought an additional \$500 per acre given more marketing time. This additional \$500 per acre, if allocated to the water rights, would indicate a contribution of \$567 per acre foot of water which would exceed the typical amount of \$380 per acre foot.

Border Fence

Prior to the sale the grantor transferred acreage surrounding the levee system to the U.S. government for construction of a border fence. This results in the property being bisected by a fee holding in favor of the U.S. Construction of the fence was underway at the time of sale with gated access on the west and east boundaries of the property. The sale was analyzed in two different manners. First, it was valued utilizing a median price point and attributes of 78 irrigated and non-irrigated farms. The analysis indicated a value of \$3,896 per acre vs. the actual price of \$3,633 per acre. This analysis indicates the farm sold for about 7% less than expected. Secondly, the farm was valued utilizing 5 comparable sales more similar in date and other attributes than the median analysis. This analysis yielded a concluded value of \$3,750 per acre vs the actual price of \$3,633. This version of the value model indicated the property commanded a price within 3% of expectations. Based upon all analyses and discussions with knowledgeable parties to the transaction, the border fence is concluded to have no impact to the sale price.

Land Allocation Table

<u>Description</u>	<u>Ratio</u>	<u>Acres</u>	<u>Indicated \$/Ac.</u>	<u>Total Contribution</u>
Class I Soils	100%	0	\$ 4,005.34	\$ 0
Class I Soils Floodway	80%	88	\$ 3,204.27	\$ 281,976
Class II Soils	90%	12	\$ 3,604.81	\$ 43,258
Class II Soils Floodway	72%	74	\$ 2,883.85	\$ 213,405
Class III Soils	70%	50	\$ 2,803.74	\$ 140,187
Class III Soils Floodway	56%	8	\$ 2,242.99	\$ 17,944
Class IV - VIII Soils	50%	0	\$ 2,002.67	\$ 0
Class IV - VIII Soils Floodway	40%	5	\$ 1,602.14	\$ 8,011
Outage	15%	6.251	\$ 600.8	\$ 3,756
Spec. Dev.	180%	32	\$ 7,209.61	\$ 230,708
TOTALS		275.251	\$ 3,412.31	\$ 939,245
Equiv. Rating		85%		

TOTAL SALE PRICE ALLOCATION

Total Sale Price:	\$ 1,000,000
Less Est. Land Value:	\$ 939,245
Less Est. Improvements	\$
Residual to Other Contribution:	\$ 60,757
Other Description:	Water Rights

Note: All information contained herein is subject to rounding which may slightly alter total sale price and further allocations. Such small inefficiencies within the software do not materially impact the results of any analysis.

RGVH 621 Aerial



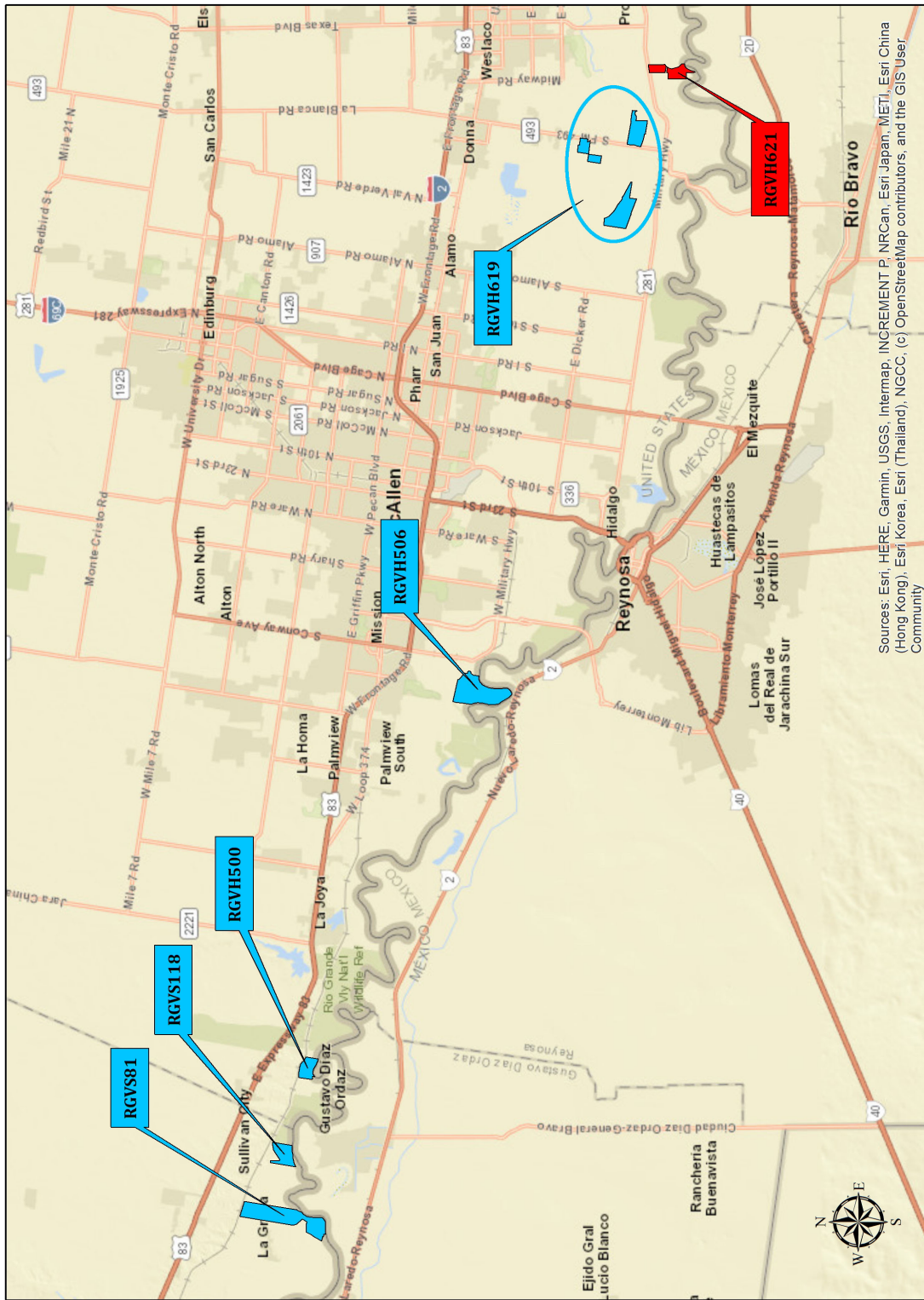
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RGVH621 Allocation Map



Border Fence Analysis No. 1 of RGVH621		
	RGVH621	Median Sale
Property Type	Irrigated Crop	Irrigated Crop
Date	3/11/2020	5/5/2013
Sale Price	\$1,000,000	\$1,414,665
Deeded Acres	275.251	428.69
Price/Acre ¹	\$3,633	\$3,300
ER ²	85%	89%
%? in ER ³		-4.49%
Adjusted Price		\$3,152
Time Periods		83
Rate		0.25%
Adjusted Price		\$3,878
Irrigation Potential	52%	100%
Adjustment ⁴		-12%
Adjusted Price		\$3,412
Size Doubles		0.56
Rate ⁵		0%
Adjusted Price		\$3,412
AF of Water Rights	350.00	0
Water Right Adjustment ⁶		\$483
Adjusted Price	\$3,633	\$3,896
Indicated Impact ⁷	-7%	
Notes:		
1. \$1,000,000 ÷ 275.25		
2. ER utilizing ratios found in Table 3.12		
3. %? from 89 to 85 ((89 - 85) ÷ 89)		
4. %? in Irrigation Potential x 25% (Above 100% receives no adjustment)		
5. +12% per double large to small, -10% per double small to large		
6. \$380/AF x AF of water for Subject ÷ Subject Gross Acres		
7. Difference divided into median indicated price per acre.		

RGVH621 Border Fence Analysis 2 Comparable Sales



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

RGVH621 BORDER FENCE ANALYSIS NO. 2						
SALE ALLOCATION DATA						
A. Property ID	RGVH621	RGV581	RGVH500	RGVH506	RGV5118	RGVH619
B. Sale Price		\$3,476,250	\$756,648	\$2,585,600	\$480,000	\$2,669,590
C. Sale Date	3/11/2020	3/18/2016	5/12/2015	9/28/2016	6/13/2019	12/22/2017
D. Water Rights		\$1,086,081	\$163,230	\$619,815	\$87,646	\$0
E. Surface (B - D)		\$2,390,169	\$593,418	\$1,965,785	\$392,354	\$2,669,590
F. Deeded Acres	275.251	933.54	210.18	807.73	271.51	970.76
G. Price/Deeded Acre (B/F)		\$3,724	\$3,600	\$3,201	\$1,768	\$2,750
H. Surface/Deeded Acre (D/F)		\$2,560	\$2,823	\$2,434	\$1,445	\$2,750
I. Water/Deeded Acre (D / F)		\$1,163	\$777	\$767	\$323	\$0
J. Ac. Feet of Water	350	2307.98	450.82	2565.235	250	0
K. \$/AF of Water (D / J)		\$471	\$362	\$242	\$351	\$0
Sale Adjustment Progression						
L. Surface \$/Ac. (H)		\$2,560	\$2,823	\$2,434	\$1,445	\$2,750
ER Adjustment	M. Equiv. Ratio	85%	71%	73%	65%	48%
	N. % Change from Subject		19.72%	16.44%	30.77%	77.08%
	O. ER \$ Adjustment (L x N)		\$505	\$464	\$749	\$1,114
	P. Adjusted Price (L + O)		\$3,065	\$3,287	\$3,183	\$2,559
Time Adjustment	Q. Time Periods		48	59	42	9
	R. Compound Rate		0.25%	0.25%	0.25%	0.25%
	S. Time Adjusted Price		\$3,455	\$3,809	\$3,534	\$2,617
Size Adjustment	T. % Adjustment		12%	0%	12%	0%
	U. \$ Adjustment (S x T)		\$415	\$0	\$424	\$0
	V. Adjusted Price (S + U)		\$3,870	\$3,809	\$3,959	\$2,617
Irrigation Adjustment	W. Irrigation Efficiency	52%	107%	92%	150%	50%
	X. Effective Efficiency	52%	100%	92%	100%	50%
	Y. % Change from Sale to Subject		-48%	-40%	-48%	2%
	Z. Adjustment Rate		25%	25%	25%	33%
	AA. Total % Adjustment (Y * Z)		-12.00%	-10.00%	-12.00%	0.66%
	BB. Total \$ Adjustment (AA x V)		(\$464)	(\$381)	(\$475)	\$17
	CC. Adjusted Price (V + BB)		\$3,406	\$3,428	\$3,484	\$2,634
Access Adjustment	DD. % Adjustment		0%	0%	0%	20%
	EE. \$ Adjustment (CC x DD)		\$0	\$0	\$0	\$527
	FF. Adjusted Price (CC + EE)		\$3,406	\$3,428	\$3,484	\$3,161
Water Right Adjustment	GG. Sale Water Right/Surface Ac. (I)		\$1,163	\$777	\$767	\$323
	HH. Adjusted Price/Acre (FF + GG)		\$4,569	\$4,205	\$4,251	\$3,484
	II. Indicated Subj. Water/AF. (K)		\$471	\$362	\$242	\$351
	JJ. Indicated Subj. Water/Surface Ac.		\$598	\$460	\$307	\$446
	KK. Water Right Adjustment (JJ - HH)		-\$565	-\$316	-\$460	\$123
LL. Final Indicated Value (FF + KK)			\$4,004	\$3,889	\$3,791	\$3,607
Indicator						
Median Indication			\$3,791			
Average Indication			\$3,742			
Concluded Value			\$3,750			
Sale Price			\$1,000,000			
Price/Acre			\$3,633			
Relation to Concluded Value			97%			

SALE ID: RGVH545

Grantor:	Patricia M. Mayers, Trustee	Sale Price:	\$ 500,000
Grantee:	Garcia Balli, Ltd.	Deeded Acres:	131.18
County:	Hidalgo	\$/Acre:	\$ 3,812
Date:	01/18/2008		
Recording:	2008-1851019	Property Type:	River Farm w/Spec. Dev.
		Land Use:	Irrigated Crop
Location:	2.1 Miles Southeast of Progreso	Grid ID:	Progreso

Legal Description: A tract of land containing 131.18 acres, situated in Hidalgo County, Texas and also being all of Shares 3 and 4, Toluca Ranch, map reference: Volume 14, Page 21, Map Records, Hidalgo County, Texas and said 131.18 acres also being a part or portion of the partition of a certain tract containing 526.21 acres, more or less, in the Llano Grande Grant in Hidalgo County, Texas of said Toluca Ranch, which is described in deed from Manuela C. Fernandez to Jose F. Fernandez, at al, recorded in Volume 976, Pages 496-498 of the Deed Records of Hidalgo County, Texas. Said 131.18 acres of land being described by metes and bounds in Deed 2008-1851019.

COMMENTS

Overview

This is a rectangular shaped tract of irrigated farmland containing 131.18 acres. The property has 1,054.50 feet of frontage on the south side of caliche surfaced Ranch Toluca Road, and an average depth of about 5,336 feet as it runs south to the Rio Grande River. It is divided almost in half in by the IBWC levee. Utilities available include electricity and telephone service and there is a small potable water line along Toluca Ranch Road. The sale is close in location to the Progreso International Bridge with FM 1015 being located approximately 0.5 miles west of the property. The frontage along Toluca Ranch Road has seen some light industrial growth surrounding the bridge with most construction centering around farming storage.

Soils and Allocation

Given the light development occurring around the international bridge, the frontage of the tract located along Toluca Ranch Road has been allocated as speculative development. The depth allocated averages approximately 1,280 feet and is based primarily on physical and aerial inspections of the area. Garcia Balli, LTD (the grantee) has sold two small tracts of land along the frontage that were both developed into light industrial uses. Total land allocated to speculative development is 30 acres.

The remainder of the tract is allocated to farming activities based upon the irrigated soil productivity ratings defined by NRCS Soil Surveys. Given the levee bisects the fence, soils were allocated as floodway areas or non-floodway areas consistent with the analysis for such locations. North of the levee system, the property is allocated with 32 acres of Class II soils which includes a small pocket of (less than one acre) of Class III soils. South of the levee includes 17 acres of Class I soils, 27 acres of Class II soils and 6 acres of Class III soils. Total tillable acreage including both north and south of the levee is 82 acres. Outage on the tract includes the levee system itself, a small brush line along the Rio Grande, and a small brush area along an old Resaca of the river that is wetlands. Measured outage is reconciled at 19.18 acres, or about 19% of the land area not rated as speculative development.

Water Rights

The deed was silent on the amount of water rights transferred. Research of the TCEQ database indicates that water right number 422 transferred with the sale to Garcia Balli, LTD. The water rights are categorized as Class B and contain a total of 311.62 acre feet. The water rights equate to 2.38 acre feet per gross surface acre. They equate to 3.8 acre feet when spread across only those areas allocated as tillable farm ground giving it an irrigation capacity of 152% based on a standard rate of 2.5 acre feet per surface acre. Analysis of the sale price indicates the surface irrigated value can be supported at \$2,939 per acre ignoring the water rights component. Removing \$2,939 from the sale price of \$3,812 yields a contribution of \$873 per acre for the water rights, or a total contribution of \$114,472. Dividing the total contribution by the 311.62 acre feet of rights yields a contribution per acre foot of \$367.

Border Fence

At the time of sale, the U.S. Border Fence Project was underway in Hidalgo and Cameron Counties. The levee system in Hidalgo County was in danger of being declared inadequate by FEMA in case of a major flood event. CBP, USACE, IBWC, and Hidalgo County combined efforts to concurrently improve the levee system, and construct the border fence atop the improved levee system in the area. Because IBWC already had easements through properties, no additional acquisitions were made for the fence project as language in the original easements was found sufficient to give the right for the construction of fences. The buyer was aware of the border fence project and stated that it had no impact to the purchasing decision. In the months following the purchase, the levee system was improved and the fence was completed through the tract by January 2009. A gate was placed in the fence within the property boundaries for ingress and egress to the south of the levee. The sale was valued utilizing a median price point from 78 farm sales indicating a value of \$3,842 per acre vs. the actual sale price of \$3,812 per acre. Under this analyses the property commanded less than 1% from the expected price. It was also valued utilizing 8 comparable sales having similar attributes to the property. This analysis yielded a concluded value of \$3,800 per acre. This analysis again indicates the property sold within 1% of its expected price. Given the analysis conducted, it is concluded the market evidence indicates no impact due to the border fence.

Land Allocation Table

<u>Description</u>	<u>Ratio</u>	<u>Acres</u>	<u>Indicated \$/Ac.</u>	<u>Total Contribution</u>
Class I Soils	100%	0	\$ 3,158.07	\$ 0
Class I Soils Floodway	80%	17	\$ 2,526.46	\$ 42,950
Class II Soils	90%	32	\$ 2,842.27	\$ 90,953
Class II Soils Floodway	72%	27	\$ 2,273.81	\$ 61,393
Class III Soils	70%	0	\$ 2,210.65	\$ 0
Class III Soils Floodway	56%	6	\$ 1,768.52	\$ 10,611
Class IV - VIII Soils	50%	0	\$ 1,579.04	\$ 0
Class IV - VIII Soils Floodway	40%	0	\$ 1,263.23	\$ 0
Outage	15%	19.18	\$ 473.71	\$ 9,086
Spec. Dev.	180%	30	\$ 5,684.53	\$ 170,536
TOTALS		131.18	\$ 2,938.92	\$ 385,529
Equiv. Rating		93%		

TOTAL SALE PRICE ALLOCATION

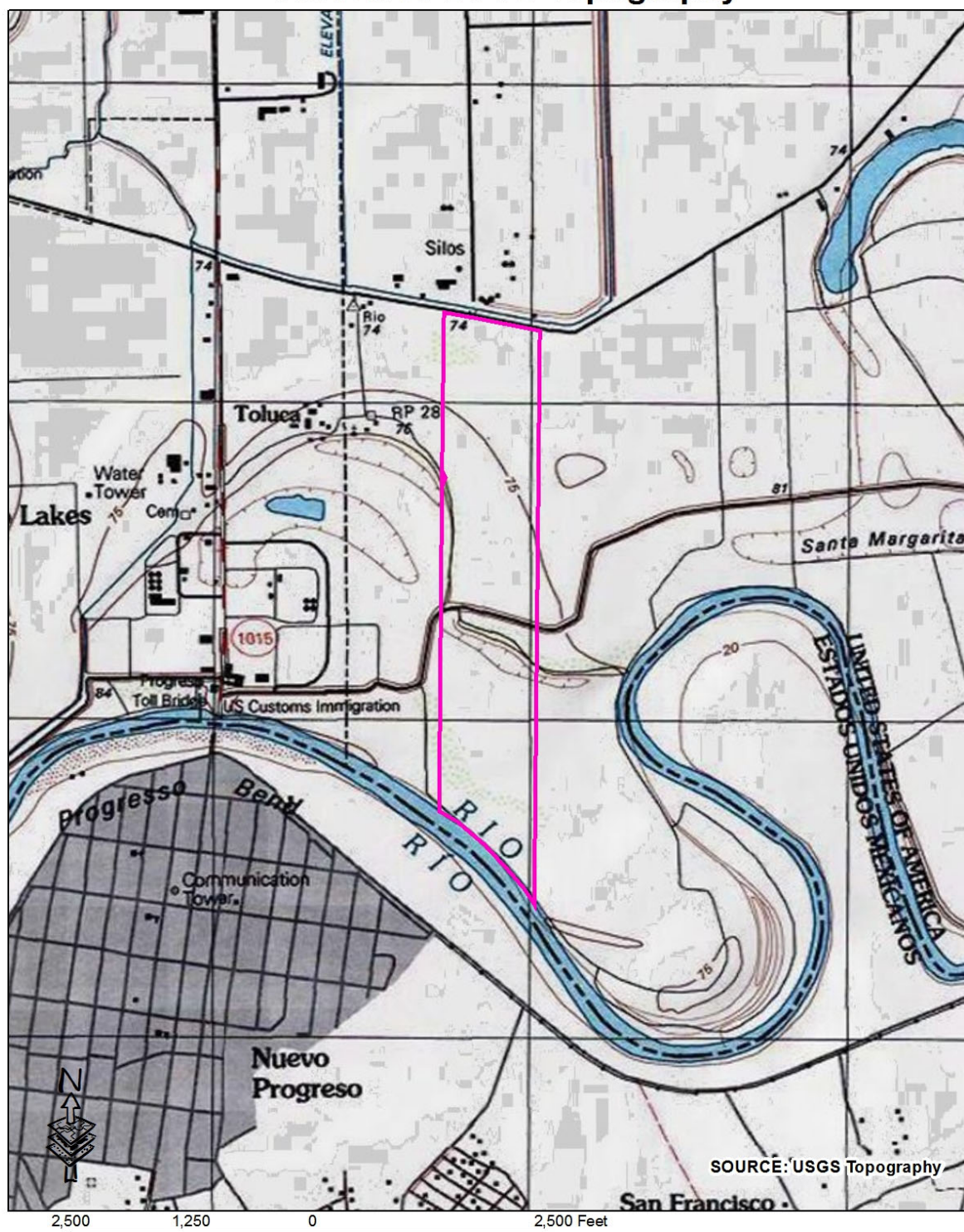
Total Sale Price:	\$ 500,000
Less Est. Land Value:	\$ 385,529
Less Est. Improvements	\$
Residual to Other Contribution:	\$ 114,472
Other Description:	Water Rights

Note: All information contained herein is subject to rounding which may slightly alter total sale price and further allocations. Such small inefficiencies within the software do not materially impact the results of any analysis.

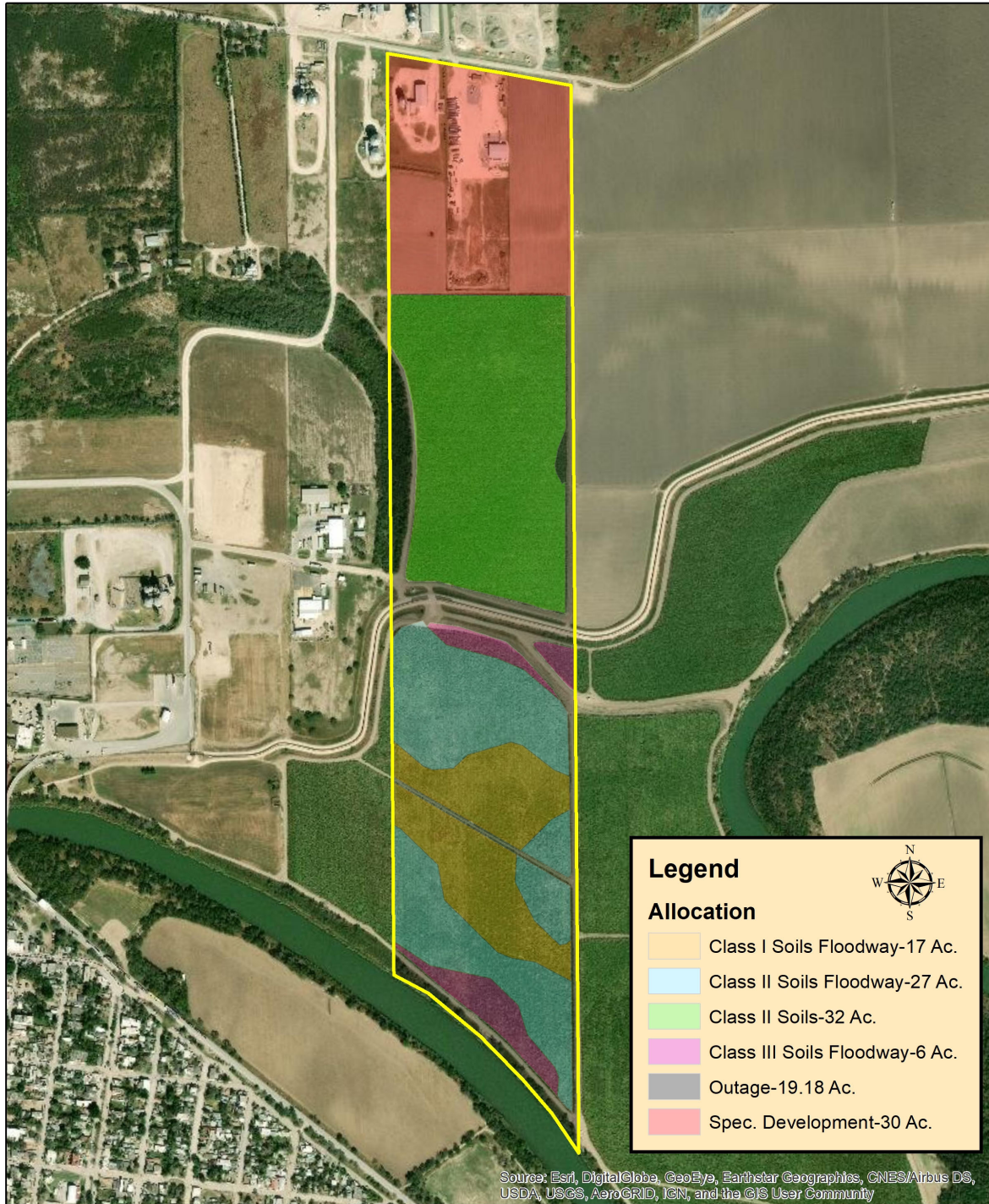
RGVH545 Aerial



RGVH545 USGS Topography



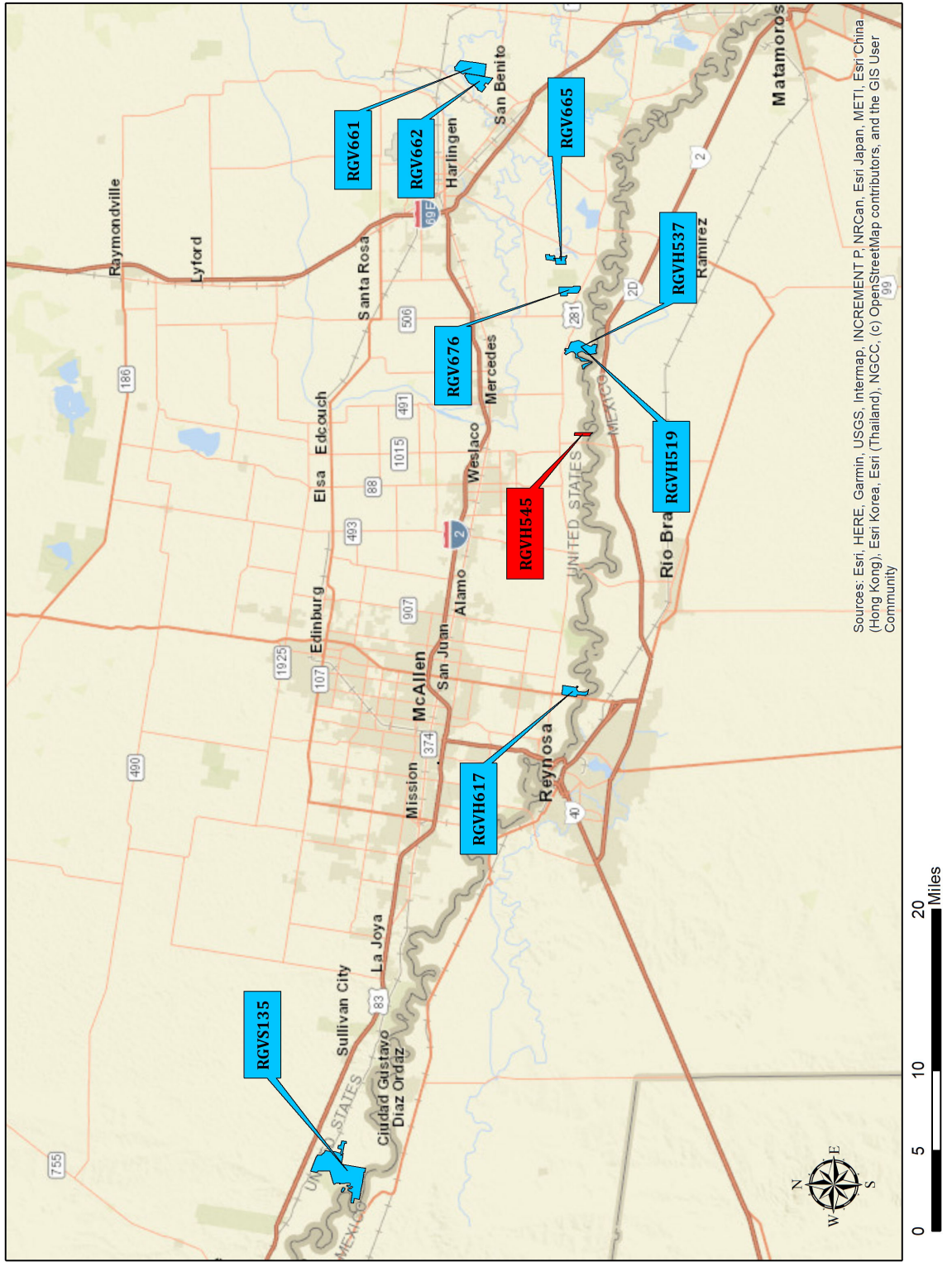
RGVH545 Allocation



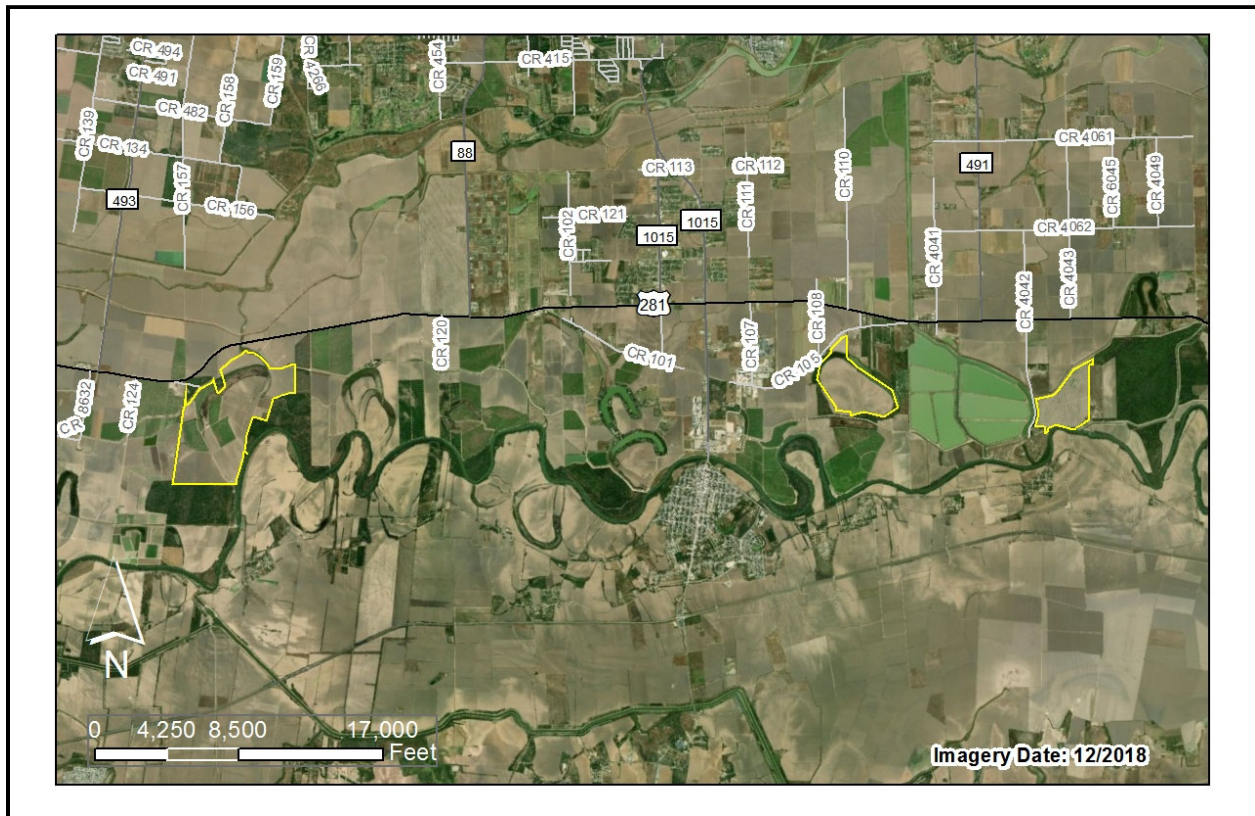
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Border Fence Analysis No. 1 of RGVH545		
	RGVH545	Median Sale
Property Type	Irrigated Crop	Irrigated Crop
Date	1/18/2008	5/5/2013
Sale Price	\$500,000	\$1,414,665
Deeded Acres	131.18	428.69
Price/Acre ¹	\$3,812	\$3,300
ER ²	93%	89%
%? in ER ³		4.49%
Adjusted Price		\$3,448
Time Periods		-64
Rate		0.25%
Adjusted Price		\$2,939
Irrigation Potential	152%	100%
Adjustment ⁴		0%
Adjusted Price		\$2,939
Size Doubles		1.63
Rate ⁵		0%
Adjusted Price		\$2,939
AF of Water Rights	311.62	0
Water Right Adjustment ⁶		\$903
Adjusted Price	\$3,812	\$3,842
Indicated Impact ⁷	-1%	
Notes:		
1. \$500,000 ÷ 131.18		
2. ER utilizing ratios found in Table 3.12		
3. %? from 89 to 93 ((89 - 93) ÷ 89)		
4. %? in Irrigation Potential x 25% (Above 100% receives no adjustment)		
5. +12% per double large to small, -10% per double small to large		
6. \$380/AF x AF of water for Subject ÷ Subject Gross Acres		
7. Difference divided into median indicated price per acre.		

RGVH545 Border Fence Analysis 2 Comparable Sales



RGVH545 BORDER FENCE ANALYSIS NO. 2									
SALE ALLOCATION DATA									
A. Property ID	RGVH545	RGVH617	RGV5135	RGV676	RGVH537	RGVH519	RGV665	RGV662	RGV661
B. Sale Price		\$1,000,000	\$5,113,251	\$749,780	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
C. Sale Date	1/18/2008	10/23/2006	1/26/2006	10/12/2007	1/30/2008	4/1/2010	12/8/2008	9/13/2007	9/25/2006
D. Water Rights		\$195,841	\$1,069,919	\$55,301	\$0	\$0	\$0	\$0	\$0
E. Surface (B - D)		\$804,159	\$4,043,332	\$694,479	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
F. Deeded Acres	131.18	429.1384	309.8.91	374.89	924.08	853.39	282.789	630.968	843
G. Price/Deeded Acre (B/F)		\$2,330	\$1,650	\$2,000	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
H. Surface/Deeded Acre (D/F)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
I. Water/Deeded Acre (D / F)		\$456	\$345	\$148	\$0	\$0	\$0	\$0	\$0
J. Ac. Feet of Water	311.62	702.8	4859.1	131.7	0	0	0	0	0
K. \$/AF of Water (D / J)		\$279	\$220	\$420	\$0	\$0	\$0	\$0	\$0
Sale Adjustment Progression									
L. Surface \$/Ac. (H)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
ER Adjustment	M. Equiv. Ratio	93%	66%	65%	76%	55%	56%	79%	87%
	N. % Change from Subject		40.91%	43.08%	22.37%	69.09%	66.07%	17.72%	6.90%
	O. ER \$ Adjustment (L x N)		\$767	\$562	\$414	\$780	\$1,156	\$443	\$195
	P. Adjusted Price (L + O)		\$2,640	\$1,867	\$2,267	\$1,909	\$2,906	\$2,943	\$3,019
Time Adjustment	Q. Time Periods		15	24	3	0	27	11	4
	R. Compound Rate		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	S. Time Adjusted Price		\$2,741	\$1,982	\$2,284	\$1,909	\$2,717	\$2,863	\$3,049
Size Adjustment	T. % Adjustment		0%	12%	0%	12%	12%	0%	12%
	U. \$ Adjustment (S x T)		\$0	\$238	\$0	\$229	\$326	\$0	\$298
	V. Adjusted Price (S + U)		\$2,741	\$2,220	\$2,284	\$2,138	\$3,043	\$2,863	\$3,049
Irrigation Adjustment	W. Irrigation Efficiency	152%	74%	76%	15.5%	0%	0%	100%	100%
	X. Effective Efficiency	100%	74%	76%	15.5%	50%	30%	100%	100%
	Y. % Difference from Sale to Subject		26%	24%	85%	50%	70%	0%	50%
	Z. Adjustment Rate		33%	33%	33%	33%	33%	0%	33%
	AA. Total % Adjustment (Y * Z)		8.58%	7.92%	27.89%	16.50%	23.10%	0.00%	16.50%
	BB. Total \$ Adjustment (AA x V)		\$235	\$176	\$637	\$353	\$703	\$0	\$459
Access Adjustment	CC. Adjusted Price (V + BB)		\$2,976	\$2,396	\$2,921	\$2,491	\$3,746	\$2,863	\$3,049
	DD. % Adjustment		0%	0%	0%	0%	0%	0%	0%
	EE. \$ Adjustment (CC x DD)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Right Adjustment	FF. Adjusted Price (CC + EE)		\$2,976	\$2,396	\$2,921	\$2,491	\$3,746	\$2,863	\$3,049
	GG. Sale Water Right/ Surface Ac. (I)		\$456	\$345	\$148	\$0	\$0	\$0	\$0
	HH. Adjusted Price/Acre (FF + GG)		\$3,433	\$2,741	\$3,068	\$2,491	\$3,746	\$2,863	\$3,049
	II. Indicated Subj. Water/AF. (K)		\$279	\$220	\$420	\$380	\$380	\$380	\$380
	JJ. Indicated Subj. Water/Surface Ac.		\$662	\$523	\$997	\$903	\$903	\$903	\$903
Water Right Adjustment	KK. Water Right Adjustment (JJ - HH)		\$206	\$178	\$850	\$903	\$903	\$903	\$903
	LL. Final Indicated Value (FF + KK)		\$3,638	\$2,919	\$3,918	\$3,393	\$4,648	\$3,766	\$3,952
Indicator									
Median Indication		\$3,842							
Average Indication		\$3,797							
Concluded Value		\$3,800							
Sale Price		\$500,000							
Price/Acre		\$3,812							
Relation to Concluded Value		100%							



Grantor:	Arthur E. Beckwith	Sale Price:	\$3,039,600
Grantee:	Neuhaus & Sons	Deeded Acres:	1,259.5
County:	Hidalgo	\$/Acre:	\$2,413
Date:	04/29/2008		
Recording:	1885890	Property Type:	River Farm
		Land Use:	Irrigated Crop
Location:	2.3 Miles Southwest of Progreso	Grid ID:	Progreso

Legal Description: Tract A – American Farms: Approximately 760.64 gross acres of land, consisting of portions of land out of Banco No. 37 and Llano Grande Grant and Browne Tract, Hidalgo County, Texas, more particularly described by metes and bounds.

Tract B – Rio Rico Farm: Approximately 204.88 gross acres of land, out of Lots 7, 10, 11, 13, 14, and 15 out of Block 36 and Lots 2, 3, 4, and 5, of Block 35, Capisallo District Subdivision, Hidalgo County, Texas, more particularly described by metes and bounds.

Tract C – Banco Farm: Approximately 293.98 gross acres of land, out of Rosario Banco No. 31, and out of Tract 47, Hooks and Hodges 553 acre tract, Llano Grande Grant and out of Anderson tract, Hidalgo County, Texas, more particularly described by metes and bounds.

COMMENTS

Overview

The sale is three irregularly shaped parcels of land containing a total of approximately 1,259.5 gross acres. Tract 1 is known as the “American Farm – 760.64 acres” and it is located on the south side of Military Highway, on both sides of the IBWC Levee, approximately 6 miles south of Donna. Tract 2 is known as the “Banco Farm – 293.98 acres” and it is located just south of Military Highway, just west of its intersection with FM 491, approximately 5 miles south of Mercedes. Tract 3 is known as the “Rio Rico Farm – 204.88 acres”, and it is located on the south side of Military Highway, just east of its intersection with FM 491, south of Mercedes. The property did have some minimal improvements, which consisted of a tenant dwelling with a carport, on the American Farm. The irrigation consists of motors on four irrigation wells and a river pump, with motor and manifolds. Contributory value was nominal and for analysis purposes is allocated at zero.

Soils and Allocations

In total, the property contains an estimated 186 acres of outage consuming approximately 15% of the gross acres. Outage includes areas of the levee system, as well as brush areas along the Rio Grande and Bancos adjacent to tillable ground. 24 acres of the Banco Farm lie north of the levee on the south side of Toluca Ranch Road, a caliche based road just east of the Progreso International Bridge. This acreage is allocated as speculative development recognizing some light industrial development activity in the area of the bridge. The remaining 1,049.9 acres of the property are tillable ground. The tract carries an estimated 100% irrigation potential including water rights out of the river, underground water well capacity with adequate pumps, and available irrigation districts. The farm is allocated based upon areas found south of the levee within the floodway and north of the levee outside of the floodway. The allocated acreage can be seen in the adjoining table to this write-up.

Water Rights

Certificate of Adjudication No. 23-679 and No. 23-345 containing a total of 582.45 acre feet of Class B water rights transferred with the purchase. The Banco Farm included a water rights and impoundment rights associated with Permit to Appropriate State Water No. 5045. This permit grants the right to impound 272-acre feet of water in the Rosario Banco No. 31 and further grants an additional 128-acre feet of water from the Nueces-Rio Grande Coastal Basin impounded within the lake. Thus, total water rights transferred account for 710.45-acre feet delivered on a Class B priority basis, and the ability to impound water aids in the irrigation of the farm. Based solely on available water rights, the farm has 66% irrigation potential, but when water wells and equipment are included the tract had a 100% irrigation potential, thus it is analyzed as such. Analysis surface value of the farm indicates support for a value of \$1,956 per acre. When deducted from the total sale price of \$2,413 per acre, the water right contribution is measured at \$457 per acre, or a total contribution of \$576,329 (\$457 x 1,259.9 acres). The contribution further equates to a contribution of \$811 per acre foot of water. This contribution rate is slightly higher than most other measured Class B water rights, but the rights also included storage capacity which is superior to most other analyzed sales, thus the analysis is considered supportable.

Border Fence

Nearly the entirety of the acreage associated with the American Farm is found south of the levee system. The Banco Farm is located north of the levee but borders the 2008 fence system. The Rio Rico farm is found in an area where no fencing occurred during the 2008 project. At the time of sale the fence system had not been constructed in the area, but construction was beginning. The buyers were aware of the fence with regard to its locations throughout the purchase and stated that no consideration was given for the fence. No acquisitions took place by the U.S. as the fence was placed atop the levee system which was improved simultaneously with the project. Analysis of the sale indicates no support for a recognized impact to the surface due to the development of the fence. Water right contribution has a residual commensurate with other indications in the area when indicates the surface should not be lowered in recognition of any impact.

Land Allocation Table

<u>Description</u>	<u>Ratio</u>	<u>Acres</u>	<u>Indicated \$/Ac.</u>	<u>Total Contribution</u>
Class I Soils	100%	132	\$ 2,725.69	\$ 359,791
Class I Soils Floodway	80%	409	\$ 2,180.55	\$ 891,845
Class II Soils	90%	96	\$ 2,453.12	\$ 235,500
Class II Soils Floodway	72%	340	\$ 1,962.49	\$ 667,247
Class III Soils	70%	19	\$ 1,907.98	\$ 36,252
Class III Soils Floodway	56%	45	\$ 1,526.38	\$ 68,687
Class IV - VIII Soils	50%	2	\$ 1,362.84	\$ 2,726
Class IV - VIII Soils Floodway	40%	7	\$ 1,090.27	\$ 7,632
Outage	15%	185.5	\$ 408.85	\$ 75,842
Spec. Dev.	180%	24	\$ 4,906.24	\$ 117,750
TOTALS		1,259.5	\$ 1,955.75	\$ 2,463,272
Equiv. Rating		72%		

TOTAL SALE PRICE ALLOCATION

Total Sale Price:	\$ 3,039,600
Less Est. Land Value:	\$ 2,463,272
Less Est. Improvements	\$
Residual to Other Contribution:	\$ 576,329
Other Description:	Water Rights

Note: All information contained herein is subject to rounding which may slightly alter total sale price and further allocations. Such small inefficiencies within the software do not materially impact the results of any analysis.

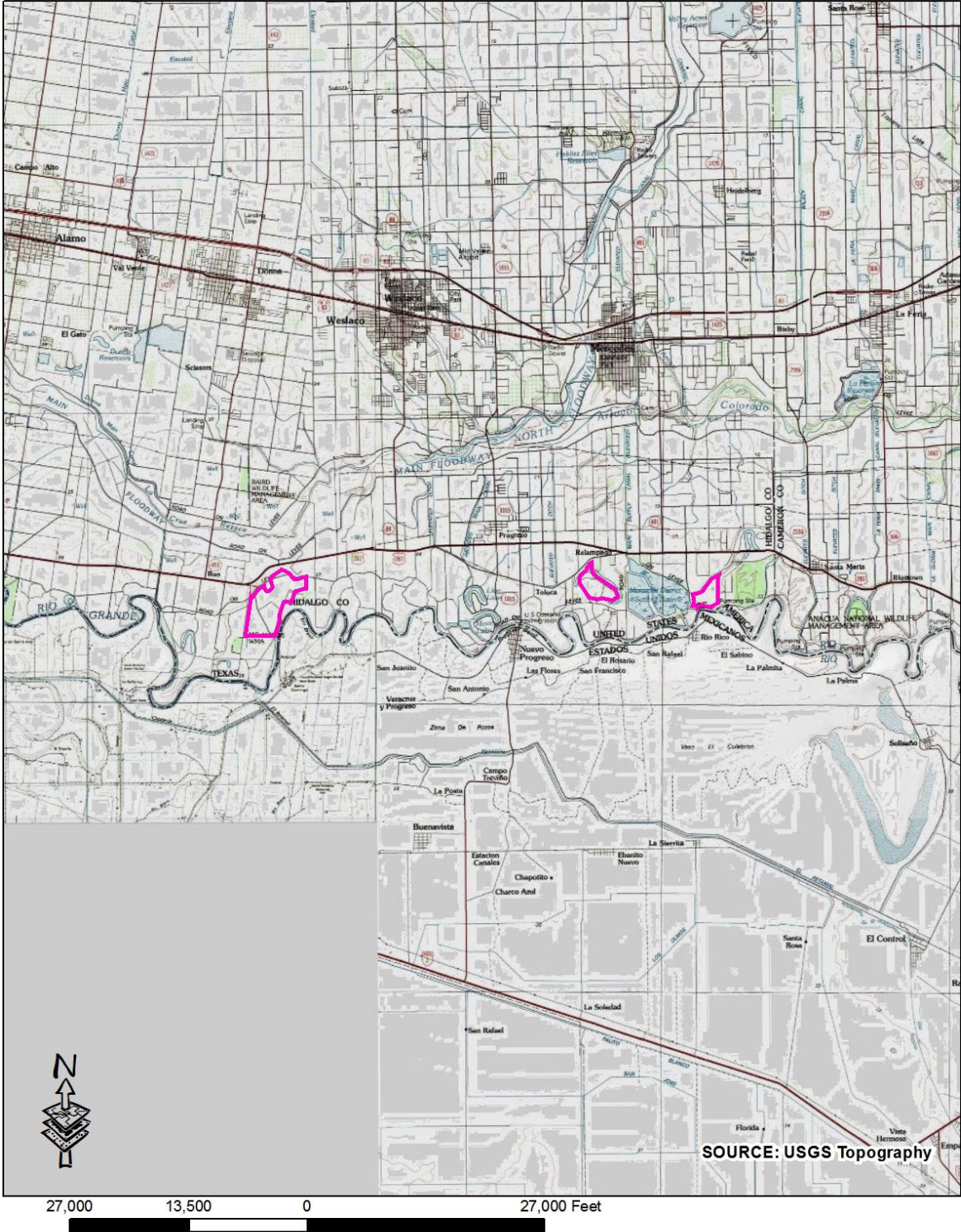
RGVH612 Aerial



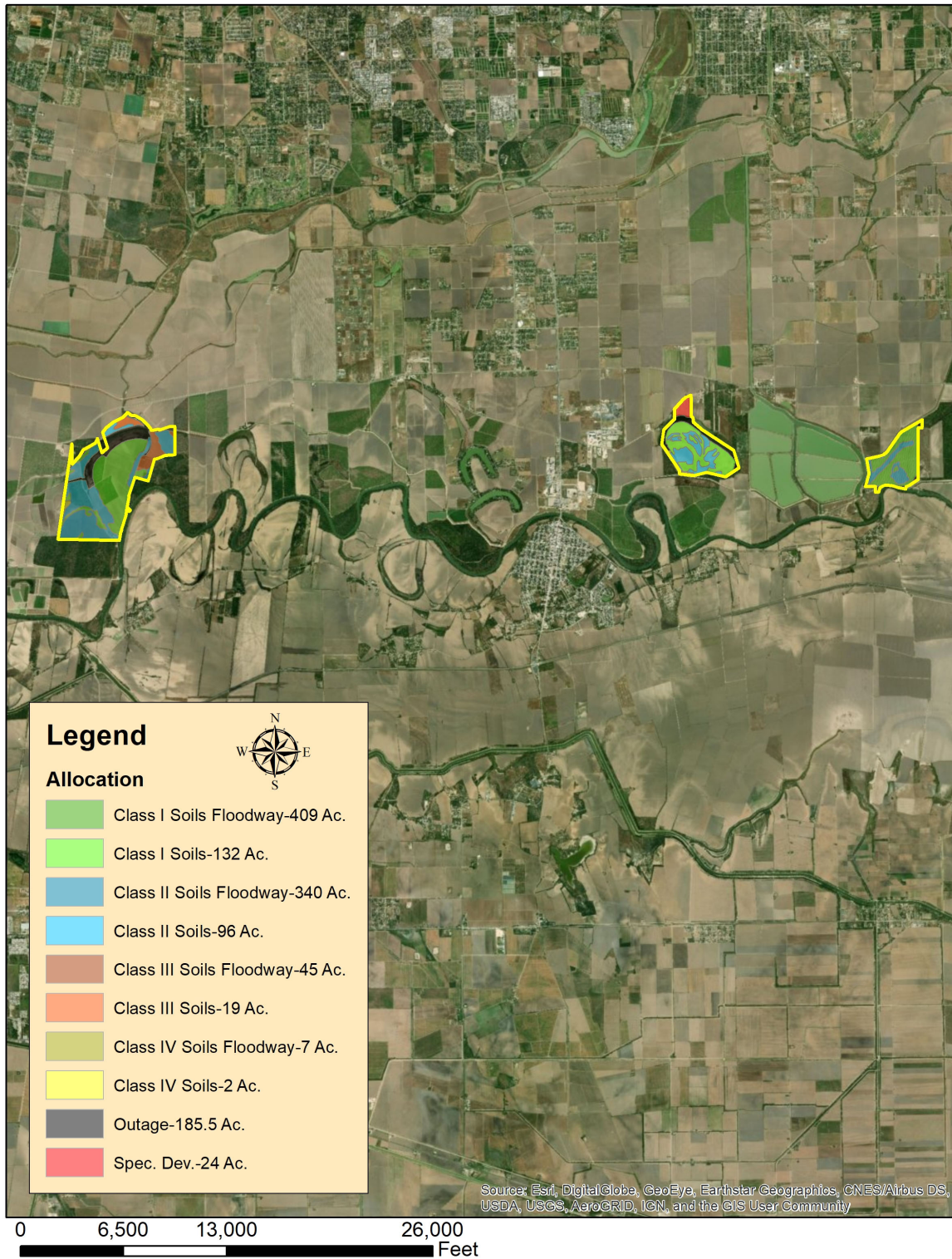
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RGVH612 USGS Topography

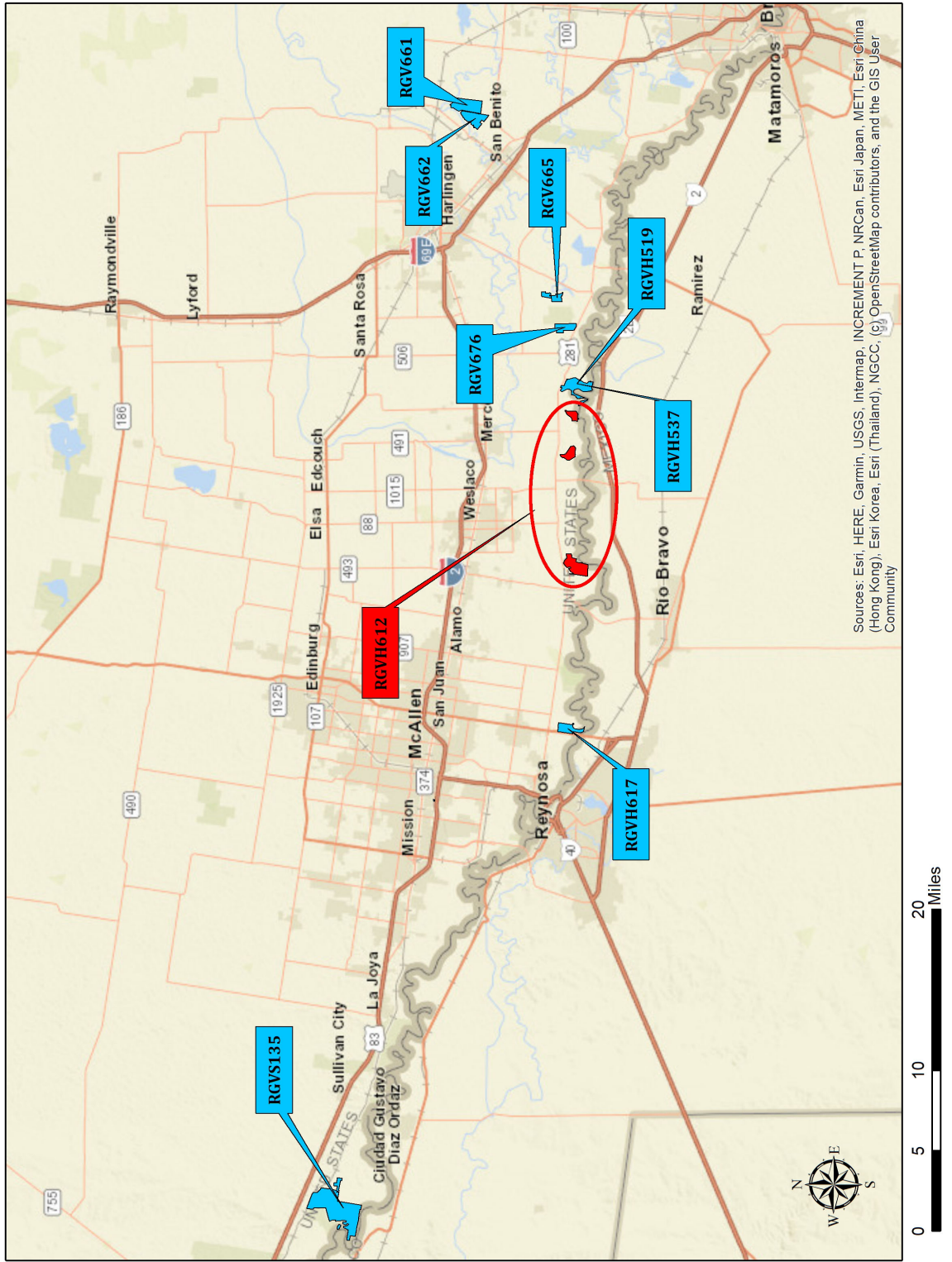


RGVH612 Allocation



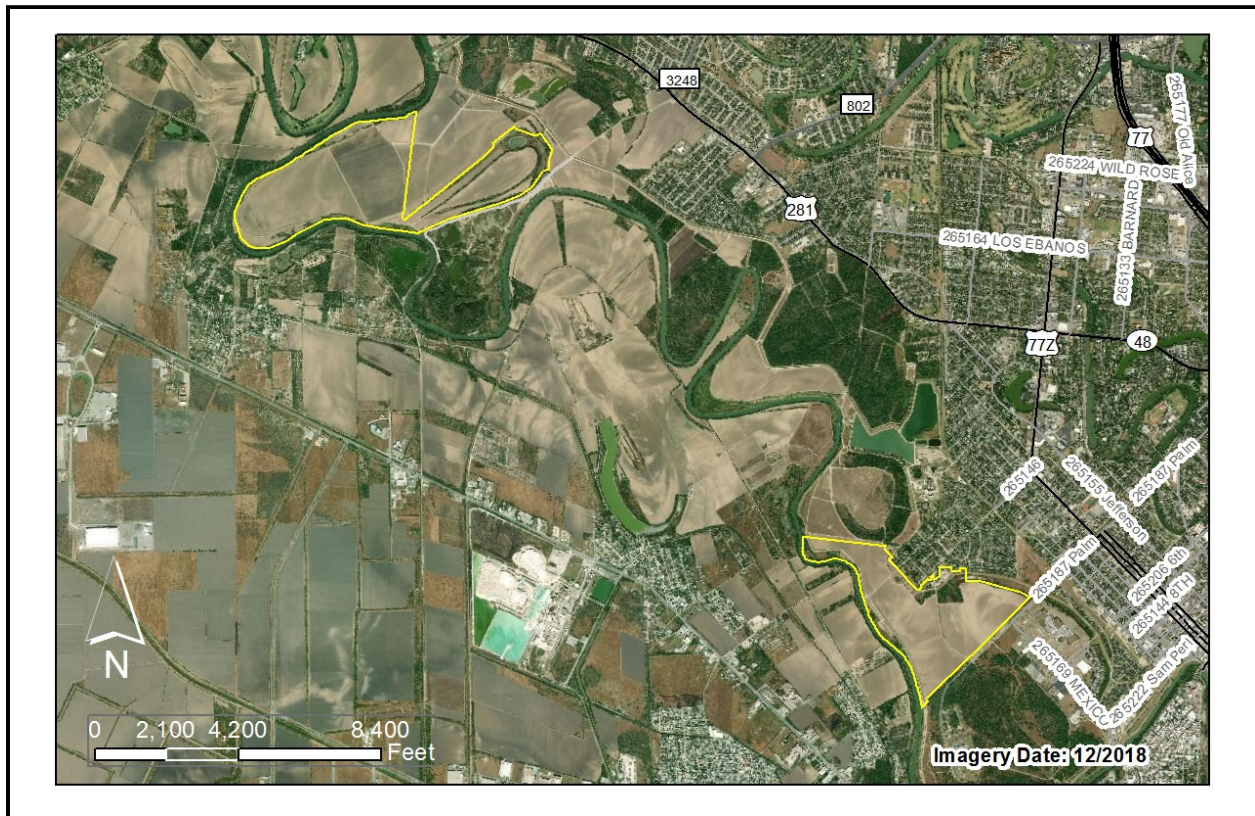
Border Fence Analysis No. 1 of RGVH612		
	RGVH612	Median Sale
Property Type	Irrigated Crop	Irrigated Crop
Date	4/29/2008	5/5/2013
Sale Price	\$3,039,600	\$1,414,665
Deeded Acres	1259.5	428.69
Price/Acre ¹	\$2,413	\$3,300
ER ²	72%	89%
%? in ER ³		-19.10%
Adjusted Price		\$2,670
Time Periods		-61
Rate		0.25%
Adjusted Price		\$2,293
Irrigation Potential	100%	100%
Adjustment ⁴		0%
Adjusted Price		\$2,293
Size Doubles		1.47
Rate ⁵		-10%
Adjusted Price		\$1,956
AF of Water Rights	710.45	0
Water Right Adjustment ⁶		\$214
Adjusted Price	\$2,413	\$2,170
Indicated Impact ⁷	11%	
Notes:		
1. \$3,039,600 ÷ 1,259.50		
2. ER utilizing ratios found in Table 3.12		
3. %? from 89 to 72 ((89 - 72) ÷ 89)		
4. %? in Irrigation Potential x 25% (Above 100% receives no adjustment)		
5. +12% per double large to small, -10% per double small to large		
6. \$380/AF x AF of water for Subject ÷ Subject Gross Acres		
7. Difference divided into median indicated price per acre.		

RGVH612 Border Fence Analysis 2 Comparable Sales



RGVH612 BORDER FENCE ANALYSIS NO. 2									
SALE ALLOCATION DATA									
A. Property ID	RGVH612	RGVH617	RGV5135	RGV676	RGVH537	RGVH519	RGV665	RGV662	RGV661
B. Sale Price		\$1,000,000	\$5,113,251	\$749,780	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
C. Sale Date	4/29/2008	10/23/2006	1/26/2006	10/12/2007	1/30/2008	4/1/2010	12/8/2008	9/13/2007	9/25/2006
D. Water Rights		\$195,841	\$1,069,919	\$55,301	\$0	\$0	\$0	\$0	\$0
E. Surface (B - D)		\$804,159	\$4,043,332	\$694,479	\$1,043,205	\$1,493,433	\$706,973	\$1,782,000	\$1,686,000
F. Deeded Acres	1259.5	429.1384	309.8.91	374.89	924.08	853.39	282.789	630.968	843
G. Price/Deeded Acre (B/F)		\$2,330	\$1,650	\$2,000	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
H. Surface/Deeded Acre (D/F)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
I. Water/Deeded Acre (D / F)		\$456	\$345	\$148	\$0	\$0	\$0	\$0	\$0
J. Ac. Feet of Water	710.45	702.8	4859.1	131.7	0	0	0	0	0
K. \$/AF of Water (D / J)		\$279	\$220	\$420	\$0	\$0	\$0	\$0	\$0
Sale Adjustment Progression									
L. Surface \$/Ac. (H)		\$1,874	\$1,305	\$1,852	\$1,129	\$1,750	\$2,500	\$2,824	\$2,000
ER Adjustment	M. Equiv. Ratio	72%	66%	65%	76%	55%	56%	79%	87%
	N. % Change from Subject		9.09%	10.77%	-5.26%	30.91%	28.57%	-8.86%	-17.24%
	O. ER \$ Adjustment (L x N)		\$170	\$141	-\$97	\$349	\$500	-\$222	-\$154
	P. Adjusted Price (L + O)		\$2,044	\$1,445	\$1,755	\$1,478	\$2,250	\$2,278	\$1,846
Time Adjustment	Q. Time Periods		18	27	7	3	23	7	8
	R. Compound Rate		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	S. Time Adjusted Price		\$2,138	\$1,546	\$1,786	\$1,489	\$2,124	\$2,239	\$1,936
Size Adjustment	T. % Adjustment		-10%	0%	-10%	0%	0%	-10%	0%
	U. \$ Adjustment (S x T)		(\$214)	\$0	(\$179)	\$0	\$0	(\$224)	(\$238)
	V. Adjusted Price (S + U)		\$1,924	\$1,546	\$1,607	\$1,489	\$2,124	\$2,015	\$1,936
Irrigation Adjustment	W. Irrigation Efficiency	100%	74%	76%	15.5%	0%	0%	100%	100%
	X. Effective Efficiency	100%	74%	76%	15.5%	50%	30%	100%	100%
	Y. % Difference from Sale to Subject		26%	24%	85%	50%	70%	0%	0%
	Z. Adjustment Rate		33%	33%	33%	33%	33%	0%	0%
	AA. Total % Adjustment (Y * Z)		8.58%	7.92%	27.89%	16.50%	23.10%	0.00%	0.00%
	BB. Total \$ Adjustment (AA x V)		\$165	\$122	\$448	\$246	\$491	\$0	\$0
Access Adjustment	CC. Adjusted Price (V + BB)		\$2,090	\$1,669	\$2,056	\$1,735	\$2,615	\$2,015	\$2,146
	DD. % Adjustment		0%	0%	0%	0%	0%	0%	0%
	EE. \$ Adjustment (CC x DD)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Right Adjustment	FF. Adjusted Price (CC + EE)		\$2,090	\$1,669	\$2,056	\$1,735	\$2,615	\$2,015	\$2,146
	GG. Sale Water Right/ Surface Ac. (I)		\$456	\$345	\$148	\$0	\$0	\$0	\$0
	HH. Adjusted Price/Acre (FF + GG)		\$2,546	\$2,014	\$2,203	\$1,735	\$2,615	\$2,015	\$2,146
	II. Indicated Subj. Water/AF. (K)		\$279	\$220	\$420	\$380	\$380	\$380	\$380
	JJ. Indicated Subj. Water/Surface Ac.		\$157	\$124	\$237	\$214	\$214	\$214	\$214
Water Right Adjustment	KK. Water Right Adjustment (JJ - HH)		-\$299	-\$221	-\$89	-\$214	-\$214	-\$214	-\$214
	LL. Final Indicated Value (FF + KK)		\$2,247	\$1,793	\$2,292	\$1,949	\$2,830	\$2,229	\$2,360
Indicator									
Median Indication	\$2,270								
Average Indication	\$2,271								
Concluded Value	\$2,270								
Sale Price	\$3,039,600								
Price/Acre	\$2,413								
Relation to Concluded Value	106%								

SALE ID: RGV603



Grantor:	Mathers Brothers Farms, Inc	Sale Price:	\$ 2,000,000
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Grantee:	Edward Mathers Farms, LP	Deeded Acres:	669.668
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County:	Cameron	\$/Acre:	\$ 2,987
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Date:	09/27/2013
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Recording:	2013-38515	Property Type:	River Farm
		Land Use:	Irrigated Crop

Location:	3.8 Miles Northwest of Brownsville	Grid ID:	Southwest Brownsville
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Legal Description:	Described as three tracts of land in the deed containing a total of 669.668 acres, in conjunction with Certificate of Adjudication No. 23-10 and Certificate of Adjudication No. 23-135 containing a total of 1,496.25 acre feet of Class B water rights out of the Rio Grande River.
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COMMENTS

Overview

The eastern most tract is located on the west side of Palm Blvd and primarily on the south side of the IBWC levee and the north side of the Rio Grande River. Some 8.946 acres are north of the IBWC levee and represent the improved headquarters area of the farm. A private levee, commonly called the Amigoland levee, meanders along the south boundary and the River from the southwest corner of the east tract to near Hope Park which is near the entry to Brownsville Gateway Bridge. Recent court action concluded that the levee was private. IBWC does not maintain it nor does the City of Brownsville. The grantee confirmed that flood flows associated with the River almost breached the levee in 2010. Higher flood flows would have inundated the east part of the farm. It is noted that much of the land on the east tract has a flood zone designation of C, an area of minimal flooding. According to Mr. Montero with IBWC, that designation is subject to being amended if the Amigoland levee is not recertified by FEMA. Improvements on the east tract include several dilapidated wood frame structures with no contribution and two large metal barns in average condition and utility. The barns are allocated with a contribution of \$70,000, or \$105 per gross acre.

The western most tract is immediately east of the Los Fresnos Main Canal which travels northward across the levee and crosses Highway 281 at Villa Cavazos in west Brownsville. The north boundary of the west tract is about one fourth mile south of the IBWC levee. A recorded easement provides access from the levee, across the farmland and then to the River. The west tract has access only via the IBWC levee which connects with the Canal and eventually with the Amigoland levee. (Earlier partitioning of the levee area enables the various owners to have access).

Soils and Allocation

Based upon aerial photography, the sale is estimated to have 148 acres of outage, or 22% of gross acres. The outage areas primarily lie along the Rio Grande and the IBWC and Amigoland levee systems. The remainder of the farm is allocated with 141 acres of Class I soils, 360 acres of Class II soils, 12 acres of Class IV soils and 9 acres of speculative development. The speculative development land is found on the eastern tract and is the farm headquarters north of the levee system.

Irrigation and Water Rights

The sale transferred Certificate of Adjudication Number 23-10 containing 368.415-acre feet of Class B water rights and Certificate of Adjudication Number 23-135 containing 1,127.835-acre feet of Class B water rights for a total of 1,496.25 acre feet. This converts to 598.5 irrigatable acres of land. The tract has 513 tillable acres allocated; thus irrigation potential is measured at 117%. Analysis of the property indicates a surface value of \$2,270 per acre, or a total of \$1,520,150. Deducting this amount from the sale price yields \$479,850 in additional contribution. The additional contribution is allocated amongst the farm outbuildings and the water rights. The outbuildings are steel frame buildings containing a total of 10,500 square feet. The buildings are allocated at approximately \$7 per square foot, or a total of \$70,000 yielding a water right contribution of \$409,850, or \$274 per acre foot.

Border Fence Comments

The border barrier fence is located across the levee in the vicinity of the west tract. Access from the east tract to the west tract is primarily via the private levee and the IBWC levee. The grantee confirmed that the barrier fence had no impact on access to the west tract and that an opening in the fence at the Main Canal allows access to Highway 281. A barrier gate is located at Joanne Lane, just north of the west tract, but is not used for access to the west tract. That gate leads to a densely developed area and the residential streets were not used for access before the construction of the barrier fence. The sale was analyzed in to different manners. The first provided a value indication of \$3,177 per acre. Deducting \$70,000 from the sale price for building contribution yields an actual price of \$2,882 without improvements. This analysis suggests the property sold approximately 9% lower than expected. The second analysis offered a concluded value of \$3,200 per acre vs the actual sale price of \$2,987 per acre. This analysis indicates the property sold approximately 7% less than expected. Analysis of the sale indicates the border fence may have had a slight negative impact. When the analysis is correlated with the interview of the buyer, the data suggests the fence had no impact to the purchase decision.

Land Allocation Table

<u>Description</u>	<u>Ratio</u>	<u>Acres</u>	<u>Indicated \$/Ac.</u>	<u>Total Contribution</u>
Class I Soils	100%	0	\$3,755	\$0
Class I Soils Floodway	80%	141	\$3,004	\$423,564
Class II Soils	90%	0	\$3,379.5	\$0
Class II Soils Floodway	72%	360	\$2,703.6	\$973,296
Class III Soils	70%	0	\$2,628.5	\$0
Class III Soils Floodway	56%	0	\$2,102.8	\$0
Class IV - VIII Soils	50%	0	\$1,877.5	\$0
Class IV - VIII Soils Floodway	40%	12	\$1,502	\$18,024
Outage	15%	147.668	\$563.25	\$83,174
Spec. Dev.	180%	9	\$6,759	\$60,831
TOTALS		669.668	\$2,432.19	\$1,558,889
Equiv. Rating		62%		

TOTAL SALE PRICE ALLOCATION

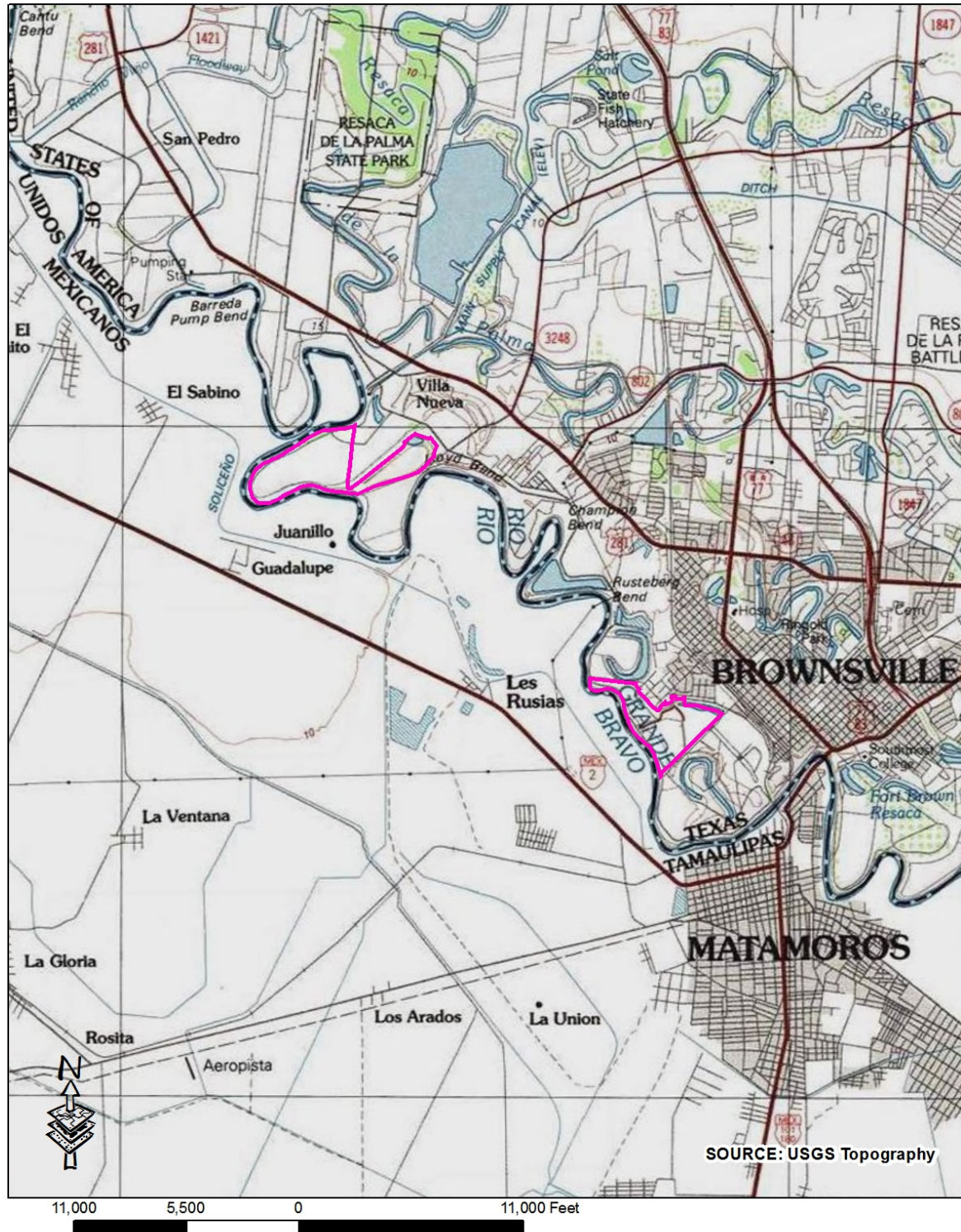
Total Sale Price:	\$2,000,000
Less Est. Land Value:	\$1,558,889
Less Est. Improvements	\$70,000
Residual to Other Contribution:	\$371,241
Other Description:	Water Rights

Note: All information contained herein is subject to rounding which may slightly alter total sale price and further allocations. Such small inefficiencies within the software do not materially impact the results of any analysis.

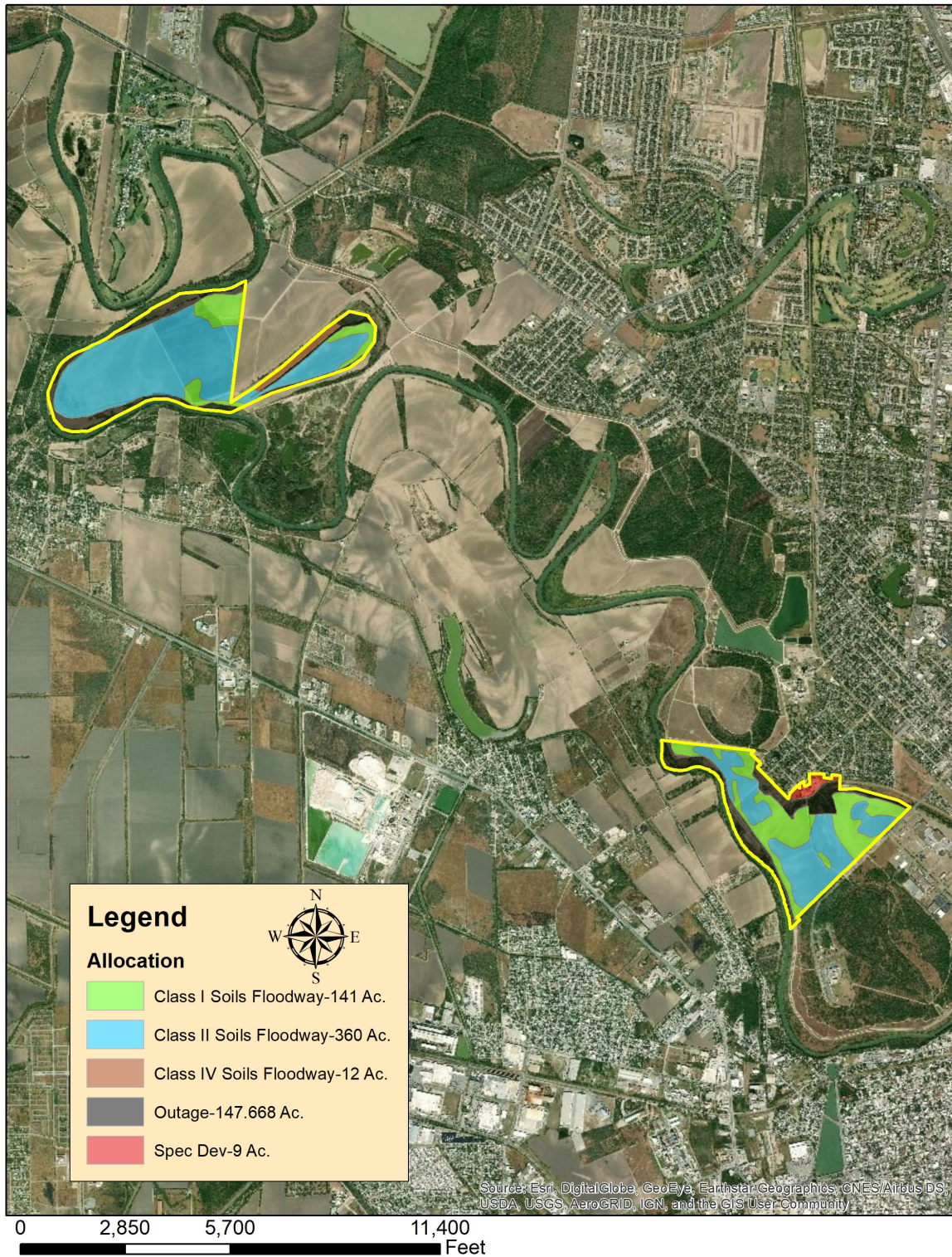
RGV603 Aerial



RGV603 USGS Topography

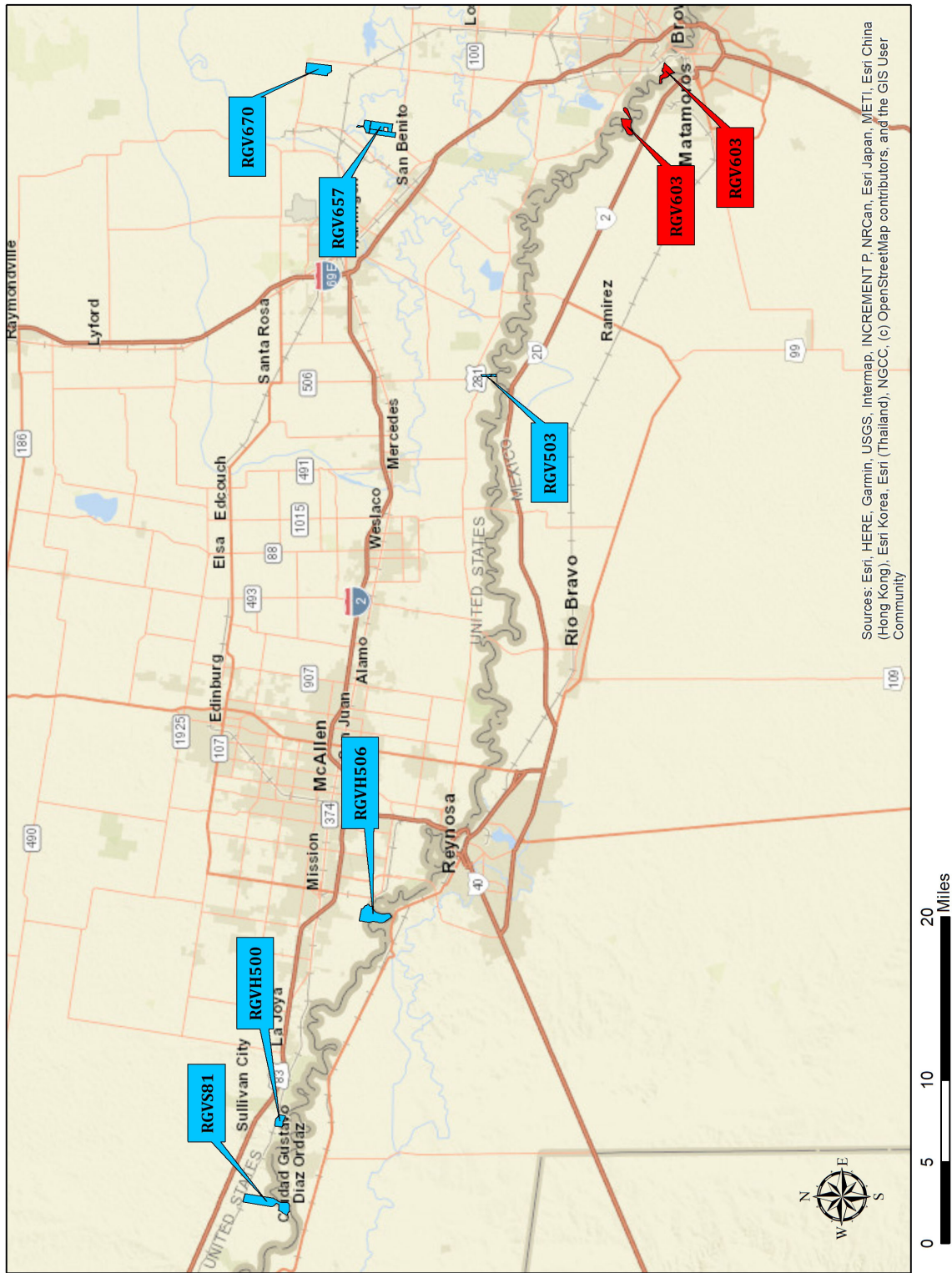


RGVH603 Allocation



Border Fence Analysis No. 1 of RGV603		
	RGV603	Median Sale
Property Type	Irrigated Crop	Irrigated Crop
Date	9/27/2013	5/5/2013
Sale Price	\$1,930,000	\$1,414,665
Deeded Acres	669.668	428.69
Price/Acre ¹	\$2,882	\$3,300
ER ²	62%	89%
%? in ER ³		-30.34%
Adjusted Price		\$2,299
Time Periods		5
Rate		0.25%
Adjusted Price		\$2,328
Irrigation Potential	117%	100%
Adjustment ⁴		0%
Adjusted Price		\$2,328
Size Doubles		0.56
Rate ⁵		0%
Adjusted Price		\$2,328
AF of Water Rights	1496.25	0
Water Right Adjustment ⁶		\$849
Adjusted Price	\$2,882	\$3,177
Indicated Impact ⁷	-9%	
Notes:		
1. \$1,930,000 ÷ 669.67		
2. ER utilizing ratios found in Table 3.12		
3. %? from 89 to 62 ((89 - 62) ÷ 89)		
4. %? in Irrigation Potential x 25% (Above 100% receives no adjustment)		
5. +12% per double large to small, -10% per double small to large		
6. \$380/AF x AF of water for Subject ÷ Subject Gross Acres		
7. Difference divided into median indicated price per acre.		

RGV603 Border Fence Analysis 2 Comparable Sales



RGV603 BORDER FENCE ANALYSIS NO. 2							
SALE ALLOCATION DATA							
A. Property ID	RGV603	RGV503	RGV581	RGVH500	RGVH506	RGV670	RGV657
B. Sale Price		\$247,200	\$3,476,250	\$756,648	\$2,585,600	\$2,015,435	\$2,556,478
C. Sale Date	9/27/2013	12/10/2012	3/18/2016	5/12/2015	9/28/2016	5/12/2012	12/26/2012
D. Water Rights		\$0	\$1,086,081	\$163,230	\$619,815	\$0	\$0
E. Surface (B - D)		\$247,200	\$2,390,169	\$593,418	\$1,965,785	\$2,015,435	\$2,556,478
F. Deeded Acres	669.668	77.26	933.54	210.18	807.73	620.13	845.603
G. Price/Deeded Acre (B/F)		\$3,200	\$3,724	\$3,600	\$3,201	\$3,250	\$3,023
H. Surface/Deeded Acre (D/F)		\$3,200	\$2,560	\$2,823	\$2,434	\$3,250	\$3,023
I. Water/Deeded Acre (D / F)		\$0	\$1,163	\$777	\$767	\$0	\$0
J. Ac. Feet of Water	1496.25	0	2307.98	450.82	2565.235	0	0
K. \$/AF of Water (D / J)		\$0	\$471	\$362	\$242	\$0	\$0
Sale Adjustment Progression							
L. Surface \$/Ac. (H)		\$3,200	\$2,560	\$2,823	\$2,434	\$3,250	\$3,023
ER Adjustment	M. Equiv. Ratio	62%	79%	71%	73%	65%	86%
	N. % Change from Subject		-21.52%	-12.68%	-15.07%	-4.62%	-28.74%
	O. ER \$ Adjustment (L x N)		-\$689	-\$325	-\$425	-\$112	-\$844
	P. Adjusted Price (L + O)		\$2,511	\$2,236	\$2,398	\$2,321	\$2,180
Time Adjustment	Q. Time Periods		10	-30	-20	-37	9
	R. Compound Rate		0.25%	0.25%	0.25%	0.25%	0.25%
	S. Time Adjusted Price		\$2,575	\$2,074	\$2,281	\$2,117	\$2,229
Size Adjustment	T. % Adjustment		-10%	12%	0%	12%	0%
	U. \$ Adjustment (S x T)		(\$257)	\$249	\$0	\$254	\$0
	V. Adjusted Price (S + U)		\$2,317	\$2,323	\$2,281	\$2,371	\$2,497
Irrigation Adjustment	W. Irrigation Efficiency	117%	100%	107%	92%	150%	100%
	X. Effective Efficiency	100%	100%	100%	92%	100%	100%
	Y. % Difference from Sale to Subject		0%	0%	8%	0%	0%
	Z. Adjustment Rate		33%	33%	33%	0%	33%
	AA. Total % Adjustment (Y * Z)		0.00%	0.00%	2.64%	0.00%	0.00%
	BB. Total \$ Adjustment (AA x V)		\$0	\$0	\$60	\$0	\$0
	CC. Adjusted Price (V + BB)		\$2,317	\$2,323	\$2,341	\$2,371	\$2,497
Access Adjustment	DD. % Adjustment		0%	0%	0%	0%	0%
	EE. \$ Adjustment (CC x DD)		\$0	\$0	\$0	\$0	\$0
	FF. Adjusted Price (CC + EE)		\$2,317	\$2,323	\$2,341	\$2,371	\$2,497
Water Right Adjustment	GG. Sale Water Right/Surface Ac. (I)		\$0	\$1,163	\$777	\$767	\$0
	HH. Adjusted Price/Acre (FF + GG)		\$2,317	\$3,487	\$3,118	\$3,138	\$2,497
	II. Indicated Subj. Water/AF. (K)		\$380	\$471	\$362	\$242	\$380
	JJ. Indicated Subj. Water/Surface Ac.		\$849	\$1,051	\$809	\$540	\$849
	KK. Water Right Adjustment (JJ - HH)		\$849	-\$112	\$32	-\$227	\$849
LL. Final Indicated Value (FF + KK)		\$3,166	\$3,375	\$3,150	\$2,910	\$3,266	\$3,346
Indicator							
Median Indication	\$3,216						
Average Indication	\$3,202						
Concluded Value	\$3,200						
Sale Price	\$2,000,000						
Price/Acre	\$2,987						
Relation to Concluded Value	93%						