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**City of Las Cruces**<sup>®</sup>  
 PEOPLE HELPING PEOPLE

**Council Action and Executive Summary**

Item # 16

Ordinance# 2594

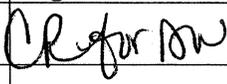
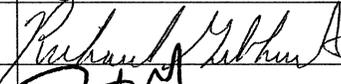
Council District: 4

For Meeting of November 1, 2010

(Adoption Date)

**TITLE:** AN ORDINANCE AUTHORIZING AN OPTION TO PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND SUNEDISON, FOR THE PURCHASE OF UP TO 200 ACRES OF MUNICIPALLY OWNED LAND IN SECTION 2, SOUTH OF THE WEST MESA INDUSTRIAL PARK, FOR EIGHT THOUSAND DOLLARS PER ACRE FOR THE PURPOSE OF DEVELOPING A SOLAR ENERGY PROJECT.

**PURPOSE(S) OF ACTION:** Agree to terms of a purchase of undeveloped land south of the west mesa industrial park and allow SunEdison a 1 year option to determine if the project is viable at this site.

<b>Name of Drafter:</b> Christine Logan 		<b>Department:</b> Community Development		<b>Phone:</b> 541-2286	
<b>Department</b>	<b>Signature</b>	<b>Phone</b>	<b>Department</b>	<b>Signature</b>	<b>Phone</b>
Community Development		528-3067	Budget		541-2281
			Assistant City Manager		541-2271
Legal		541-2128	City Manager		541-2076

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:**

SunEdison develops, finances, operates and manages solar plants across the globe. The company has created efficient, money-saving solutions that last more than 20 years. In North America alone, SunEdison has more than 102.6 MW of solar energy capacity at over 353 operational sites. In New Mexico, they have been selected by El Paso Electric to provide power to the company.

This Ordinance authorizes sale of part of Section 2, located south of the city waste water treatment plant in the west mesa industrial park, to SunEdison for development of a photovoltaic (PV) solar project. The city owns a half section of land (approximately 320 acres). A portion of the property is used by the city for the new composting site. SunEdison would be responsible for surveying the site, determining which area they could utilize without interfering with the city use, and for developing the access road necessary to serve the project as well as for any utility extensions that may be necessary.

This property and a similar size property on the airport were appraised in August of 2010. The value of this site was estimated at \$8,000 per acre. Properties inside the industrial park are valued at \$13,500 to \$14,000 per acre with better road and utility access.

(Continue on additional sheets as required)

The Option to Purchase agreement provides SunEdison with the right to conduct feasibility and technical studies on the site for one year. An option payment of \$1,000 would be due immediately. Based on their studies, SunEdison could identify the exact size and location of a project site (estimated to be 100 to 150 acres) and then proceed with the purchase of that area.

SunEdison is pursuing this option to purchase as well as an option to lease for airport land. In addition to city land, SunEdison is pursuing options for several other properties in Dona Ana and Otero Counties. Based on the results of feasibility and technical studies, four or five options may result in two or three actual leases or purchases. If the option on city land expires without being exercised, all commitments to SunEdison are terminated.

The Purchase Agreement would only cover the amount of land reasonable for the size of the final project (approximately 10 acres per megawatt of power to be delivered). For a 150 acre site, the sale would generate \$1,200,000. The proceeds from the purchase will be deposited in the West Mesa Economic Development Fund.

Construction of the PV project will involve hundreds of jobs. There will only be a few long term jobs associated with operation and maintenance of the facility. The capital investment required for the project is significant. SunEdison will be responsible for payment of personal property tax due on that investment as well as real property tax for the land purchased.

**SUPPORT INFORMATION:**

1. Ordinance.
2. Option to Purchase Agreement Exhibit "A".
3. Appraisal of property
4. Request for Land Purchase Option
5. Vicinity Map

**SOURCE OF FUNDING:**

<b>Is this action already budgeted?</b>	<b>NA</b>	
	Yes	<input type="checkbox"/> See fund summary below
	No	<input type="checkbox"/> If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/> Expense reallocated from: _____
<input type="checkbox"/> Proposed funding is from a new revenue source (i.e. grant; see details below)		
<input type="checkbox"/> Proposed funding is from fund balance in the _____ Fund.		
<b>Does this action create any revenue?</b>	Yes	<input checked="" type="checkbox"/> Funds will be deposited into this fund: West Mesa Fund (4504) in the amount of \$1,000.00
	No	<input type="checkbox"/> There is no new revenue generated by this action.

**FUND SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
NA					

**OPTIONS / ALTERNATIVES:**

1. Vote YES on the Ordinance to approve the solar Option to Purchase Agreement. This would give SunEdison a 1 year option to purchase up to 200 acres of city land on the west mesa at \$8,000 per acre.
2. Vote NO on the Ordinance to reject the option and the City will retain control of the land. SunEdison would not conduct any further analysis on this site and would locate their proposed project elsewhere.
3. Vote to AMEND this could modify the terms of the agreement and then adopt the proposal.
4. Vote to TABLE the proposal and/or instruct staff to seek alternative direction.

(Continue on additional sheets as required)

COUNCIL BILL NO. 11-014  
ORDINANCE NO. 2594

**AN ORDINANCE AUTHORIZING AN OPTION TO PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND SUNEDISON, FOR THE PURCHASE OF UP TO 200 ACRES OF MUNICIPALLY OWNED LAND IN SECTION 2, SOUTH OF THE WEST MESA INDUSTRIAL PARK, FOR EIGHT THOUSAND DOLLARS PER ACRE FOR THE PURPOSE OF DEVELOPING A SOLAR ENERGY PROJECT.**

The City Council of the City of Las Cruces is informed that:

**WHEREAS** the City of Las Cruces, New Mexico, a municipal corporation, is the owner of the east half of Section 2, south of the West Mesa Industrial Park, and

**WHEREAS** this land has been acquired by the City of Las Cruces for the purpose of industrial and economic development, and

**WHEREAS** SunEdison is interested in purchasing land on the West Mesa in order to develop a photovoltaic solar facility.

**NOW, THEREFORE**, Be it Ordained by the Governing Body of the City of Las Cruces:

(I)

**THAT** the sale of up to 200 acres of land south of the West Mesa Industrial Park land for the sum of eight thousand dollars per acre, subject to the conditions and terms in Exhibit "A" Option to Purchase Agreement, which is attached hereto and made a part of this ordinance, is hereby approved.

(II)

**THAT** this Ordinance has been published prior to its adoption and shall be published at least once after adoption, pursuant to Sections 3-2-1, et.seq., and 3-54-1, et.seq., NMSA 1978, as amended.

(III)

THAT the effective day of this Ordinance shall be forty-five (45) days after its adoption by the governing body of the City of Las Cruces.

(IV)

THAT the proceeds of the sale shall be deposited in the West Mesa Industrial Park Fund.

(V)

THE City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

APPROVED:

\_\_\_\_\_  
Mayor Ken Miyagishima

ATTEST:

\_\_\_\_\_  
City Clerk

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

VOTE:

Mayor Miyagishima: \_\_\_\_\_

Councillor Silva: \_\_\_\_\_

Councillor Connor: \_\_\_\_\_

Councillor Pedroza: \_\_\_\_\_

Councillor Small: \_\_\_\_\_

Councillor Sorg: \_\_\_\_\_

Councillor Thomas: \_\_\_\_\_

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

**OPTION TO PURCHASE AGREEMENT**

**THIS OPTION TO PURCHASE AGREEMENT** ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010 (the "Effective Date") by and between the City of Las Cruces, a New Mexico municipal corporation ("Seller"), and the undersigned limited liability company, its successors or assigns, ("Purchaser" and, together with Seller, each, a "Party" and together, the "Parties"). Seller represents it has sole and exclusive authority for all matters concerning the Property, as defined below, and sole and exclusive authority to enter into this Agreement.

**WITNESSETH:**

**WHEREAS**, Seller owns a parcel of land, any improvements located thereon and appurtenant rights and easements situate in the City of Las Cruces, County of Doña Ana, State of New Mexico, being the E1/2 of Section 2, T24S, R1W, NMPM of the USGLO surveys, and shown on the County Tax Map as parcel 02-39560 ("Seller Land"). Seller Land is depicted on **Exhibit A** attached hereto and incorporated herein, and

**WHEREAS**, Purchaser is considering possible acquisition and development of a portion of Seller Land as a solar power generating facility ("Project").

**WHEREAS**, Seller has agreed to give Purchaser an exclusive right and option ("Option") to purchase a portion of Seller Land consisting of not less than 30 acres and up to a maximum of 200 acres ("Property"), as generally depicted on **Exhibit B**. The exact location and boundaries of the Property shall be subject to Seller's and Purchaser's approval in accordance with the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the rent to be paid, and other good and valuable consideration, the legal sufficiency of which is hereby acknowledged by the Parties hereto agree as follows:

**ARTICLE 1 – OPTION**

**1.1 Option.** Seller hereby grants to Purchaser the Option to purchase the Property and consummate Closing (as defined below).

**1.2 Initial Option Term and Initial Option Consideration.** The Agreement shall have an "Initial Option Term" commencing on the Effective Date and expiring upon the date that is one (1) year after the Effective Date. Purchaser shall pay to Seller the "Initial Option Consideration" sum of One Thousand and No/100 Dollars (\$1,000.00) for the Option. Payment shall be non-refundable. In the event Purchaser exercises the Option in accordance with the terms set forth herein, the payment shall be credited against the Purchase Price at Closing.

**1.3 Extended Option Term and Extended Option Consideration.** Purchaser may, in its sole discretion for any reason, extend the Initial Option Term for an additional one (1) year ("Extended Option Term"), upon written notice to Seller and payment directly to Seller of the "Extended Option Consideration" sum of One Thousand, Five Hundred and No/100 Dollars (\$1,500.00). Extended Option payment shall be non-refundable. In the event Purchaser exercises the Option, the Extended Option payment shall be credited against the Purchase Price

at Closing. The Initial Option Consideration and the Extended Option Consideration are collectively referred to herein as "Option Consideration". The Initial Option Term, and if extended the Extended Option Term, are collectively referred to herein as the "Option Term".

**1.4 Exercise of Option.** Purchaser may in its sole discretion for any reason exercise the Option at any time prior to the expiration of the Option Term. Purchaser shall exercise the Option by giving written notice to Seller ("Option Notice"). The Option Notice shall contain the date, time and place of Closing, which Closing shall occur not less than thirty (30) days after the date of the Option Notice.

**1.5 Termination of Option.** Purchaser may, in its sole discretion for any reason or no reason at all, terminate this Agreement and the Option by written notice to Seller delivered at any time during the Option Term, in which event the parties shall have no further obligations under this Agreement. If Purchaser does not so terminate this Agreement, this Agreement shall continue in full force and effect.

## **ARTICLE 2 – PROPERTY AND SURVEY**

**2.1 Survey.** Prior to the expiration of the Option Term, Seller and Purchaser shall work cooperatively to agree on the specific location and configuration of (i) the Property, and (ii) a right of way for access to and from the Property ("Access Easement"). Based on the parties' agreement on the location and configuration of the Property and Access Easement, Purchaser shall cause a boundary Survey and Subdivision Plat of the Property to be prepared by a New Mexico licensed surveyor, which shall conform to the Minimum Standards for Surveying in New Mexico.

If after good faith, reasonable efforts the parties fail to agree on the specific configuration of the Property, the Survey, the Subdivision Plat, and/or the Access Easement during the Option Term, then either party may terminate this Agreement by written notice delivered to the other party given any time before the parties have agreed on the configuration of the Property and Access Easement, in which event the parties shall have no further obligations under this Agreement.

**2.2 Legal Sufficiency of Property Description.** Seller and Purchaser acknowledge that the general depiction of the Property attached to this Agreement on the Effective Date may be legally insufficient. Seller and Purchaser confirm to one another that, notwithstanding any insufficiency, the parties desire to enter this Agreement. Therefore, Seller and Purchaser agree that (i) they are experienced in transactions of the nature provided for in this Agreement, (ii) in fact, they are thoroughly familiar with the location of the Seller Land and area of the Property, (iii) each party waives any and all claims or defenses of an insufficient legal description in a cause of action for specific performance hereunder, and (iv) upon approval by Seller and Purchaser of the Survey, the metes and bounds description of the Property prepared by the surveyor shall be substituted for **Exhibit B** and shall become the final legal description of the Property.

**2.3 Memorandum of Option.** Upon agreement on the legal description of the Property as described in Paragraph 2.1, Seller and Purchaser shall execute a "Memorandum of Option" and a "Release of Option" in the forms attached hereto as **Exhibit C** and **Exhibit D** respectively. The

Memorandum shall promptly be recorded in the records of Doña Ana County, New Mexico. The Release of Option shall be held in escrow by the Title Company (as defined below). Upon receipt by Title Company of an affidavit signed by both Seller and Purchaser, stating, that the Option has terminated or expired in accordance with the terms of this Contract, Title Company shall deliver the Release of Option to Seller for recordation.

### **ARTICLE 3 – PROJECT APPROVALS**

**3.1 Subdivision.** Seller, at its sole cost and expense, shall use commercially reasonable efforts to process the Survey and Subdivision Plat of the Property, including dedication of the Access Easement, and take any other actions reasonably necessary to obtain the approval and recordation thereof. In processing the Subdivision Plat, Seller shall use commercially reasonable efforts to complete the objectives in accordance with the completion dates established in the schedule set forth as **Exhibit E** and incorporated herein. Seller shall provide Purchaser with copies of all submittals made for the Approvals.

**3.2 City Ordinance.** Seller shall use commercially reasonable efforts to seek adoption by the City of Las Cruces of the ordinance authorizing the sale and purchase of the Property in accordance with this Agreement, unless a referendum election is held pursuant to 3-54-1 NMSA 1978, as amended (“Ordinance Adoption”).

**3.3 Approval Contingency.** It shall be a condition of Purchaser’s obligation to Close on the purchase of the Property that the (i) Subdivision Plat shall has been recorded in the appropriate public records, and (ii) the Ordinance Adoption has been obtained (collectively, “Approval Contingency”). Purchaser shall use commercially reasonable efforts to cooperate with Seller’s efforts to satisfy the Approval Contingency. Seller shall keep Purchaser reasonably informed as to the status of the Approval Contingency, including providing Purchaser with reasonable advance written notice of all scheduled meetings and hearings before the Planning and Zoning Commission and providing Purchaser, upon Purchaser’s request, with copies of any plans, studies, development proposals (or modifications), applications and other submittals in advance of such submittal to the applicable governmental authority. Purchaser’s representative may attend all such scheduled meetings with staff and hearings before the Planning and Zoning Commission. In addition, Seller shall respond to Purchaser’s reasonable requests for information concerning the status of Seller’s efforts to satisfy the Approval Contingency. In the event the Approval Contingency has not been obtained prior to the expiration of the Option Term, the Option Term shall be tolled on a day for day basis until such approvals are obtained.

Notwithstanding anything to the contrary contained herein, in the event the Approval Contingency is not obtained by \_\_\_\_\_, Purchaser may, in its sole discretion, terminate this Agreement and the Option by written notice to Seller in which event the parties shall have no further obligations under this Agreement. If the failure to obtain such Approvals is due to Seller’s breach of its obligation under this Agreement, then Purchaser shall also be permitted to exercise its remedies.

**3.3 Interconnection Approval.** Purchaser, at its sole cost and expense, shall use commercially reasonable efforts to obtain approval for the Project during the interconnection

study process ("Interconnection Approval"). Notwithstanding anything to the contrary contained herein, in the event Interconnection Approval is not obtained by \_\_\_\_\_, Purchaser may, in its sole discretion, terminate this Agreement and the Option by written notice to Seller in which event the parties shall have no further obligations under this Agreement.

#### ARTICLE 4 –PROPERTY INFORMATION

**4.1 Right of Entry.** During the Option Term, Purchaser, its employees, agents and independent Contractors shall have full and complete access to the Property to evaluate, conduct, perform field inspections, invasive soil and water testing, environmental audits, engineering and boundary surveys, topographical, structural and geo-technical tests, and such other tests and inspections (collectively, "Tests and Investigations") of the Property which Purchaser may deem necessary or advisable in its sole discretion. However, with regard to invasive soil and water testing, Purchaser shall provide Seller reasonable advance notice of same. Purchaser has the right, but not the obligation, to perform Tests and Investigations. Purchaser shall have the right to use for ingress and egress the Seller Land (including, without limitation the Property) and any other land or easement rights owned by Seller to access the Property. With respect to this right of entry, the Parties agree as follows:

(i) Purchaser and Purchaser's employees, agents and independent contractors shall have access to the Property twenty-four (24) hours a day, seven (7) days a week without notice to Owner and at no additional charge.

(ii) Purchaser agrees to be responsible for any and all cost related to the permitted activities, including installation on and operation and removal of equipment on the Property.

(iii) Seller consents and agrees that Purchaser may make and file applications, at Purchaser's sole cost and expense, on Seller's behalf to such applicable governmental authority whose approval may be necessary or advisable to enter the Property to perform said activities, and to take any actions in furtherance of Purchaser's ability to proceed with timely implementation of the Project. Seller shall promptly execute any such application or other documentation and attend hearings, as required by said governmental authority, or as would reasonably assist Purchaser.

**4.2 Property Information.** Within 2 business days after the Effective Date, to the extent in Seller's possession, Seller shall provide Purchaser with copies of the following materials (collectively, "Property Information"):

(i.) Any environmental, soils and engineering reports prepared for Seller related to Seller's Land;

(ii.) Legible copies of any existing surveys or plats of Seller's Land;

(iii.) Legible copies of all licenses, permits, variances, any agreements with or pending applications to any governmental authority and any approvals issued by governmental authority with respect to Seller's Land;

(iv.) Legible copies of all covenants, conditions and restrictions; prior title policies; maps; natural resource and biological studies and reports; environmental impact reports and/or negative declaration reports; government zoning letters; specific plans and conditions of approval; "will-serve" letters; development agreements; all material relating to earthquake faults and flood zones; all service, maintenance, management, brokerage, consulting, advertising and other agreements; all licenses, permits, certificates, utility bills and similar records; any other existing contractual obligations; and any additional agreements between Seller and community residents that may obligate Purchaser in any way; and

(v.) All other tests, surveys, development budgets, Agreements, agreements, reports, studies, maps, plans, records, correspondence and other materials relating to the Seller's Land in Seller's possession or reasonable control.

Seller makes no representations or warranties as to the accuracy or completeness of the Property Information except that Seller represents and warrants that (i) copies of any of the Property Information are true, correct and complete copies of what they purport to be, and (ii) Seller has no actual knowledge of any omissions and/or misstatement of facts in connection with, or set forth within, the Property Information.

#### **ARTICLE 5 – TITLE**

**5.1 Title Commitment.** Within 15 days after the Effective Date of this Agreement, Seller shall cause to be delivered to Purchaser a New Mexico ALTA (2006) form title commitment ("Title Commitment"), issued by the Title Company covering Seller's Land, together with legible copies of all documents referenced in the Title Commitment. Within 10 days after approval and recordation of the Subdivision Plat of the Property, Seller shall cause an updated Title Commitment for the Property to be delivered to Purchaser.

**5.2 Title Review and Cure.** During the Option Period, Purchaser shall review title to the Property as disclosed by the Title Commitment and the Survey. Seller shall have no obligation to cure title objections except (i) monetary liens by or through Seller and all delinquent taxes and interest and penalties, and (ii) any exceptions or encumbrances to title other than the Access Easement, the Subdivision Plat and any easements or encumbrances relating thereto that are voluntarily created by Seller after the date of the Title Commitment without Purchaser's consent, which consent shall not be unreasonably withheld, conditioned or delayed (collectively, "Seller's Liens"). Seller shall cause Seller's Liens be satisfied at the Closing and released, if monetary or removed prior to Closing, if non-monetary. Notwithstanding anything to the contrary contained herein, Purchaser may terminate this Agreement if the Title Company revises the Title Commitment after the expiration of the Option Term to add or modify exceptions if such additions or modifications are reasonably not acceptable to Purchaser and are not removed or insured over by the Closing Date to Purchaser's reasonable satisfaction. Seller agrees deliver to Title Company, in sufficient time for the Closing, a customary form of owner's affidavit and indemnity for mechanics' liens and such organizational documents and authority documents as the Title Company may reasonably request in order to issue the Title Policy, as defined below.

#### **ARTICLE 6 - TAXES**

Purchaser shall pay any and all real property taxes and assessments which may be imposed on the Property for any period after the Closing; and (b) Seller shall pay any and all real property taxes and assessments which may be imposed on the Property for any period before the Closing.

#### **ARTICLE 7 – INDEMNIFICATION**

Purchaser shall indemnify, defend and hold Seller, and Seller's partners, directors, officers, agents and employees, successors and assigns, harmless from and against all claims, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' and consultants' fees, costs and expenses) arising from the Purchaser's breach of any term or condition of this Agreement or from the negligence or willful misconduct of Purchaser or its agents, employees or Contractors in or about the Property. The duties described in this section apply as of the

Effective Date of this Agreement and survive the termination of this Agreement. To the extent, if at all, a court of competent jurisdiction determines that Section 56-7-1 NMSA 1978 applies to any indemnification provisions in this Agreement, including certain types of insurance coverage as set forth in Section 56-7-1 NMSA 1978, such provisions shall not extend to liability, claims, damages, losses or expenses, including attorney fees, arising out of bodily injury to persons or damage to property caused by or resulting from, in whole or in part, the negligence, act or omission of the indemnitee or additional insured, as the case may be, its officers, employees or agents and shall further be modified, if required, by the provisions of Section 56-7-1(B) NMSA 1978.

#### **ARTICLE 8 – CONDEMNATION AND DESTRUCTION OF PROPERTY**

**8.1 Complete Taking.** If, at anytime prior to Closing, the whole of the Property is taken for any lawful power or authority by the exercise of the right of condemnation or eminent domain, including any such taking by “inverse condemnation,” then this Agreement shall terminate, in which event the parties shall have no further obligations under this Agreement.

**8.2 Partial Taking.** If, at anytime prior to Closing, a portion of the Property, or other access way which is reasonably necessary for access to the Property, is taken for the purposes set forth in this Article, Purchaser shall have the right in its sole discretion to either (i) terminate this Agreement, in which event the parties shall have no further obligations under this Agreement, or (ii) waive its right to terminate, in which event the Seller shall pay or assign to Purchaser the right to receive the condemnation award or consideration for a deed in lieu of condemnation attributable to the affected portion of the Property.

#### **ARTICLE 9 - ASSIGNMENT AND SUBLETTING**

Purchaser may assign this Agreement (“Assignment”) with the prior written consent of Seller which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained in this Agreement, Purchaser, without the prior consent of Seller, may assign this Agreement to any other company directly or indirectly controlling, controlled by or under common control with Purchaser, or an affiliate, subsidiary or parent of Purchaser or a subsidiary or affiliate of Purchaser's parent. Seller shall have thirty (30) days within which to approve or disapprove any assignment requiring Seller's approval as set forth herein, and the failure of Seller to approve or disapprove within said period shall be deemed a disapproval of the assignment, provided that such consent is not being unreasonably withheld, conditioned or delayed. Any permitted Assignment shall relieve Purchaser of all future performance, liabilities, and obligations under this Agreement.

#### **ARTICLE 10 – REPRESENTATIONS AND WARRANTIES**

**10.1 Seller Representations and Warranties.** Seller hereby represents, warrants, agrees and covenants to Purchaser that, to the best of its knowledge:

(i) No underground storage tanks for petroleum or any other substance, or underground piping or conduits are or have previously been located on the Property, and no asbestos-containing thermal insulation or products containing PCB, formaldehyde, chlordane, or heptachlor or other Hazardous Materials have been placed on or in any structure on the Property

by Seller or, to the knowledge of Seller, by any prior Seller or user of the Property, and there have been no release of or contamination by Hazardous Materials on the Property. Seller has provided Purchaser with all environmental studies, records and reports in its possession or control conducted by independent contractors, or Seller and all correspondence with any governmental entities concerning environmental conditions of the Property, or which identify underground storage tanks or otherwise relate to contamination of the soil or groundwater of the Property or effluent into the air. As used herein, "Hazardous Materials" means any substance designated as being under any applicable federal, state or local statutes, ordinances, codes, regulations, decrees, orders, laws, rulings, judgment or other governmental or judicial requirements.

(ii) Seller has not received notice of or been served with any pending or threatened litigation, condemnation, foreclosure or sale in lieu thereof with respect to any portion of the Property relating to or arising out of the ownership of the Property by any person, company or governmental instrumentality, and the Property has lawful and valid access from the Property to existing public highways and roads, and sewer, electrical or other utility services, and all utilities which serve the Property enter the Property through adjoining public streets or, if they pass through an adjoining private tract, do so in accordance with valid public easements, which easement(s) shall be sufficient for the purposes of Purchaser.

(iii) Seller has taken no action or failed to take actions that would cause a material increase in real Seller Land taxes or additional assessments on the Property prior to Closing. Seller is in compliance with the requirements of New Mexico Statutes and the Las Cruces Municipal Code and has authorization to sell the Property.

(iv) Seller has no knowledge (i) if any of the Property is within any area determined to be flood prone or within a flood zone under Federal designation; (ii) of the severance of any mineral rights and access rights related thereto; or (iii) of the existence of any archeological materials, graves, burial sites, buildings, foundations, wetlands or endangered or protected species.

(v) Other than Seller, there are no other persons or entities having legal or beneficial title or ownership interests or possessor rights to the Property. Seller has the full legal right, power and authority, without the consent of additional parties or party, to enter into this Agreement and to perform, its obligations hereunder and the execution and delivery of this Agreement and the consummation of all transactions contemplated hereby have been duly authorized and will not result in a breach or violation of, or a default under, any Agreement (or other document) by which Seller or its properties are bound, or any law, administrative regulation, or court decree in a manner which could materially and adversely affect the rights of Seller hereunder. The person executing this Agreement on behalf of Seller has full power and authority to bind Seller to the obligations of Seller set forth herein, and upon execution and delivery of the same, this Agreement will constitute valid and binding instruments enforceable in accordance with their terms. The entry into and performance of Seller's obligations under this Agreement will not violate or result in a breach of any Agreement or agreement by which Seller is bound, the consequence of which violation would be to prevent the performance of Seller's obligations under this Agreement. No consent of any other party is required for the performance by Seller of its obligations hereunder.

(vi) Seller is a duly formed and validly existing entity and is qualified to do business in and in good standing under the laws of the State of New Mexico. There is no litigation or

injunctive action or proceeding pending or, to the best of Seller's knowledge, threatened against Seller which would prevent the performance of Seller's obligations under this Agreement.

(vii) Seller is not bankrupt or insolvent under any applicable federal or state standard, and Seller has not filed for protection or relief under any applicable bankruptcy or creditor protection statute and has not been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute.

(viii) Seller is not entering into the transactions described in this Agreement with an intent to defraud any creditor or prefer the rights of one creditor over any other. Seller and Purchaser have negotiated this Agreement at arms' length and the consideration paid represents fair value for the assets to be transferred.

(ix) To Seller's knowledge, there are no liens (including without limitation, mechanics liens), claims, encumbrances, easements, covenants, conditions, restrictions or other matters of record affecting title to the Seller's Land which are not disclosed in the Title Commitment. To Seller's knowledge, no endangered species or protected natural habitat, flora or fauna located on the Seller's Land or the Property. Seller has no knowledge of any seismic or geological safety problems relating to the Property, any recent seismic activity affecting the Seller's Land or any active fault bisecting, underlying or adjacent to the Seller's Land. Seller has no knowledge that any part of the Seller's Land contains any archeological material, graves or burial sites, or any buildings, foundations or other material or contents of archeological or historical significance.

(x) There are no licenses, leases or service Agreements that will affect the Seller's Land or the Property following Closing. Until Purchaser acquires fee simple title to the same, Purchaser shall not create or attempt to create against or upon any portion of the Property any lien or other encumbrance superior to the rights of Seller under this Agreement.

The representations and warranties described in this Section 10.1 apply as of the Effective Date of this Agreement and survive the termination of this Agreement.

**10.2 Purchaser Representations and Warranties.** Purchaser hereby represents, warrants, agrees and covenants to Seller:

(i) Purchaser is a limited liability company duly formed, validly existing in Delaware and is in good standing with the State in which the Property is located. Purchaser has the full legal right, power and authority, without the consent of additional parties or party, to enter into this Agreement and to perform, its obligations hereunder and the execution and delivery of this Agreement and the consummation of all transactions contemplated hereby have been duly authorized.

(ii) Purchaser is not bankrupt or insolvent under any applicable federal or state standard, and Purchaser has not filed for protection or relief under any applicable bankruptcy or creditor protection statute and has not been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute.

(iii) Purchaser is not entering into the transactions described in this Agreement with an intent to defraud any creditor or prefer the rights of one creditor over any other. Seller and Purchaser have negotiated this Agreement at arms' length and the consideration paid represents fair value for the assets to be transferred.

The representations and warranties described in this Section 10.2 apply as of the Effective Date of this Agreement and survive the termination of this Agreement.

**ARTICLE 11 - NOTICES AND DEMANDS**

**11.1 Notice to Seller.** Notices to Seller and rent shall be delivered to:

City of Las Cruces  
PO Box 20000  
Las Cruces NM 88004  
Attention: City Manager

With one copy to  
City of Las Cruces  
PO Box 20000  
Las Cruces NM 88004  
Attention: Airport Manager

or at such other address as shall be designated by Seller in writing by notice to Purchaser.

**11.2 Notice to Purchaser.** Notices to Purchaser shall be delivered to:

SunEdison  
c/o SunEdison  
12500 Baltimore Avenue  
Beltsville, MD 20750  
Attention: Jared Schoch  
with one copy to:  
SunEdison  
12500 Baltimore Avenue  
Beltsville, MD 20705  
Attention: Vice President of Sales  
and one copy to:  
SunEdison  
12500 Baltimore Avenue

Beltsville, MD 20705  
Attention: General Counsel

And one copy to:  
Shulman, Rogers, Gandal, Pordy &  
Ecker, P.A.  
12505 Park Potomac Avenue  
Sixth Floor  
Potomac, Maryland 20854  
Attention: Samuel M. Spiritos

or at such other address as shall be designated by Purchaser in writing by notice to Seller.

**11.3 Notice.** Unless otherwise provided for herein any notice provided for in this Agreement shall be hand delivered, sent by registered or certified U.S. Mail, postage prepaid, with return receipt requested, or by commercial overnight delivery service and shall be deemed delivered to the addressee or its office when received at the address for notice specified above when hand delivered, and on the business day after being sent when sent by overnight delivery service (Saturdays, Sundays and legal holidays excluded), or five (5) business days after deposit in the mail when sent by U.S. mail.

**ARTICLE 12 – CLOSING AND PURCHASE PRICE**

**12.1 Closing.** The closing of the sale and conveyance of the Property (the “Closing”) shall occur at \_\_\_\_\_ (the “Title Company”). Seller and Purchaser shall each pay one-half (1/2) of all state, county and local transfer and recordation taxes. Seller shall be solely responsible for the cost of the Title Commitment, the title policy premium and recording releases for Seller’s Liens. The risk of loss or damage to the Property by fire or other casualty is assumed by Seller until the Special Warranty Deed of conveyance is delivered. Each Party shall pay its own attorney’s fees.

**12.2 Purchase Price.** The "Purchase Price" for the Property shall be Eight Thousand and No/100 Dollars (\$8,000.00) per acre.

**12.3 Closing Deliverables.**

(i) At least one business day prior to the Closing Date, Seller shall deliver to the Title Company a statutory form Special Warranty Deed conveying to Purchaser fee simple title to the Property (or portion thereof purchased by Purchaser), subject only to the permitted exceptions set forth in this Agreement, executed and acknowledged by Seller, an easement agreement for the Access Easement, if private, in a mutually acceptable form, executed and acknowledged by Seller; and a FIRPTA Affidavit.

(ii) Seller and Purchaser shall sign customary settlement statements on or before the Closing. The net Purchase Price due to Seller shall be paid by the Title Company to Seller upon recording of the Special Warranty Deed, in accordance with Seller's settlement statement. Seller shall be responsible for furnishing the instruments releasing any Seller's Lien on the Property. Seller shall pay the cost to record any such instruments, one-half of the Title Company's escrow fees, the premium for a base New Mexico ALTA (2006) Owner's Title Policy and Seller's pro rata share of real estate taxes and assessments. Purchaser shall pay the recording fees for the Special Warranty Deed, the premium for deletion of any standard exceptions to such Owner's Title Policy, the premium for any endorsements to the Title Policy, one-half of the Title Company's escrow fees and Purchaser's pro-rata share of real estate taxes and assessments. For purposes of this Agreement, the "Title Policy" shall mean a New Mexico 2006 ALTA underwritten by First American Title Company in the amount of the Purchase Price paid by Purchaser showing Purchaser as the named insured with endorsements deleting arbitration provisions and such additional endorsements that Purchaser requested and the Title Company agreed to issue during the Initial Option Period, subject only to the Permitted Exceptions.

**ARTICLE 13 - DEFAULT**

**13.1 Events of Default by Purchaser.** If Purchaser exercises the Option and Seller has performed or tendered performance of all of Purchaser's covenants and agreements herein set forth, and Purchaser then fails or refuses to consummate this Agreement or perform its obligation to purchase the Property from Seller (subject to the terms and conditions herein) then Seller may, at its option, terminate this Agreement, retain the Option Consideration as liquidated damages for Purchaser's default.

**13.2 Events of Default by Seller.** If Purchaser exercises the Option and Purchaser has performed or tendered performance of all of Purchaser's covenants and agreements herein set forth, and Seller then fails or refuses to consummate this Agreement or perform its obligation to sell and convey the Property to Purchaser (subject to the terms and conditions herein) then Purchaser may, at its option, exercise one of the following remedies: (i) terminate this Agreement and receive a refund of the Option Consideration together with all actual out-of-pocket expenses incurred by Purchaser in connection with this Agreement and its investigation of Seller's Land, or (ii) if such default consists of Seller's failure to discharge a Seller's Lien, after 5 days' written notice to Seller, cure such default by paying the debt (or portion thereof) secured by such lien and crediting the amount of such payments against the Purchase Price of the

Property or portion thereof being purchased by Purchaser, or (iii) if such default consists of Seller's failure to satisfy a condition to Closing that is Seller's obligation to satisfy, extend the Closing date for such period of time as Purchaser deems appropriate in its sole discretion to allow Seller to satisfy such conditions, or (iv) elect to treat this Agreement as being in full force and effect and Purchaser shall have the right to an action for specific performance and/or damages.

**13.3 Notice and Cure.** Seller or Purchaser shall give written notice of default (which notice shall specify the nature of such default) prior to exercising any of the above remedies. The party in default shall have ten (10) days after receipt of the notice of default to cure such default or to obtain the non-defaulting party's approval of a cure plan, which may be approved or disapproved in the non-defaulting party's sole discretion.

**13.4 Negative Recall Referendum.** Notwithstanding anything to the contrary contained herein, in the event Seller defaults in the performance of its obligations set forth in this Agreement solely as a result of the passage of a negative recall referendum pursuant to 3-54-1 NMSA 1978, as amended, this Agreement shall be automatically terminated and Seller shall have no further liability.

#### **ARTICLE 14 - GENERAL PROVISIONS**

**14.1 Binding on Successors.** This Agreement, and the rights and obligations of the Parties hereto, shall be binding upon and inure to the benefit of the Parties and their respective successors, heirs, executors, administrators and assigns.

**14.2 Severability.** If any provision of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining provisions of this Agreement shall not be affected thereby and shall remain in force and effect to the full extent permissible by law.

**14.3 Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and shall supersede all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties, oral or written. The foregoing sentence shall in no way affect the validity of any instrument executed by the Parties in the form of the exhibits attached to this Agreement. This Agreement shall not be modified or amended unless such modification and/or amendment is in writing and signed by both Parties. Time is of the essence with respect to all the terms, conditions and provisions of this Agreement.

**14.4 Recitals and Captions.** The captions used in this Agreement are inserted as a matter of convenience only, and in no way define, limit or describe the scope of this Agreement or the intentions of the Parties hereto, and shall not in any way affect the interpretation or construction of this Agreement. The Recitals set forth above are hereby incorporated and made part of this Agreement.

**14.5 No Waiver.** Any waiver by any Party shall be in writing and shall not be construed as a continuing waiver. No waiver will be implied from any delay or failure to take action on account of any default by any Party. Consent by any Party to any act or omission by another Party shall

not be construed to be a consent to any other subsequent act or omission or to waive the requirement for consent to be obtained in any future or other instance.

**14.6 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico. The Parties agree that in the event of a dispute in connection with this Agreement, the courts of Dona Ana County shall have jurisdiction.

**14.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which when taken together shall constitute but one and the same original.

**14.8 Further Assurances.** The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement. Seller agrees to execute such further documentation as may reasonably be requested by a third party providing financing to Purchaser.

**14.9 Due Authorization.** Each person executing this Agreement on behalf of Seller and Purchaser, respectively, warrants and represents that the party for whom he or she is acting has been duly formed, is in good standing, and has duly authorized the transactions contemplated herein and the execution of this Agreement by him or her and that, when so executed, this Agreement shall constitute a valid and binding obligation of the party on whose behalf it is so executed.

**14.10 Relationship of Parties.** Nothing contained in this Agreement shall be deemed to create a partnership or joint venture between Seller and Purchaser. Seller and Purchaser's relationship in this Agreement shall be deemed to be one of Seller and Purchaser only.

**14.11 Attorneys' Fees.** In the event of any litigation arising out of or relating to this Agreement, or the breach or performance of it, the prevailing Party shall be entitled to recover reasonable attorneys fees incurred in connection therewith.

**14.12 Incorporation of Exhibits.** All exhibits attached to this Agreement are hereby incorporated herein as though set forth in full in this Agreement itself.

**14.13 Construction.** The Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing the Agreement to be drafted.

**14.14 Reporting Person.** The Title Company is hereby designated as the Reporting Person (as defined in Section 6045(e) of the Code and the regulations promulgated thereunder) as permitted by Treasury Regulation Section 1.6045-4(e)(5).

Signature page(s) follow



**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date and year hereinabove first written.

**SELLER:**  
**City of Las Cruces, a New Mexico municipal corporation**

\_\_\_\_\_  
**Ken Miyagishima, Mayor**

\_\_\_\_\_  
**Date**

**PURCHASER:**

**SunE EPE1, LLC, a Delaware limited liability company**

\_\_\_\_\_  
**By Jared Schoch**

\_\_\_\_\_  
**Date**

**EXHIBIT A  
LEGAL DESCRIPTION OF SELLER LAND**

**EXHIBIT B**  
**LEGAL DESCRIPTION OF PROPERTY**  
**Property Description:**

**EXHIBIT C**

**MEMORANDUM OF OPTION**

**EXHIBIT D  
RELEASE OF OPTION**

**EXHIBIT E  
SCHEDULE**

APPRAISAL OF  
100 TO 200 ACRES IN THE  
WEST MESA INDUSTRIAL PARK  
LAS CRUCES, NEW MEXICO

AUGUST 25, 2010

FOR  
CITY OF LAS CRUCES  
MS. CHRISTINE LOGAN  
ECONOMIC DEVELOPMENT ADMINISTRATOR  
PO BOX 20000  
LAS CRUCES, NM 88004

BY  
HARRY L. HANSEN, MAI, SRA  
HANSEN REAL ESTATE APPRAISALS, INC.  
545 S. MELENDRES, SUITE D  
LAS CRUCES, NM 88005

# SUMMARY APPRAISAL REPORT

**SUBJECT:**

100 to 200 unimproved acres in the West Mesa Industrial Park in the City of Las Cruces, NM.

**PURPOSE OF THE APPRAISAL:**

The purpose of this appraisal is to estimate the market value, as defined, of the subject property, as of the effective date of the appraisal. The estimated market value provides the basis for estimating a fair lease rate which is estimated by capitalizing the estimated value at an appropriate overall rate. The real estate interest being appraised is that of ownership in fee simple. The property is appraised as if free and clear, and as if without liens and encumbrances.

**INTENDED USE OF REPORT:**

This appraisal is intended to assist the client in negotiating a lease.

**CLIENT AND INTENDED USERS:** City of Las Cruces.

**EFFECTIVE DATE OF VALUE:** August 25, 2010.

**DATE OF REPORT:** August 25, 2010.

**MARKET VALUE ESTIMATE:** \$8,000.00 PER ACRE

**LEASE VALUE ESTIMATE:** \$640.00 PER ACRE PER YEAR.

**RECENT OWNERSHIP HISTORY:**

The subject property is not currently under any agreement of sale and has not been previously sold within the past three years.

**REASONABLE EXPOSURE TIME:** One to three years.

  
 HARRY L. HANSEN, MAI, SRA

**DEFINITION OF MARKET VALUE:**

"Market Value" as defined in the Uniform Standards of Professional Appraisal Practice, by The Appraisal Foundation.

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what he considers his own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**APPRAISAL DEVELOPMENT AND REPORTING PROCESS:**

Data used in this report was collected and confirmed from local sources only. This report does not use data from other cities, counties or states and no comparisons were made of the subject property or its environs with other market areas. The appraiser has inspected the subject property. The appraiser has inspected the exterior of all comparable sale properties. The appraiser has inspected the comparable sale properties. The Sales Comparison Approach to value is the only approach considered for use in this vacant land appraisal. The estimated market value provides the basis for estimating a fair lease rate which is estimated by capitalizing the estimated value at an appropriate overall rate. The value being sought and the real estate interest being appraised is set forth in the Purpose of the Appraisal.

This Summary Appraisal Report is a brief recapitulation of the appraiser's data, analyzes, and conclusions. Supporting documentation is retained in the appraiser's file.

**IDENTIFICATION OF THE APPRAISED PROPERTY:**

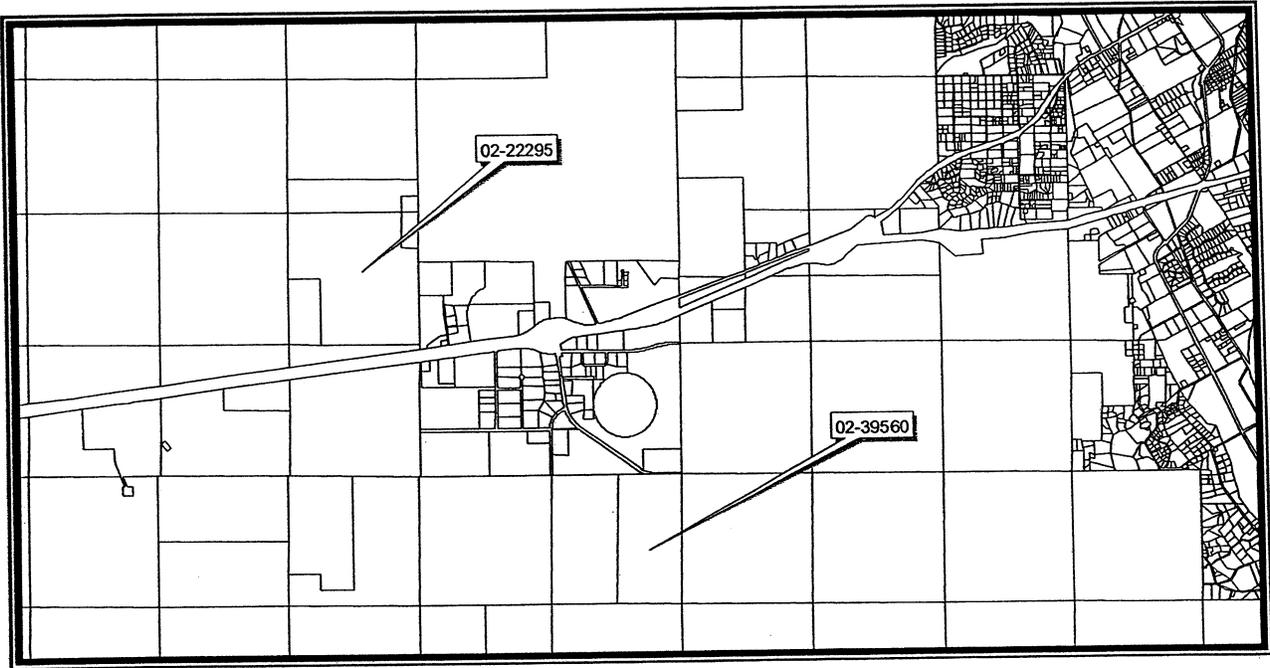
Type of Property: Undeveloped west mesa land.

Location: West Mesa Industrial Park.

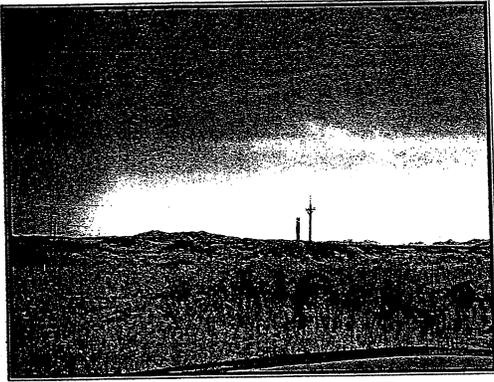
Legal Description: To be determined.

The subject is part of Doña Ana County Assessor Parcel Numbers 02-22295 and 02-39560.

<u>Parcel No.</u>	<u>Size in Acres</u>	<u>Assessed Value/Acre</u>
02-22295	540	\$200.00
02-39560	320	\$1,000.00



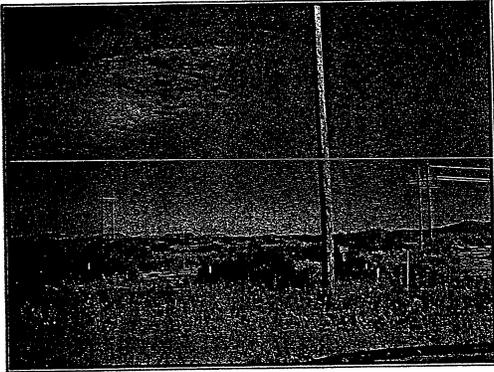
PROPERTY LOCATION MAP



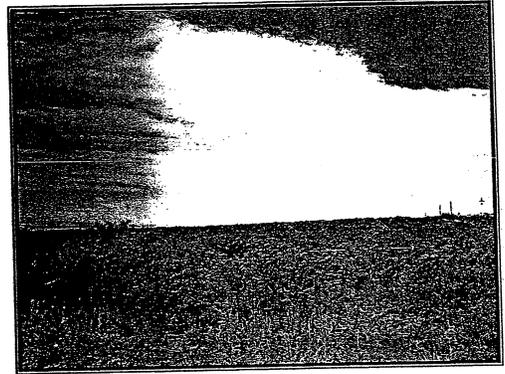
WMIP East of Armory Looking Northerly



WMIP South of I-10 looking Southerly



WMIP North of I-10 and East of Armory



WMIP South of I-10 Looking Westerly

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**LOCATION DESCRIPTION:**

**Geographic Influences:**

Las Cruces, the county seat and major population center of Doña Ana County, in south-central New Mexico, is located in the Rio Grande Valley about 45 miles North of El Paso, Texas and Juarez, Mexico. Doña Ana County contains approximately 3,804 square miles. The wide level valley provides excellent farmland for the irrigated agricultural crops grown in the area. The valley is bound on the West by rolling desert and on the East by the Organ Mountains, with peaks above 8,500 feet. The elevation of the city is 3,800 feet.

The area has an arid continental climate characterized by moderately warm summers, mild winters and low rainfall. Average precipitation is approximately eight inches per year. Summer temperatures generally range 30 degrees bringing appreciable cooling at night. Daytime winter temperatures generally range between 50 and 60 degrees in the coldest months and night temperatures very rarely fall below zero. Humidity is low. Winds are usually light from the West except during late winter and spring. Las Cruces has an average growing season of 201 days, from April 10 to October 28. The area normally experiences from 75 to 80 percent of the sunshine possible each day.

**Population:**

The population of Las Cruces and Doña Ana County has increased as indicated below, according to the Las Cruces Community Profile, United States Census Bureau, and the Las Cruces Chamber of Commerce. The population of the City of Las Cruces has increased approximately 18.4% over the past decade while the entire county has increased 29%. At this rate, the population of Doña Ana County is estimated to be 225,500 by the year 2,010. This continued growth should provide a stable demand for all types of real estate in the foreseeable future.

The following table details the population growth in the City of Las Cruces and Doña Ana County from 1950 to 2000.

Year	Las Cruces	Doña Ana County
1950	12,325	39,557
1960	29,367	59,948
1970	37,857	69,773
1980	45,086	96,340
1990	62,126	135,510
1994	71,045	155,466
2000	73,539	174,682
2004	79,524*	186,095
2006		193,888*

\*US Census Bureau estimates.

**Economic Base:**

For the Doña Ana County Area, the main employment activities include agriculture and the area's largest employer, state and federal government. New Mexico State University located in Las Cruces has been an important factor attributing to area growth. According to the university registrar, the main campus fall semester enrollment for selected years is as follows:

Year	Fall Enrollment	Annual Percentage Change
1965	3,987	
1970	8,155	15.4%
1980	12,347	4.2%
1990	14,809	1.8%
2000	14,958	.1%
2005	16,072	1.4%
2008	17,198	2.3%
2009	18,497	7.6%

In addition to the main campus enrollment the Doña Ana Community College enrollment of 8,593 was a 7.5% increase over the previous year.

The NASA and White Sands Missile Range are two important government projects employing many community residents under civil service, contract, and armed forces categories. According to the New Mexico Department of Labor, the Doña Ana County civilian labor force was reported as 89,300, with 6.9% unemployment rate in September 2009. This is slightly lower than the 7.7% rate reported for the State of New Mexico. Of the 68,100 nonagricultural employment in September 2009 only 9.5% is involved in the production of goods. Total government employment of 21,800 comprises approximately 32% of the nonagricultural workforce. Doña Ana County Per Capita Income was \$17,984 in 2001 as compared to \$24,085 for the State of New Mexico. Median Household Income was \$30,740 in 2004.

**Government and Municipal Service:**

Las Cruces has a City Council, City Manager type of government with a Mayor elected at large. The city has a Municipal Planning Commission, Industrial Development Board and Municipal Zoning Commission. Municipal services include: law enforcement, fire department, water and sewer service, trash collection and natural gas service. Electric power is provided by the El Paso Electric Company and telephone service, provided by Qwest Communications is available to all parts of the community.





**Discussion of Sales:** The sales analyzed in this appraisal are similar in many respects to the subject and different in some characteristics. The various adjustment categories are as follows:

1. Terms of Financing.
2. Conditions of Sale.
3. Date of Sale (Market Conditions).
4. Legal Use (Zoning, Covenants).
5. Physical Characteristics.
6. Location.
7. Relative size of site.
8. Availability of supporting utilities.
9. Quality of access and exposure.

The adjustment criteria and the comparability of the subject and the comparables are discussed below.

**Terms of Financing** - The subject property is being appraised on a cash equivalent basis. Therefore if any of the sales were made under either favorable or unfavorable terms, an adjustment may be called for. An example of favorable buyer terms would be below market interest rates, a very small or no down payment or excessive discount points paid by the seller on behalf of the buyer. A downward price adjustment is usually indicated for favorable terms of sales. All sales analyzed were sold for cash or its market equivalent and therefore no adjustment was considered justified for terms of sale.

**Conditions of Sale** - This adjustment is made whenever there is evidence that the sale was not "arms length". That is to say either the buyer or seller was under other than typical motivation to buy or sell. No such conditions were indicated during confirmation of these sales. Therefore no adjustments were made.

**Date of Sale** - This adjustment is made to account for increases or decreases in property value over time due to differences in market conditions, supply and demand, etc. Prices for development ran up quickly in the period between 2000 and 2006 due to competition for new residential building sites. Demand for new homes dropped quickly in 2007 followed immediately by a corresponding drop in demand for development land tracts. No appreciation since 2007 is supported. The earlier years recorded price increases of 8% to 10% or more per year. Therefore only the sales prior to 2007 were adjusted for date of sale.

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**Band of Investment Method:**

Mortgage	75%	X	7.984%	=	0.0599	
Equity	25%	X	8.00%	=	0.0200	
			Total =	0.0799	Say 8.00%	

The band of investment method is used to select a supportable overall capitalization rate. The band of investment method weighs the requirements of the debt service typical for this type of property together with the equity dividend rate estimated to be necessary to attract equity capital to this type of investment. The 7.984% mortgage rate is the rate necessary to meet the debt service, (interest and principal reduction) on a loan amortized for 30 years at 7.0% interest rate. These rates are based upon quotes from lenders servicing the subject market area for the subject property or similar type properties. The 8% equity dividend rate is estimated based upon alternate long term securities rates and considering the other factors which lead to overall equity yield including equity build up through mortgage amortization and any property appreciation in the overall property value at the time of reversion.

Based upon the indications provided by this analysis I am concluding a rate of 8.0% to be a reasonable and supportable overall rate. The fair market lease rate is estimated by multiplying the market value by the overall rate.

\$8,000  
X .080  
\$640/acre

**Legal Use** - The difference in permitted uses and density of use for the subject and the sales is important in considering comparability. Generally properties with the same zoning are considered equal unless there is a protective covenant or other encumbrance restricting use. Properties with different zoning but the same general highest and best use are also considered similar. When differences in zoning or other limitations to use affect the reasons for purchasing a property or its density of use, then an adjustment is made. All sales were considered to be comparable to the subject in terms of legal use.

**Physical Characteristics** - The physical characteristics of the site including shape, topography, drainage, frontage, and soil conditions are important in considering the comparability of properties.

**Location** - Nothing affecting real estate value is more significant than the location of the property. Whenever possible sales are used that have similar location and neighborhood characteristics. The appraiser attempts to conclude whether the market recognizes that a property is superior, similar or inferior to another in terms of location characteristics.

**Size** - The relative size of a sale tract as compared to the subject may have an affect on the value. Typically, all other things being similar, a larger tract will sell for less per unit of sale, i.e. square foot or acre, than a smaller tract. Particularly if a tract is likely to be divided one or more times prior to its final use it will sell for less than a similar tract at a size typical of final highest and best use.

**Utilities** - The availability of supporting utilities is very important in analyzing the comparability of sales to the subject. Most land tracts require basic support utilities such as electricity, water, sewage treatment, and telephone prior to being utilized for any type of high-density use including residential. Adjustment must be made to account for the lack of a necessary utility and/or the cost of extending or providing it.

**Access** - The ease of access and amount of exposure can be very important criteria affecting the value of real property. Most of these sales had superior access.

**Conclusion** - Due to the lack of more recent sales along the west mesa, some sales in other areas were included.

I conclude a value of \$8,000/acre is a reasonable and supportable value based upon the available data. In order to estimate a fair lease rate for the subject I need to estimate an overall capitalization rate. In the income approach to value the value is estimated by dividing the net operating income "NOI" by the overall capitalization rate. Since I have estimated the market value by direct sales comparison I can estimate the fair lease rate by multiplying the value by the overall rate. Since there will not be any property tax liability for the City, insurance costs or management fees, the NOI and fair lease rate are considered the same.

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**LAND SALE NO. 1**

**Property Identification**

Record ID 85  
Property Type Residential development tract  
Property Name West Mesa Holding  
Address Las Cruces, Doña Ana County, New Mexico,  
Off South Fairacres Road, South of I-10  
Location 03-17509 & 03-17530  
Tax ID Part of Sections 28 & 33, T23S, R1E, NMPM

**Sale Data**

Grantor NZ New Mexico Land LLC  
Grantee West Mesa Holdings LLC  
Sale Date October 19, 2005  
Deed Book/Page 653/875-877  
Property Rights Fee simple  
Conditions of Sale Arms length  
Financing Cash to seller  
Verification Bill Boling, agent; Confirmed by Harry Hansen

Sale Price \$1,875,000

**Land Data**

Zoning EH, holding zone  
Topography This land lies in the transition area from valley  
Utilities None  
Shape Irregular  
Landscaping Native desert vegetation  
Flood Info Some small arroyos and dams

**Land Size Information**

Gross Land Size 309.731 Acres or 13,491,882 SF  
Front Footage 80 ft S Fairacres Road

**Indicators**

Sale Price/Gross Acre \$6,054  
Sale Price/Gross SF \$0.14

**Remarks**

This land was purchased for residential development speculation. It is likely to be annexed by the City in the near future. Access is limited to a half mile long 80' wide owned strip from South Fairacres Road. This development is dependent on city water and sewer service which is problematic and is not yet in the area. Access requires additional right-of-way at \$30,000/acre for about 40 acres.

LAND SALE NO. 2

Property Identification

Record ID 31  
 Property Name Organ Mesa Development  
 Address Dripping Springs and Soledad Canyon Road, Las Cruces, Doña Ana County, New Mexico  
 Tax ID #03-16378 & #03-16379  
 Legal Description Section 18 & 19, T23S, R3E

Sale Data

Grantor Tierra Linda, LTD  
 Grantee Organ Mesa Development LLC  
 Sale Date February 4, 2003  
 Deed Book/Page 445/1427-1429  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification John Curry - Developer; Other sources: Appraisal File #7004, MLS#702081

Sale Price \$819,450

Land Data

Zoning ER-3  
 Topography Gently Sloping with some natural arroyos  
 Utilities Moongate Water, septic system, propane gas  
 Shape Irregular  
 Flood Info Zone X - Panel 675

Land Size Information

Gross Land Size 182.100 Acres or 7,932,276 SF

Indicators

Sale Price/Gross Acre \$4,500  
 Sale Price/Gross SF \$0.10

Remarks

The purchase price is based on \$4,500 per acre and requires the purchasers to take down 182 acres first. The next 58 acres will be taken down in 18 months and the final 160 acres 18 months later all at \$4,500 per acre. The first of five phases will be developed with 42 residential lots containing on average 2.279 acres and an average building envelope of 0.893 acres. The subdivision will be known as Organ Mesa Ranch and will have asphalt paved roads with rollover concrete curbs. The lots will retail for \$90,000 on the average.

LAND SALE NO. 3

Property Identification

Record ID 83  
 Property Name Jackrabbit Exchange  
 Address Interstate 10 and Picacho Avenue, Las Cruces, Doña Ana County, New Mexico  
 Location West Mesa  
 Tax ID 03-01609  
 Legal Description North 1/2 Section 30, T23S, R1E

Sale Data

Grantor Bernard Given, Trustee  
 Grantee Bill & Renee Cupid  
 Sale Date January 12, 2006  
 Deed Book/Page 677/568-569  
 Property Rights Fee Simple  
 Marketing Time N/A  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Bill Cupid - Purchaser, December 7, 2005; Other sources: Appraisal File #7150; Confirmed by Scott Eschenbrenner

Sale Price \$800,000

Land Data

Zoning County  
 Topography Gently Sloping  
 Utilities All City services nearby  
 Shape Irregular

Land Size Information

Gross Land Size 130.090 Acres or 5,666,720 SF

Indicators

Sale Price/Gross Acre \$6,150  
 Sale Price/Gross SF \$0.14

Remarks

Purchased for speculation. It has been reported that the Governor will release funds in the near future to re-build this interchange and provide direct access to this parcel. Additionally, there has been discussion about creating a thoroughfare that connects this interchange 30 miles to the south at Santa Teresa. Time frame for this road is estimated at five years.

LAND SALE NO. 4

Property Identification

Record ID 67  
 Property Type Agricultural/development land  
 Property Name North Valley Estates  
 Address Radium Springs, Doña Ana County, New Mexico.  
 Location West of 185, N. Rio Grande  
 Tax ID 03-24838  
 Legal Description Parts of Sec 9 & 10, T21S, R1W, NMPM

Sale Data

Grantor Lois Preece  
 Grantee Ben & Jonathan Boldt  
 Sale Date June 18, 2005  
 Deed Book/Page 620/836-839  
 Property Rights Fee simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Verification Jonathan Boldt, grantee; Confirmed by Harry Hansen

Sale Price \$712,000

Land Data

Zoning County  
 Topography Level farmland and mesa hills  
 Utilities Electric  
 Shape Irregular  
 Flood Info Some flood area adjacent to River

Land Size Information

Gross Land Size 135.476 Acres or 5,901,335 SF

Indicators

Sale Price/Gross Acre \$5,256  
 Sale Price/Gross SF \$0.12

Remarks

This farm was purchased for residential development ten acres homesites selling for approximately \$12,000/acre.

LAND SALE NO. 5

Property Identification

Record ID 158  
 Address Dripping Springs Road, Las Cruces, Doña Ana County, New Mexico  
 Location To the east of Soledad Canyon Road  
 Tax ID 03-11168  
 Legal Description Section 16, T23S, R3E, NMPM

Sale Data

Grantor The State of New Mexico  
 Grantee United States of America  
 Sale Date June 8, 2009  
 Deed Book/Page 0916254  
 Property Rights Fee Simple  
 Conditions of Sale Arms length - Values determined by appraisals  
 Financing None  
 Verification Don Miller, MAI, March 8, 2010; Confirmed by Scott Eschenbrenner

Sale Price \$6,410,000 Exchange Price

Land Data

Zoning County residential  
 Topography Gently Sloping in its undeveloped condition  
 Utilities Electric, Moongate Water, Septic Tank  
 Shape Square

Land Size Information

Gross Land Size 647.420 Acres or 28,201,615 SF

Indicators

Sale Price/Gross Acre \$9,901  
 Sale Price/Gross SF \$0.23

Remarks

This parcel is a section of land that was exchanged from the State of New Mexico to the ELM. Dripping Springs Road bisects the northwest corner of the tract. This parcel was part of a 9,980 acre trade that included the bulk of the land in Chaves County. The exchange price was determined by multiple appraisals and is considered an arms length transaction.

## LAND SALE NO. 6

**Property Identification**  
 Record ID 147  
 Address About one mile north of Dripping Springs and three miles east of Mesa Grande, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 03-10424 & 03-23763  
 Legal Description South ¼ of SE ¼ of Section 5, and N ¼ of Section 8  
 User 2 T23S, R3E

**Sale Data**  
 Grantor Bureau of Land Management  
 Grantee State of New Mexico  
 Sale Date October 18, 2007  
 Deed Book/Page 0736363  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length - Based on Independent Appraisal  
 Financing Cash  
 Verification Scott McDowell - State Appraiser, 505-827-5760, August 15, 2008; Other sources: smcdowell@lo.state.nm.us; Confirmed by Scott Eschenbrenner

Sale Price \$3,800,000

**Land Data**  
 Zoning ER1  
 Topography Rolling Topography  
 Utilities Available 1-mile south  
 Shape Rectangular

**Land Size Information**  
 Gross Land Size 400.000 Acres or 17,424,000 SF

**Indicators**  
 Sale Price/Gross Acre \$9,500  
 Sale Price/Gross SF \$0.22

**Remarks**  
 While part of a large land exchange between the State Land Office and the Bureau of Land Management (BLM), this transaction is considered indicative of market value as it was based on an independent appraisal, reviewed and approved by both parties.

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## LAND SALE NO. 7

**Property Identification**  
 Record ID 60  
 Address Picacho Hills Area, Las Cruces, Doña Ana County, New Mexico  
 Location Adjacent to the north of Coronado Ridge Subd.  
 Tax ID 03-25092  
 Legal Description Lot 3A1, Enchanted Desert Replat 2 of Tract 3

**Sale Data**  
 Grantor Burke  
 Grantee Picacho Mountain LP  
 Sale Date July 22, 2005  
 Deed Book/Page 627/1401-1405  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Sale History Not sold previous 36 months  
 Verification Other sources: Sales Contract; Confirmed by Scott Eschenbrenner

Sale Price \$1,008,000

**Land Data**  
 Zoning ER4, Residential  
 Topography Rolling  
 Shape Irregular  
 Flood Info Not located in flood hazard area

**Land Size Information**  
 Gross Land Size 96.000 Acres or 4,181,760 SF

**Indicators**  
 Sale Price/Gross Acre \$10,500  
 Sale Price/Gross SF \$0.24

**Remarks**  
 This property is to be developed with Phase 1, a 67 lot residential subdivision, of the master planned Picacho Mountain Subdivision.

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## LAND SALE NO. 8

**Property Identification**  
 Record ID 84  
 Property Name Jackrabbit Exchange  
 Address North side of Interstate 10 and Picacho Avenue, Las Cruces, Doña Ana County, New Mexico  
 Location West Mesa  
 Tax ID 02-39537  
 Legal Description Northwest ¼ Section 30, T23S, R1E

**Sale Data**  
 Grantor Jack Lee Roberts  
 Grantee Trinity Properties, Bill & Renee Cupid  
 Sale Date January 12, 2006  
 Deed Book/Page 677/1206-1207  
 Property Rights Fee Simple  
 Marketing Time N/A  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Bill Cupid - Purchaser, December 7, 2005; Other sources: Appraisal File #7150; Confirmed by Scott Eschenbrenner

Sale Price \$862,500

**Land Data**  
 Zoning County  
 Topography Gently Sloping  
 Utilities Water, electric and phone nearby  
 Shape Irregular

**Land Size Information**  
 Gross Land Size 52.600 Acres or 2,291,256 SF

**Indicators**  
 Sale Price/Gross Acre \$16,397  
 Sale Price/Gross SF \$0.38

**Remarks**  
 Purchased for speculation. It has been reported that the Governor will release funds in the near future to re-build this interchange and provide direct access to this parcel. Additionally, there has been discussion about creating a thoroughfare that connects this interchange 30 miles to the south at Santa Teresa. Time frame for this road is estimated at five years.

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## LAND SALE NO. 9

**Property Identification**  
 Record ID 151  
 Property Name Picacho Land Development  
 Address Las Cruces, Doña Ana County, New Mexico  
 Location West end of Picacho Hills Country Club  
 Tax ID 03-28908; 03-28909; 03-28910  
 Legal Description Tract 3A2B; 3A2C; 3A2D, Enchanted Desert Subdivision

**Sale Data**  
 Grantor Francis M. Burke and Martha Lou Burke  
 Grantee Picacho Mountain II Limited Partnership  
 Sale Date August 21, 2007  
 Deed Book/Page 0729108  
 Property Rights 22/320-321  
 Conditions of Sale Fee Simple  
 Financing Arms Length  
 Verification Cash to seller  
 Third Party - Mark Cowen, MAI; Confirmed by Scott Eschenbrenner

Sale Price \$2,715,453

**Land Data**  
 Zoning ETZ-Single family dwelling  
 Topography Sloping West Mesa Land  
 Utilities All Services available adjacent to parcel  
 Shape Irregular

**Land Size Information**  
 Gross Land Size 257.588 Acres or 11,220,533 SF

**Indicators**  
 Sale Price/Gross Acre \$10,542  
 Sale Price/Gross SF \$0.24

**Remarks**  
 This parcel is sloping land to the west of Picacho Hills Country Club and adjacent to Coronado Ridge and Las Estancias de Picacho. All utilities are available in adjacent subdivisions. This parcel was in ETZ at the time of the sale (ER4) and is now part of Las Estancias de Picacho master plan. This parcel remains undeveloped and offers favorable views of Las Cruces.

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LAND SALE NO. 10

Property Identification

Record ID 53  
 Property Type Agricultural  
 Address Las Cruces, Doña Ana County, New Mexico,  
 Location South Fairacres Road

Sale Data

Grantor William Zuckerman Trust  
 Grantee Katerina, Inc.  
 Sale Date January 27, 2004  
 Deed Book/Page 494/202-204  
 Property Rights Fee simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Verification Don Miller appraiser; Confirmed by Harry Hansen

Sale Price \$1,641,500

Land Size Information

Gross Land Size 235.000 Acres or 10,236,600 SF  
 Useable Land Size 232.480 Acres or 10,126,829 SF 98.93%  
 Unusable Land Size 2.520 Acres or 109,771 SF 1.07%

Indicators

Sale Price/Gross Acre \$6,985  
 Sale Price/Gross SF \$0.16  
 Sale Price/Useable Acre \$7,061  
 Sale Price/Useable SF \$0.16

Remarks

This farm was purchased for residential development.

LAND SALE NO. 11

Property Identification

Record ID 100  
 Property Type Residential  
 Address Highway 185, Las Cruces, Doña Ana County, New Mexico  
 Location Radium Springs  
 Tax ID 03-00620  
 Legal Description Lot 2, Sec 5, T21S, R1W, NMPM

Sale Data

Grantor Burtchin & Moore  
 Sale Date June 19, 2009  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Verification MLS#802933; Confirmed by Harry Hansen

Sale Price \$125,000

Land Data

Zoning County  
 Topography Various from street grade to hilltop  
 Utilities None  
 Shape Irregular  
 Landscaping Native desert  
 Flood Info Partial flood

Land Size Information

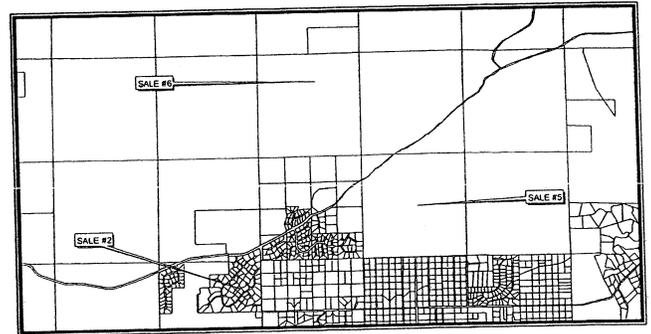
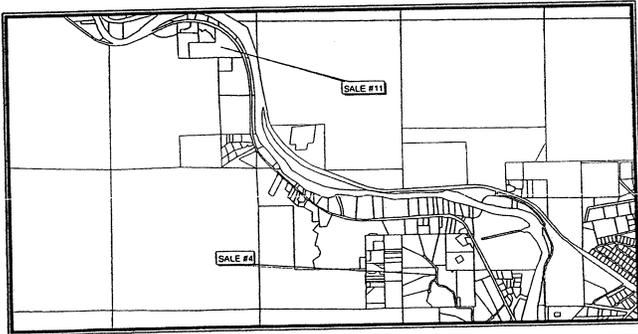
Gross Land Size 25.000 Acres or 1,089,000 SF

Indicators

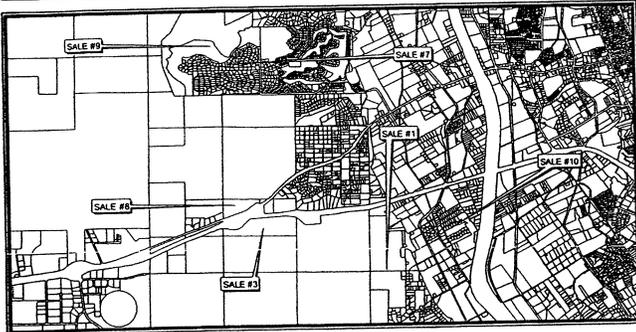
Sale Price/Gross Acre \$5,000  
 Sale Price/Gross SF \$0.11

Remarks

This site has some standing water along part of the road frontage.  
 Building site is hilltop.



COMPARABLE LAND SALES MAPS



COMPARABLE LAND SALES MAPS

**RECONCILIATION AND FINAL VALUE CONCLUSION:**

Therefore it is my conclusion, based upon an inspection of the property and data gathered in the investigation as related in this report that the market value of the subject property as of the date of appraisal was: \$8,000.00/acre and the lease rate is \$640.00/acre per year.

**LIMITING CONDITIONS AND ASSUMPTIONS:**

By this notice, all persons and firms reviewing, using or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report. They are prefaces to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

The liability of Hansen Real Estate Appraisals, Inc. and employees and affiliated independent contractors is limited to the client only and to the fee received by appraiser (total per appraisal). Further, there is no accountability, obligation, or liability to any third party.

The legal description is assumed to be correct as used in this report as furnished by the client, his representative, or as derived by the appraiser.

We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. Unless otherwise stated, all existing liens and encumbrances have been disregarded. The property is appraised as though free and clear and under responsible ownership and competent management.

Any sketches in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility about such matters.

This appraisal is made on the premise that there are no other encumbrances limiting the use of the appraisal property than those herein reported.

The information contained in this report was gathered from seemingly reliable sources, but is in no sense guaranteed.

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Possession of this report or any copy of it does not carry with it the right of publication, nor may it be used for other than its intended use. The physical reports remain the property of the appraiser for the use of the client, the fee being for the analytical services only. The client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the public by advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser.

We assume that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. We assume no responsibility for such conditions or for the engineering required to discover such factors.

The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions, which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey to determine if it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable upon completion of the report. The Appraiser(s) or those helping in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

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**CERTIFICATION:**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyzes, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyzes, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with the 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 analyzes, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice, the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Harry L. Hansen, MAI, SRA

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Professional Seminars Attended:

Appraising in 2009. Sponsored by Appraisal Institute, Ruidoso, NM.  
 Appraisal Tools Tune-Up. Sponsored by Appraisal Institute, Ruidoso, NM.  
 Declining Markets & Sales Concessions; 2009. Sponsored by Appraisal Institute, El Paso, TX.  
 Attacking & Defending an Appraisal in Litigation; 2008. Sponsored by Appraisal Institute, El Paso, TX.  
 7-Hour National Standards of Professional Practice, (USPAP); 2008. Sponsored by American Society of Farm Managers and Rural Appraisers and Appraisal Institute, Ruidoso, NM.  
 Forecasting Revenues; 2007. Sponsored by Appraisal Institute, Santa Teresa, NM.  
 Evaluating Commercial Construction; 2006. Sponsored by Appraisal Institute, Santa Teresa, NM.  
 Evaluating Residential Construction; 2006. Sponsored by Appraisal Institute, Santa Teresa, NM.  
 Appraisal Consulting: A Solutions Approach for Professionals; 2006. Sponsored by Appraisal Institute, Albuquerque, NM.  
 FHA and the New Residential Appraisal Form; 2006. Sponsored by Appraisal Institute, El Paso, TX.  
 Rates and Ratios: Making Sense of GIM's, OARs, and DCF; 2004. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Mathematically Modeling Real Estate Data; 2004. Sponsored by Appraisal Institute, El Paso, TX.  
 Analyzing Commercial Lease Clauses: Understanding Implications for Property Value and Marketability; 2003. Sponsored by Appraisal Institute, El Paso, TX.  
 Effective Appraisal Writing; 2002. Sponsored by Appraisal Institute, Ruidoso, NM.  
 Feasibility Analysis, Market Value and Investment Timing: Introducing the Impact of Option Value; 2002. Sponsored by Appraisal Institute, El Paso, TX.  
 The Road Less Traveled...Special Purpose Properties; 2001. Sponsored by Appraisal Institute, Ruidoso, NM.  
 Conservation Easements; 2001. Sponsored by American Society of Farm Managers and Rural Appraisers and Appraisal Institute, Albuquerque, NM.

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## HARRY L. HANSEN, MAI, SRA

Professional Seminars Attended:

Appraisal of Non-Conforming Uses; 2000. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Small Hotel/Motel Valuation; 1998. Sponsored by Appraisal Institute, Ruidoso, NM.  
 Eminent Domain & Condemnation Appraising; 1998. Sponsored by Appraisal Institute, Albuquerque, NM.  
 The Internet and Appraising; 1998. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Water Rights in New Mexico; 1997. Sponsored by Appraisal Institute, Santa Fe, NM.  
 Valuation of Leased Fee Interests; 1997. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Special Purpose Properties; 1996. Sponsored by Appraisal Institute, Albuquerque, NM.  
 The Appraiser as Expert Witness; 1996. Sponsored by Appraisal Institute, El Paso, TX.  
 Analyzing Operating Expenses; 1996. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Standards of Professional Practice, Parts A & B (USPAP); 1995. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Fair Lending and the Appraiser; 1995. Sponsored by Appraisal Institute, Las Cruces, NM.  
 Understanding Limited Appraisals and Reporting Options - General; 1995. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Environmental Risk and the Real Estate Appraisal Process; 1994. Sponsored by Appraisal Institute, Ruidoso, NM.  
 5.08 Limited Scope Appraisals and the Uniform Standards of Professional Appraisal Practice; 1994. Sponsored by NAIFA, El Paso, TX.  
 Feasibility Analysis and Highest and Best Use - Nonresidential Properties; 1994. Sponsored by Appraisal Institute, El Paso, TX.  
 Subdivision Analysis; 1994. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Mock Trial; 1993. Sponsored by Appraisal Institute, El Paso, TX.  
 The Appraiser's Legal Liabilities; 1992. Sponsored by Appraisal Institute, Las Cruces, NM.

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Education:

New Mexico State University / M.S., Agricultural Economics - 1972.  
 Course 101, Society of Real Estate Appraisals, University of Texas at El Paso.  
 Course 1-B, American Institute of Real Estate Appraisers, Indiana Univ.

Affiliation/Professional Designations:

MAI, SRA, Member - Appraisal Institute; Currently certified under the Appraisal Institute Continuing Education Program.  
 Past President - Borderland Chapter of Society of Real Estate Appraisers, 1988-89.  
 Past President - El Paso/Las Cruces Chapter of Society of Real Estate Appraisers, 1982-83.  
 Currently Certified by the New Mexico Real Estate Appraisers Board - Certificate #00044-G.

Community Activity:

Member - Rotary Club of Las Cruces.  
 Member at Large - Board of Directors, Mesilla Valley Community of Hope.

Professional Experience:

Have been engaged in the appraisal of real estate since 1972. Appraisal assignments have been completed for governmental agencies, commercial banks, savings and loan associations, estates, builders and investors in the south-central New Mexico area. Currently approved in the State of New Mexico by the BBVA Compass Bank, Bank of America, Bank of the Rio Grande, Bank of the Southwest, Bank 34, Citizens Bank of Las Cruces, Community First National Bank, First Federal Bank of New Mexico, First American Bank, First New Mexico Bank, First Savings Bank, Pioneer Bank, Wells Fargo, Western Heritage Bank. Appraisal assignments have included the valuation of residential, multi-family, commercial, rural, industrial and development property.

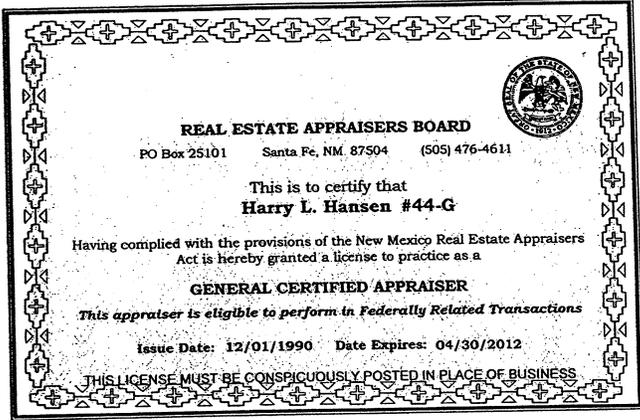
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## HARRY L. HANSEN, MAI, SRA

Professional Seminars Attended:

Appraisal Regulations of the Federal Banking Agencies; 1992. Sponsored by Appraisal Institute, Albuquerque, NM.  
 Appraising Troubled Properties; 1992. Sponsored by Appraisal Institute, El Paso, TX.  
 Uniform Standards of Professional Appraisal Practice; 1990. Sponsored by NAIFA, El Paso, TX.  
 New Fannie Mae Form 1025 - Small Residential Income Property Appraisal Report Form; 1990. Sponsored by SREA, Las Cruces, NM.  
 The SREA Review Form; 1990. Sponsored by SREA, Las Vegas, NV.  
 Equity Residual Techniques; 1990. Sponsored by SREA, Las Vegas, NV.  
 State Regulation (Licensing & Certification); 1990. Sponsored by SREA, Las Vegas, NV.  
 The new FNMA Guidelines/Two - Four Units; 1990. Sponsored by SREA, Las Vegas, NV.  
 Professional Practice & the Society of Real Estate Appraisers; 1989. Sponsored by SREA, Albuquerque, NM.  
 Litigation Valuation; 1989. Sponsored by AIREA, El Paso, TX.  
 Mineral Rights; 1988. Sponsored by UNM, Las Cruces, NM.  
 Water Rights; 1988. Sponsored by UNM, Las Cruces, NM.  
 Real Estate and the New Federal Tax Law; 1988. Sponsored by UNM, Las Cruces, NM.  
 Real Estate Risk Analysis; 1987. Sponsored by AIREA, El Paso, TX.  
 Depreciation Analysis Seminar; 1987. Sponsored by SREA, Roswell, NM.  
 Uniform Residential Appraisal Report; 1987. Sponsored by SREA, Las Cruces, NM.  
 Federal Home Loan Bank Board, R-41B; 1986. Sponsored by AIREA, Albuquerque, NM.  
 Appraising Apartments; 1979. Sponsored by SREA, El Paso, TX.

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A D D E N D U M

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### Assessor's Parcel Search Results

[Return to Real Property Search](#)

[Return To Search Screen Code Abbreviations](#)

#### Account Information

ACCOUNT#:	12903
NAME1:	CITY OF LAS CRUCES
NAME2 :	
ADDRESS:	PO BOX 20000
CITY:	LAS CRUCES
STATE:	NM
ZIP:	88004
FAMILY EXEMPTION:	
VETERAN EXEMPTION:	

### Improvement

DISCLAIMER

Square footage info. without building detail or value denotes new building not yet added to assessment record.

TYPE USE	TOT BLDG AREA	EXTERIOR WALL	QUALITY	YEAR BUILT
BEDROOMS		FULL BATHS		HALF BATHS
ATT GARAGE FIN		ATT GARAGE UNFIN		
OPEN PORCH		ENCLOSED PORCH		DECK PORCH

#### Parcel Information

The Assessor's Office can provide information about deeds posted to Assessor's parcel accounts. This information is provided as a courtesy to the public and is not intended to constitute legal advice. Individuals are encourage to contact an attorney, professional land surveyor or title company for information about legal descriptions. Copies of deeds can be obtained from the Doña Ana County Clerk's Office.

PARCEL	PROPERTY ADDRESS				
02-22295					
MAPCODE	FOLDER	SEC	TWP	RGE	
0213004137266262	31554	28	23S	1W	
SUBDIVISION		BLOCK	LOT		
- NOT APPLICABLE					

#### Land Information

LAND SIZE	VALUE METHOD	NUMBER LOTS	UNIT PRICE	LAND TYPE
540.00	PA	0	200	V

#### Commercial Improvements

GROUND FLOOR AREA	EXTERIOR WALL	YEAR BUILT
-------------------	---------------	------------

#### Detached Structures

STRUCTURE	MEASURE1	MEASURE2
-----------	----------	----------

#### Valuation Information

LAND VALUE	RES BLDG VALUE	NON-RES BLDG VALUE	FULL VALUE
108000	0	0	108000

#### Recording Information

RECORDING INFORMATION
BK 279 PG 684-89
PATENT 30-83-0090

#### Taxes

BILLS PAID	Amount	BILLS UNPAID	Amount
199676364			N/A
199778247			N/A

199879513	N/A
199981555	N/A
200083583	N/A
200184768	N/A
2002561	N/A
200387918	N/A
200489635	N/A
200591948	N/A
200695013	N/A
200799087	N/A
2008102311	N/A
2009103244	N/A

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# Assessor's Parcel Search Results

[Return to Real Property Search](#)

[Return To Search Screen Code Abbreviations](#)

## Account Information

ACCOUNT#:	196528
NAME1:	CITY OF LAS CRUCES
NAME2:	
ADDRESS:	PO BOX 20000
CITY:	LAS CRUCES
STATE:	NM
ZIP:	88004
FAMILY EXEMPTION:	
VETERAN EXEMPTION:	

## Parcel Information

The Assessor's Office can provide information about deeds posted to Assessor's parcel accounts. This information is provided as a courtesy to the public and is not intended to constitute legal advice. Individuals are encourage to contact an attorney, professional land surveyor or title company for information about legal descriptions. Copies of deeds can be obtained from the Doña Ana County Clerk's Office.

PARCEL		PROPERTY ADDRESS				
02-39560						
MAPCODE	FOLDER	SEC	TWP	RGE		
0213002139130263	32830	2	24S	1W		
SUBDIVISION				BLOCK	LOT	
4623 - CITY OF LC KENNON ANNEXATION DONA ANA COUNTY NM						

## Land Information

LAND SIZE	VALUE METHOD	NUMBER LOTS	UNIT PRICE	LAND TYPE
320.04	PA	0	1000	V

\*\* TAX REFLECTS ORIGINAL BILL AMOUNT ONLY ...NO PAYMENTS, PENALTY OR INTEREST FOR FURTHER DETAILS CONTACT THE TREASURER  
Print this page.

<http://www2.donaanacounty.org/pages/H8540.php?print=1>

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Dona Ana County

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<http://www2.donaanacounty.org/pages/H8563.php?print=1>

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Dona Ana County

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200592102	N/A
200695195	N/A
200799338	N/A
2008102583	N/A
2009103516	N/A

\*\* TAX REFLECTS ORIGINAL BILL AMOUNT ONLY ...NO PAYMENTS, PENALTY OR INTEREST FOR FURTHER DETAILS CONTACT THE TREASURER  
Print this page.

TYPE USE	TOT BLDG AREA	EXTERIOR WALL	QUALITY	YEAR BUILT
BEDROOMS		FULL BATHS		HALF BATHS
ATT GARAGE FIN		ATT GARAGE UNFIN		
OPEN PORCH		ENCLOSED PORCH		DECK PORCH

## Commercial Improvements

GROUND FLOOR AREA	EXTERIOR WALL	YEAR BUILT

## Detached Structures

STRUCTURE	MEASURE1	MEASURE2

## Valuation Information

LAND VALUE	RES BLDG VALUE	NON-RES BLDG VALUE	FULL VALUE
320000	0	0	320000

## Recording Information

RECORDING INFORMATION
10024553 - (public view)

## Taxes

BILLS PAID	Amount	BILLS UNPAID	Amount
200184887			N/A
2002676			N/A
200388043			N/A
200489773			N/A

**COMPLETE SUMMARY  
APPRAISAL REPORT**

W. SCOTT ESCHENBRENNER, MAI  
State Certified - New Mexico  
General Certificate #1180

REAL ESTATE APPRAISALS & COUNSELING

545 SOUTH MELENDEZ, SUITE D  
LAS CRUCES, NEW MEXICO 88005  
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February 4, 2010

PREPARED FOR:  
CHRISTINE LOGAN  
ECONOMIC DEVELOPER  
CITY OF LAS CRUCES  
PO BOX 20000  
LAS CRUCES, NEW MEXICO 88004

Ms. Christine Logan  
Economic Development Director  
City of Las Cruces  
PO Box 20000  
Las Cruces, NM 88004

Reference: File No. 7488  
29 Parcels of Land in the  
West Mesa Industrial Park  
Las Cruces, NM

APPRAISAL FILE #7488  
29 PARCELS OF LAND IN THE  
WEST MESA INDUSTRIAL PARK  
LAS CRUCES, NEW MEXICO

Dear Ms. Logan:

In accordance with your request, Mesilla Valley Appraisal Services, in coordination with the City of Las Cruces has prepared an appraisal of the fee simple estate in the above-referenced real property. The intended use of the appraisal is for counseling purposes. The intended user of the appraisal is the City of Las Cruces. The effective date of this appraisal is January 28, 2010 with the estimate of market value reflecting market conditions as of that date.

PREPARED BY:  
W. SCOTT ESCHENBRENNER, MAI  
MESILLA VALLEY APPRAISAL SERVICES

Mesilla Valley Appraisal Services analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA). The value estimate is based in large part upon the descriptions, data, and analyses on file in my office, as well as the General Assumptions, General Limiting Conditions, and Special Assumptions and Limiting Conditions as found in the Addendum of this report.

DATE OF VALUE:

JANUARY 28, 2010

DATE OF REPORT:

FEBRUARY 4, 2010

Based on research and analysis contained in this report, it is concluded that the "as is" market value of the fee simple interest in the subject property, as of January 28, 2010, is as follows:

Parcel #	Parcel ID#	Size - Acre	Indicated Value/Acre	Market Value
1	02-36841	3.880	\$30,000	\$115,000
2	02-37906	3.730	\$30,000	\$110,000
3	02-27108/02-37908	156.290	\$13,500	\$2,110,000
4	02-22306	28.860	\$25,000	\$720,000
5	02-35584	3.160	\$30,000	\$95,000
6	02-35585	3.370	\$30,000	\$100,000
7	02-35586	3.000	\$30,000	\$90,000
8	02-35587	3.000	\$30,000	\$90,000

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Parcel #	Parcel ID#	Size -Acre	Indicated Value/Acre	Market Value
9	02-35588	3.000	\$30,000	\$90,000
10	02-36839	17.660	\$25,000	\$440,000
11	02-36840	11.500	\$25,000	\$290,000
12	02-36843	0.900	\$30,000	\$30,000
13	02-36841	112.200	\$13,500	\$1,515,000
14	02-40907	112.200	\$14,000	\$1,570,000
15	02-36980	4.260	\$40,000	\$170,000
16	02-36981	4.280	\$40,000	\$170,000
17	02-34842	5.000	\$40,000	\$200,000
18	02-34315	10.000	\$40,000	\$400,000
19	02-40352	15.300	\$44,000	\$675,000
20	02-40354	8.820	\$40,000	\$355,000
21	02-40356	7.800	\$40,000	\$310,000
22	02-38979	11.200	\$40,000	\$450,000
23	02-38978	11.200	\$40,000	\$450,000
24	02-40353	12.740	\$44,000	\$560,000
25	02-40355	7.800	\$36,000	\$280,000
26	02-40357	7.140	\$36,000	\$255,000
27	02-38974	10.260	\$40,000	\$410,000
28	02-39087	5.490	\$40,000	\$220,000
29	02-35595	4.490	\$40,000	\$180,000

APPRAISAL SUMMARY	
Appraisal File:	#7488
Property Name:	West Mesa Industrial Park
City/State/Zip:	Las Cruces, NM
Legal Description:	29 Parcels in the West Mesa Industrial Park
Assessor's Parcel No.:	Various
Property Type:	Industrial Land Parcels & Undeveloped Acreage
Land Size (SF or Acres)	Various
Date of Inspection:	January 28, 2010
Date of "As Is" Value (Effective Date):	January 28, 2010
Real Property Interest Appraised:	Fee Simple
Purpose of Appraisal:	Estimate Market Value
Intended Use of Appraisal:	Counseling Purposes
Client Name:	City of Las Cruces
Current Owner:	City of Las Cruces
Did subject property sell in the past three years?	No
Is there an option on or pending sale of the subject property?	No
Is the subject property currently listed for sale?	Yes
Marketing and Exposure Time:	12 Months or less for each Parcel
Compiled by: W. Scott Eschenbrenner, MAI	

Respectfully submitted,

Scott Eschenbrenner  
Digitally signed by Scott Eschenbrenner  
 DN: cn=Scott Eschenbrenner, o=Mesilla Valley Appraisal Services, ou, email=mesilla@mesilla.com, serial=1453, c=US

W. Scott Eschenbrenner, MAI  
 Certified General Real Estate Appraiser  
 State of New Mexico No. 1180G

The preceding table provides a summary of the appraisal performed by Mesilla Valley Appraisal Services on the subject property. The table indicates my final opinion of value, as of the date specified, and based on the approaches identified. Additional details appear elsewhere in this report, and its inclusive Addendum. Data that supports the valuation opinion are taken from sources deemed reliable, but I make no representation as to the accuracy of third party data.

**Sales History**

The property is currently under the ownership of the City of Las Cruces and has been under the same ownership for more than five years.

**MARKET AREA DESCRIPTION**

According to *The Appraisal of Real Estate, Tenth Edition*, social, economic, governmental and environmental forces influence property values in the vicinity of a subject property, which, in turn, affect the value of the subject property itself. The area of influence is the area within which the forces affect all surrounding properties in the same way they affect the property being appraised. The area of influence is commonly called a neighborhood, which is defined as a group of complimentary land uses.

The subject neighborhood is referred to as the West Mesa Industrial Park and is located eight miles west of downtown Las Cruces and immediately south of the Las Cruces International Airport. The industrial park is situated in 1,820 acres located on both sides of Interstate 10. The City has sold approximately 320 acres to date of which 250 acres are currently developed. Development ready parcels within the Park are being offered at \$40,000 to \$45,000 an acre while raw land is offered at \$15,000 to \$25,000 per acre. The city has a variety of incentives available to companies that will benefit the local economy.

The park has been developed out over several years by the City of Las Cruces with intention of attracting industries, warehousing and manufacturing business that will expand and diversify the local economic base and provide new jobs for the community. This development draws on its favorable proximity to local high technology resources such as New Mexico State University (NMSU), White Sands Missile Range (WSMR), National Aeronautics Space Administration's Johnson Space Center (NASA) and White Sands Test Facility.

The industrial park features wide thoroughfares and industrial quality streets with underground utilities and infrastructure in place. Building and site design features masonry buildings in most areas with wide setbacks creating an open environment. Each site features appropriate landscaping refinements and design parameters.

Utility providers in the area include the City of Las Cruces who provides water, natural gas, waste water system and solid waste transfer. El Paso Electric Company (EPEC) provides all of the electrical needs for the area and telephone is provided through Qwest. The water service for the park features all water mains in the park at a minimum of 12" with high pressure flow in excess of 2,000 gpm. Fire hydrants to meet code serve each site.

Natural gas is provided by Rio Grande Natural Gas Association, which is operated and maintained under contract by the City of Las Cruces. All parcels are served by a minimum of 4" poly gas mains with minimum line pressure exceeding 50 psi. The feeder main to the Park is an 8" steel high pressure line connected to a 31" interstate pipeline.

Electric power service is provided by EPEC, with excess capacity of 1 MW available for new industry. The system was built new in 1997 and can be expanded as necessary to meet the needs of the Park and surrounding areas.

The City operates a waste water treatment system which serves the industrial park areas south of Interstate 10. Waste water mains were constructed in 1998 to serve most sites with gravity flow main sizes ranging from 8" minimum to 18". The system is served by a 400,000 gpd treatment plant in the southeast corner of the Park. Industries north of the Interstate are served by on-site systems.

Recent Developments – Sapphire Energy purchased 10 acres of land from the City in August of 2008 and work began on the site in November. The company will grow algae to produce a renewable source of fuel for gasoline and jet fuel. It is constructing a research and development

facility with five buildings and potentially thousands of feet of algae ponds in the industrial park. As part of an incentive package with the City, if Sapphire Energy creates 30 jobs at 120 percent of the average salary for the area and invests \$6 million in the industrial park, the City has conveyed 90 acres surrounding the original site to the company with a value of \$1.35 million at no additional cost.

DMS Realty (Premier Distributing Company) is an Albuquerque based distributor of Anheuser-Busch products and they plan on opening a distribution facility on Alliance Drive in early 2010. They purchased the land in December of 2008 and are in the final construction phase of development.

The Marvin Group has completed a manufacturing facility on 15 acres at Venture Boulevard and Advancement Avenue. They will be a supplier of construction materials such as rebar and construction is underway.

Barker Produce is under construction on an onion peeling plant that will be situated on 18 acres of land on Alliance Drive and Advancement Avenue. Completion for this facility is set for the middle of 2010.

A significant expansion is also taking place at the F&A Dairy plant. They will expand their facility by 40,000 square feet for a total of 190,000 square feet, which will enable the plant to double its cheese processing capability. The workforce will increase from 100 to 140 employees. The \$15 million project will include a system to deal with the 300,000 gallons of "cow water" the company will produce every day. This is a by product of milk when it is converted to cheese. F&A Dairy has leased nearby land from the New Mexico State Land Office where the water will be used to irrigate crops.

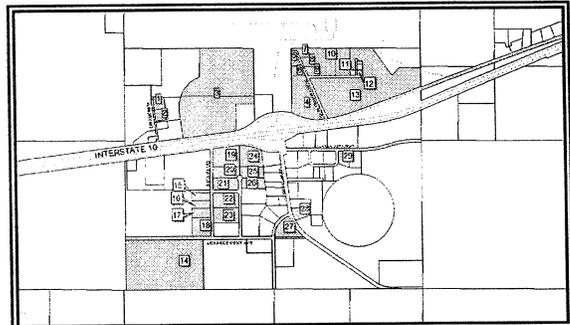
In December of 2008, Rea Magnet Wire Company suspended production at its 200,000 square foot Las Cruces plant and laid off 75 workers. The company is producer of wire products and said it will consolidate its magnet wire manufacturing to facilities in Indiana and Mexico. This news was preceded by the closure of Parkview Metal Products closing in 2007. They performed precision metal fabrication and metal stamping and employed over 80 personnel. There are no new tenants for either building.

**PROPERTY DESCRIPTION**

LOCATION			
Property Name:	West Mesa Industrial Park	State:	New Mexico
Street Address:	Various	Zip Code:	89007
City:	Las Cruces	Assessor's Parcel No.:	See Below
County:	Dofia Ana		
LEGAL DESCRIPTION			
See Below			
SITE DESCRIPTION			
Site Size (Acres):	See Chart Below	Zoning:	WMIP - See Addenda
Corner Lot:	Various Parcels	Site Shape:	Various Shaped Lots
Topography:	Basically Level and Graded		
STREET/UTILITIES		ENVIRONMENTAL	
Paved Street:	Asphalt	Flood Zone:	No
Curb & Gutters:	Concrete Curbs	Zone Code:	Zone X
Electric:	El Paso Electric Company	Map No.:	35013C-1075
Gas:	City of Las Cruces	Panel Date:	April 4, 2007
Lighting:	City of Las Cruces		
Sewer:	City of Las Cruces		
Sidewalks:	None		
Storm/Drain:	On-Site Ponding		
Water:	City of Las Cruces		
Underground Utilities:	Yes		
Compiled by: W. Scott Eschenbrenner, MAI			

**Site Description Comments**

The subject consists of 29 tracts of land in the West Mesa Industrial Park located adjacent to the Las Cruces International Airport and bisected by Interstate 10 approximately eight miles west of downtown Las Cruces. Situated on the following page is a map showing the location of the subject parcels and their identification numbers. The chart after the map shows the parcel numbers, lot sizes, physical address, zoning, assessed value and parcel ID numbers.



**PARCEL LOCATION MAP**

WEST MESA INDUSTRIAL PARK

Parcel #	Parcel ID#	Total Lot Size	Location	Sewer	Developed	Assessed Value/Acre
1	02-39841	3,880	Armory Road	NO	Yes	30,000
2	02-37906	3,730	260 Armory Road	NO	Yes	30,000
3	02-27108	90,000	North Frontage Road	NO	No	5,000
3	02-37908	66,290	North Frontage Road	NO	No	15,000
4	02-22306	28,860	Harry Burrell Boulevard	NO	Yes	2,000
5	02-35584	3,160	Harry Burrell Boulevard	NO	Yes	20,000
6	02-35585	3,370	Harry Burrell Boulevard	NO	Yes	20,000
7	02-35586	3,000	Harry Burrell Boulevard	NO	Yes	20,000
8	02-35587	3,000	Harry Burrell Boulevard	NO	Yes	20,000
9	02-35588	3,000	Harry Burrell Boulevard	NO	Yes	20,000
10	02-36839	17,660	Rocket Drive	NO	Yes	18,000
11	02-36840	11,500	Rocket Drive	NO	Yes	18,000
12	02-36843	0,900	Microwave Drive	NO	Yes	35,000
13	02-36841	112,260	Harry Burrell & N. Frontage	NO	No	6,000
14	02-40907	112,200	Advancement Avenue	YES	No	20,000
15	02-38980	4,260	Rea Boulevard	YES	Yes	30,000
16	02-38981	4,280	Rea Boulevard	YES	Yes	30,000
17	02-34842	5,000	Rea Boulevard	YES	Yes	25,000
18	02-34315	10,000	Rea & Advancement	YES	Yes	25,000
19	02-40352	15,300	Robert Larson & Rea	YES	Yes	45,500
20	02-40354	8,820	Rea Boulevard	YES	Yes	39,000
21	02-40356	7,800	Rea Boulevard	YES	Yes	39,000
22	02-38979	11,200	Rea Boulevard	YES	Yes	20,000
23	02-38978	11,200	Rea Boulevard	YES	Yes	20,000
24	02-40353	12,740	Robert Larson Boulevard	YES	Yes	45,500
25	02-40355	7,800	Alliance Drive	YES	Yes	36,000
26	02-40357	7,140	Alliance Drive	YES	Yes	36,000
27	02-38974	10,260	Venture Boulevard	YES	Yes	20,000
28	02-39087	5,490	Crawford Boulevard	YES	Yes	30,000
29	02-35595	4,490	Mountain Vista & Trigg	YES	Yes	20,000

TAXES

The current assessed value for the subject land range from \$2,000 per acre to as high as \$45,500 per acre and vary based on location and parcel size. The parcels are all owned by the City of Las Cruces; therefore, real estate taxes are not collected for the subject parcels.

HIGHEST AND BEST USE (Premise of Value)

All of the subject parcels are situated in the West Mesa Industrial Park in the Overlay Zone District. The purposes of the zone are to provide clean industry and employment for the City of Las Cruces and its residents, and develop, maintain and enhance existing commercial and industrial uses. I am of the opinion that the highest and best use based on the existing zoning and development guidelines is for a mixed use industrial development due to its proximity to Interstate 10, Las Cruces International Airport and isolated location away from residential developments.

APPRAISAL METHODOLOGY

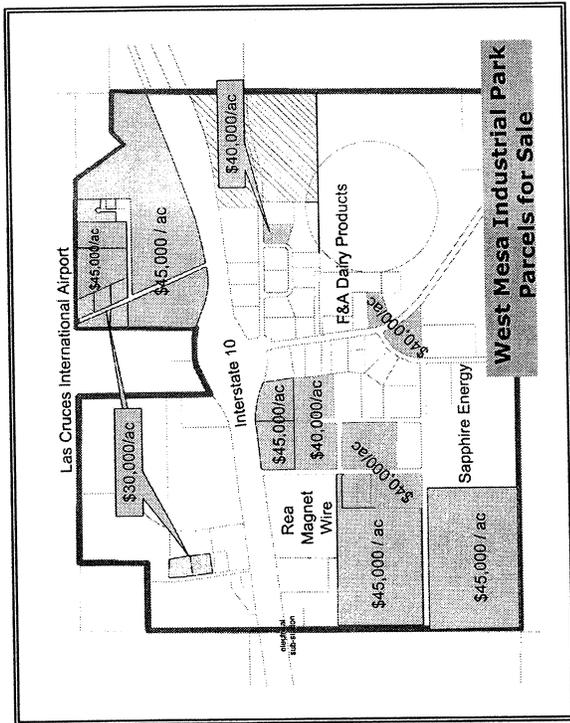
The appraisal methodology is the orderly program used to arrive at an opinion of value. The first step is identification of the real estate, date of value, property rights appraised, and type of value. Second, analyses of the area, site, and highest and best use are conducted. Finally, one or more of the three basic approaches used in concluding a market value are applied.

This appraisal relies on one approach to value in arriving at an estimate of market value. In the subject property's case I have utilized the Sales Comparison Approach. The Summary Report is a concise presentation of the information considered.

SALES COMPARISON APPROACH

The Sales Comparison Approach draws heavily upon the principle of substitution. In essence, this principle states that a prudent purchaser will pay no more for a particular property than they would to acquire an equally desirable alternative. This approach consists of a comparison of the subject with other similar properties which have either recently sold or other properties currently being offered for sale. The comparison process involves making adjustments to the comparable properties on an item-by-item basis, with the factors considered including rights conveyed, financing, condition of sale, location, and size. The subject is always the benchmark, and adjustments are made to the sales price of the comparable property in order to arrive at an indication of value for the subject.

The City of Las Cruces maintains an asking price for all of the subject parcels. The asking price is reviewed periodically (as least semi-annually), and is adjusted as necessary to reflect comparable private sector sales activity. There are three different asking prices based on the size of parcels, access to utilities and paved roads are the main variables. The following is a map showing the location of these parcels and the asking price.



The City has typically priced these lots below sales of light industrial parcels in the City as an incentive to create and attract new industry to the area. This below market pricing has been successful in spurring economic development for the City. Due to the national economic slow down, industrial parcels in the city have been slow to sale during the past two years. What few sales that have occurred are in the \$3 to \$4 per square foot range, which is four times the most recent sales transactions from WMIP.

As a result of the lower prices, development activity has increased at the Park since 2006 with 21 land sales that account for 134 acres of land or \$3,712,039 in gross sales. This equates to an average price per acre at \$27,702. Lot sales activity in 2009 was limited to only one transaction for a one acre lot at \$30,000 per acre. Lot sales activity in 2008 also showed a decline to three parcels totaling 28.63 acres at an average price of \$28,353 per acre. This slow down tends to mirror the same situation in Las Cruces from commercial land sales activity. This slow down since 2008 has led the City to stop the annual price increases and they have held prices steady since January 2008.

The following are land sales activity for light industrial use parcels in the City of Las Cruces since 2007.

Sale #	Location	Sales Date	Acres	Price/Acre
178	1430 Portland	2/07	2.140	\$126,168
213	1001 Portland	3/07	2.790	\$152,330
221	2340 Westgate	5/07	1.459	\$171,350
227	1360 Valley	7/07	1.398	\$157,345
231	5390 Del Rey	8/07	2.027	\$96,704
245	2800 N. Motel	8/07	2.784	\$114,943
256	1600 W. Picacho	10/07	3.138	\$151,370
255	W. Amador	11/07	4.828	\$201,960
274	375 N. Valley	9/08	3.103	\$225,588
284	W. Amador	9/08	2.922	\$232,175
292	5430 Del Rey	12/08	4.317	\$99,042
294	971 Sand Castle	7/08	0.940	\$182,466
314	5430 Del Rey Blvd.	12/08	4.317	\$99,042
310	2701 W. Amador	1/09	11.804	\$130,680
329	Mars Avenue	12/09	2.500	\$130,000
			50.470	\$151,411

As is apparent, the land sales are considerably higher closer in to the City and although the Park is only eight miles from downtown Las Cruces, the average price per acre is over five times higher in the City. Until prices in the WMIP increase to levels in the City, the prices at WMIP will continue to set the value as a buyer is not willing to pay more than the listing price or the price of recent land sales transactions. The volume of land sales activity has slowed significantly in 2008 as is evidenced by only four sales in the Park and only seven sales in the City. It is reasonable to assume that current market conditions are flat with no indication that a price increase is warranted to the current listing price. Additionally, according to Christine Logan, Economic Development Director for the WMIP, there is only one parcel under contract at this time for a small one acre tract at \$30,000.

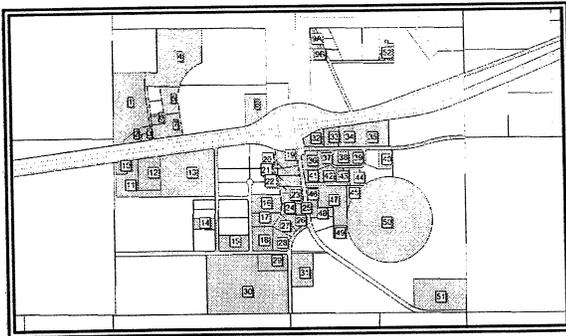
The client has also requested that I analyze sales data from Santa Teresa Industrial Park, which is located south of the subject along the US and Mexico border. I have collected a few land sales and two which are under contract, which has the infrastructure in place. Typically, these sales indicate a range from \$2.00 to \$2.50 per square foot. This price is also considerably higher than the subject. This is due in part to Santa Teresa's proximity to border crossing and

El Paso, Texas, which has a much larger labor force for employment. This area is also served with rail service and also has an airport in the area. It is my opinion that this Santa Teresa market is completely separate from the Las Cruces industrial market and that there can be no direct comparison to the subject parcels.

I have analyzed the 29 parcels of land in order to determine how to compare the subject parcels to the comparable sales. It becomes apparent that there are basically three categories of parcels. Three of the parcels contain over 100 acres of land and will be compared to large land sales. Parcels that are situated north of Interstate 10 (I-10) do not have sewer service and are considered partially developed. There are eight tracts that contain less than 3.8 acres and there are three tracts that contain between 11.5 to 28.9 acres that will be analyzed separately. There are 15 tracts of land south of I-10 that are completely developed and contain 4.3 to 15.3 acres of land. I will compare these parcels to similar sales from within the WMIP.

I have provided comparable sales for each parcel type in my "as is" market value estimate. The sales were analyzed on a price per acre basis. In analyzing the sales, I have first considered such characteristics including property rights transferred, financing terms, conditions of sale, and market conditions. After these four cumulative adjustments were made, other factors such as location, size, shape, topography, and utility of the property were considered.

The following is a chart showing the sales transaction history at the WMIP with a map showing the parcel location, property owner, parcel ID, sales price if recent, parcel size and price per acre.

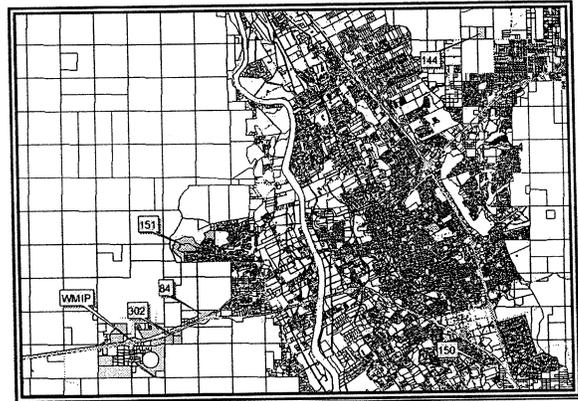


SOLD PARCEL LOCATION MAP

Parcel #	Lot Size	Property Owner	Parcel ID	Year Built	Improvement Size	Sales Price	Price/Acre	ID #	Date Sold
1	43.000	Arroyo Blvd	22571	1994/1995	51,312	\$0	\$0		11/21/99
2	4.000	Michael Flynn	22299			\$0	\$0		8/11/98
3	1.376	Las Cruces Brewing	22972			\$0	\$0		8/22/99
4	50.000	Arroyo Blvd	27191			\$0	\$0		5/14/99
5	10.985	FBI Dept. Transportation	39840			Exchange	\$0		5/6/97
6	2.390	Samson	22390	1990	14,375	\$0	\$0		5/14/99
7	11.270	Clarence Crawford	27957			\$281,500	\$25,000	304	6/5/97
8	16.360	USA	22293			\$0	\$0		8/11/98
9	3.160	Michael O'Donnell	35584			\$75,000	\$25,000	155	12/5/02
9A	16.160	Jason Morley	22298			\$0	\$0		5/17/00
10	3.000	El Paso Electric Co.	27764			\$0	\$0		11/3/00
11	16.470	FBI Public Lands	27921			\$0	\$0		8/11/98
12	15.900	State of New Mexico	25525			\$0	\$0		5/15/96
13	59.000	City of Las Cruces (Ray Magnet Vtd)	26742	1998	181,192	\$750,000	\$15,000	37	8/15/97
14	5.000	Dennis Mulcrick	34842			\$125,000	\$25,000	116	5/15/96
15	10.000	Farmers Investment	27957	2000	64,500	\$280,000	\$28,000	165	6/30/00
16	11.230	DMS Realty, LLC	40359			\$487,519	\$93,304	305	12/22/08
17	7.400	Larry Barker	40359			\$284,100	\$34,313	306	10/25/08
21	3.000	Doak Rental LLC	34507			\$292,550	\$27,500	266	9/23/07
22	3.000	Larry Barker	38977			\$0	\$0		11/17/88
23	10.520	Larry Barker	22298	1990	5,015	\$0	\$0		2/27/95
24	7.020	Mexico Gas	22298	1995	2,242	\$0	\$0		12/18/93
26	3.810	Mica Pogue	24117	1995	3,050	\$0	\$0		5/15/95
27	5.000	Ducross Investments	23659	1994	3,050	\$0	\$0		4/4/95
28	5.000	Doak Rental LLC	24508	1995/1999	13,500	\$0	\$0		2/19/95
29	3.000	Pro Build Real Estate	27778			\$42,518	\$25,000	38	7/13/00
25	2.000	Pro Build Real Estate	27777	2002	23,707	\$75,000	\$15,000	63	8/18/00
26	5.000	Pro Build Real Estate	25460			\$75,000	\$15,000	19	8/18/00
27	5.000	Pro Build Real Estate	27922			\$181,500	\$27,293	307	9/25/07
28	5.655	Continental Leasing LLC	38978			\$150,000	\$15,000	308	10/25/08
29	10.900	Sapphire Energy Inc	40905			\$0	\$0		5/15/95
30	50.000	City of Las Cruces	40905			\$0	\$0		8/10/97
31	15.000	TNO Manufacturing LLC	39043			\$375,000	\$25,000	267	8/10/07
32	6.000	RDC, LLC	35501			\$150,000	\$25,000	104	7/12/06
33	5.780	Ernst & Young - Skyline Inv	35600			\$175,970	\$30,427	225	6/27/07
34	5.225	Ernst & Young - Skyline Inv	35599			\$180,130	\$34,427	226	6/27/07
35	18.000	City of Las Cruces (Parkview Meadows)	22514	1999	107,876	\$324,000	\$18,000	36	7/19/97
36	6.000	Mathew Ward	35591			\$150,000	\$25,000	273	6/23/07
37	4.788	West Texas Development	35592			\$143,700	\$30,011	272	6/26/07
38	4.740	Don & Jeff Buildings	35593	2008	6,250	\$142,200	\$30,000	214	4/2/07
39	4.750	James Ray	35594			\$0	\$0		9/14/94
40	5.650	Parade Partners, LLC	37633			\$0	\$0		9/14/94
41	3.460	Leonard Besinger	35596			\$103,800	\$30,000	222	6/21/07
42	5.970	Leonard Besinger	35597			\$179,100	\$30,000	222	6/21/07
43	4.900	Sidney Williamson	35598	2007	7,560	\$100,000	\$25,000	139	7/11/06
44	3.530	Commissioner of Public Lands	27859			\$0	\$0		9/14/94
45	6.370	F&A Dairy	22941			\$127,400	\$20,000	160	9/14/94
46	4.370	F&A Dairy	27781			\$87,400	\$20,000	160	9/14/94
47	18.610	City of Las Cruces (F&A Dairy)	32953	90/95/99/04	121,893	\$0	\$0		9/14/94
48	5.040	F&A Dairy	39986			\$181,500	\$36,000	255	9/28/07
49	3.490	F&A Dairy	22500			\$0	\$0		9/14/94
50	129.140	City of Las Cruces (F&A Dairy)	24501			\$0	\$0		9/14/94
51	33.790	City of Las Cruces	26293			\$0	\$0		9/14/94
52	1.000	World Radio Network	36842			\$30,000	\$30,000		5/14/09
Total						608,372			

Large Undeveloped Land Parcel Analysis:

The following sales were used to compare to the first three parcels that are referred to as Parcel 3, 13 and 14. These are the large parcels with Parcel 3 and 13 situated north of I-10 and without sewer service. The remaining parcel is situated south of I-10 and has all city services. The sales selected are detailed in the following table, followed by an analysis and my estimate of value. The sales were selected as they were the most recent comparables that represent large development parcels that are the most comparable to the subject parcels.



Discussion of Improved Comparable Sales

The preceding comparables indicate an unadjusted price range of \$10,542 to \$33,000 per acre. The sales were not adjusted for time, as it appears that this segment of the market has weakened since its height in the summer of 2006. Therefore, the search for sales data was limited to those transactions that have occurred since 2006. These sales are the most representative of the recent activity.

Market conditions adjustments take into account market appreciation or depreciation. There has been only one new sale in the past 28 months, and it is reasonable to assume that the market is going through a state of uncertainty. With no new market sales it is difficult to determine the direction of the market. Market participant interviews indicate that the raw land market has suffered and that investors are waiting for either desperate sellers or for the market to stabilize. Nationally, the employment sector that drives industrial demand has lost over 1.7 million jobs in 2009, with additional losses forecasted in 2010. These employment sectors turned negative (i.e. net job losses) in the 4<sup>th</sup> Quarter of 2007. Employment growth generally leads absorption by six months and investors will watch employment sectors closely in 2010 to see if they have bottomed out. Six months after that occurs, the industrial market should start to see signs of life. The CoStar Group forecasts the national vacancy rate to increase from 8.9% at year end of 2008 to 11% by year end of 2010. Additionally, the average time to re-lease a vacated space has increased from 75 days in 2006 to 425 days currently.

COMPARABLE IMPROVED SALES					
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Record ID	302	144	151	130	84
Address:	Large Land Parcels	Sonoma Ranch and Picacho Vista Parkway	Peachtree Hills	Picacho Hills	Stern Drive
City, State	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM
Grantor	Fletcher Farms	Leon	Barker	Bess	Roberts
Grantee	USA	United Land Group of NM	Picacho Mountain II LP	DTJ Development	Trinity Properties
Sale Date	Under Contract & Felt Through	8/29/08	8/21/07	4/5/07	1/1/2006
Sale Price	\$3,300,000	\$1,300,000	\$2,715,453	\$1,365,714	\$862,500
Price/AF	\$33,000	\$23,302	\$10,542	\$27,074	\$16,397
Land Size	112 to 156 Acres	56 Acres	257 Acres	50 Acres	52 Acres
Location	Mid-Block Location with I-10 Frontage	Corner Location	Mid-Block Location	Superior	Similar
Frontage	Similar	Similar	Mid-Block Location	Mid-Block Location	Mid-Block Location
Corner Features	Irregular	Irregular	Rectangular	Irregular	Irregular
Depth & Shape	Irregular	Irregular	Rectangular	Irregular	Irregular
Features	Gently Sloping	Sloping	Gently Sloping	Level	Gently Sloping
Topography	Industrial	ETZ - Commercial	Mixed Use	Residential	Residential
Zoning	Industrial	ETZ - Commercial	Mixed Use	Residential	Residential

Compiled by: W. Scott Etchenbrenner, MAI

Another method of determining current market activity is to check current listings. I have researched the Multiple Listing Service for vacant land tracts over 20 acres in order to determine if listing prices have changed. Of the 30 current listings that were researched, I found three active listings that indicated a decrease from their original listing prices. These three listings indicated decreases of 5%, 17% and 83% from original price. There is no way to determine if these parcels were listed at above market prices but there is an indication that this market has weakened.

After considering the lack of current market sales, the national economic indicators and current listing data, I have come to the conclusion that large land tract parcels have decreased in value since the end of 2007. I have factored in a 6% annual decrease in value since the start of 2008 to the comparable sales.

There are three parcels that range in size from 112 to 156 acres. I have used a 112 acre size tract as the typical subject parcel size. These comparable sales have been compared to a parcel that is a mid-block location with typical frontage and depth ratios. Adjustments have been made to the subject parcels that have 1-10 exposure, inferior shape or lack of utilities. A description of each comparable sale property is as follows.

I have utilized a Quantitative Analysis Grid to help determine each sale's overall comparability to the subject, and to assist in further defining a range of value for the subject.

	302	144	151	130	84
Sale No.	302	144	151	130	84
Sale Price	\$33,000	\$23,302	\$10,542	\$27,024	\$16,397
Size - Acre	100.00	56.00	257.00	50.00	32.60
Sale Date	Apr-09	Aug-08	Aug-07	Apr-07	Jan-06
Rights Conveyed	Fee	Fee	Fee	Fee	Fee
Adj. Conditions of Sale					
Financing Terms	Market	Market	Market	Market	Market
Adjustment					
Buyer/ Seller Motivation	Normal	Normal	Normal	Normal	Normal
Market Conditions (Time)	-6.00%	-6.00%	-6.00%	-6.00%	-6.00%
Tot. Time Adj.	-4.90%	-8.92%	-13.33%	-13.33%	-13.33%
Adj. Value	\$31,458	\$21,393	\$9,302	\$23,846	\$14,469
Location:					
% Adj.	0%	-25%	25%	-25%	0%
S Adj.	\$0	(\$5,348)	\$2,326	(\$5,962)	\$0
Adj. Value	\$31,458	\$16,045	\$11,628	\$17,885	\$14,469
Size:					
% Adj.	0%	-10%	15%	-10%	-10%
S Adj.	\$0	(\$2,139)	\$1,395	(\$2,385)	(\$1,447)
Adj. Value	\$31,458	\$13,905	\$13,023	\$15,500	\$13,022
Utilities:					
% Adj.	0%	0%	0%	0%	0%
S Adj.	\$0	\$0	\$0	\$0	\$0
Adj. Value	\$31,458	\$13,905	\$13,023	\$15,500	\$13,022
Other Features:					
% Adj.	0%	0%	0%	0%	0%
S Adj.	\$0	\$0	\$0	\$0	\$0
Adj. Value	\$31,458	\$13,905	\$13,023	\$15,500	\$13,022

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**Price Per Square Foot Conclusion**

The five comparables provide a range of adjusted value indications from a low of \$13,022 to \$31,458 per acre. This wide range of values is due to Comparable Sale #302, which is a parcel that is adjacent to the subject that was under contract to the US Government who has indicated a specific need to be in this immediate vicinity. This transaction has since fallen through due to government cut-backs. The remaining four sales represent a very close range from \$13,022 to \$15,500 per acre. There were no sales from the immediate vicinity, however, the comparables selected are representative of the subject property. The narrow range tends to lend credence to the final value conclusion. After considering the four remaining comparable sales and the slow market conditions, I have concluded a market value estimate towards the lower end of the range for Parcel 3 and 13 or \$13,500 per acre due to the lack of sewer service. Parcel 14 is located on Advancement Avenue with all utilities located adjacent to this parcel. I have considered a slightly higher value to acknowledge availability of sewer service to this large land parcel.

The following chart is my estimate of value for these three parcels.

Parcel #	Parcel ID#	Size/Acre	Indicated Value/Acre	Market Value (Rounded)
3	02-27108/37908	156.29	\$13,500	\$2,110,000
13	02-36841	112.26	\$13,500	\$1,515,000
14	02-40907	112.20	\$14,000	\$1,570,000

**Smaller Undeveloped Land Parcels - North of Interstate 10:**

The following sales will be used to compare to the parcels that are situated north of Interstate 10 and have all city services except sewer. The parcels are referred to as Parcel 1, 2 and 4 through 12. These parcels range in size from one acre to 28.7 acres and do not have the higher quality roads. There have only been three land sales north of the Interstate since 2006. Two of these parcels sold for \$25,000 per acre while the sales south of the Interstate were selling for \$25,000 to \$36,000 per acre with sewer service. The third parcel is the only sale that occurred in 2009 and contained only 0.90 acres of land and sold for \$30,000.

**WEST MESA INDUSTRIAL PARK - SOLD PARCELS NORTH OF I-10**

Parcel #	Total Lot Size	Property Owner	Parcel ID	Sales Price	Price/Acre	ID #	Date Sold
7	11.270	Clarence Crawford	02-37907	\$281,500	\$25,000	304	6/5/07
9	3.160	Michael O'Donnell	02-35584	\$79,000	\$25,000	155	8/17/06
52	0.9	World Radio Network	02-36842	\$30,000	\$33,333	333	9/14/09

When analyzing the 12 parcels of land it is my opinion that some adjustment for size and location is warranted. I am of the opinion that parcels with less than three acres should be adjusted upward by 10% for their smaller size and that parcels with more than 10 acres should be adjusted downward by 10% for their larger size. It is apparent that the sales north of I-10 sold for \$25,000 per acre almost two years ago and that there has been some appreciation through 2007. I have adjusted the two oldest sales upward by 10% for time through 2007 to acknowledge the increase in values in 2006 and 2007. Parcels with three acres or less would have an indicated value of \$30,000 per acre while parcels with more than 10 acres would have an indicated market value of \$25,000 per acre. The following chart is my estimate of value for these 12 parcels.

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Parcel #	Parcel ID#	Size/Acre	Indicated Value/Acre	Market Value (Rounded)
1	02-36841	3.880	\$30,000	\$115,000
2	02-37906	3.730	\$30,000	\$110,000
4	02-22306	28.86	\$25,000	\$720,000
5	02-35584	3.160	\$30,000	\$95,000
6	02-35585	3.370	\$30,000	\$100,000
7	02-35586	3.000	\$30,000	\$90,000
8	02-35587	3.000	\$30,000	\$90,000
9	02-35588	3.000	\$30,000	\$90,000
10	02-36839	17.66	\$25,000	\$440,000
11	02-36840	11.50	\$25,000	\$290,000
12	02-36843	0.900	\$30,000	\$30,000

**Smaller Undeveloped Land Parcels - South of Interstate 10:**

The following sales will be used to compare to the parcels that are situated south of Interstate 10 and have all city services including sewer service and good quality roads. The parcels are referred to as Parcel 15 through 29. These parcels range in size from 4.26 acres to 15.3 acres. The sales selected have occurred since 2007 as they were the most recent comparables that represent small fully developed parcels. There have been 15 land sales south of the Interstate. Please see the following chart for those sales.

**WEST MESA INDUSTRIAL PARK - SOLD PARCELS SOUTH OF I-10**

Parcel #	Total Lot Size	Property Owner	Parcel ID	Sales Price	Price/Acre	ID #	Date Sold
14	5.000	Dennis Muncrief	02-34842	\$125,000	\$25,000	115	5/15/06
16	11.230	DMS Realty, LLC	02-40358	\$407,649	\$36,300	305	12/22/08
17	7.400	Larry Barker	02-40359	\$254,100	\$34,339	306	10/29/08
18	10.620	Larry Barker	02-38977	\$292,050	\$27,500	266	9/25/07
28	6.650	Contractors Leasing LLC	02-38976	\$181,500	\$27,293	307	9/25/07
29	10.000	Sapphire Energy Inc.	02-40906	\$150,000	\$15,000	308	10/29/08
31	15.000	TMG Manufacturing, LLC	02-30043	\$375,000	\$25,000	267	8/10/07
32	6.000	RDC, LLC	02-35601	\$150,000	\$25,000	104	7/12/06
33	5.780	Esmail Haidari - Skyblue Inv.	02-35602	\$175,870	\$30,427	225	6/27/07
34	5.920	Esmail Haidari - Skyblue Inv.	02-35590	\$180,130	\$30,427	225	6/27/07
36	6.000	Matthew Icard	02-35591	\$150,000	\$25,000	223	6/22/07
37	4.788	West Texas Development	02-35592	\$143,700	\$30,013	224	6/26/07
38	4.740	Don & Jeff Billings	02-35593	\$142,200	\$30,000	214	4/6/07
41	3.460	Leonard Besinger	02-35596	\$103,800	\$30,000	222	6/21/07
42	5.970	Leonard Besinger	02-35597	\$179,100	\$30,000	222	6/21/07
43	4.000	Sidney Williamson	02-35598	\$100,000	\$25,000	139	7/11/06
48	5.040	F&A Dairy	02-39086	\$181,440	\$36,000	265	9/24/07
				\$3,291,539	\$27,990		

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The sales occurred between May of 2006 to December of 2008 with no sales in 2009. The sales range in price from \$15,000 to \$36,300 per acre. The low end of the range is represented by Parcel 29, which sold below market due to economic incentives offered to the purchaser. After eliminating Parcel 29 the range is much closer from \$25,000 to \$36,300 per acre. The sales range in size from four acres to 15 acres. The largest and smallest sale both sold for \$25,000 per acre indicating no adjustment for size.

When analyzing the 15 subject parcels it is my opinion that the only adjustment required is for location within the park due to frontage, corner features or exposure to Interstate 10. The subject parcels are listed for sale at two different prices based on location. Parcel 20 and 25, which have exposure to Interstate 10 are priced at \$45,000 per acre. The remaining parcels are all listed at the same price or \$40,000 per acre.

There were only two sales in 2008 and these two parcels were also situated on Alliance Drive. Parcel 16, which is the most recent sale, was purchased for the asking price of \$36,300 per acre while Parcel 17 sold only slightly lower at \$34,339 per acre primarily due to the fact that the same purchaser had purchased an adjacent parcel the year prior and some credit was given. Taking note of the fact that the City is typically selling parcels at their asking price with only minor adjustments made for price due to economic incentives. I am of the opinion that Parcel 25 and 26, which are both located on Alliance Drive indicate a market value of \$36,000 per acre and that this is basis for establishing value on the remaining subject parcels.

Parcel 19 and 24 are both situated on the Interstate 10 frontage road and provide additional exposure to interstate traffic. Parcels with superior visibility and favorable access will typically bring a premium, however, the sales activity in the WMIP does not support an adjustment. The City has the two parcels listed for sale at \$45,000 per acre, which is 25% higher than the established price for parcels on Alliance Drive. This exceeds market derived adjustments experienced in Las Cruces. Therefore, I am of the opinion that Parcel 19 and 24 would have a lower market value of \$44,000 per acre.

The remaining 10 parcels are all similar in size, access and exposure. These 10 parcels are all situated on major thoroughfares within the WMIP and have equal exposure, frontage and access. As mentioned previously, Parcel 25 and 26 have an indicated market value of \$36,000 per acre but are considered slightly inferior due to secondary access within WMIP. The City has these 10 remaining parcels listed for sale at \$40,000 per acre, which is a 10% premium over the parcels on Alliance Drive. This premium appears reasonable and I am of the opinion that the market value of the remaining parcels is \$40,000 per acre.

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The following chart is my estimate of value for these 15 parcels.

Parcel #	Parcel ID#	Size/Acre	Indicated Value/Acre	Market Value (Rounded)
15	02-38980	4.26	\$40,000	\$170,000
16	02-38981	4.28	\$40,000	\$170,000
17	02-34842	5.00	\$40,000	\$200,000
18	02-34315	10.0	\$40,000	\$400,000
19	02-40352	15.3	\$44,000	\$675,000
20	02-40354	8.82	\$40,000	\$355,000
21	02-40356	7.80	\$40,000	\$310,000
22	02-38979	11.2	\$40,000	\$450,000
23	02-38978	11.2	\$40,000	\$450,000
24	02-40353	12.74	\$44,000	\$560,000
25	02-40355	7.80	\$36,000	\$280,000
26	02-40357	7.14	\$36,000	\$255,000
27	02-38974	10.26	\$40,000	\$410,000
28	02-39087	5.49	\$40,000	\$220,000
29	02-35395	4.49	\$40,000	\$180,000

#### Reliability

While every effort has been made to produce a credible value estimate, certain factors limit the reliability of the result. The scope of this assignment was limited to an application of the Sales Comparison Approach. Only a limited market analysis was made and no in-depth analysis of highest and best use was conducted.

These factors are not considered to have a significant negative impact on the reliability of the valuation. Sufficient data, diligence, and analysis are combined in this appraisal to produce a reasonably reliable value conclusion, which will serve the needs of the client.

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#### ADDENDUM

##### Purpose, Intended Use And Scope Of The Appraisal

The purpose of the appraisal is to form an opinion of the Market Value of the owner's marketable interests in the subject property. The intended use of the appraisal is to assist the client in establishing an opinion of Market Value for the subject property for marketing purposes or such other purposes as noted in this report. In valuing this property, I have considered the actions of the market and have formed an opinion of value in consideration of current economic indicators and comparable properties.

The scope of the assignment was limited to the application of the Sales Comparison Approach to value. No in-depth market analysis or analysis of highest and best use was conducted. It is my determination that this appraisal is not so limited as to result in a misleading or confusing report. It is understood that the client is aware of the limitations and lower level of reliability inherent in a summary appraisal. The intended use of the appraisal is for the client only or third party users as designated by the client. A discussion of the appraisal methodology and processes applied appears in the Addendum. It should also be noted that the value conclusion herein is subject to the assumptions and limiting conditions and certification presented in the Addendum.

##### Marketing Period

The marketing period for property such as the subject is variable depending on many factors such as the style and extent of market exposure, the asking price, the availability of financing and the extent of competitive offerings. For the purpose of this appraisal, it is assumed that a reasonable time is allowed for exposure in the open market prior to the specified date of value. Although the market period is variable, I am of the opinion that, properly promoted, the subject property could be sold within 12 months of the date first offered for sale on the open market.

##### Property Rights Appraised

The property rights valued in this report are defined as "fee simple estate". *The Dictionary of Real Estate Appraisal*, Third Edition, published by the Appraisal Institute, defines fee simple estate 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."<sup>1</sup>

##### Definition of Market Value

For the purpose of this appraisal, "market value" is defined by the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation and also defined in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) as follows:

<sup>1</sup> *The Dictionary of Real Estate Appraisal*, Third Edition, Appraisal Institute, 1993, p. 204.

#### CERTIFICATION OF THE APPRAISER

The undersigned of this appraisal report, by his signature on this report, certifies that to the best of his 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 the undersigned's personal, impartial and unbiased professional analyses, opinions, and conclusions.
- The undersigned has no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- The undersigned has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The undersigned's 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 the appraisal.
- The undersigned's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The undersigned made a physical inspection of the subject property.
- No one provided significant professional assistance to the person signing this report.
- The undersigned has extensive experience in the appraisal of similar property types.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

By:

Scott  
Eschenbrenner

Digitally signed by Scott  
Eschenbrenner  
DN: cn=Scott Eschenbrenner,  
ou=Media Valley Appraisal Services, ou,  
email=ScottEschenbrenner.com, c=US,  
Date: 2010.02.25 09:37:13 -0700

W. Scott Eschenbrenner, MAI  
Certified Commercial Real Estate Appraiser  
State of New Mexico No. 1180-G

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*Market Value - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

##### Description of the Extent of the Process of Collecting, Confirming, and Reporting of Data

The scope of an appraisal report is a description of the process and extent of collecting, confirming, and reporting of data in relation to the appraisal problem. I collected data from a number of sources, including public officials, brokers, property owners and managers, as well as secondary sources such as data services.

Data was confirmed to the extent possible given the time constraints of the assignment. For comparable sales, attempts were made to contact a principal involved in the transaction, which was not always successful. In the case where a principal was not contacted, another person familiar with the transaction (broker, lawyer, property manager, etc.) was contacted. Finally, public information (deeds, tax assessor's records, etc.) was reviewed to further confirm sales. As this is a summary appraisal report, the actual data and analyses used in valuing the property are on file in my office.

This complete appraisal was conducted and prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as formulated by the Appraisal Foundation, and conforms to the Code of Professional Ethics of the Appraisal Institute.

GENERAL ASSUMPTIONS

*This appraisal report has been made with, and is subject to, the following General Assumptions:*

1. The title to the property is good and marketable unless otherwise stated. The legal description of the subject property is assumed to be correct and no responsibility is assumed for legal matters nor is an opinion of title rendered.
2. The property appraised is free and clear of any and all liens or encumbrances, except as noted. It is assumed that the property is under competent management and responsible ownership.
3. Information furnished by outside sources is considered to be reliable; however, no responsibility is accepted for its validity or accuracy. I reserve the right to amend the value conclusion should the accuracy of the information change subsequent to delivery of this appraisal.
4. No survey of the property was made available. All engineering associated with the subject property is assumed to be correct. The sketches and illustrations presented in the report are only included to assist the reader in visualizing the subject property and no responsibility is assumed for the accuracy of the exhibits.
5. There are no hidden or unapparent conditions of the property, subsoil, or structure that would render it more or less valuable. No responsibility is accepted for such conditions or for arranging for engineering studies that may be required to discover them. It is assumed that the site and the structure is free and clear of all hazardous materials, or any other potential health risks unless otherwise stated and identified in the appraisal report. Hazardous materials are to include, but are not limited to, asbestos-containing materials, urea-formaldehyde insulation, PCP, and toxic waste. No potential environmental hazards were observed, unless otherwise stated in the appraisal, however I recommend the client obtain a professional evaluation of the site for any contaminants.
6. Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in the appraisal report.
7. Unless nonconformity has been stated, defined, and considered in the appraisal report, it is assumed that all zoning and use regulations have been complied with.
8. All required licenses, certificates of occupancy, permits, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization are assumed to be in place, obtainable and/or renewable for any use on which the value estimate was predicated.
9. Unless otherwise noted in the report it is assumed that there are no encroachments or trespasses, either by or against the subject of this appraisal.

GENERAL LIMITING CONDITIONS

*This appraisal report has been made with, and is subject to, the following General Limiting Conditions:*

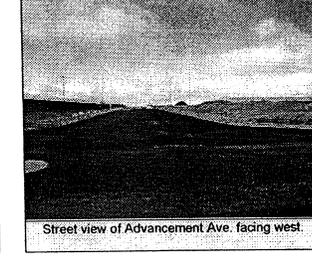
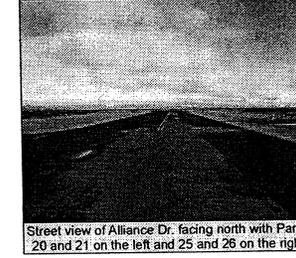
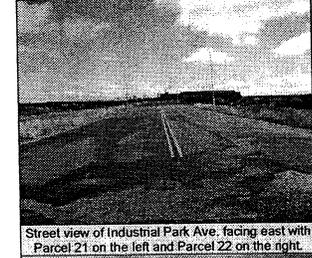
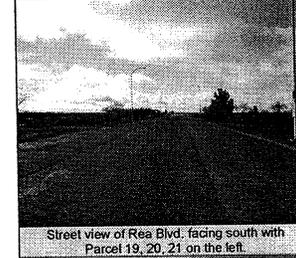
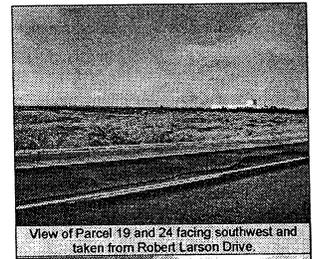
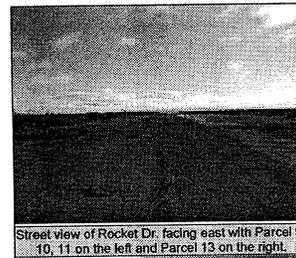
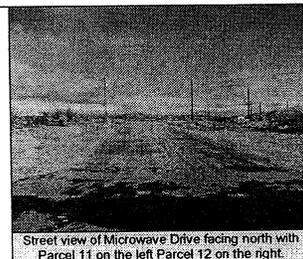
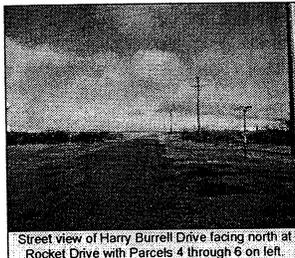
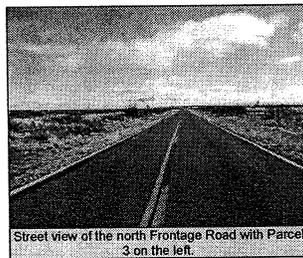
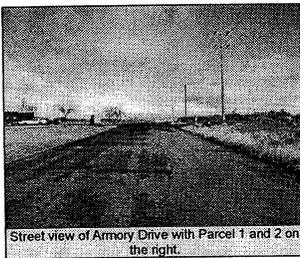
1. Unless previous arrangements have been made, the appraiser by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance at court.
2. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or MAI designation. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
3. The value conclusion in the appraisal is subject to the prevailing market conditions as of the effective date of the appraisal. No responsibility is assumed for any change in value that might occur due to changes in market conditions subsequent to the effective date of the appraisal.
4. Acceptance of and/or use of this report constitutes acceptance of the preceding "General Assumptions," "Special Assumptions and Limiting Conditions," and "General Limiting Conditions."

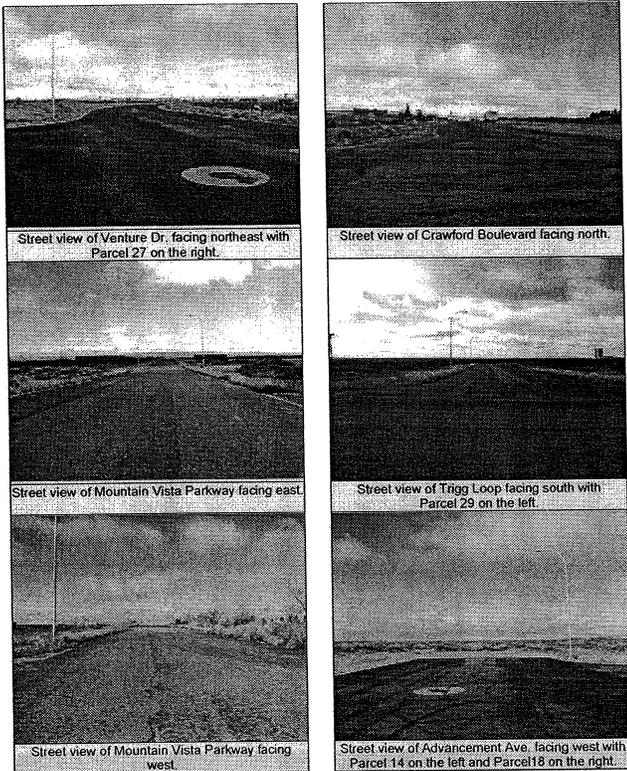
SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

*This appraisal report has been made with, and is subject to, the following Special Assumptions and Limiting Conditions:*

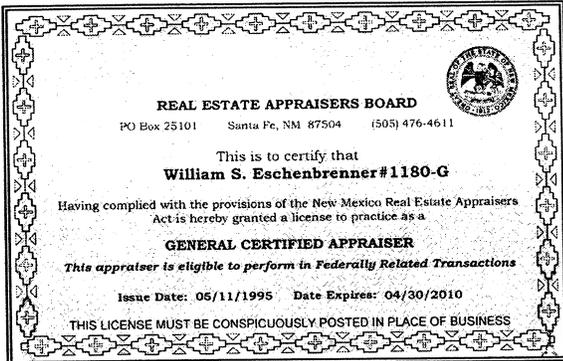
1. It is assumed that the information provided by the owner of the subject property is true and correct. However, no liability for errors contained in neither the submitted documents nor their verbal representations is accepted by Mesilla Valley Appraisal Services.
2. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I will not be responsible for conducting a specific compliance survey or analysis of this property to determine its conformity with the various requirements of the ADA. It is possible a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal the property is not in compliance with one or more of the requirements of the title. If so, non-conformance could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I will not be considering possible non-compliance with the requirements of ADA in estimating the value of the property.
3. I was not furnished with an environmental site assessment (21E) report and have appraised the subject with the assumption that it is not affected by any environmental hazards. Should it be determined that the site is affected by any environmental hazards I reserve the right to modify my overall value conclusion.

SUBJECT PHOTOGRAPHS





APPRAISER QUALIFICATIONS W. SCOTT ESCHENBRENNER, MAI	
<b>PROFESSIONAL EXPERIENCE:</b> MAI, Designated Member of the Appraisal Institute - #11,814 State Certified General Real Estate Appraiser, New Mexico-1180	
<b>EDUCATION BACKGROUND AND SPECIAL TRAINING:</b> Graduate from Southwest Texas State University, 1986, with Bachelor of Science Degree in Business Administration with major in Finance - Real Estate.	
Successfully completed the following real estate courses from the Appraisal Institute: Real Estate Appraisal Principles Residential Valuation Basic Valuation Procedures Capitalization Theory and Techniques - Part A & B Report Writing and Valuation Analysis Standard of Professional Practice, Parts A, B & C Advanced Applications Demonstration Appraisal Report General Comprehensive Exam	
<b>EMPLOYMENT:</b> May 1995 to Present; Owner, Mesilla Valley Appraisal Services in Las Cruces, New Mexico January 1984 to May 1995: Appraiser, William Scott Burns & Wilkinson, Inc., in El Paso, TX. October 1986 to December 1989: Appraiser, William Scott Burns & Company in El Paso, TX. May 1985 to August 1985: Construction, JR Thurman Construction, El Paso, TX. May 1981 to December 1984: Assist. Golf Professional, El Paso Country Club, El Paso, TX.	
<b>REPRESENTATIVE CLIENTS:</b> Community First National Bank, First Federal Savings, First National Bank in Alamogordo, Citizens Bank of Las Cruces, First National Bank in Las Cruces, Western Farm Bureau Mutual Insurance Company, First Interstate Bank of Denver, Alamogordo Federal Savings and Loan, Bank of the Rio Grande, Mesilla Valley Bank, and other Regional Lending Institutions, Gerald Champion Memorial Hospital, City of Las Cruces, City of Alamogordo, Allstate Insurance Company, Texas Highway Department, United States Corps of Engineers, El Paso Water Utilities, Southern Pacific Railroad, City of El Paso, Gencon Corporation.	
<b>REPRESENTATIVE ASSIGNMENTS:</b> (Texas, & New Mexico) Single and Multifamily Complexes Professional Office Complexes Industrial Parks, Warehouses, Mini-Warehouse Facilities Vacant Land, Subdivision Analysis and Mobile Home Parks Farm & Ranch Shopping Centers Special Purpose: Post Office, Hotel, Automobile Dealership, Banking Facility, Restaurant, Convenience Stations, Medical Clinic, Church, and Easements.	



**LAND SALE NO. 1**

<b>Property Identification</b>	
Record ID	178
Address	1430 Portland Drive, Las Cruces, Dona Ana County, New Mexico 88005
Tax ID	02-27969
Legal Description	Lot 7, Blk A, Industry West
<b>Sale Data</b>	
Grantor	Mesilla Valley Improvement, Inc
Grantee	Pro Plumbing Heating & Cooling
Sale Date	February 27, 2007
Deed Book/Page	792/568
Recorded Plat	19/505-506
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	Cash to Seller
Verification	Other sources: Contract/File - Don Miller
Sale Price	\$270,000
<b>Land Data</b>	
Zoning	M-1 Light Manufacturing
Topography	Generally level
Utilities	All city services except sewer
Shape	Irregular
Landscaping	None
Flood Info	Not located in flood hazard area
<b>Land Size Information</b>	
Gross Land Size	2.140 Acres or 93,218 SF
Useable Land Size	2.140 Acres or 93,218 SF 100.00%
<b>Indicators</b>	
Sale Price/Gross Acre	\$126,168
Sale Price/Gross SF	\$2.90
Sale Price/Useable Acre	\$126,168
Sale Price/Useable SF	\$2.90

## LAND SALE NO. 2

Property Identification

Record ID 213  
 Property Name Sandhill Center  
 Address 1001 Parkhill Drive, Las Cruces, Doña Ana County, New Mexico  
 Address 88012  
 Tax ID 02-32490  
 Legal Description Lot 1, Sandhill Center Subd No. 10

Sale Data

Grantor John N. & Mary C. Rinne  
 Grantee Oak Mountain Properties, LLC  
 Sale Date March 29, 2007  
 Deed Book/Page 802-704  
 Recorded Plat 21.112  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller  
 Sale History Sold in 2005 for \$2.01/SF  
 Verification John Rinne, grantor to Ken Odenheim. Confirmed by Harry Hansen

Sale Price \$425,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public services available  
 Flood Info Zone X panel 516F 9-95

Land Size Information

Gross Land Size 2.790 Acres or 121,532 SF

Indicators

Sale Price/Gross Acre \$152,330  
 Sale Price/Gross SF \$3.50

Remarks

North on Del Rey off Highway 70 past Keytronics.

## LAND SALE NO. 3

Property Identification

Record ID 221  
 Address 2340 Westgate Court, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-18469

Sale Data

Grantor Ewing Irrigation Products, Inc.  
 Grantee Randy & Cindy Farmer  
 Sale Date May 1, 2007  
 Deed Book/Page 812-1448  
 Recorded Plat 14-190-191  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller

Sale Price \$250,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All city services  
 Shape Irregular  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 1.459 Acres or 63,554 SF

Indicators

Sale Price/Gross Acre \$171,350  
 Sale Price/Gross SF \$3.93

## LAND SALE NO. 4

Property Identification

Record ID 227  
 Address 1360 Valley Dr, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-32347

Sale Data

Grantor Walter & Shirley Ann Lewis  
 Grantee G & N Ventures LLC  
 Sale Date July 26, 2007  
 Deed Book/Page 0725949  
 Recorded Plat 20-758  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller  
 Verification Other sources: MLS #776600

Sale Price \$220,000

Land Data

Zoning C-2 General Commercial  
 Topography Level at street grade  
 Utilities All city services  
 Shape Irregular  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 1.398 Acres or 60,906 SF

Indicators

Sale Price/Gross Acre \$157,345  
 Sale Price/Gross SF \$3.61

Remarks

Property is located at the entrance of Tashiro Road.

## LAND SALE NO. 5

Property Identification

Record ID 231  
 Property Type Industrial  
 Address 5390 Del Rey Blvd., Las Cruces, Doña Ana County, New Mexico  
 Tax ID 03-13115  
 Legal Description Part of Lots 12 & 13, Block 20, Elephant Butte Land & Trust Co. Subd A

Sale Data

Grantor David & Sylvia Roddy  
 Grantee Uniel & Erika Marquez and Salvador & Lidia Baquera  
 Sale Date August 13, 2007  
 Deed Book/Page #0731588  
 Property Rights Fee simple  
 Conditions of Sale Arms length  
 Financing Conventional  
 Verification Uniel Marquez, Jr., grantee. Confirmed by Harry Hansen

Sale Price \$196,020

Land Data

Zoning E11 Light Industrial ETZ  
 Topography Level inside site  
 Utilities Electricity, water, natural gas, septic system  
 Shape Rectangular  
 Flood Info Not located in flood hazard area.

Land Size Information

Gross Land Size 2.027 Acres or 88,296 SF  
 Front Footage 175 ft Del Rey Blvd

Indicators

Sale Price/Gross Acre \$96,704  
 Sale Price/Gross SF \$2.22

Remarks

Purchased to construct office/warehouse property.

## LAND SALE NO. 6

Property Identification

Record ID 245  
Address 2800 N. Motel Blvd. Las Cruces, Doña Ana County, New Mexico  
Tax ID 02-18674

Sale Data

Grantor Billy Goodin, Jr.  
Grantee Karuskopf & Warren LLC  
Sale Date August 23, 2007  
Deed Book/Page 0729586  
Property Rights Fee Simple  
Conditions of Sale Arms Length  
Financing Cash to Seller

Sale Price \$320,000

Land Data

Zoning R-2 Medium Density Residential  
Topography Level, corner location  
Utilities All city services  
Shape Irregular  
Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 2.784 Acres or 121,271 SF

Indicators

Sale Price/Gross Acre \$114,943  
Sale Price/Gross SF \$2.64

Remarks

There is an old single family dwelling on the property that was built in 1920, but offers no value.

## LAND SALE NO. 7

Property Identification

Record ID 256  
Property Type Commercial  
Address 1600 W Picacho Avenue, Las Cruces, Doña Ana County, New Mexico 89005  
Tax ID 02-01986 & 02-18201  
Legal Description USRS Tracts 9C-9 and 9C-8

Sale Data

Grantor Estate of Edna Weinreich  
Grantee Manuel & Leticia Pñon  
Sale Date October 31, 2007  
Deed Book/Page 0737132  
Property Rights Fee Simple

Marketing Time 239

Conditions of Sale Arms length  
Financing REC \$100K down, \$3,000 P&I for 35 months @ 6.5%, balloon after 3 years

Verification MLS#-778763, Ellie Weinreich agent. Confirmed by Harry Hansen

Sale Price \$475,000

Land Data

Zoning C-2 General Commercial  
Topography Level  
Utilities All public  
Shape Irregular  
Landscaping None  
Flood Info Partially located in flood hazard area.

Land Size Information

Gross Land Size 3.138 Acres or 136,691 SF  
Front Footage 327 ft Picacho

Indicators

Sale Price/Gross Acre \$151,370  
Sale Price/Gross SF \$3.47

Remarks

The subject has been used for used car and mobile home sales. Improvements do not support highest and best use. I consider this a vacant site sale.

## LAND SALE NO. 8

Property Identification

Record ID 255  
Address W. Amador Ave, Las Cruces, Doña Ana County, New Mexico  
Location west of Horse and Hound Feed Store  
Tax ID Part of 02-30417  
Legal Description Lot 1B, Amador Tracts Replat No. 4

Sale Data

Grantor Amador Compress Partners, LLC  
Grantee Brewer Oil Co.  
Sale Date November 28, 2007  
Deed Book/Page 0739537  
Recorded Plat 22352  
Property Rights Fee Simple  
Conditions of Sale Arms Length  
Financing Cash to Seller  
Verification Grady Oxford - Seller, Other sources: Warranty Deed. Confirmed by Scott Eschenbrenner

Sale Price \$975,000

Land Data

Zoning C-2 General Commercial  
Topography Level at street grade  
Utilities All city services  
Shape Irregular  
Landscaping None  
Flood Info Located in flood hazard area  
User 5 1,872  
User 6 311.90'  
User 7 311.90'

Land Size Information

Gross Land Size 4.828 Acres or 210,295 SF  
Front Footage 312 ft Amador

Indicators

Sale Price/Gross Acre \$201,960  
Sale Price/Gross SF \$4.64

Remarks

Property located on West Amador Avenue to the west of Compress Avenue and East of South Valley Drive next to the Horse and Hound Feed Store.

## LAND SALE NO. 9

Property Identification

Record ID 274  
Property Name Former Model Airplane Field  
Address 375 North Valley Drive, Las Cruces, Doña Ana County, New Mexico  
Location With frontage on Archuleta Drive  
Tax ID 02-21153  
Legal Description USRS Tract 9A-157, Section 13, T23S, R1E

Sale Data

Grantor Gabe Sandoval and Grady Oxford  
Grantee CMH Homes, Inc.  
Sale Date September 2, 2008  
Deed Book/Page 0825238  
Recorded Plat 21515  
Property Rights Fee Simple  
Conditions of Sale Arms Length  
Financing Cash to seller  
Sale History Sold previously on 4/3/06 for \$425,000  
Verification Seller - Grady Oxford, January 8, 2009; Other sources: Appraisal File #7126

Sale Price \$700,000

Land Data

Zoning C-3 Commercial  
Topography Basically Level  
Utilities All City Services  
Shape Irregular  
Flood Info Zone AE - Panel G31  
User 5 P = 1,524.61'  
User 6 TF = 1,069.67  
User 7 ME = 514.69'

Land Size Information

Gross Land Size 3.103 Acres or 135,167 SF

Indicators

Sale Price/Gross Acre \$225,588  
Sale Price/Gross SF \$5.18

Remarks

This parcel will be improved for mobile home sales and operated as Oakwood Mobile Home Sales. The parcel is irregular in shape with 490 feet of paved road frontage on Archuleta and 514.69 feet on North Valley Drive. The site is situated in a flood zone. The property does have an irrigation well and no value was assigned to the water rights or the equipment when appraised.

I appraised the property for the City of Las Cruces on January 26, 2005 and the market value estimate is the same as the sales price. There were two additional offers on the property below the asking price. The property went under contract a year before the actual closing and was help to the seller. The sales price was \$425,000 and the adjusted price was \$446,250, which indicates a 21% annual appreciation factor over a 28-month period.

## LAND SALE NO. 10

Property Identification

Record ID 284  
 Property Type Industrial  
 Property Name Casey Carpets Expansion Land  
 Address W. Amador, Las Cruces, Doña Ana County, New Mexico 88005  
 Location East of Pioneer Place  
 Tax ID 02-40657  
 Legal Description Tract A1 Miner Summary Subd.

Sale Data

Grantor Indrio Ventures, LLC  
 Grantee Casey Carpets  
 Sale Date September 18, 2008  
 Property Rights Fee simple  
 Conditions of Sale Arms length  
 Financing Conventional loan  
 Verification Dave Schultz, Banker; Other sources: Appraisal File, Confirmed by Harry Hansen

Sale Price \$678,416

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public  
 Shape Irregular  
 Landscaping None  
 Fencing None  
 Flood Info Located in flood zone AE Map #35013C0631

Land Size Information

Gross Land Size 2.922 Acres or 127,282 SF  
 Front Footage 350 ft Amador

Indicators

Sale Price/Gross Acre \$232,175  
 Sale Price/Gross SF \$5.33

Remarks

Purchased for expansion of adjacent commercial property.

## LAND SALE NO. 11

Property Identification

Record ID 292  
 Address 5430 Del Rey Blvd, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 03-04575  
 Legal Description Lot 1 & 2, Blk 19, EBL&T Co. Subd A

Sale Data

Grantor DKR Partnership  
 Grantee Joe & Ida Chavez Family Trust  
 Sale Date December 19, 2008  
 Deed Book/Page 0834095  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash  
 Verification Other sources: MLS #804723, Confirmed by Scott Eschenbrenner

Sale Price \$427,343

Land Data

Zoning E11 Light Industrial ETZ  
 Topography Level  
 Utilities All city services  
 Shape Irregular  
 Landscaping Natural desert vegetation  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 4.317 Acres or 188,040 SF

Indicators

Sale Price/Gross Acre \$99,042  
 Sale Price/Gross SF \$2.27

Remarks

I-25 north to Dona Ana exit, right on Del Rey, vacant lot on the right. Perfect location for storage, warehouse and combination retail. Ready for development.

## LAND SALE NO. 12

Property Identification

Record ID 294  
 Property Type Industrial  
 Address 971 Sand Castle, Las Cruces, Dona Ana County, New Mexico  
 Tax ID 02-27770  
 Legal Description Lot 4, Sandhill Center Subdivision No. 3

Sale Data

Grantor WDC Properties, LLC  
 Grantee David & Juliana Garcia  
 Sale Date July 15, 2008  
 Deed Book/Page 0820091  
 Recorded Plat 19432-433  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Fritz Lawrence - Seller, 522-8762, February 16, 2009; Confirmed by Scott Eschenbrenner

Sale Price \$171,500

Land Data

Zoning M-1 Light Manufacturing  
 Topography Basically Level  
 Utilities All City Services  
 Shape Rectangular  
 Flood Info Zone X - Panel 518  
 Perimeter P = 830'  
 Total Frontage TF = 165'  
 Main Frontage MF = 165'

Land Size Information

Gross Land Size 0.940 Acres or 40,942 SF  
 Front Footage 165 ft Sand Castle

Indicators

Sale Price/Gross Acre \$182,466  
 Sale Price/Gross SF \$4.19

## LAND SALE NO. 13

Property Identification

Record ID 314  
 Address 5430 Del Rey Blvd, Las Cruces, Dona Ana County, New Mexico  
 Tax ID 03-04575  
 Legal Description Pt Lots 1-2, Blk 19, EBL&T Co Subd A

Sale Data

Grantor David & Sylvia Roddy, Ken & Joan Forestal, Rosa Perez  
 Grantee Joe & Ida Chavez Family Trust  
 Sale Date December 19, 2008  
 Deed Book/Page 0834095  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash  
 Verification Other sources: MLS #804723, Confirmed by Harry Hansen

Sale Price \$427,543

Land Data

Zoning E11 Light Industrial ETZ  
 Topography Level  
 Utilities All city services  
 Shape Irregular  
 Landscaping Natural desert vegetation  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 4.317 Acres or 188,040 SF

Indicators

Sale Price/Gross Acre \$99,042  
 Sale Price/Gross SF \$2.27

Remarks

I-25 north to Dona Ana exit, right on Del Rey, vacant lot on the right. Perfect location for storage, warehouse and combination retail.

## LAND SALE NO. 14

**Property Identification**  
**Record ID** 310  
**Address** 2701 West Amador Avenue, Las Cruces, Dona Ana County, New Mexico  
**Location** At the corner of Motel and I-10  
**Tax ID** 02-00484  
**Legal Description** USRS Tract 10-13A; 10-12A, S23, T23S, R1E

**Sale Data**  
**Grantor** Valley Leasing & Development Company, Inc.  
**Grantee** RACI Management Company, Inc.  
**Sale Date** January 7, 2009  
**Deed Book/Page** 0900476  
**Property Rights** Fee Simple  
**Conditions of Sale** Arms Length  
**Financing** Cash to seller  
**Verification** Confidential; Confirmed by Scott Eschenbrenner

**Sale Price** \$1,542,546 Based on \$3 psf

**Land Data**  
**Zoning** M-1, M-1 Light Manufacturing  
**Topography** Level  
**Utilities** All City Services  
**Shape** Irregular  
**Fencing** Chain Link

**Land Size Information**  
**Gross Land Size** 11,804 Acres or 514,182 SF  
**Front Footage** 754 ft Motel; 690 ft Amador; 478 ft I-10

**Indicators**  
**Sale Price/Gross Acre** \$130,680  
**Sale Price/Gross SF** \$3.00

**Remarks**

This sale was negotiated in September of 2007 but the buyer could not close until 2009. The buyer paid \$5,000 per month as an option price until closing with none of the funds applied to the sales price. The person confirming the sale indicated that the sales price was based on \$3.00 per square foot and the total land area was 514,182 square feet.

The warranty deed shows three parcels containing 0.580 acres; 11.224 acres and 0.275 acres for a total of 12.079 acres and difference of 0.275 acres that is located on the north parcel.

There are basically two parcels that are situated on the west side of Motel Boulevard and they are divided by Amador Avenue. The northern parcel contains a total of 0.855 acres and has 151.78' feet of frontage on Motel and 457 feet of frontage on Amador. This parcel is irregular in shape with the western most portion of this parcel being triangular in shape with no utility.

The southern parcel contains 11.224 acres of land and has 540.21 feet of frontage on Amador; 617 feet on Motel and 587 feet of frontage on I-10.

THIS PARCEL IS ADJACENT TO THE LAS CRUCES SEWER PLANT AND AS SUCH SUFFERS FROM EXTERNAL OBSOLESCENCE DUE TO THE OFFENSIVE ODORS EMITTED FROM THE PLANT. IT APPEARS THAT BASED ON LAND VALUE FROM COMPARABLE AREA INDICATES A 50% DIMINUTION IN VALUE DUE TO THE EXTERNAL OBSOLESCENCE.

## LAND SALE NO. 15

**Property Identification**  
**Record ID** 329  
**Address** Mars Avenue, Las Cruces, Dona Ana County, New Mexico  
**Tax ID** 02-24671  
**Legal Description** Pt Sec. 31, T22S, R2E, NMPM; Pt of Highland Park Addition

**Sale Data**  
**Grantor** Rosann Conran Living Trust  
**Grantee** Lowell Fincham  
**Sale Date** December 15, 2009  
**Deed Book/Page** 0933862  
**Property Rights** Fee Simple  
**Conditions of Sale** Arms Length  
**Financing** Real Estate Contract  
**Verification** Other sources: MLS #807826; Confirmed by Scott Eschenbrenner

**Sale Price** \$325,000

**Land Data**  
**Zoning** C-3 Commercial  
**Topography** Level  
**Utilities** All city services  
**Shape** Irregular  
**Flood Info** Not located in flood hazard area.

**Land Size Information**  
**Gross Land Size** 2.500 Acres or 108,900 SF

**Indicators**  
**Sale Price/Gross Acre** \$130,000  
**Sale Price/Gross SF** \$2.98

**Remarks**  
 North on Del Rey Blvd., then left (west) on Mars Avenue. Site is at the end of the pavement on the south side of Mars Avenue.

## LAND SALE NO. 16

**Property Identification**  
**Record ID** 302  
**Property Type** Commercial and Industrial  
**Address** East End Mountain Vista Parkway, Las Cruces, Dona Ana County, New Mexico  
**Location** East of the West Mesa Industrial Park  
**Tax ID** 02-39563, 02-39565 & 02-39564  
**Legal Description** Part of SW1/4 Sec 25, T23S, R1W

**Sale Data**  
**Grantor** Fletcher Farms  
**Grantee** United States America  
**Sale Date** March 23, 2009 Under contract  
**Property Rights** Fee simple  
**Conditions of Sale** Arms length  
**Financing** Cash to seller  
**Verification** Bill Boling, seller's agent; Confirmed by Harry Hansen

**Sale Price** \$3,300,000

**Land Data**  
**Topography** Generally level desert land  
**Utilities** City water, electricity and gas  
**Shape** Irregular  
**Flood Info** Not in flood area

**Land Size Information**  
**Gross Land Size** 100,000 Acres or 4,356,000 SF

**Indicators**  
**Sale Price/Gross Acre** \$33,000  
**Sale Price/Gross SF** \$0.76

**Remarks**

This property is under contract to USA subject to environmental studies

## LAND SALE NO. 17

**Property Identification**  
**Record ID** 144  
**Address** Las Cruces, Dona Ana County, New Mexico,  
**Location** NWC Sonoma Ranch & Peachtree Hills Road  
**Tax ID** 02-36415  
**Legal Description** Lot 2, Isaacks Subd.

**Sale Data**  
**Grantor** Guado A. & Maria G. Leon  
**Grantee** United Land Group of New Mexico, L.L.C.  
**Sale Date** August 29, 2008  
**Property Rights** Fee Simple  
**Conditions of Sale** Arms Length  
**Financing** Conventional  
**Verification** Other sources: Contract; Confirmed by Scott Eschenbrenner

**Contract Price** \$1,300,000

**Land Data**  
**Topography** Generally level  
**Utilities** Electric, Water & Sewer in Sonoma Ranch  
**Shape** Irregular  
**Landscaping** Natural desert vegetation  
**Flood Info** Not located in flood zone

**Land Size Information**  
**Gross Land Size** 55.790 Acres or 2,430,212 SF

**Indicators**  
**Sale Price/Gross Acre** \$23,302  
**Sale Price/Gross SF** \$0.53

**Remarks**

The subject property was purchased by a local residential home builder for future subdivision.

## LAND SALE NO. 18

Property Identification

Record ID 151  
 Property Name Picacho Land Development  
 Address Las Cruces, Doña Ana County, New Mexico.  
 Location West end of Picacho Hills Country Club  
 Tax ID 03-28908, 03-28909, 03-28910  
 Legal Description Tract 3A2B, 3A2C, 3A2D, Enchanted Desert Subdivision

Sale Data

Grantor Francis M. Burke and Martha Lou Burke  
 Grantee Picacho Mountain II Limited Partnership  
 Sale Date August 21, 2007  
 Deed Book/Page 0729108  
 Recorded Plat 22-320-321  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Third Party - Mark Cowen, MAI. Confirmed by Scott Eschenbrenner

Sale Price \$2,715,453

Land Data

Zoning ETZ-Single family dwelling  
 Topography Sloping West Mesa Land  
 Utilities All Services available adjacent to parcel  
 Shape Irregular

Land Size Information

Gross Land Size 257.588 Acres or 11,220,533 SF

Indicators

Sale Price/Gross Acre \$10,542  
 Sale Price/Gross SF \$0.24

Remarks

This parcel is sloping land to the west of Picacho Hills Country Club and adjacent to Coronado Ridge and Las Estancias de Picacho. All utilities are available in adjacent subdivisions. This parcel was in ETZ at the time of the sale (ER4) and is now part of Las Estancias de Picacho master plan. This parcel remains undeveloped and offers favorable views of Las Cruces.

## LAND SALE NO. 19

Property Identification

Record ID 130  
 Property Name Heather Hills Development  
 Address Stern Drive, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-16689; 02-40213  
 Legal Description Parcel A - Portions of Sect. 33 & 34, T23S, R2E  
 User 2 Section 4, T24S, R2E  
 User 3 Parcel B - Lot 6, 8, 9, Block 1, EBL&T Subd.

Sale Data

Grantor Chris & Mary Ann Bess (89%) & First Assembly of God Church (11%\*)  
 Grantee DTJ Development Company  
 Sale Date April 5, 2007  
 Deed Book/Page 0712488  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification John Curry - Purchaser. Other sources: Appraisal File #7254. Confirmed by Scott Eschenbrenner

Sale Price \$1,365,714

Land Data

Zoning ER3  
 Topography Gently Sloping  
 Utilities Sewer, Water, Natural Gas, Electricity  
 Shape Irregular  
 Flood Info Zone X - Panel 634

Land Size Information

Gross Land Size \$0.537 Acres or 2,201,392 SF

Indicators

Sale Price/Gross Acre \$27,024  
 Sale Price/Gross SF \$0.62

Remarks

The property consists of two parcels. Parcel A shows 45.63-acres that will be developed with 47-residential lots containing not less than 3-4-acres. Parcel A will be accessed from Dove Crossing Subdivision to the north. Parcel B contains 10.08-acres of land with frontage on Stern Drive. Parcel B will be donated to Mesilla Valley Christian School Campus for a proposed high school. All utilities are available from Dove Crossing Subdivision.

## LAND SALE NO. 20

Property Identification

Record ID 84  
 Property Name Jackrabbit Exchange  
 Address Northside of Interstate 10 and Picacho Avenue, Las Cruces, Doña Ana County, New Mexico  
 Location West Mesa  
 Tax ID 03-01607  
 Legal Description Northwest 1/4 Section 30, T23S, R1E

Sale Data

Grantor Jack Lee Roberts  
 Grantee Trinity Properties, Bill & Renee Cupid  
 Sale Date January 12, 2006  
 Deed Book/Page 677-1206-1207  
 Property Rights Fee Simple  
 Marketing Time N/A  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Bill Cupid - Purchaser, December 7, 2005; Other sources: Appraisal File #7150. Confirmed by Scott Eschenbrenner

Sale Price \$862,500

Land Data

Zoning County  
 Topography Gently Sloping  
 Utilities Water, electric and phone nearby  
 Shape Irregular

Land Size Information

Gross Land Size 52.600 Acres or 2,291,256 SF

Indicators

Sale Price/Gross Acre \$16,397  
 Sale Price/Gross SF \$0.38

Remarks

Purchased for speculation. It has been reported that the Governor will release funds in the near future to re-build this interchange and provide direct access to this parcel. Additionally, there has been discussion about creating a thoroughfare that connects this interchange 30-miles to the south at Santa Teresa. Time frame for this road is estimated at 5-years.

## LAND SALE NO. 21

Property Identification

Record ID 304  
 Property Type Industrial  
 Address 258 Armory Road, Las Cruces, Doña Ana County, New Mexico 88005  
 Location At the corner of the North Frontage Road  
 Tax ID 02-37907  
 Legal Description Lot C, West Mesa Industrial Park Northwest One

Sale Data

Grantor City of Las Cruces  
 Grantee Clarence W. and Theresa Crawford  
 Sale Date June 1, 2007  
 Deed Book/Page #0720011  
 Recorded Plat 22150-151  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces. Confirmed by Harry Hansen

Sale Price \$281,500

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available,  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 11.270 Acres or 490,921 SF

Indicators

Sale Price/Gross Acre \$24,978  
 Sale Price/Gross SF \$0.57

## LAND SALE NO. 22

Property Identification

Record ID 155  
 Property Type Industrial  
 Address Las Cruces, Doña Ana County, New Mexico, 88005  
 Location West Mesa Industrial Park  
 Legal Description Parcel 1, West Mesa Industrial Park No 25

Sale Data

Grantor City of Las Cruces  
 Grantee Michael O'Donnell & Julia Miller  
 Sale Date August 17, 2006  
 Deed Book/Page 738:184  
 Recorded Plat 21-6820683  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces, Confirmed by Harry Hansen

Sale Price \$79,000

Land Data

Zoning M-1 Light Manufacturing  
 Level Level  
 Topography All public available  
 Utilities Generally rectangular  
 Shape Native desert vegetation  
 Landscaping Not located in flood hazard area  
 Flood Info

Land Size Information

Gross Land Size 3.160 Acres or 137,650 SF

Indicators

Sale Price/Gross Acre \$25,000  
 Sale Price/Gross SF \$0.57

## LAND SALE NO. 23

Property Identification

Record ID 115  
 Property Type Industrial  
 Address Rea Blvd., Las Cruces, Doña Ana County, New Mexico 88005  
 Location West side of Rea Blvd. in the West Mesa industrial Park  
 Tax ID 02-34842  
 Legal Description Tract 1, West Mesa Industrial Park No. 23

Sale Data

Grantor City of Las Cruces  
 Grantee CS, Inc.  
 Sale Date May 15, 2006  
 Deed Book/Page 712:582  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Bill Hamm, City of Las Cruces, Confirmed by Harry Hansen

Sale Price \$125,000

Land Data

Zoning M-1 Light Manufacturing  
 Level Level  
 Topography All public available  
 Utilities Generally rectangular  
 Shape Native desert vegetation  
 Landscaping Not located in flood hazard area  
 Flood Info

Land Size Information

Gross Land Size 5.000 Acres or 217,800 SF

Indicators

Sale Price/Gross Acre \$25,000  
 Sale Price/Gross SF \$0.57

## LAND SALE NO. 24

Property Identification

Record ID 305  
 Property Type Industrial  
 Address 350 Alliance Drive, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-40358  
 Legal Description Lot A-7, West Mesa Industrial Park No 26, Replat 1

Sale Data

Grantor City of Las Cruces  
 Grantee DMS Realty, LLC  
 Sale Date December 22, 2008  
 Deed Book/Page #0834119  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces, Confirmed by Harry Hansen

Sale Price \$407,649

Land Data

Zoning M-1 Light Manufacturing  
 Level Level  
 Topography All public available  
 Utilities Generally rectangular  
 Shape Native desert vegetation  
 Landscaping Not located in flood hazard area  
 Flood Info

Land Size Information

Gross Land Size 11.230 Acres or 489,179 SF

Indicators

Sale Price/Gross Acre \$36,300  
 Sale Price/Gross SF \$0.83

Remarks

DMS Realty (Premier Distributing Company) is an Albuquerque based distributor of Anheuser-Busch products and they plan on building a distribution facility on Alliance Drive. They purchased the land in December of 2008 and are in the final design phase of development.

## LAND SALE NO. 25

Property Identification

Record ID 306  
 Property Type Industrial  
 Address 350 Alliance Drive, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-40359  
 Legal Description Lot A-8, West Mesa Industrial Park No 26

Sale Data

Grantor City of Las Cruces  
 Grantee Larry Barker  
 Sale Date October 27, 2008  
 Deed Book/Page #0829765  
 Recorded Plat 22/413-414  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces, Confirmed by Harry Hansen

Sale Price \$254,100

Land Data

Zoning M-1 Light Manufacturing  
 Level Level  
 Topography All public available  
 Utilities Generally rectangular  
 Shape Native desert vegetation  
 Landscaping Not located in flood hazard area  
 Flood Info

Land Size Information

Gross Land Size 7.400 Acres or 322,344 SF

Indicators

Sale Price/Gross Acre \$34,338  
 Sale Price/Gross SF \$0.79

Remarks

Property was purchased for an onion peeling plant. Ag related use.

## LAND SALE NO. 26

**Property Identification**

Record ID 266  
 Property Type Industrial  
 Address Advancement, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Legal Description Lots 3, West Mesa Industrial Park No 26

**Sale Data**

Grantor City of Las Cruces  
 Grantee Larry Barker  
 Sale Date September 21, 2007  
 Deed Book/Page #0733636  
 Recorded Plat 22 230-231  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen  
 Sale Price \$275,000

**Land Data**

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**

Gross Land Size 10,000 Acres or 435,600 SF

**Indicators**

Sale Price/Gross Acre \$27.500  
 Sale Price/Gross SF \$0.63

## LAND SALE NO. 27

**Property Identification**

Record ID 307  
 Property Type Industrial  
 Address Advancement Avenue & Venture Boulevard, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-38976  
 Legal Description Lot 2, West Mesa Industrial Park No 26

**Sale Data**

Grantor City of Las Cruces  
 Grantee Contractors Leasing, LLC  
 Sale Date September 25, 2007  
 Deed Book/Page #0733111  
 Recorded Plat 22 230-231  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen

**Sale Price**

\$181,500

**Land Data**

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**

Gross Land Size 6,650 Acres or 289,674 SF

**Indicators**

Sale Price/Gross Acre \$27.293  
 Sale Price/Gross SF \$0.63

**Remarks**

Property purchased by the adjacent land owner who is a truss building plant that serves the regional construction industry.

## LAND SALE NO. 28

**Property Identification**

Record ID 308  
 Property Type Industrial  
 Property Name Sapphire Energy  
 Address 9035 Advancement Avenue, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-49906  
 Legal Description Tract B, West Mesa Industrial Park No 28

**Sale Data**

Grantor City of Las Cruces  
 Grantee Sapphire Energy Inc.  
 Sale Date October 29, 2008  
 Deed Book/Page 0839703  
 Recorded Plat 22-575-576  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen  
 Sale Price \$150,000

**Land Data**

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**

Gross Land Size 10,000 Acres or 435,600 SF

**Indicators**

Sale Price/Gross Acre \$15,000  
 Sale Price/Gross SF \$0.34

**Remarks**

Sapphire Energy purchased 10 acres of land from the City in October of 2008 and work began on the site in November. The company will grow algae to produce a renewable source of fuel for gasoline and jet fuel. It is constructing a research and development facility with five buildings and potentially thousands of feet of algae ponds in the industrial park. As part of an incentive package with the City, if Sapphire Energy creates 30 jobs at 120 percent of the average salary for the area and invests \$6 million in the industrial park, the City will convey 90 acres surrounding the original site to the company with a value of \$1.35 million at no additional cost. The lower purchase price for the 10 acres is due to incentives for job creation under the local economic development act.

## LAND SALE NO. 29

**Property Identification**

Record ID 267  
 Property Type Industrial  
 Address SEC Venture & Advancement, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Legal Description Lot A, West Mesa Industrial Park No 20

**Sale Data**

Grantor City of Las Cruces  
 Grantee The Marvin Group  
 Sale Date August 10, 2007  
 Deed Book/Page #0727888  
 Recorded Plat 20 Folio 316  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen  
 Sale Price \$375,000

**Land Data**

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**

Gross Land Size 15,000 Acres or 653,400 SF

**Indicators**

Sale Price/Gross Acre \$25,000  
 Sale Price/Gross SF \$0.37

## LAND SALE NO. 30

Property Identification

Record ID 104  
 Property Type Industrial  
 Address NEC Mountain Vista & Crawford Blvd., Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-35601  
 Legal Description Lot 1, West Mesa Industrial Park No. 24

Sale Data

Grantor City of Las Cruces  
 Grantee RDC, LLC  
 Sale Date July 12, 2006  
 Deed Book/Page 728-542  
 Recorded Plat 21/672-673  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Bill Hamm, City of Las Cruces; Confirmed by Harry Hansen

Sale Price \$150,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 6,000 Acres or 261,360 SF

Indicators

Sale Price/Gross Acre \$25,000  
 Sale Price/Gross SF \$0.57

## LAND SALE NO. 31

Property Identification

Record ID 225  
 Property Type Industrial  
 Address Mountain Vista Parkway, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Legal Description Lots 2 & 3, West Mesa Industrial Park No 24

Sale Data

Grantor City of Las Cruces  
 Grantee Skyblue Investments, LLC  
 Sale Date June 27, 2007  
 Deed Book/Page #0723877  
 Recorded Plat 21/672-673  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen

Sale Price \$356,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 11,700 Acres or 509,652 SF

Indicators

Sale Price/Gross Acre \$30.427  
 Sale Price/Gross SF \$0.70

Remarks

Transferred 4 days later to Esmail Haidari

## LAND SALE NO. 32

Property Identification

Record ID 223  
 Property Type Industrial  
 Address Las Cruces, Doña Ana County, New Mexico, 88005  
 Location West Mesa Industrial Park  
 Legal Description Lots 1, West Mesa Industrial Park No 22

Sale Data

Grantor City of Las Cruces  
 Grantee Mathew Ikard  
 Sale Date June 22, 2007  
 Deed Book/Page #0722066  
 Recorded Plat 21/684-685  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen

Sale Price \$150,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 6,000 Acres or 261,360 SF

Indicators

Sale Price/Gross Acre \$25,000  
 Sale Price/Gross SF \$0.57

## LAND SALE NO. 33

Property Identification

Record ID 224  
 Property Type Industrial  
 Address Las Cruces, Doña Ana County, New Mexico, 88005  
 Location West Mesa Industrial Park  
 Legal Description Lots 2, West Mesa Industrial Park No 22

Sale Data

Grantor City of Las Cruces  
 Grantee West Texas Development, Ltd.  
 Sale Date June 26, 2007  
 Deed Book/Page #0723353  
 Recorded Plat 21/684-685  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen

Sale Price \$143,700

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 4,788 Acres or 208,561 SF

Indicators

Sale Price/Gross Acre \$30.013  
 Sale Price/Gross SF \$0.69

LAND SALE NO. 34

**Property Identification**  
 Record ID 214  
 Property Type Industrial  
 Property Name Billings  
 Address SEC Trigg Loop & Mountain Vista Parkway, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-35593  
 Legal Description Lot 3, West Mesa Industrial Park No 22

**Sale Data**  
 Grantor City of Las Cruces  
 Grantee Don & Jeff Billings  
 Sale Date April 6, 2007  
 Deed Book/Page 805.1068  
 Recorded Plat 21 684-685  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Bill Hamm, City of Las Cruces. Confirmed by Harry Hansen

**Sale Price** \$142,200

**Land Data**  
 Zoning M-1 Light Manufacturing  
 Level Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**  
 Gross Land Size 4.740 Acres or 206,474 SF

**Indicators**  
 Sale Price/Gross Acre \$30,000  
 Sale Price/Gross SF \$0.69

LAND SALE NO. 35

**Property Identification**  
 Record ID 222  
 Property Type Industrial  
 Address Crawford and Trigg Loop, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-35596 & 02-35597  
 Legal Description Lots 6 & 7, West Mesa Industrial Park No 22

**Sale Data**  
 Grantor City of Las Cruces  
 Grantee Leonard Bessinger Jr.  
 Sale Date June 21, 2007  
 Recorded Plat 21 684-685  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces. Confirmed by Harry Hansen

**Sale Price** \$282,777

**Land Data**  
 Zoning M-1 Light Manufacturing  
 Level Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**  
 Gross Land Size 9.426 Acres or 410,597 SF

**Indicators**  
 Sale Price/Gross Acre \$30,000  
 Sale Price/Gross SF \$0.69

LAND SALE NO. 36

**Property Identification**  
 Record ID 139  
 Property Type Industrial  
 Property Name Spiralis By Design  
 Address Trigg Loop, Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-35598  
 Legal Description Lot 8, West Mesa Industrial Park No 22

**Sale Data**  
 Grantor City of Las Cruces  
 Grantee Sidney Williamson  
 Sale Date July 11, 2006  
 Deed Book/Page 727/607  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Bill Hamm, City of Las Cruces. Confirmed by Harry Hansen

**Sale Price** \$100,000

**Land Data**  
 Zoning M-1 Light Manufacturing  
 Level Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**  
 Gross Land Size 4.000 Acres or 174,240 SF

**Indicators**  
 Sale Price/Gross Acre \$25,000  
 Sale Price/Gross SF \$0.57

LAND SALE NO. 37

**Property Identification**  
 Record ID 265  
 Property Type Industrial  
 Address Crawford Blvd., Las Cruces, Doña Ana County, New Mexico 88005  
 Location West Mesa Industrial Park  
 Legal Description Lots 1, West Mesa Industrial Park No 27

**Sale Data**  
 Grantor City of Las Cruces  
 Grantee F & A Dairy Products, Inc  
 Sale Date September 24, 2007  
 Deed Book/Page =0735939  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen

**Sale Price** \$187,200

**Land Data**  
 Zoning M-1 Light Manufacturing  
 Level Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**  
 Gross Land Size 3.200 Acres or 226,312 SF

**Indicators**  
 Sale Price/Gross Acre \$36,000  
 Sale Price/Gross SF \$0.83

**Remarks**  
 Purchased for expansion of existing Cheese plant operation.

## LAND SALE NO. 38

**Property Identification**

Record ID 333  
 Property Type Industrial  
 Address 501 Microwave Drive, Las Cruces, Dona Ana County, New Mexico  
 88005  
 Location West Mesa Industrial Park  
 Tax ID 02-36842  
 Legal Description Lease Parcel A, West Mesa Industrial Park Northeast

**Sale Data**

Grantor City of Las Cruces  
 Grantee World Radio Network  
 Sale Date September 14, 2009  
 Deed Book/Page 0925519  
 Recorded Plat 22 58-59  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Sale History Never sold  
 Verification Christine Logan, City of Las Cruces. Confirmed by Scott Eschenbrenner

Sale Price \$30,000

**Land Data**

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public available.  
 Shape Generally rectangular  
 Landscaping Native desert vegetation  
 Flood Info Not located in flood hazard area

**Land Size Information**

Gross Land Size 1,000 Acres or 43,560 SF

**Indicators**

Sale Price/Gross Acre \$30,000  
 Sale Price/Gross SF \$0.69

**Remarks**

Property purchased for the construction of a radio tower.

From: Christine Logan [clogan@las-cruces.org]  
 Sent: Wednesday, December 16, 2009 3:09 PM  
 To: Scott Eschenbrenner  
 Subject: RE: Updated appraisal of West Mesa Industrial Park lands.  
 Scott,

Please proceed. I have entered the requisition for \$5,371.88 and anxiously await the report.

From: Scott Eschenbrenner [mailto:brenner@zianet.com]  
 Sent: Wednesday, December 16, 2009 9:57 AM  
 To: Christine Logan  
 Subject: RE: Updated appraisal of West Mesa Industrial Park lands.

Christine,

Thanks for the bidding opportunity to update the previous appraisal at the West Mesa Industrial Park. The original fee as you know was \$10,000 due to the time involved in setting up the appraisal and number of parcels involved. After careful consideration, I can provide an updated appraisal for the remaining lots for \$5,000 plus gross receipts tax (7.4375%) and deliver this report within four to five weeks from authorization. Please let me know if you need any further information.

Respectfully Submitted,

Scott Eschenbrenner  
 Mesilla Valley Appraisal Services

From: Christine Logan [mailto:clogan@las-cruces.org]  
 Sent: Tuesday, December 15, 2009 10:47 AM  
 To: Scott Eschenbrenner  
 Cc: Nancy Montoya (Engineering); William (Bill) Hamm  
 Subject: Updated appraisal of West Mesa Industrial Park lands.

Scott,

I need an update of the West Mesa appraisals. The last update was completed April 9, 2009. Since then, 02-36842 sold for \$30,000 an acre and I have a sale agreement for 1 acre immediately north of that for \$30,000 per acre (subdivision pending). The large parcel west of Rea Blvd was leased for energy production. The City repurchased 1 lot on Rea Blvd and one on Harry Burrell under the "development deadline" clause under which they were sold. (set repurchase price at original sale price). A private parcel on Trigg Loop was subdivided and part of it sold. Construction has been completed at Sapphire and at TMG. Barker Produce and the Premier Distributing site are under construction. Several private parcels are for sale. The ones I know of indicated by the white stars. Most are NAI 1<sup>st</sup> valley listings but Steinborn has the Rea facility.

I have attached a pdf showing the area. The first page of pdf shows city land as white and shaded grey for private land. Last page shows current advertised sale prices. Generally \$45,000 for interstate frontage and large aerospace lots in northeast quadrant; \$40,000 for south of interstate; \$30,000 for small lots north of interstate.

2/5/2010

I need an estimated value for these development ready lots:

02-39841	02-37906
02-35584	02-35585
02-35586	02-35587
02-35588	02-36839
02-36840	1 acre along Microwave Dr (part of 02-36841)
02-36843	02-22306
02-35595	02-39087
02-38974	02-40352
02-40353	02-40354
02-40355	02-40356
02-40357	02-38979
02-38978	02-38980
02-38981	02-34842
02-34315	

and for these lots that need infrastructure but we would sell "as is"

02-40907  
 02-27108 and 02-37908 combined  
 02-36843 less 1 acre

Please send me a cost and time estimate as soon as you can so I can process it and let you know if you can start the work.

Christine Logan  
 City of Las Cruces Economic Development Administrator  
 (575) 541-2286 [clogan@las-cruces.org](mailto:clogan@las-cruces.org)

No virus found in this incoming message.  
 Checked by AVG - [www.avg.com](http://www.avg.com)  
 Version: 9.0.733 / Virus Database: 271.1.1/2663 - Release Date: 02/04/10 12:35:00



August 6, 2110

Mrs. Christine Logan  
Economic Development Administrator  
City of Las Cruces  
700 North Main Street  
Las Cruces, NM 88004

RE: Request for Land Purchase Option Agreement

Dear Mrs. Logan,

SunEdison requests to enter into an option agreement for the purchase of approximately 150 - 160 acres of land described as: NE4 S2, T24S, R10W. Please see the attached map which also identifies the same property.

Please let me know if there are any questions or wish to discuss. We look forward to working with you.  
Thank you.

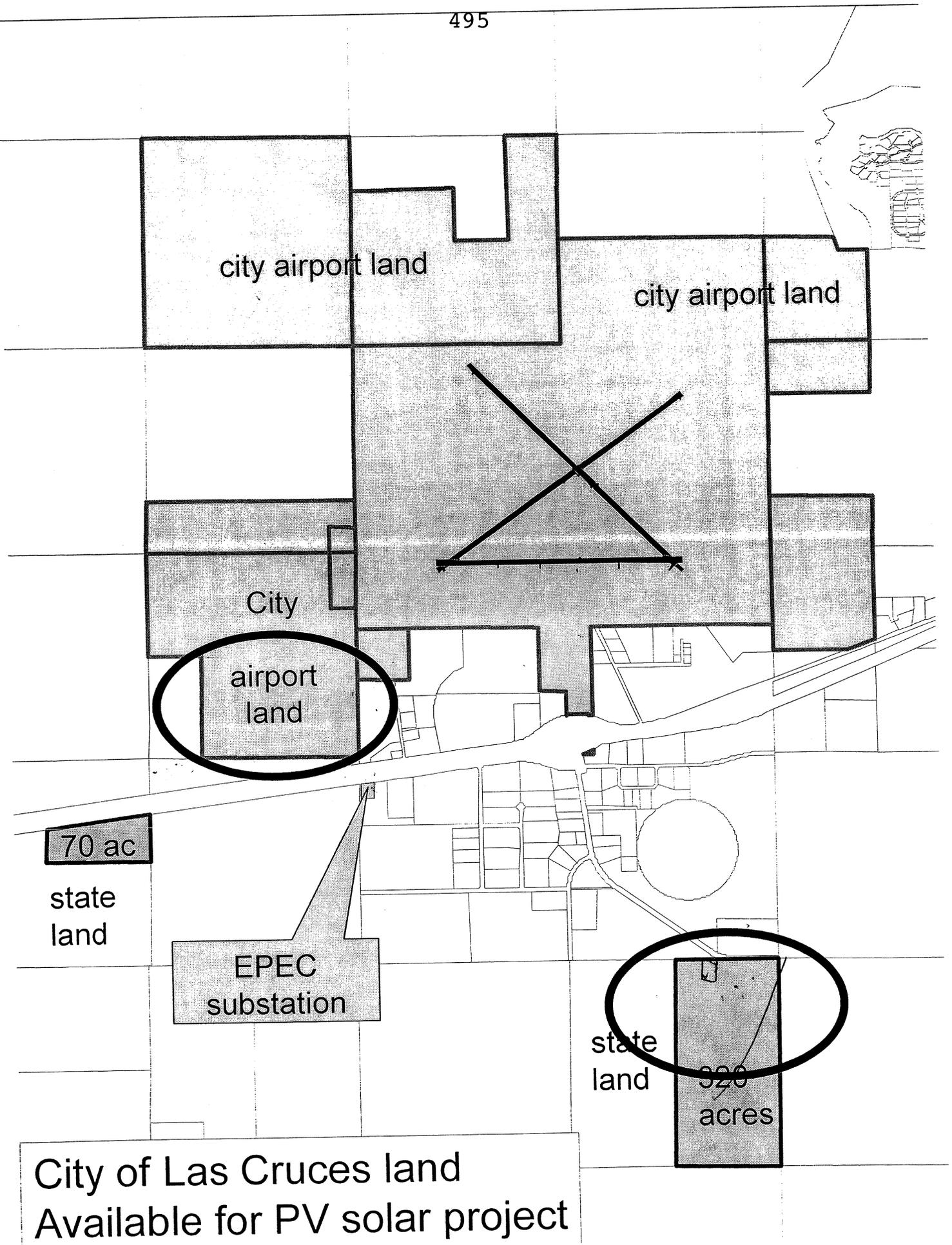
Sincerely,

Geoff  
Tinkham

Digitally signed by Geoff Tinkham  
DN: cn=Geoff Tinkham,  
o=SunEdison, ou,  
email=gtinkham@sunedison.com,  
c=US  
Date: 2010.08.06 14:27:58 -04'00'

Geoffrey Tinkham  
Land Development Manager

Attachment



City of Las Cruces land  
Available for PV solar project