

City of Las Cruces®

PEOPLE HELPING PEOPLE

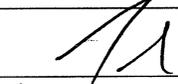
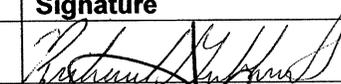
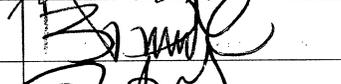
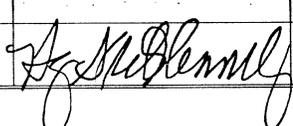
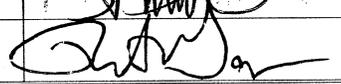
Council Action and Executive Summary

Item # 20Ordinance # 2606Council District: 4

For Meeting of February 22, 2011
(Adoption Date)

TITLE: AN ORDINANCE AUTHORIZING AN OPTION TO LEASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND SUNEDISON, FOR THE THIRTY YEAR LEASE OF UP TO 200 ACRES OF MUNICIPALLY OWNED LAND IN SECTION 2, SOUTH OF THE WEST MESA INDUSTRIAL PARK, FOR THE PURPOSE OF DEVELOPING A SOLAR ENERGY PROJECT.

PURPOSE(S) OF ACTION: Agree to terms of a 30 year lease of undeveloped City property and allow SunEdison a one (1) year option to determine if the project is viable at this site.

Name of Drafter: Christine Logan		Department: Community Development		Phone: 541-2286	
Department	Signature	Phone	Department	Signature	Phone
Department Director		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.

In the fall of last year, the City entered into two agreements with SunEdison. Resolution 11-097 authorized a lease of airport land and Ordinance 2594 authorized the purchase of land south of the industrial park "Industrial Site". Both agreements included one year options during which time SunEdison could study the land and determine if the project was feasible. Due diligence investigations were initiated immediately and SunEdison has determined that a project on the airport property is not feasible so the lease will not occur.

At this point, the Industrial Site appears to be technically feasible but is not financially feasible. A purchase of the project site at appraised value would cost approximately \$1.2 million dollars. As a purchase, the land cost would impact the project during the start up phase. In order to distribute the land costs over the life of the project, SunEdison has requested a 30 year lease of the project site in place of the purchase. This Ordinance would approve a lease, the previously approved purchase agreement will expire without action.

SunEdison is looking to locate 2 projects within El Paso Electric's New Mexico service area which includes Otero and Dona Ana Counties. In evaluating the financial aspects of establishing one project in each county, SunEdison realized that a project in Dona Ana County will be more expensive than the same size project in Otero County.

The City property was appraised in August of 2010 at an annual lease value of \$640 per acre. Over time, land values generally rise so a long term lease includes an escalation clause. A standard is to increase the lease rate by 2% every five years. A lease of the Industrial Site, starting at appraised value of \$640/acre and rising 2% every 5 years, would result in total payments of approximately \$3.0 million dollars over 30 years (\$1.96 million present value). To further distribute the land cost of the project, SunEdison has requested a reduced lease rate at the beginning of the lease but a higher escalation rate so as to preserve the lease value. The proposed lease would begin at \$500 per acre but would increase \$100 per acre every five years (a 20% increase in the sixth year rather than a 2%; year one at \$500/acre; year 30 at \$1,000/acre). The proposed lease structure would result in total payments of approximately \$3.4 million dollars over 30 years (\$1.94 million present value).

	Payment	Present value
Purchase 150 acres at appraised value (\$8,000/ac)	\$1,200,000	\$1,200,000
Lease at appraised \$640/acre with 2% escalation	\$3,028,500	\$1,965,115
Lease at \$500/acre with \$100 per acre escalation	\$3,375,000	\$1,936,823

Real property tax is calculated based on land value. Taxes are also assessed on personal property - the value of equipment and capital improvements located on the site. Under a lease agreement, the land would remain in the City's tax exempt ownership but SunEdison would be responsible for payment of personal property taxes. The tax rate for potential properties in Otero County is 23.459 mils whereas the tax rate for the Industrial Site property is 32.668 mils. A \$30 million dollar project in Otero County would owe \$313,000 in personal property tax whereas the same investment on this site would owe \$436,000 in taxes. Property taxes are collected through the County Assessors Office but the revenue is distributed to the State (4%), the public school system (31%), NMSU (6%), the City (21%) and the County (38%). By a separate Resolution, SunEdison is requesting 10-year tax abatement on the City and County portions of the personal property tax. They are not going to request any abatement from the public school or university portions.

This Resolution authorizes a long term lease (30 years) of part of the east half of Section 2 south of the West Mesa Industrial Park to SunEdison for development of a photovoltaic (PV) solar project. The Option provides SunEdison with the right to conduct feasibility and technical studies on the area for one year. A non-refundable 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 130 to 150 acres), they would prepare a subdivision of the land to create the size parcel they need, and then execute the lease for that area. If after further study, SunEdison determines that the project will not move forward, the lease will not be executed.

The lease would allow SunEdison to use the land for the solar project. Lease payments would be due annually (\$500 per acre initially, \$75,000 if the project site were 150 acres). SunEdison would be responsible for all construction, maintenance, and permitting. SunEdison would be required to maintain insurance on the property and be responsible for all activity. SunEdison could assign or sublease the site only with City approval and would be required to remove all improvements if the lease is terminated or when it expires.

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. Although SunEdison will be requesting 10-year abatement for part of the personal property tax due on that investment, they will be responsible for full payment in years 11 to 30 of the lease.

SUPPORT INFORMATION:

1. Ordinance.
2. Option to Lease Agreement Exhibit "A".
3. Appraisals of property Attachment "A".
4. Vicinity map Attachment "B".

SOURCE OF FUNDING:

Is this action already budgeted?	Budgeted as revenue	
	Yes	<input checked="" 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.
Does this action create any revenue?	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.

BUDGET NARRATIVE:

N/A

FUND EXPENDITURE SUMMARY:

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

OPTIONS / ALTERNATIVES:

1. Vote YES on the Ordinance to approve the solar Option to Lease Agreement. This would give SunEdison a one (1) year option to enter into a 30 year lease for City land located south of the West Mesa Industrial Park.
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.

REFERENCE INFORMATION

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Resolution 11-097.
2. Ordinance 2594.

COUNCIL BILL NO. 11-026
ORDINANCE NO. 2606

AN ORDINANCE AUTHORIZING AN OPTION TO LEASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND SUNEDISON, FOR THE THIRTY YEAR LEASE OF UP TO 200 ACRES OF MUNICIPALLY OWNED LAND IN SECTION 2, SOUTH OF THE WEST MESA INDUSTRIAL PARK, 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 leasing 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 lease of up to 200 acres of land south of the West Mesa Industrial Park, subject to the conditions and terms in Exhibit "A" Option to Lease 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)

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

DONE AND APPROVED this _____ day of _____, 2011.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Connor: _____
Councillor Pedroza: _____
Councillor Small: _____
Councillor Sorg: _____
Councillor Thomas: _____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

City Attorney

OPTION TO LEASE AGREEMENT

THIS OPTION TO LEASE REAL PROPERTY AGREEMENT (“Agreement”) is entered into this _____ day of _____, 2011 (the “Effective Date”) by and between the City of Las Cruces, a New Mexico municipal corporation (“Owner”), and the undersigned limited liability company, its successors or assigns, (“Optionee” and, together with Owner, each, a “Party” and together, the “Parties”). Owner represents it has sole and exclusive authority for all matters concerning the Property and sole and exclusive authority to enter into this Agreement.

WITNESSETH:

WHEREAS, Owner owns a parcel of land, any improvements located thereon and rights and easements appurtenant to the East ½ of Section 2, T24S, R1W, NMPM of the USGLO surveys in the City of Las Cruces, County of Dona Ana, State of New Mexico (the “Property”) as particularly described and depicted on **Exhibit A** attached hereto and incorporated herein, and

WHEREAS, Owner desires to grant to Optionee and Optionee desires to accept from Owner an option to lease the Property or a portion thereof, together with all appurtenant rights and easements in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing mutual promises of the Parties herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto hereby agree as follows:

1. **Option.** Owner hereby grants to Optionee the right and option (the “Option”) to exercise the Lease Agreement (“Lease”) attached hereto and incorporated herein as **Exhibit B**.

a. Option may be exercised by Optionee from the Effective Date to and including the day that is one (1) year from the Effective Date (“Option Period”).

b. Within thirty (30) days prior to the expiration of the Option Period, Optionee may elect to extend its option rights for an additional twelve (12) months beyond the Option Period (the “Extended Option Period”) by provision of written notice to Owner. In the event that Optionee elects to extend the Option, the terms and conditions of this Agreement shall continue in full force and effect. The Option Period and Extended Option Period shall collectively be referred to as “Option Periods”.

c. Optionee agrees to pay Owner One Thousand and no/100 Dollars (\$1,000.00) upon the Effective Date. Thereafter; provided the term is extended by Optionee, Optionee agrees to pay Owner One Thousand Five Hundred and no/100 Dollars (\$1,500.00) on the first anniversary of the Effective Date. Such amounts shall be collectively referred to herein as “Option Payments”.

d. During the “Option Period” or the “Extended Option Period” Owner shall not sell, lease, develop, offer to sell or lease nor otherwise encumber the Property.

e. The Option shall be exercisable in Optionee’s sole discretion

f. Optionee may unilaterally terminate this Option, at any time, for any reason or no reason, with written notice to the Owner. In the event Optionee terminates this Agreement,

Owner shall be entitled to retain all payments it has then received. If Optionee elects to terminate this Option, within fifteen (15) days of Optionee's notice to Owner, Optionee shall, at its sole cost and expense, remove all of its equipment and any materials or rubbish incidental to its use, surrender the Property and restore the Property in a manner reasonably satisfactory to Owner, reasonable wear and tear and damage by casualty excepted.

g. Contemporaneously with the execution of this Agreement, the Parties shall execute, acknowledge, deliver and record among the Land Records of Dona Ana County, New Mexico, a memorandum of option agreement (the "MOA") with respect to this Agreement. This Agreement shall not be recorded. The MOA shall be in the form of **Exhibit C** attached hereto and incorporated herein. Optionee shall pay for the costs of recording the MOA.

2. Lease Premises.

a. Subject to its exercise of the Option, Optionee has the right to Lease the Property or a portion thereof, together with all appurtenant rights and easements ("Leased Premises") as generally depicted on **Exhibit D** attached hereto and incorporated herein..

b. The size and location of the Lease Premises shall be determined by Optionee and will require the consent of Owner. Owner's consent shall not be unreasonably withheld, conditioned or delayed. Upon determination by Optionee of the specific size and location of the Leased Premises within the Property, a detailed description of such location shall be substituted for Exhibit D and shall become the final depiction of the Leased Premises herein and in the Lease Agreement.

c. Owner shall grant such easements or other rights necessary for the successful completion of the System (as defined in the Lease), across, over, under or through land owned by Owner and not leased by Optionee. Owner has no obligation or responsibility to provide easements beyond land it owns.

d. Owner and Optionee acknowledge that the general depiction of the Leased Premises attached to this Agreement on the Effective Date may be legally insufficient. Owner and Optionee confirm to one another that, notwithstanding any insufficiency, the parties desire to enter this Agreement. Therefore, Owner and Optionee 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 Property, and (iii) each party waives any and all claims or defenses of an insufficient legal description in a cause of action for specific performance hereunder.

3. Right of Entry.

a. During the Option Periods, Optionee, 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 Optionee may deem necessary or advisable in its sole discretion. Optionee has the right, but not the obligation, to perform Tests and Investigations.

b. With respect to this right of entry to the Property, the Parties agree as follows: (i) Optionee and Optionee's employees, agents and independent contractors shall have access to the Property twenty-four (24) hours a day, seven (7) days a week no additional charge, (ii) Optionee 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, and (iii) Owner consents and agrees that Optionee may make and file applications, at Optionee's sole cost and expense, on Owner's behalf to such local, state and federal governmental entities whose approval may be necessary or advisable to enter the Property to perform said activities, and to take any actions in furtherance of Optionee's ability to proceed with timely implementation of the System. Owner shall promptly execute any such application or other documentation, and take any other actions reasonably necessary at Optionee's sole cost, as required by said governmental entity or as would reasonably assist Optionee.

c. Upon request, Optionee shall have the right to use for ingress and egress other land or easement rights owned by Owner to access the Property.

4. Indemnification.

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act or other New Mexico law.

5. Default.

A "default" shall be deemed to have occurred in the event either party breaches any obligations set forth in this Agreement and the same is not remedied within thirty (30) days of written notice being received by the defaulting party from the non-defaulting party.

In the event of default by Optionee, Owner shall be entitled to terminate this Agreement and retain the Option Payments, as it has then received, as liquidated damages for such default, and in such event, Optionee shall have no further right whatsoever in connection with this Agreement and Owner shall have no right to seek any further damages or remedy, at law or in equity against Optionee. The Parties agree that it would be impractical and/or extremely difficult to ascertain the actual damages that would be suffered by owner as a result of any such default by Optionee, and that under the circumstances existing as of the date of this Agreement, the liquidated damages provided for in this section represent a reasonable estimate of the damages which Owner will incur as a result of any such default by Optionee.

In the event of a default by Owner, Optionee may elect, in addition to any other right available at law or in equity, to terminate this Agreement and recover from the Owner the actual damages incurred as a result of such default. In the event Closing (as defined below) is not consummated by reason of default by either Owner without fault of Optionee, then Optionee shall be entitled, in addition to any other remedies available at law or in equity, to enforce specific performance of Owner's obligations under this Agreement.

6. Notice of Exercise of Option.

The Option to lease the Premises may be exercised by Optionee, in its sole discretion, during the Option Periods. Optionee shall give Owner and Escrow Agent (defined below) thirty (30) days written notice of its intention to exercise this Option at any time during the Option Periods ("Option Notice"). Such Option Notice shall a) state that Optionee is exercising this Option, b) contain the date, time and place of Closing, which Closing must occur prior to the expiration of the Option Periods and c) be sent to Owner at:

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: Economic Development

or at such other address as shall be designated by Owner in writing by notice to Optionee.

Notices to the Optionee shall be delivered to Optionee at:

OPTIONEE
c/o SunEdison
12500 Baltimore Avenue
Beltsville, MD 20705
Attention: Jared Schoch

and one copy to:
SunEdison
12500 Baltimore Avenue
Beltsville, MD 20705
Attention: General Counsel

with one copy to:
SunEdison
12500 Baltimore Avenue
Beltsville, MD 20705
Attention: Vice President of Sales

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 Optionee in writing by notice to Owner. Unless otherwise provided for herein, any other notices provided for in this Agreement shall be in writing, 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.

7. Closing.

Contemporaneously with the execution of this Agreement, the Parties shall execute the Lease attached hereto to be held in escrow with the law firm of Shulman, Rogers, Gandal, Pordy & Ecker, P.A., having an address of 12505 Park Potomac Avenue, 6th Floor, Potomac, Maryland 20854 (the "Escrow Agent"). The Lease shall be held in escrow by Escrow Agent in accordance with this Agreement and shall not become effective until Closing.

Escrow Agent shall not be liable to either of Owner or Optionee in connection with the performance of any duty imposed upon Escrow Agent hereunder for any action taken by Escrow Agent in good faith in conformity with the provisions of this Agreement in holding or dealing with the Lease. Escrow Agent may act upon any instrument or other writing believed by Escrow Agent in good faith to be genuine and to be executed and presented by the proper person in accordance with this Agreement. Escrow Agent shall have no duties or

responsibilities other than as expressly set forth herein. Escrow Agent shall not be bound by a modification of this Section 7 unless such modification is in writing and signed by Owner and Optionee and, if Escrow Agent's duties hereunder are affected, by Escrow Agent.

In the event that Escrow Agent (i) shall be uncertain as to Escrow Agent's rights or duties hereunder, (ii) shall receive instructions from Owner or Optionee that, in Escrow Agent's reasonable opinion, are in conflict with any of the provisions hereof, or (iii) shall receive conflicting demands with respect to disposition of the Lease, Escrow Agent may take affirmative steps in order to terminate Escrow Agent's duties hereunder. Escrow Agent's reasonable costs and expenses in connection with such dispute shall be divided equally between Owner and Optionee.

The "Closing" shall be the date and time designated by Optionee, in accordance with this Agreement, that the Lease shall become effective. Notwithstanding the foregoing, Owner acknowledges and agrees that, unless waived by Optionee in its sole and absolute discretion, the following shall be express conditions precedent to Optionee's obligation to Closing of the transaction contemplated herein: (a) Owner's representations and warranties contained herein shall be true and correct, (b) Owner shall not otherwise be in default of the terms and conditions of this Agreement, and (c) a nationally recognized title insurance company of Optionee's choosing, ("Title Company") shall issue a "date down" endorsement to the Title Commitment subject only to those Exceptions approved by Optionee pursuant to Section 9, below. Time is of the essence in this Agreement.

8. Closing Costs:

Optionee shall pay for the cost of any survey, examination of title and title insurance, and payment of any other closing costs. Owner shall be responsible for real property taxes and any taxes payable by or assessed against Owner during the Option Periods. Each Party shall be responsible for its own attorneys and consultants fees.

9. Condition of Title.

At Optionee's cost, Optionee may obtain during the Option Periods a preliminary report (the "Title Report") of the condition of title to the Property, as well as copies of each document underlying any matters set forth in said report (each matter, an "Exception"). If Optionee, in its sole discretion, determines that the existence, use, operation, implementation or exercise of any Exception could delay, interfere with, impair or prevent Optionee's development, operation or financing of the System, then Optionee shall notify Owner in writing of such issues ("Exception Notice"), and Owner shall seek in good faith to obtain a release, subordination, non-disturbance agreement, consent or other agreement (in a form and containing provisions reasonably acceptable to Optionee) (together the "Cure Document") from the holder(s) of the rights of such Exception that will eliminate such issue for the benefit of Optionee. If Owner is unable to deliver the Cure Document within thirty (30) business days (the "Cure Period") of Optionee's delivery of the Exception Notice to Owner, Owner shall be in default under this Agreement, provided that, at Optionee's option and upon written notice to Owner by the expiration of the Cure Period, the Cure Period shall be extended thirty (30) business days (the "Extended Cure Period") for the purpose of Owner obtaining and delivering the Cure Document to Optionee. In the event the Optionee grants an Extended Cure Period, the Option

Periods shall be tolled on a day for day basis. Failure of Owner to deliver the Cure Document within the Extended Cure Period shall be a default under this Agreement.

10. Owner Representations.

Owner hereby represents, warrants, agrees and covenants to Optionee that, to the best of its knowledge:

a. No underground storage tanks for petroleum or any other substance, or underground piping or conduits are or have previously been located on the Premises, 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 Premises by Owner or, to the knowledge of Owner, by any prior Owner or user of the Premises, and there have been no release of or contamination by Hazardous Materials on the Premises. Owner has provided Optionee with all environmental studies, records and reports in its possession or control conducted by independent contractors, or Owner and all correspondence with any governmental entities concerning environmental conditions of the Premises, or which identify underground storage tanks or otherwise relate to contamination of the soil or groundwater of the Premises 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.

b. (i) Owner 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 Premises relating to or arising out of the ownership of the Premises by any person, company or governmental instrumentality, and (ii) the Premises has lawful and valid access from the Premises to existing public highways and roads, and sewer, electrical or other utility services, and all utilities which serve the Premises enter the Premises 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 Optionee.

c. Owner has no knowledge (i) if any of the Premises 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.

d. Other than Owner, there are no other persons or entities having legal or beneficial title or ownership interests or possessor rights to the Premises. Owner 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 lease (or other document) by which Owner 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 Owner hereunder. The person executing this Agreement on behalf of Owner has full power and authority to bind Owner to the obligations of Owner 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 Owner's obligations under this Agreement will not violate or result in a breach of any contract or agreement by which

Owner is bound, the consequence of which violation would be to prevent the performance of Owner's obligations under this Agreement. No consent of any other party is required for the performance by Owner of its obligations hereunder

e. Owner is a municipal corporation, duly formed and validly existing under the laws of the State of New Mexico. There is no litigation or injunctive action or proceeding pending or, to the best of Owner's knowledge, threatened against Owner which would prevent the performance of Owner's obligations under this Agreement.

f. Owner is not bankrupt or insolvent under any applicable federal or state standard, and Owner 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 applicable of any applicable bankruptcy or creditor protection statute.

g. Owner 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. Owner and Optionee have negotiated this Agreement at arms' length and the consideration paid represents fair value for the assets to be transferred.

The representations, warranties and covenants of Owner set forth herein shall survive Closing.

11. Optionee Representations.

Optionee hereby represents, warrants, agrees and covenants to Owner that to the best of its knowledge:

a. Optionee is a limited liability company duly formed, validly existing in Delaware and is in good standing with the State of New Mexico. Optionee 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.

b. Optionee is not bankrupt or insolvent under any applicable federal or state standard, and Optionee 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 applicable of any applicable bankruptcy or creditor protection statute.

c. Optionee 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. Owner and Optionee have negotiated this Option at arms' length and the consideration paid represents fair value for the Option.

d. Optionee shall, at all times, conduct its activities at the Property in a lawful manner and in compliance with all laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits and licenses which now or at any time hereafter may be applicable to the Property, or any part thereof, any of the adjoining sidewalks, streets or ways, any condition of the Property, or any part thereof, or the operation or use of the Property, or any part thereof (collectively, the "Legal Requirements").

e. Optionee shall, at all times, have the financial ability to carryout the terms and conditions of the Agreement.

The representations, warranties and covenants of Optionee set forth herein shall survive Closing.

12. Insurance.

a. Owner shall maintain a self insurance fund adequate to address any liability under the New Mexico Tort Claims Act.

b. Optionee shall maintain Commercial General Liability Insurance with limits of not less than \$2,000,000 general aggregate, \$1,000,000 per occurrence in full force and effect throughout the term of this Agreement either through insurance policies or acceptable self-insured retentions.

c. Optionee shall carry (i) adequate property loss insurance on any property of Optionee, its employees, agents and contractors, and (ii) worker's compensation and employer's liability insurance with an insurance carrier admitted to do business in the State of New Mexico, covering all persons employed by Optionee in connection with the permitted activities of Optionee under this Agreement at the Property satisfying the requirements of the worker's compensation statutes of the State of New Mexico. The amount and terms of insurance coverage will be determined at Optionee's sole discretion. Optionee may, at its option, bring its obligations to insure under this Article within the coverage of a "blanket" policy of insurance which it may now or hereafter carry, by appropriate amendment, rider, endorsement, or otherwise. Optionee shall name Owner as an additional insured on all insurance policies maintained in accordance with this Agreement.

13. Preservation of Positions.

Pending the Closing, Owner shall operate and maintain the Property in the manner in which it is currently operated and maintained. Owner shall not take any action or enter into any contract affecting the Property without Optionee's consent, which consent Optionee may withhold in Optionee's sole discretion for any reason. Loss or damage to the Property during the Option Periods by fire or from an act of God shall be at the risk of Owner.

14. Assignment.

Optionee may assign this Agreement or any interest therein, with the express prior written consent of Owner, which consent shall not be unreasonably withheld, conditioned or delayed. Owner shall have thirty (30) days within which to approve or disapprove any assignment requiring Owner's approval as set forth herein, and the failure of Owner to approve or disapprove within said period shall be deemed a disapproval of the assignment. Notwithstanding the foregoing, Optionee may, without the prior consent of Owner, (a) assign this Agreement to any other company directly or indirectly controlling, controlled by or under common control with Optionee or to an affiliate, subsidiary or parent of Optionee or a subsidiary or affiliate of Optionee's parent; (b) assign, mortgage, pledge, hypothecate or otherwise transfer this Agreement in connection with any financing of the acquisition or development of the property (including, without limitation, pursuant to a sale-leaseback transaction); or (c) assign this Agreement to any other company; provided the net worth of such company at the time of the proposed transfer is equal to or greater than the Optionee at the time of the proposed transfer, and further provided that such company shall use the Property in accordance with the Permitted Use (as defined in the Lease) and has experience operating systems similar to the System. If consent of the Owner is not required as provided for herein or if prior consent of the Owner is obtained, then in such event Optionee shall be relieved of its obligations hereunder provided that the assignee assumes all of the obligations of Optionee under this Agreement.

15. 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.

16. Counterparts.

This Agreement may be executed in multiple counterparts, each of which when taken together shall constitute but one and the same original.

17. Governing Law.

This Agreement shall be governed by 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.

18. Representation on Authority of Parties.

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

19. Waivers. 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.

19. Construction of Agreement.

Each Party acknowledges that it is freely and voluntarily entering into this Agreement, uncoerced by any other person and that it has been afforded the opportunity to obtain the advice of legal counsel of its choice with regard to this Agreement in its entirety and understands the same. Each Party and attorneys for each Party have had the opportunity to participate in the drafting and preparation of this Agreement. Therefore, the provisions of this Agreement shall not be construed in favor of or against either Party, but shall be construed as if both Parties equally prepared this Agreement.

20. Headings.

The paragraph headings herein are used only for the purpose of convenience only and shall not be deemed to limit the subject of the sections or paragraphs of this Agreement or to be considered in their construction.

21. Severability.

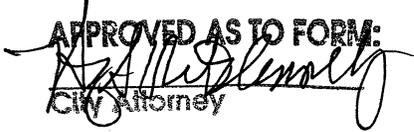
If any provision of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining provisions of this Agreement shall not be affected thereby and shall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

22. 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.

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

OWNER:
City of Las Cruces, a New
Mexico municipal corporation

APPROVED AS TO FORM:

City Attorney

Ken Miyagishima, Mayor

Date:

OPTIONEE:
SunE EPE1, LLC, a Delaware limited
liability company

By: Jared Schoch

Date:

EXHIBIT A

PROPERTY DESCRIPTION

East ½ of Section 2, T24S, R1W, NMPM of the USGLO surveys in the City of Las Cruces,
County of Dona Ana, State of New Mexico.

Instrument of ownership: Book 242, pages 348-350 of the Dona Ana County Record. Filed
November 3, 2000.

EXHIBIT B

FORM OF LEASE AGREEMENT

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into this ____ day of _____, 2011 (the "Effective Date") by and between the City of Las Cruces, a New Mexico municipal corporation ("Landlord"), and the undersigned limited liability company, its successors or assigns, ("Tenant" and, together with Landlord, each, a "Party" and together, the "Parties"). Landlord 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 Lease.

WITNESSETH:

WHEREAS, Landlord owns a parcel of land and any improvements located thereon and appurtenant rights and easements situate in the City of Las Cruces, County of Dona Ana, State of New Mexico, being part of the East ½ of Section 2, T24S, R1W, NMPM of the USGLO surveys (the "Landlord's Property"), and

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to lease a portion of the Landlord's Property (the "Property") from Landlord, together with all appurtenant rights and easements subject to the terms and conditions stated herein. The Property is more particularly described and depicted in **Exhibit A** attached hereto and incorporated herein, and

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, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Property.

TO HAVE AND TO HOLD THE SAME, subject to the terms and conditions set forth herein.

ARTICLE 1 –PERMITTED USE

During the Term, Tenant shall use the Property for any lawful purpose related to photovoltaic solar energy generation and transmission purposes and the construction, re-construction, operation, maintenance, repair, expansion and removal of a photovoltaic/ground mounted solar ray system ("System") (the "Permitted Use"). Tenant has the right to evaluate, conduct and 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 as Tenant may deem necessary or desirable. The Property shall not be used in such manner as to violate any applicable Federal, State, or local laws, regulations, codes, or ordinances. Tenant shall comply at all times with all Federal, State, and local laws, regulations, codes, and ordinances that are applicable to Tenant's development, and use of the Property and the construction, operation, and maintenance of the System. Landlord hereby represents and warrants that, as of the Effective Date, the use of the Property for the construction, operation and removal of the System in accordance with the terms of this Lease is in compliance with the City Requirements. Landlord hereby agrees that the use of the Property for the construction, operation and removal of the System in accordance with the terms of this Lease is not waste nor does it create a nuisance.

ARTICLE 2 – TERM

2.1 Term. The Lease “Term” shall commence on the Effective Date and continue for a term of thirty (30) years and shall expire on the last day of the month thirty (30) years after the Effective Date. The term “Lease Year” shall mean the following: the first Lease Year shall be the period commencing with the Effective Date and expiring on the last day of the twelfth (12th) full calendar month thereafter, and each subsequent Lease Year during the Lease Term shall be the full twelve (12) month period following the expiration date of the immediately preceding Lease Year.

2.2 Termination. Tenant may unilaterally terminate this Lease, at any time, for any reason or no reason, with at least thirty (30) days written notice to the Landlord. Such written notice shall set forth the effective termination date, which shall be not less than thirty (30) days or more than one hundred eight (180) days after the day on which such termination notice is received by Landlord. In the event Tenant terminates this Lease, Landlord shall be entitled to retain all payments it has then received based on a prorated amount applicable up to the effective termination date, and Landlord shall return all remaining amounts to Tenant within thirty (30) days of the effective termination date. If Tenant elects to terminate this Lease, Tenant shall, at its sole cost and expense prior to the effective termination date, remove all of its equipment and any materials or rubbish incidental to its use, surrender the Property and restore the Property in a manner reasonably satisfactory to Landlord, reasonable wear and tear and damage by casualty excepted and shall thereafter be released from any further liability under this Lease.

ARTICLE 3 – RENT

3.1 Rent. As rental for the Property (“Rent”), Tenant shall pay to Landlord during the Term, Five Hundred and no/100 Dollars (\$500.00) per acre per year. Such amount shall be paid annually, in advance for each Lease Year during the Term. The annual rent shall be due and payable on the first day of the Lease Year. Effective on the first (1st) day of the: (i) fifth (5th) Lease Year, (ii) tenth (10th) Lease Year, (iii) fifteenth (15th) Lease Year, (iv) twentieth (20th) Lease Year and (v) twenty-fifth (25th) Lease Year, the Rent then in effect shall be increased by One Hundred Dollars (\$100.00) per acre.

3.2 Interest On Late Payments. If Tenant fails to pay any installment of the Rent within fifteen (15) days after the same is due and payable, then, without limiting Landlord in the exercise of any other right or remedy of Landlord with respect to such failure, Tenant shall pay Landlord interest on any such late Rent payment amount at the rate of per annum equal to the “prime rate” (as reported in The Wall Street Journal) plus two percent (2%). Notwithstanding the foregoing, in no event shall such interest exceed twelve percent (12%) at any time.

ARTICLE 4 – TAXES AND UTILITY CHARGES

4.1 Real Property Taxes and Assessments. Landlord is responsible for all valid real property taxes and assessments assessed against the Property.

4.2 Personal Property Taxes. Tenant shall pay directly to the taxing authority all personal property taxes and assessments, or installments thereof, which are levied, assessed, charged or imposed on or against the personal property on the Property during the Term.

4.3 Utilities; Services. Tenant shall make arrangements for obtaining and, during the Term, shall pay for all utilities and services furnished to, or to be used on behalf of Tenant on the Property. Landlord shall cooperate with Tenant and will allow a third party service provider, with the required permits from governmental agencies, to install, operate, maintain a data,

telecommunication or fiber optic line and such other lines as required to support of the System and Tenant's business operations on the Property, as determined in Tenant's sole discretion.

ARTICLE 5 – ACCESS TO PROPERTY

5.1 Tenant Access to Property. Tenant and Tenant's employees, agents, representatives, contractors, and vendors shall have access to the Property twenty-four (24) hours a day, seven (7) days a week, at no additional charge, during the Term. In connection with Tenant's access, construction, and use of the Property, including, without limitation, access to electrical distribution or transmission facilities, Tenant and Tenant's employees, agents, representatives, contractors, and vendors shall have access to public road(s) maintained by State or local government authorities. During the Term, Tenant shall have access to the land contiguous to the Property which is owned by Landlord for ingress and egress to the Property.

5.2 Landlord Access to Property. Landlord may enter the Property at all reasonable times, after not less than forty-eight (48) hours prior written notice (unless in the event of an emergency) to inspect the same to the extent reasonably required. A Tenant representative shall accompany Landlord during its entry to the Property at all times. Notwithstanding the foregoing, Tenant shall in no event be restricted from installing gates, locks or other devices or systems, including without limitation alarm systems, which would in any way restrict access to the Property.

ARTICLE 6 - CONSTRUCTION OF SOLAR FACILITY; REPAIRS AND MAINTENANCE; ALTERATIONS AND IMPROVEMENTS AND REMOVAL

6.1. Construction of the System. Tenant, at Tenant's sole option, cost and expense, shall construct or cause to be constructed on the Property the System, as well as any and all appurtenant facilities and equipment necessary, in Tenant's sole and absolute discretion, for the operation thereof, including without limitation, transmission and distribution lines or conduits.

6.2 Approvals. At any time and from time to time during the Term, Landlord agrees to cooperate with Tenant, at no out of pocket expense to Landlord, in making application for and obtaining all licenses, permits and any and all other necessary approvals ("Approvals") that may be required for Tenant's Permitted Use of the Property. This shall include, but shall not be limited to, making joint filings for approvals and taking any other actions reasonably necessary, at Tenant's sole cost.

6.3 Alterations and Improvements. Tenant shall have the right, at any time and from time to time during the Term, at its sole cost and expense, to (a) make additions, changes, alterations, or improvements, structural or otherwise, to the System; and (b) demolish and remove the System or any other structures hereafter located on the Property.

6.4 Removal of System. Except as specifically provided herein, the removal of the System from the Property by Tenant shall not terminate this Lease.

6.5 Title to the System. At all times while this Lease is in force and effect, all rights to, title to and possession of the System (including without limitation to all additions, alterations, and improvements thereto or replacements thereof, all appurtenant fixtures, machinery and equipment installed therein), all renewable energy produced by the System, all "Environmental Attributes" and all "Solar Incentives" belong solely to Tenant and shall remain the personal property of Tenant and shall not attach to or be deemed a part of, or fixture to, the Property. The System is an integrated assembly of photovoltaic panels, mounting assemblies, inverters, converters, metering, lighting fixtures, transformers, ballasts, disconnects, combiners, switches, wiring devices, interconnection equipment, wiring, poles, ground mounted solar rays and

conduits The System shall at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code, as adopted in the State in which the Property is located. "Environmental Attributes" shall mean, without limitation, carbon trading credits, renewable energy credits or certificates, emissions reduction credits, emissions allowances, green tags, tradable renewable credits, or Green-e® products. "Solar Incentives" includes, without limitation, any accelerated depreciation, installation or production-based incentives, investment tax credits and subsidies.

6.6 Landlord Not Obligated to Make Improvements. Landlord shall not interfere with Tenant's use, operation and maintenance of the System in any way, and shall in no event be obligated to make any repairs, improvements, alterations, replacements or renewals of any kind, nature or description whatsoever to the System.

ARTICLE 7 - LIENS

7.1 Landlord Liens. Landlord shall not directly or indirectly cause, create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics', labor or materialman's lien), charge, security interest, encumbrance or claim of any nature ("Liens") on or with respect to the System the Lease or any interest therein. If, because of any act or omission of Landlord, any mechanics' or other lien or order for the payment of money shall be filed against the Property (whether or not such lien or order is valid or enforceable as such), Landlord shall, at Landlord's own cost and expense, forthwith use commercially reasonable efforts to cause the same to be canceled and discharged of record or insured against by an insurance company or bonded by a surety company. If Landlord shall fail to discharge any such mechanic's or materialmen's lien within the fifteen (15) day period provided for above, Tenant may, at its option, discharge such lien and treat the cost thereof (including reasonable attorneys' fees incurred in connection therewith) as a Rent credit against the next installment of Rent falling due; it being expressly agreed that such discharge by Tenant shall not be deemed to waive or release the default of Landlord in not discharging such lien.

7.2 Waiver of Landlord's Lien. Landlord acknowledges that Tenant has entered into, or will enter into, a financing arrangement which may include promissory notes and financial and security agreements for the financing of the System, as collateral, with a third party financing entity (and may in the future enter into additional financing arrangements with other entities) ("Tenant Financing"). In connection therewith, Landlord (i) hereby consents to the Tenant Financing; (ii) disclaims any interest in the System, as fixtures or otherwise; (iii) agrees that the System is exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such System may be removed at any time without recourse to legal proceedings, and (iv) shall take no action to impede or interfere with a third party financing entity enforcing its rights pursuant to its agreement(s) with Tenant

7.3 Mechanics' Liens. Tenant shall not suffer or permit any mechanics' or other liens to be recorded or filed against the Property or against the interest therein of Landlord. If, because of any act or omission of Tenant, any mechanics' or other lien or order for the payment of money shall be filed against the Property or against Landlord (whether or not such lien or order is valid or enforceable as such), Tenant shall, at Tenant's own cost and expense, forthwith use commercially reasonable efforts to cause the same to be canceled and discharged of record or insured against by an insurance company or bonded by a surety company in the event Tenant elects to contest the validity thereof. Subject to the foregoing, Tenant shall have the right at its own expense to contest all such liens and orders.

ARTICLE 8 – INDEMNIFICATION

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act or other New Mexico law.

ARTICLE 9 – CONDEMNATION AND DESTRUCTION OF PROPERTY

9.1 Complete Taking. If, at anytime during the Term, 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 Lease shall terminate. If this Lease terminates, it shall terminate as of the earlier of the date that title vests in the condemnor or the date that the condemnor takes possession of the property so taken ("Date of Taking"). In such event, Rent and all other charges payable hereunder shall be prorated and paid to the date of termination.

9.2 Partial Taking. If, at anytime during the Term, 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, and such taking materially affects the operation of the System on the Property, Tenant shall have the right to terminate this Lease. If Tenant so elects to terminate this Lease, Tenant shall give written notice of such termination to Landlord within ninety (90) days after the date of Tenant's receipt of notice of such taking. Such notice shall state the effective termination date which shall be determined by Tenant. In such event, Rent and all other charges payable hereunder shall be prorated and paid to the effective termination date.

9.3 Allocation of Condemnation Award. If the whole or a part of the Property is taken by condemnation, Tenant and Landlord shall each have the unqualified right to pursue its remedies against the condemnor for the full value of its fee or leasehold interest, as applicable, and other interests in and to the Property. Tenant shall be entitled to that portion of the award given for the value of Tenant's leasehold interest, the System, Tenant's relocation expenses and other expenses of Tenant included within such recovery or award. The provisions of this section shall survive any termination of this Lease.

ARTICLE 10 - BANKRUPTCY

If, at any time during the Term, bankruptcy, insolvency or other similar proceedings shall be instituted by or against either party (the "Bankrupt Party"), whether or not such proceedings result in an adjudication against the Bankrupt Party, or should a receiver of the business or assets of the Bankrupt Party be appointed, such proceedings or adjudication shall not affect the validity of this Lease so long as the other party does not exercise its right to terminate this Lease and the rent and other amounts owing hereunder continue to be paid when due, and the other terms, covenants and conditions of this Lease on the part of the Bankrupt Party to be performed are performed, and in such event this Lease shall remain in full force and effect in accordance with its terms.

ARTICLE 11 - ASSIGNMENT AND SUBLETTING

Tenant may assign this Lease, or sublet or license the Property, any interest therein or portion thereof, (collectively, an "Assignment") with the prior written consent of Landlord which consent shall not be unreasonably withheld, conditioned or delayed. Any Assignment by Tenant without any required prior written consent of Landlord shall not release Landlord of its obligations hereunder and shall not relieve Tenant of all future performance, liabilities, and

obligations under this Lease. This Lease runs with the Land and is binding upon and inure to the benefit of the Parties, their respective successors, personal representatives, heirs and assigns. Notwithstanding anything to the contrary contained in this Lease, Tenant, without the prior consent of Landlord, may a) assign and sublet the Property, any interest therein or portion thereof to any other company directly or indirectly controlling, controlled by or under common control with Tenant, or an affiliate, subsidiary or parent of Tenant or a subsidiary or affiliate of Tenant's parent; and b) assign, mortgage, pledge, hypothecate or otherwise transfer without notice or consent its interest in this Lease and/or its interest in the System to any financing entity, or agent on behalf of any financing entity, or to any other entity to whom Tenant has, including, but not limited to, (i) obligations for borrowed money or in respect of guaranties thereof, (ii) obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof, or (c) assign this Lease to any other company; provided the net worth of such company at the time of the proposed transfer is equal to or greater than the Tenant at the time of the proposed transfer, and further provided that such company shall use the Property in accordance with the Permitted Use and has experience operating systems similar to the System. Landlord shall have thirty (30) days within which to approve or disapprove any assignment requiring Landlord's approval as set forth herein, and the failure of Landlord 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 Tenant of all future performance, liabilities, and obligations under this Lease.

ARTICLE 12 - EVENTS OF DEFAULT; REMEDIES

12.1 Events of Default. The occurrence of any one or more of the following events (in this Article sometimes called an "Event of Default") shall constitute a default and breach of this Lease:

- (a) Failure to pay any monetary obligation required to be paid and such failure shall continue for a period of thirty (30) days after written notice that the same is due and payable.
- (b) Breach any material non-monetary obligation, covenant or representation or warranty under this Lease for a period of twenty (20) days after written notice of breach; provided that if more time is required to complete such performance, Parties commence such performance within the twenty (20) day period and thereafter diligently pursue its completion without interruptions.

12.2 Parties' Remedies in Case of Default.

- (a) Upon a Landlord Event of Default and upon the expiration of any cure or notice period required by this Lease, Tenant may: (i) terminate the Lease and recover from Landlord the actual damages incurred as a direct result of the Event of Default; and/or (iii) except as limited by the Lease, exercise any other remedy Tenant may have at law or equity or under the Lease.
- (b) Upon a Tenant Event of Default, Landlord shall be entitled to terminate the Lease and retain the Rent payments, as it has then received, as liquidated damages for such Event of Default of Tenant, and in such event, Tenant shall have no further right whatsoever to lease the Property and Landlord shall have no right to seek any further damages or remedy, at law or in equity. The Parties agree that it would be impractical and/or extremely difficult to ascertain the actual damages that would be suffered by owner as a result of any such Event of Default by Tenant, and that under the circumstances existing as of the date of this Agreement, the liquidated

damages provided for in this section represent a reasonable estimate of the damages which Landlord will incur as a result of any such Event of Default by Tenant.

ARTICLE 13 - SURRENDER OF THE PROPERTY; REMOVAL OF THE SYSTEM

At the expiration of this Lease pursuant to the provisions hereof, Tenant shall quit and surrender the Property to Landlord in good order, condition and repair in accordance with the provisions of this Article. Provided Landlord is not in default under this Lease beyond any applicable cure period, such surrender of the Property and removal of the System shall be accomplished at Tenant's sole cost and expense. If Landlord is in default under this Lease beyond any applicable cure period, the Tenant's expenses incurred in the surrender of the Property and removal of the System shall be a recoverable expense. On a mutually convenient date, but in no case later than ninety (90) days after the termination of the Lease, Tenant shall remove from the Property the System (including all additions, alterations, and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein), and shall make commercially reasonable efforts to restore the Property to substantially the condition in which it existed upon start of construction, reasonable wear and tear and loss by casualty or other causes beyond Tenant's reasonable control excepted.

ARTICLE 14 - QUIET ENJOYMENT

14.1 Covenant of Quiet Enjoyment. Landlord hereby covenants and agrees that if Tenant shall perform all the covenants and agreements herein stipulated to be performed on Tenant's part, Tenant shall at all times during the continuance hereof have the peaceable and quiet enjoyment and possession of the Property without any hindrance from Landlord or any person or persons lawfully claiming the Property:

14.2 Right to Possession. Landlord covenants, warrants and represents that Landlord alone has the full right to lease the Property, has rights of access thereto from the nearest public roadway, which Tenant is legally permitted to use and the Property and access rights are free and clear of all liens, encumbrances and restrictions and that possession of the Property will be delivered to Tenant as of the Effective Date, subject to the terms and conditions of this Lease.

14.3 Easement for Sunlight. Landlord will take all commercially reasonable actions, as necessary, to prevent other buildings, structures or flora located on the Property (and Landlord will, at Tenant's cost, join with Tenant in action to prevent buildings, structures or flora located on contiguous properties) from overshadowing or otherwise blocking or interfering with access of sunlight to the System, including but not limited to such actions as may be reasonably necessary to obtain solar access easement for such purpose. Landlord shall not place any buildings or other structures on the Landlord's Property or on contiguous land in Section 2, T24S, R1W, NMPM of the USGLO surveys that is controlled by Landlord, or Landlord affiliate, or that the Landlord may acquire, which does or may overshadow or otherwise block or interfere with access of sunlight to the System. Landlord and Tenant hereby acknowledge that Tenant shall have the right (but shall not be obligated) to remove, at Landlord's cost, any such buildings or other structures in violation of the preceding sentence. Tenant shall be permitted to a reimbursement of such costs as an abatement of Rent. Tenant shall have the right to enter any contiguous land owned by Landlord and remove or trim any flora (in accordance with governmental regulations) which overshadows or otherwise blocks access of sunlight to the System.

ARTICLE 15 - TRADE FIXTURES

Anything contained in this Lease to the contrary notwithstanding, Landlord acknowledges, consents and agrees that all fixtures and equipment which are installed or placed in, on or about the System or other parts of the Property by Tenant (collectively the "Trade Fixtures"), whether affixed to the Property or otherwise shall be and at all times remain the property of Tenant. Provided that Tenant is not in default under the terms of this Lease beyond any applicable cure period, Tenant may remove its Trade Fixtures at any time during the Term or upon the expiration or sooner termination of this Lease. Notwithstanding the aforesaid a third party financing entity, including a financing entity under a sale/leaseback arrangement, irrespective of any default of Tenant, may remove its Collateral at any time.

ARTICLE 16 – NOTICES AND DEMANDS

16.1 Notice to Landlord. Notices to Landlord and rent shall be delivered to:

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

or at such other address as shall be designated by Landlord in writing by notice to Tenant.

16.2 Notice to Tenant. Notices to Tenant shall be delivered to:

SunEdison	and one copy to:
c/o SunEdison	SunEdison
12500 Baltimore Avenue	12500 Baltimore Avenue
Beltsville, MD 20750	Beltsville, MD 20705
Attention: Jared Schoch	Attention: General Counsel

with one copy to:

SunEdison
12500 Baltimore Avenue
Beltsville, MD 20705
Attention: Vice President of Sales

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 Tenant in writing by notice to Landlord.

16.3 Notice. Unless otherwise provided for herein any notice provided for in this Lease 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.

16.4 Notice of Damage or Emergency. Landlord shall a) promptly notify Tenant if it becomes aware of any damage to or loss of the use of the System or that could reasonably be expected to adversely affect the System, and b) immediately notify Tenant when it becomes aware of any event or circumstance that poses an imminent risk to human health, the environment, the System or the Property.

ARTICLE 18 - BROKERAGE

Landlord and Tenant warrant that there are no claims for broker's commissions or finder's fees in connection with its execution of this Lease

ARTICLE 19 – FORCE MAJEURE

19.1 Definition. “Force Majeure Event” means any act or event that prevents the affected Party from performing its obligations in accordance with the Lease, if such act or event is beyond the reasonable control, and not the result of the fault or negligence, of the affected Party and such Party had been unable to overcome such act or event with the exercise of due diligence (including the expenditure of reasonable sums). Subject to the foregoing conditions, Force Majeure Event shall include without limitation the following acts or events: (i) natural phenomena, such as storms, hurricanes, floods, lightning, excessive snowfall, volcanic eruptions and earthquakes; (ii) explosions or fires arising from lightning or other causes unrelated to the acts or omissions of the Party seeking to be excused from performance; (iii) acts of war or public disorders, civil disturbances, riots, insurrection, sabotage, epidemic, terrorist acts, or rebellion; (iv) strikes or labor disputes (except strikes or labor disputes caused solely by employees of a Party or as a result of such Party’s failure to comply with a collective bargaining Lease); and (v) action by a governmental authority causing a moratorium on any activities related to the Lease. A Force Majeure Event shall not be based on the economic hardship of either Party.

19.2 Excused Performance. Except as otherwise specifically provided in the Lease, neither Party shall be considered in breach of the Lease or liable for any delay or failure to comply with the Lease (other than the failure to pay amounts due hereunder), if and to the extent that such delay or failure is attributable to the occurrence of a Force Majeure Event; provided that the Party claiming relief under this Section 19 shall immediately (i) notify the other Party in writing of the existence of the Force Majeure Event, (ii) exercise all reasonable efforts necessary to minimize delay caused by such Force Majeure Event, (iii) notify the other Party in writing of the cessation or termination of said Force Majeure Event and (iv) resume performance of its obligations hereunder as soon as practicable thereafter.

ARTICLE 20 – INSURANCE

20.1 Landlord Insurance. Owner shall maintain a self insured fund adequate to address any liability under the New Mexico Tort Claims Act.

20.2 Tenant Insurance. Tenant shall maintain the following insurance coverage in full force and effect throughout the Term of this Lease either through insurance policies or acceptable self-insured retentions: Commercial General Liability Insurance with limits of not less than \$2,000,000 general aggregate, \$1,000,000 per occurrence. Additionally, Tenant shall carry (i) adequate property loss insurance on any property of Tenant, its employees, agents and contractors which need not be covered by the Landlord’s property coverage; (ii) worker's compensation and employer's liability insurance with an insurance carrier admitted to do business in the State of New Mexico, covering all persons employed by Tenant in connection

with the operation of the Leased Property and the improvements satisfying the requirements of the worker's compensation statutes of the State of New Mexico; and (iii) at any time during the course of any construction, Builder's Risk insurance in such amounts with such companies and for so long as reasonably acceptable to Landlord. The amount and terms of insurance coverage will be determined at Tenant's sole discretion; provided, however, Landlord shall have the right to increase the minimum limits set forth herein during the Term in accordance with reasonably industry standards. Tenant may, at its option, bring its obligations to insure under this Article within the coverage of a "blanket" policy of insurance which it may now or hereafter carry, by appropriate amendment, rider, endorsement, or otherwise. Tenant shall name Landlord as an additional insured on all insurance policies maintained in accordance with this Lease.

20.3 Certificates of Insurance Each Party shall furnish evidence that the insurance required under this Section is being maintained. Each Party's insurance provided hereunder shall contain an endorsement providing that such coverage may not be canceled or materially altered with respect to the Property except after forty-five (45) days prior written notice (ten days prior written notice for non-payment of premium) from the insurance company to the other Party.

20.4 Additional Insureds. Each Party's insurance policy shall be written on an occurrence basis and shall include the other Party as an additional insured as its interest may appear

20.5 Insurer Qualifications. All insurance maintained hereunder shall be maintained with companies either rated no less than A- as to Policy Holder's Rating in the current edition of Best's Insurance Guide (or with an association of companies each of the members of which are so rated) or having a parent company's debt to policyholder surplus ratio of 1:1.

ARTICLE 21 - REPRESENTATIONS

21.1. Representations. Landlord hereby represents, warrants, agrees and covenants to Tenant that, to the best of its knowledge:

a. 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 Landlord or, to the knowledge of Landlord, by any prior Landlord or user of the Property, and there have been no release of or contamination by Hazardous Materials on the Property. Landlord has provided Tenant with all environmental studies, records and reports in its possession or control conducted by independent contractors, or Landlord 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.

b. (i) Landlord 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 (ii) 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 Tenant.

c. Landlord has taken no action or failed to take actions that would cause a material increase in real property taxes or additional assessments on the Property prior to Closing. The Property is subject to "rollback taxes."

d. Landlord 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.

e. Other than Landlord, there are no other persons or entities having legal or beneficial title or ownership interests or possessor rights to the Property. Landlord has the full legal right, power and authority, without the consent of additional parties or party, to enter into this Lease and to perform, its obligations hereunder and the execution and delivery of this Lease 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 Lease (or other document) by which Landlord 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 Landlord hereunder. The person executing this Lease on behalf of Landlord has full power and authority to bind Landlord to the obligations of Landlord set forth herein, and upon execution and delivery of the same, this Lease will constitute valid and binding instruments enforceable in accordance with their terms. The entry into and performance of Landlord's obligations under this Lease will not violate or result in a breach of any contract or agreement by which Landlord is bound, the consequence of which violation would be to prevent the performance of Landlord's obligations under this Lease. No consent of any other party is required for the performance by Landlord of its obligations hereunder

f. Landlord 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 Landlord's knowledge, threatened against Landlord which would prevent the performance of Landlord's obligations under this Lease.

g. Landlord is not bankrupt or insolvent under any applicable federal or state standard, and Landlord 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 applicable of any applicable bankruptcy or creditor protection statute.

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

i. During the Term, Landlord (i) will not interfere with the System and (ii) shall grant such additional easements or rights to Tenant, across, above or below other property owned by the Landlord as may be reasonably necessary to operate the System, including without limitation, the ability to construct, operate, maintain and replace electric transmission facilities across such other property.

21.2. Representations. Tenant hereby represents, warrants, agrees and covenants to Landlord.

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

b. Tenant is not bankrupt or insolvent under any applicable federal or state standard, and Tenant 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.

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

d. Tenant shall, at all times, conduct its activities at the Property in a lawful manner and in compliance with all laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits and licenses which now or at any time hereafter may be applicable to the Property, or any part thereof, any of the adjoining sidewalks, streets or ways, any condition of the Property, or any part thereof, or the operation or use of the Property, or any part thereof (collectively, the "Legal Requirements"). Tenant's obligations hereunder shall include the obligation to repair or alter the Property, if necessary, to effect such compliance with all Legal Requirements first in effect after the Effective Date and applicable to the Property as a direct result of Tenant's Permitted Use.

ARTICLE 22 - GENERAL PROVISIONS

22.1 Binding on Successors. This Lease, 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.

22.2 Severability. If any provision of this Lease 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 Lease shall not be affected thereby and shall remain in force and effect to the full extent permissible by law.

22.3 Entire Agreement. This Lease 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 Lease. This Lease shall not be modified or amended unless such modification and/or amendment is in writing and signed by both Parties.

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

22.5 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.

22.6 Holdover. If Tenant holds over after the Term (subject to Tenants rights set forth in Article 13), such holding over shall be construed to be a tenancy from month-to-month only, and Tenant shall pay the rent which shall be increased from the annual rent in effect immediately prior to the holdover period, by twenty percent (20%) on an annual basis, but paid on a monthly basis, during any holdover period and other sums as herein required for such further time as Tenant continues in occupancy. Nothing in this Section shall be construed as Landlord's consent for Tenant to hold over.

22.7 Governing Law. This Lease 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 Lease, the courts of Dona Ana County shall have jurisdiction.

22.8 Counterparts. This Lease 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.

22.9 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 Lease. Landlord agrees to execute such further documentation as may reasonably be requested by a third party providing financing to Tenant.

22.10 Short Form Lease. This Lease shall not be recorded. Notwithstanding the aforesaid, the Parties may execute and record in the Land Records of Dona Ana County a short form memorandum of this Lease, which shall identify the Parties, the Property, and Term. The recording costs shall be paid by Tenant.

22.11 Estoppel Certificates. Each party agrees that within fifteen (15) days after receipt of a written request from the other party, the recipient of the request ("Recipient") shall execute and deliver to the requesting party a certificate certifying (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the nature of the modifications and that, as so modified, this Lease is in full force and effect, (b) the date to which the rent and other charges hereunder are paid in advance, if any, (c) the then-scheduled expiration date of the Term, (d) that to Recipient's knowledge, as of the date of the certificate, there are no uncured defaults hereunder on the requesting party's part or specifying such defaults as are claimed by Recipient, and (e) as to such other matters as may be reasonably requested by the requesting party and agreed upon by the Recipient.

22.12 Due Authorization. Each person executing this Lease on behalf of Landlord and Tenant, 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 Lease by him or her and that, when so executed, this Lease shall constitute a valid and binding obligation of the party on whose behalf it is so executed.

22.13 Relationship of Parties. Nothing contained in this Lease shall be deemed to create a partnership or joint venture between Landlord and Tenant. Landlord and Tenant's relationship in this Lease shall be deemed to be one of landlord and tenant only.

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

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

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

ARTICLE 23 - TITLE VI CIVIL RIGHTS ASSURANCES

Tenant, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration under this Lease, does hereby covenant and agree as a covenant running with the land that:

a. No person on the grounds of race, color, sex, disability or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

b. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination.

Tenant shall use the Property in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

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

LANDLORD:
City of Las Cruces, a New
Mexico municipal
corporation

Ken Miyagishima, Mayor

Date

TENANT:
SunE EPE1, LLC, a
Delaware limited liability
company

By: Jared Schoch

Date

EXHIBIT A
DESCRIPTION OF PROPERTY

155 acres +/-
Lot 2 of proposed subdivision

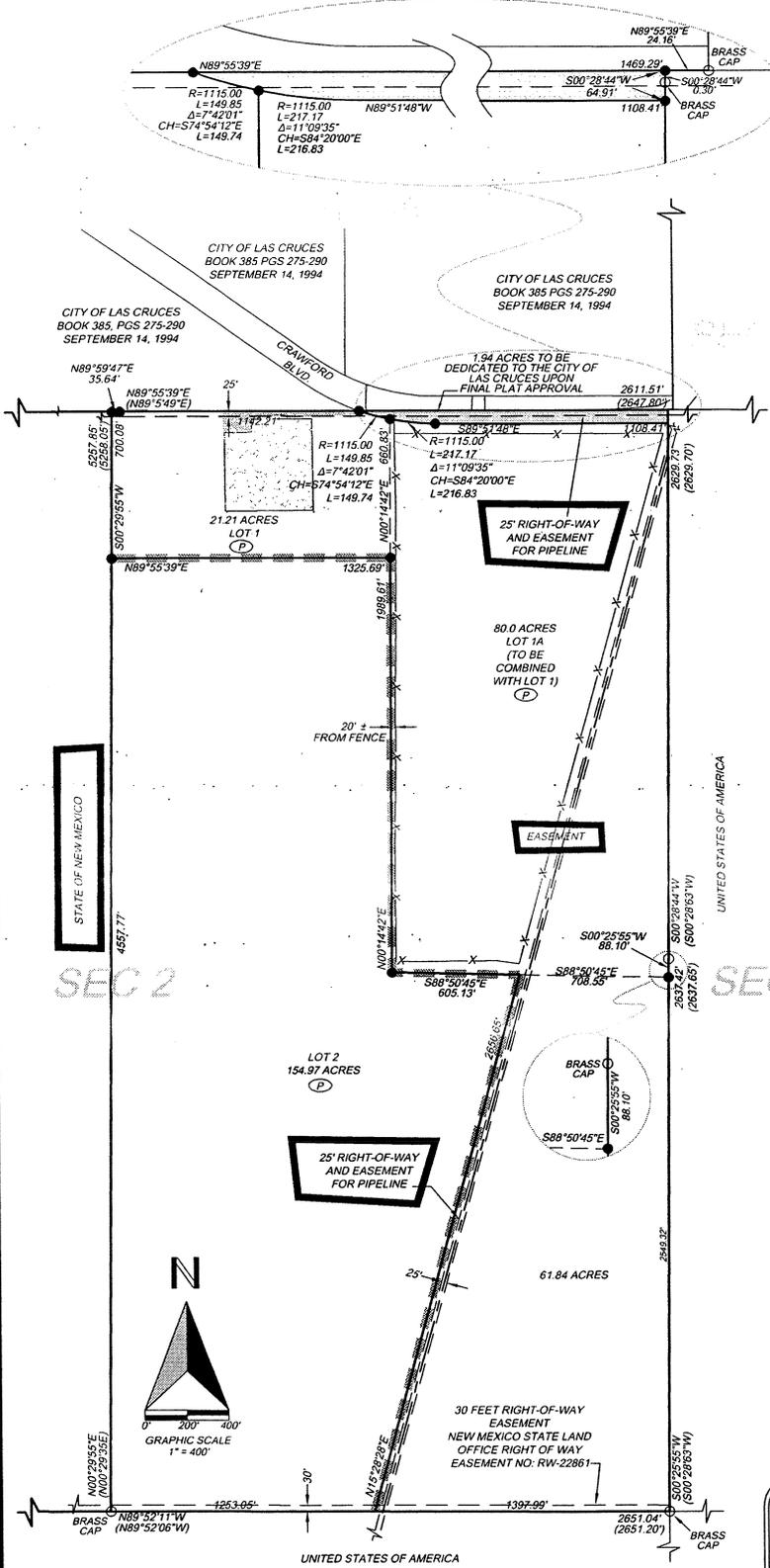
EXHIBIT C

FORM OF MEMORANDUM OF OPTION AGREEMENT

EXHIBIT D

LEASED PREMISES DESCRIPTION

CONCEPTUAL SUNEDISON PLAT FOR BERNADETTE 1-7-11



NOTES:

1. BEARING BASE IS THE WGS ELLIPSOID BASED UPON GPS OBSERVATIONS AND REFERENCED BY MONUMENTATION SHOWN ON THIS REPLAT
2. TOTAL ACREAGE OF SUBDIVISION: 319.96 ACRES
3. DATE OF PREPARATION: DECEMBER 2010
4. ZONING OF THE PROPERTY: M-3
5. ○ DENOTES MONUMENT FOUND
6. ● DENOTES 1/2" IRON ROD SET NMPS - 7964
7. SUBDIVISION IS LOCATED IN FLOOD ZONE X (AREAS DETERMINED TO BE OUTSIDE 500 YEAR FLOOD-PLAIN) PER FEMA MAP NO. 35013C0650 E EFFECTIVE DATE SEPTEMBER 27, 1991
8. () INDICATES RECORD DIMENSIONS
9. EXCESS DRAINAGE RUNOFF TO BE RETAINED ON EACH LOT AT TIME OF DEVELOPMENT.
○ P - DENOTES INDIVIDUAL ON LOT PONDING. MAINTENANCE OF ON-LOT PONDS ARE THE RESPONSIBILITY OF INDIVIDUAL LOT OWNERS
10. INSTRUMENT OF TITLE: BOOK 242, PAGES 348-350 NOVEMBER 3, 2000

LOT LINES HAVE NOT BEEN VERIFIED OR APPROVED AND ARE STILL APPROXIMATE

SEC 2

SEC 1

SEC 11



<p>BLANCHARD ENGINEERING</p>	P.O. BOX 16395 LAS CRUCES, NM 88004 TEL (575) 523-9222 FAX (575) 541-0906 be@blanchardengineering.org
	DRAWING: 1038-1A.dwg LM NAME: PLAT-BERN PROJECT: 1038 DRAWING DATE: 01-07-11

APPROVED BY: DAVID F. BLANCHARD N.M.P.S. 7964 DATE: _____ PAPER COPY CHECK VALID UNLESS IMPRESSION SEALED
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Attachment 'A'

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:

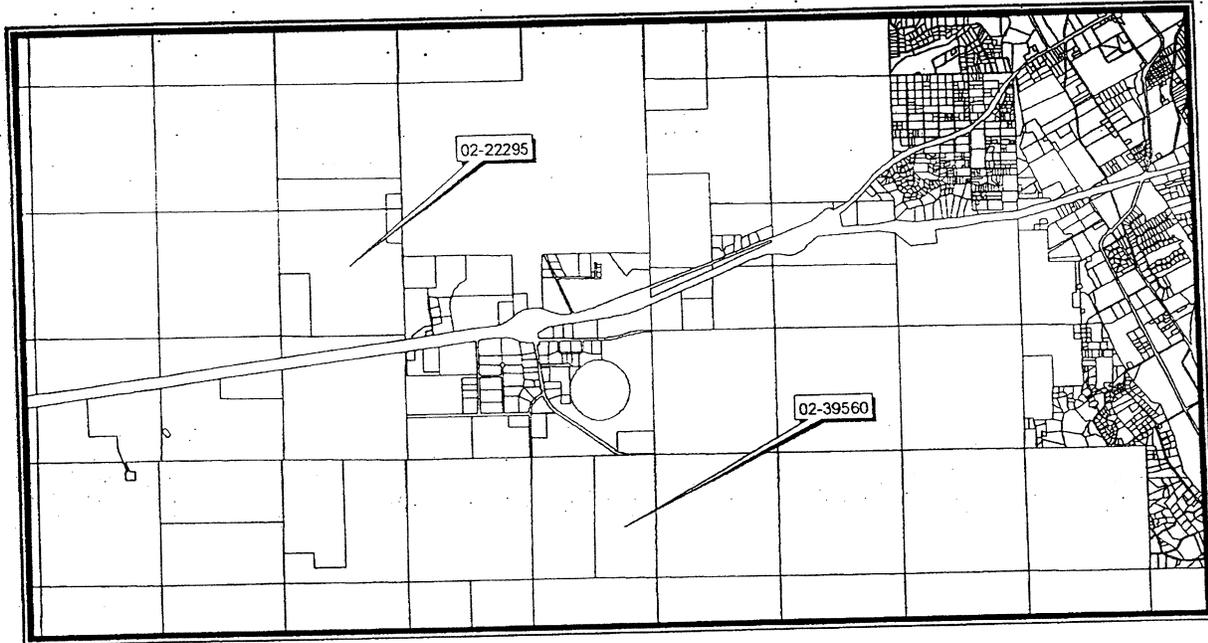
Type of Property: Undeveloped west mesa land.

Location: West Mesa Industrial Park.

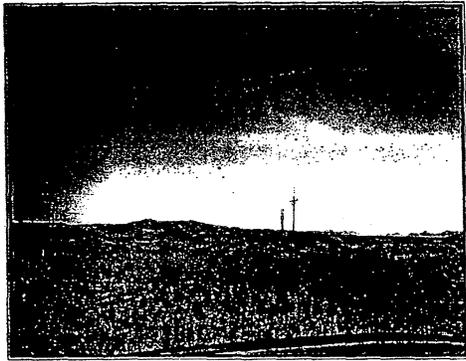
Legal Description: To be determined.

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



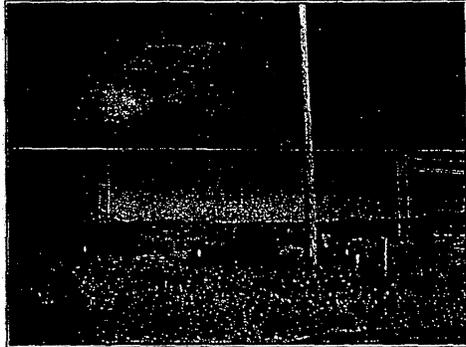
PROPERTY LOCATION MAP



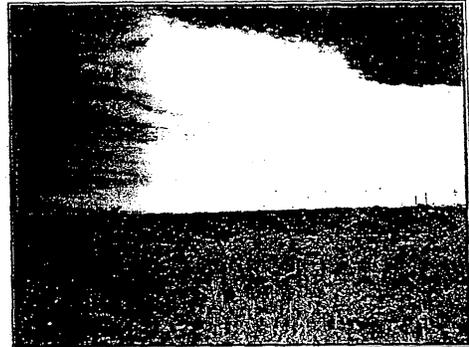
WMIP East of Armory Looking Northerly



WMIP South of I-10 Looking Southerly



WMIP North of I-10 and East of Armory



WMIP South of I-10 Looking Westerly

6

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 3,894 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	1.6%
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.

Transportation:

Rail service is provided by the Union Pacific-Southern Pacific and Burlington Northern-Santa Fe with daily freight trains. The city of Las Cruces operates a Federally Certified Airport located approximately 10 miles West of the city, where charter service is available. Commercial air service is available at the El Paso International Airport, approximately 50 miles South of Las Cruces. Local bus and taxi service is available. The entire school district is served by school bus transportation. Inter-city bus line serving the area include Greyhound Bus Lines. Las Cruces is located on the intersection of the east-west Interstate 10 and north-south Interstate 25. These highways bypass the city on the east and southwest, with three exits on the east and two on the southwest.

Construction Activity:

Analysis of the building permits issued over the past ten years provides an accurate indication of the construction activity of the city. The following table provides this summary:

Year	Single Family Permits \$ Mill	Multi-Family Permits \$ Mill	Commercial Permits \$ Mill
2000	285	\$37.2	8
2001	330	\$40.7	6
2002	530	\$73.6	7
2003	796	\$115.3	5
2004	842	\$129.0	7
2005	1,529	\$224.2	15
2006	1,535	\$214.6	18
2007	985	\$118.5	13
2008	632	\$84.6	5
2009	628	\$105.4	5

Source: City of Las Cruces

In addition the city issued 98 mobile home permits in 2008. Commercial development has occurred primarily between North Main Street and New Mexico State University along Telsior Boulevard, Roadrunner and Lohman Avenue. New industrial building continues in the Las Cruces West Mesa Industrial Park located adjacent to the Las Cruces Airport. A large portion of the new residential subdivisions is located on the East side of the Las Cruces area. There is a regional shopping mall next to the Interstate 25 access in the east-central part of the city. Commercial permit valuation for 2008 reached an all time record high. The multi-family projects added 271 units in 2009. The County issued 170 new single-family building permits in 2009 down from 254 in 2008 for a total valuation of \$33,796,200 or \$133,055 per housing unit. The City average value per home unit was \$167,928 for 2009 up from \$133,850 in 2008. The county also issued 7 new commercial permits for \$1,512,800.

PROPERTY DESCRIPTION:

Location: West Mesa Industrial Park. See attached plat map.

Access: No developed access.

Size and Shape: 100-200 acres each.

Topography: Level, native desert vegetation. The sites are unimproved rangeland.

Drainage: Appears adequate. The subject is not located in a FEMA special flood hazard area. The property is identified as being in a Zone X area on FIRN number 35013C0650 E, effective September 27, 1991. The Zone X is an area determined to be outside the 500-year flood plain.

Site Improvements: None.

Encroachments or Easements: No adverse noted.

Special Amenities: Proximity to Airport and Interstate 10 access.

Adverse Influences: None.

Environmental Concerns: There was no apparent evidence that the property is affected by the existence of hazardous substances or detrimental environmental conditions.

Utilities: Public utilities include electricity, water, sewer, natural gas and telephone are nearby but not yet extended to the subject.

Legal Limitations to Use: The North site is City of Las Cruces land currently zoned "M3-C" - Industrial Heavy. The South site is zoned "HC" - Holding Zone District. Upon execution of the lease the sites will be restricted to solar power generation only.

HIGHEST AND BEST USE: Industrial development.

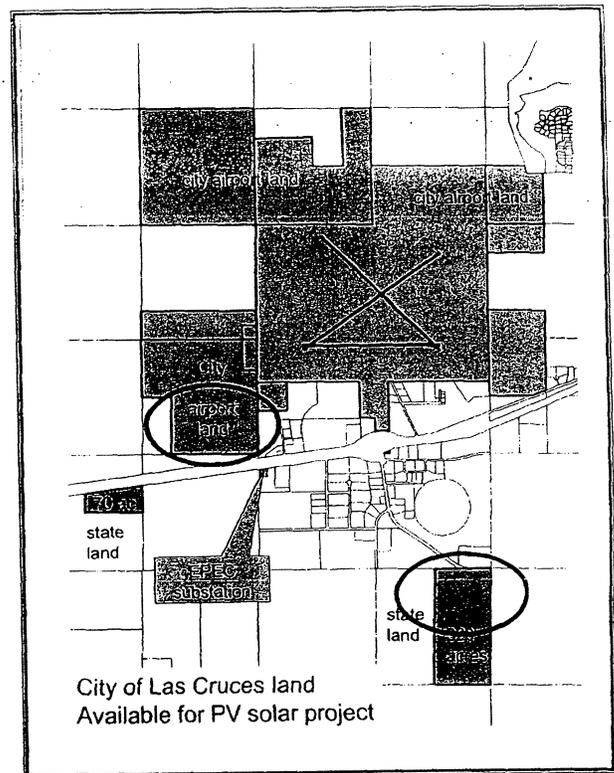
There has been an overbuilding of homes and the market is in an inventory adjustment period which will likely take one to two years to reach normal levels. Realtors in the area indicate that there is still a strong demand for homes but many deals are subject to buyers selling their homes in other parts of the country.

Housing:

Census data reports the total housing units in Doña Ana County for 2000 as 65,210. This represents a 33% increase since year 1990 which reported 49,148 total units. Owner occupied housing represents 67.5% while renters occupy 32.5%. Average household size is 2.98, owner occupied, and 2.58 renter occupied.

Summary and Conclusion:

The prospect for overall economic growth in the area is good due to the stability of the federal and state facilities, the established agribusiness, and the role Las Cruces serves as the trade center for this portion of the state. The opening of a new US-Mexico port of entry in southern Doña Ana County together with the Free Trade agreement should also have a positive economic impact on this area over the next 20 years.



PROPERTY LOCATION MAP

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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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 effect 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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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
5640/acre

LAND SALE NO. 1

Property Identification

Record ID 85
 Property Type Residential development tract
 Property Name West Mesa Holding
 Address Las Cruces, Dona Ana County, New Mexico,
 Location Off South Fairacres Road, South of I-10
 Tax ID 01-17509 & 03-17509
 Legal Description Part of Sections 28 & 33, T21S, R1E, N36M

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 \$6.14

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 #7604, MLS#702081

Sale Price \$619,450

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.

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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.

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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.

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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 BLM. 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.

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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 1/2 of SE 1/4 of Section 5, and N 1/2 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, 505-627-5760, August 15, 2006; Other sources: smcdowell@sls.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 1/4 Section 10, 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
 Recorded Plat 22/320-321
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Cash to seller
 Verification Third Party - Mark Cowen, MAJ; Confirmed by Scott Eschenbrenner

Sale Price \$2,715,453

Land Data
 Zoning ET2 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 ET2 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

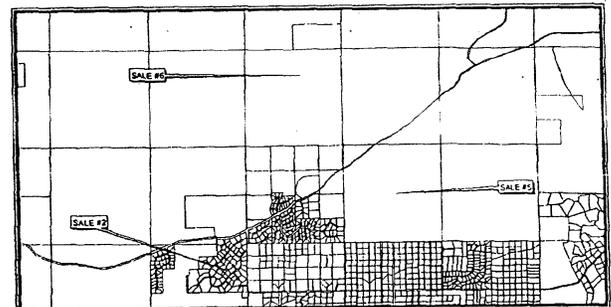
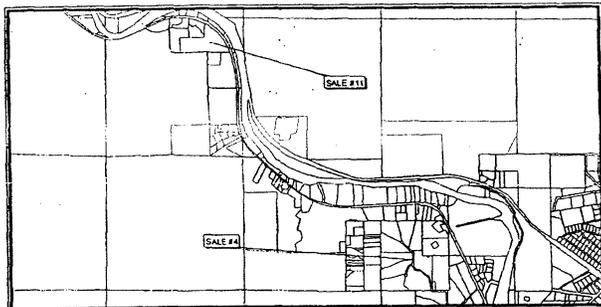
Gross Land Size 25.000 Acres or 1,089,000 SF

Indicators

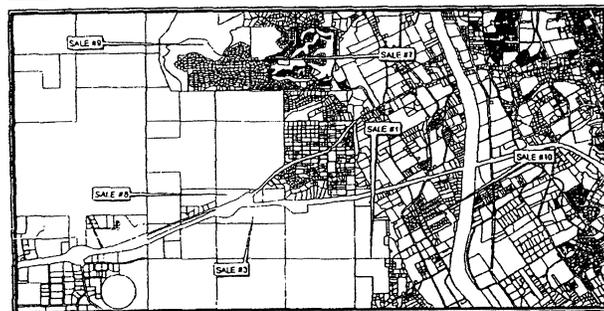
Sale Price/Gross Acre \$5,000
 Sale Price/Gross SF \$0.11

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 analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- * I have no present or prospective interest in the property that is the subject of this report, and 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 analyses, 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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HARRY L. HANSEN, MAI, SRA

HARRY L. HANSEN, MAI, SRA

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); 2006. 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.
 FIA 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.
 5.0B 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 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.

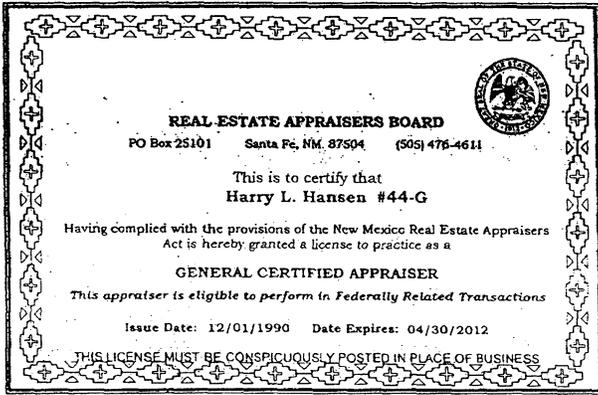
39

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

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:	

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 encouraged 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

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

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

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 encouraged 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

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

** TAX REFLECTS ORIGINAL BILL AMOUNT ONLY. NO PAYMENTS, PENALTY OR INTEREST FOR FURTHER DETAILS CONTACT THE TREASURER
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<http://www2.donaanacounty.org/pages/H8540.php?print=1>

8/26/2010

Doña Ana County

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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

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	

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

8/26/2010

Doña 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.](#)

MESILLA VALLEY APPRAISAL SERVICES

COMPLETE SUMMARY
APPRAISAL REPORT

REAL ESTATE APPRAISALS & COUNSELING

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

545 SOUTH MELNORIS, SUITE D
LAS CRUCES, NEW MEXICO 88005
(505) 523-2612
FAX (505) 526-1072

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

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

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 market value 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.

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 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.

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	02-39841	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

Page 1

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	112.260	\$13,500	\$1,515,000
14	02-40907	112.200	\$14,000	\$1,570,000
15	02-38980	4.260	\$40,000	\$170,000
16	02-38981	4.280	\$40,000	\$170,000
17	02-34642	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

Respectfully submitted,

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

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	

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

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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.

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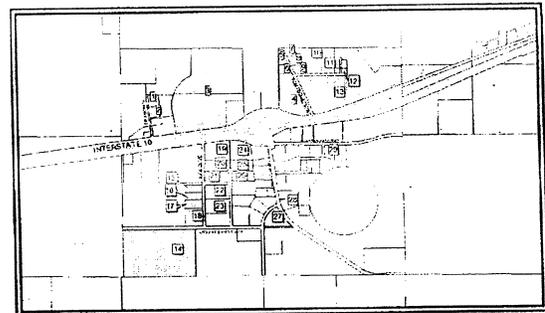
PROPERTY DESCRIPTION

LOCATION			
Property Name:	West Mesa Industrial Park	State:	New Mexico
Street Address:	Various	Zip Code:	86007
City:	Las Cruces	Assessor's Parcel No.:	See Below
County:	Doña 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.

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PARCEL LOCATION MAP

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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	02-22308	28,850	Harry Burrell Boulevard	NO	Yes	20,000
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	112,200	Harry Burrell & N. Frontage	NO	No	6,000
14	02-42957	112,200	Advancement Avenue	YES	No	20,000
15	02-36582	4,250	Rea Boulevard	YES	Yes	30,000
16	02-38961	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	35,000
21	02-40356	7,800	Rea Boulevard	YES	Yes	35,000
22	02-38976	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	35,000
26	02-40357	7,140	Alliance Drive	YES	Yes	35,000
27	02-38974	10,260	Ventura Boulevard	YES	Yes	20,000
28	02-39287	5,490	Clawford Boulevard	YES	Yes	30,000
29	02-35595	4,490	Mountain Vista & Trigg	YES	Yes	20,000

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.

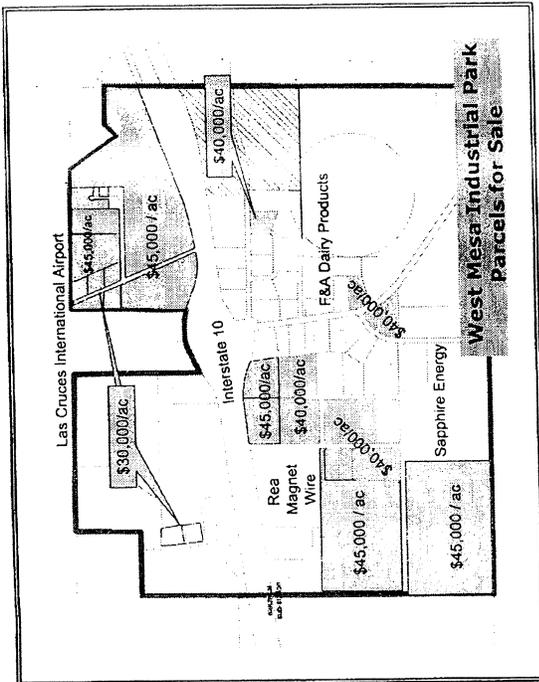
The City of Las Cruces maintains an asking price for all of the subject parcels. The asking price is reviewed periodically (at least semi-annually), and is adjusted as necessary to reflect comparable private sector sales activity. There are three different asking prices based on the size of parcels, 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.

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.



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.

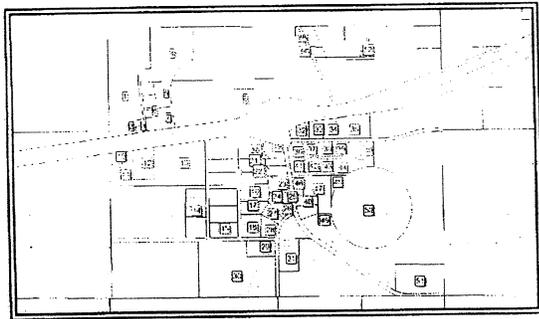
The client has also requested that I analyze sales data from Santa Teresa Industrial Park, which is located south of the subject along the US and Mexico border. I have collected a few land sales and two which are under contract, which has the infrastructure in place. Typically, these sales indicate a 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 WMP.

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 WMP 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

WEST MESA INDUSTRIAL PARK - SOLD PARCELS

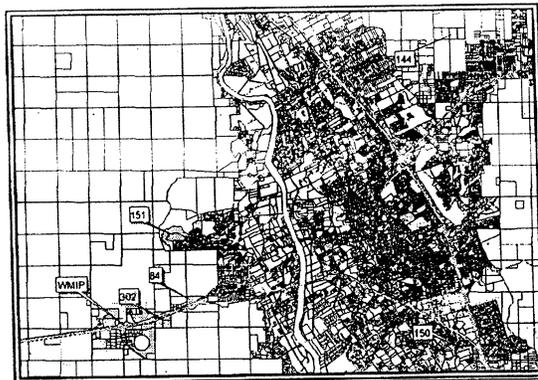
Parcel #	Total Lot Size	Property Owner	Parcel ID	Year Sold	Engagement Size	Sales Price	Price/Acre	# of Acres	Use
1	23,000	Arroyo Power	22721	1993/1994	27,172	\$0	\$0	0	11/2/97
2	4,887	Michael Flynn	22729			\$0	\$0	0	9/1/98
3	1,970	City of Las Cruces	22619			\$0	\$0	0	8/1/98
4	12,000	Arroyo Power	27187			\$0	\$0	0	9/27/99
5	13,050	Las Cruces Transportation	23860			\$0	\$0	0	5/8/01
6	2,399	Bassett	22300			\$0	\$0	0	1/14/00
7	11,270	Claremont Company	27187	1998	14,375	Exchange	\$0	0	1/14/00
8	16,368	USA	22293			\$281,800	\$281,800	301	8/1/07
9	3,160	Arroyo Power	20554			\$0	\$0	0	1/14/00
10	16,160	Janon Montoya	22306			\$0	\$0	0	12/6/00
11	3,000	El Paso Electric Co.	27284			\$0	\$0	0	5/1/00
12	16,160	El Paso Electric Co.	27521			\$0	\$0	0	5/1/00
13	16,096	State of New Mexico	25575			\$0	\$0	0	9/11/99
14	16,356	City of Las Cruces	24572	1999	10,182	\$750,000	\$750,000	27	9/15/00
15	16,000	Arroyo Power	22719	2000	64,376	\$770,000	\$770,000	25	5/2/00
16	11,230	CMG Realty LLC	24572			\$407,000	\$407,000	10	12/2/00
17	7,400	Arroyo Power	40359			\$0	\$0	0	1/14/00
18	10,120	Arroyo Power	25577			\$0	\$0	0	1/14/00
19	1,726	Madison Corp	22290	1999	8,911	\$0	\$0	0	11/15/00
20	3,370	State of New Mexico	24117	1995	2,112	\$0	\$0	0	2/26/00
21	4,207	Arroyo Power	24117	1994	3,715	\$0	\$0	0	1/14/00
22	2,207	El Paso Electric Co.	22187			\$0	\$0	0	1/14/00
23	1,500	State of New Mexico	24298	1990/1991	11,300	\$0	\$0	0	7/1/01
24	1,421	State of New Mexico	27710			\$0	\$0	0	7/1/01
25	1,760	State of New Mexico	22717	2002	37,713	\$0	\$0	0	11/30/01
26	1,200	State of New Mexico	24610			\$0	\$0	0	11/30/01
27	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
28	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
29	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
30	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
31	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
32	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
33	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
34	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
35	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
36	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
37	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
38	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
39	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
40	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
41	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
42	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
43	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
44	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
45	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
46	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
47	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
48	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
49	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
50	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
51	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
52	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
53	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01
54	1,200	State of New Mexico	27512			\$0	\$0	0	11/30/01

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.

Record ID	COMPARABLE IMPROVED SALES				
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
302	144	151	130	64	117206
Address	Mountain Vista Parkway	Sonoma Ranch and Pecos Hills	Shem Drive	JACKSON Exchange	
City, State	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	
Owner	Las Cruces, NM	Las Cruces, NM	Bess	Roberts	
Grantor	USA	United Land Group LP	Pecos Mountain II, DJJ Development	Twenty Properties	
Sale Date	Under Contract & Fall Through	8/25/08	8/21/07	4/5/07	1/7/06
Sale Price	\$3,300,000	\$1,300,000	\$2,715,453	\$1,353,714	\$692,500
Price/SF	\$33,000	\$23,303	\$10,542	\$27,024	\$16,397
Land Size	112 to 156 Acres	100 Acres	50 Acres	50 Acres	52 Acres
Location	Similar	Similar	Similar	Similar	Similar
Frontage	Mid-Block Location with 1-10 Frontage	Corner Location	Mid-Block Location	Mid-Block Location	Mid-Block Location
Corner Features	Irregular	Irregular	Irregular	Irregular	Irregular
Drain & Shape	Irregular	Irregular	Irregular	Irregular	Irregular
Features	Gentle Sloping	Gentle Sloping	Level	Gentle Sloping	Gentle Sloping
Topography	ETZ - Commercial	ETZ - Commercial	Residential	Residential	Industrial - Mixed Use
Zoning	Industrial	Industrial	Residential	Residential	Industrial - Mixed Use

Compiled by: W Scott Etchemendy, MAI



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 softened 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 4th 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.

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.

Scale No.	302	344	357	139	84
Sale Price/Acre	\$13,000	\$21,302	\$18,542	\$27,023	\$16,995
Size - Acre	169.0	5.0	27.0	5.0	32.5
Sale Date	Apr-08	Aug-08	Aug-07	Apr-07	Jun-06
Rights Conveyed	Fee	Fee	Fee	Fee	Fee
Adj. Conditions of Sale					
Encumbrances	Market	Market	Market	Market	Market
Adjustment					
Buyer - Seller Motivation	Normal	Normal	Normal	Normal	Normal
Adjustment					
Market Conditions/Time	-6.0%	-6.0%	-6.0%	-6.0%	-6.0%
Corr. Time Adj.	-4.0%	-8.0%	-13.3%	-13.3%	-13.3%
Adj. Value	\$1,458	\$2,292	\$8,942	\$23,846	\$14,469
Location:					
* Adj.	0%	-25%	25%	-25%	0%
S Adj.	\$0	(\$1,348)	\$2,320	(\$5,962)	\$0
Adj. Value	\$1,458	\$1,044	\$11,262	\$17,884	\$14,469
Size:					
* Adj.	0%	-10%	15%	-10%	-10%
S Adj.	\$0	(\$2,139)	\$1,795	(\$2,383)	(\$1,447)
Adj. Value	\$1,458	\$1,903	\$13,057	\$15,500	\$13,022
Utilities:					
* Adj.	0%	0%	0%	0%	0%
S Adj.	\$0	\$0	\$0	\$0	\$0
Adj. Value	\$1,458	\$1,903	\$13,057	\$15,500	\$13,022
Other Features:					
* Adj.	0%	0%	0%	0%	0%
S Adj.	\$0	\$0	\$0	\$0	\$0
Adj. Value	\$1,458	\$1,903	\$13,057	\$15,500	\$13,022

Parcel #	Parcel ID#	Size/Acre	Indicated Value/Acre	Market Value (Rounded)
1	02-39841	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

Sold Parcel #	Total Lot Size	Property Owner	Parcel ID	Sales Price	Price/Acre	ID #	Date Sold
14	5.000	Dennis Munciel	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	10/29/06
18	10.620	Larry Barker	02-38977	\$292,050	\$27,500	266	9/26/07
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	10/29/06
31	15.900	TMG Manufacturing, LLC	02-30043	\$375,000	\$23,600	287	8/10/07
32	6.000	RDC, LLC	02-35601	\$150,000	\$25,000	104	7/12/06
33	5.780	Esmal Haidari - Skyblue Inv	02-35602	\$175,670	\$30,427	225	6/27/07
34	5.920	Esmal Haidari - Skyblue Inv	02-35590	\$180,130	\$30,427	225	6/27/07
36	6.000	Matthew Ikard	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	3.450	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	285	9/24/07
				117,598	\$3,291,539	\$27,990	

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	112.26	\$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 #	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	6/30/07
9	3.160	Michael O'Donnell	02-35584	\$79,000	\$25,000	155	9/17/06
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.

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 18, 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 28, 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.

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	\$265,000
27	02-35974	10.26	\$40,000	\$410,000
28	02-35987	5.49	\$40,000	\$220,000
29	02-35995	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."¹

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:

¹ *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:

Digitally signed by Scott
Eschenbrenner
DN: cn=Scott Eschenbrenner,
ou=New Mexico Appraisal Services Co.,
email=scott@eschenbrenner.com, c=US,
date=2010.02.05 09:37:43 -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:

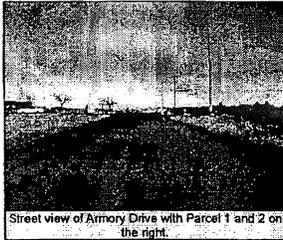
1. Unless previous arrangements have been made, the appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance at court.
2. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's 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

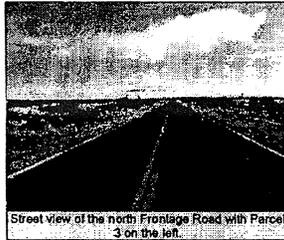
This appraisal report has been made with, and is subject to, the following Special Assumptions and Limiting Conditions:

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.

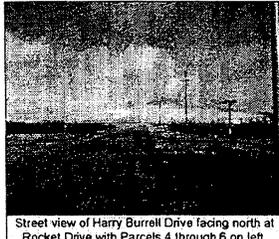
SUBJECT PHOTOGRAPHS



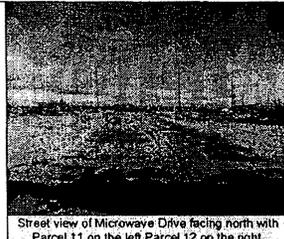
Street view of Armory Drive with Parcel 1 and 2 on the right.



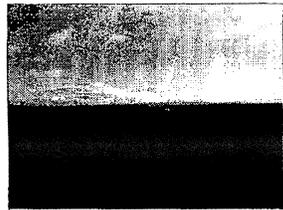
Street view of the north Frontage Road with Parcel 3 on the left.



Street view of Harry Burrell Drive facing north at Rocket Drive with Parcels 4 through 6 on left.



Street view of Microwave Drive facing north with Parcel 11 on the left and Parcel 12 on the right.



Street view of Rocket Dr. facing east with Parcel 9, 10, 11 on the left and Parcel 13 on the right.



View of Parcel 19 and 24 facing southwest and taken from Robert Larson Drive.



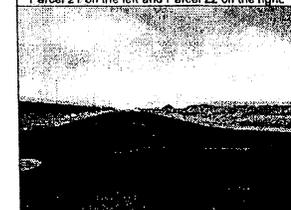
Street view of Rea Blvd. facing south with Parcel 19, 20, 21 on the left.



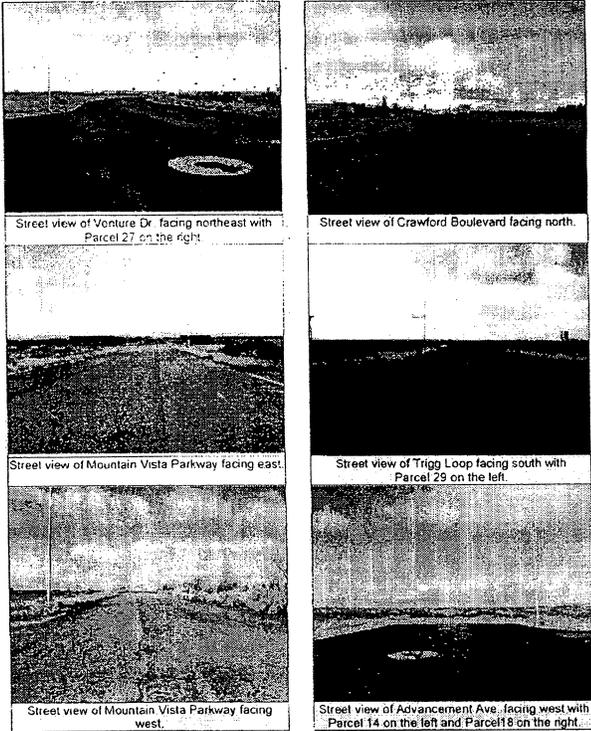
Street view of Industrial Park Ave. facing east with Parcel 21 on the left and Parcel 22 on the right.



Street view of Alliance Dr. facing north with Parcel 20 and 21 on the left and 25 and 26 on the right.



Street view of Advancement Ave. facing west.



APPRAISER QUALIFICATIONS
W. SCOTT ESCHENBRENNER, MAI

PROFESSIONAL EXPERIENCE:

MAI, Designated Member of the Appraisal Institute - #11,814
 State Certified General Real Estate Appraiser, New Mexico-1180

EDUCATION BACKGROUND AND SPECIAL TRAINING:

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
 Standards of Professional Practice, Parts A, B & C
 Advanced Applications
 Demonstration Appraisal Report
 General Comprehensive Exam

EMPLOYMENT:

May 1995 to Present, Owner, Mesilla Valley Appraisal Services in Las Cruces, New Mexico
 January 1994 to May 1995, Appraiser, William Scott Burns & Wilkinson, Inc. in El Paso, TX
 October 1986 to December 1993, Appraiser, William Scott Burns & Company in El Paso, TX
 May 1985 to August 1985, Construction, JR Therman Construction, El Paso, TX
 May 1981 to December 1984, Assist. Golf Professional, El Paso Country Club, El Paso, TX

REPRESENTATIVE CLIENTS:

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.

REPRESENTATIVE ASSIGNMENTS: (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 Esaterments



LAND SALE NO. 1

Property Identification

Record ID 178
 Address 1430 Portland Drive, Las Cruces, Dona Ana County, New Mexico
 88905
 Tax ID 02-27969
 Legal Description Lot 7, Blk. A, Industry West

Sale Data

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

Land Data

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

Land Size Information

Gross Land Size 2.140 Acres or 93,218 SF
 Usable Land Size 2.140 Acres or 93,218 SF 100.00%

Indicators

Sale Price/Gross Acre \$126,168
 Sale Price/Gross SF \$3.96
 Sale Price/Usable Acre \$126,168
 Sale Price/Usable SF \$3.96

LAND SALE NO. 2

Property Identification
Record ID 213
Property Name Sandhill Center
Address 1041 Parkhill Drive, Las Cruces, Doña Ana County, New Mexico 88912
Tax ID 02-32490
Legal Description Lot 1, Sandhill Center Subd No. 10

Sale Data
Grantor John M. & Mary C. Rinne
Grantee UBA Mountain Properties, LLC
Sale Date March 29, 2007
Deed Book/Page 802 704
Recorded Plat 21112
Property Rights Fee Simple
Conditions of Sale As is, where is
Financing Cash to Seller
Sale History Sold on 2/6/05 for \$2,011,811
Verification As is 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 pond 510F-995

Land Size Information
Gross Land Size 2.709 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 30 past Keytronic

LAND SALE NO. 3

Property Identification
Record ID 221
Address 2340 Westgate Court, Las Cruces, Doña Ana County, New Mexico
Tax ID 02-18409

Sale Data
Grantor Ewing Irrigation Products, Inc
Grantee Rende & Cindy Farmer
Sale Date May 1, 2007
Deed Book/Page 857 1148
Recorded Plat 14190-591
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Cash to Seller

Sale Price \$171,350

Land Data
Zoning M-1 Light Manufacturing
Topography Level
Utilities All public services
Shape Rectangular
Flood Info Not located in flood hazard area

Land Size Information
Gross Land Size 1.459 Acres or 63,534 SF

Indicators
Sale Price/Gross Acre \$117,380
Sale Price/Gross SF \$3.95

LAND SALE NO. 4

Property Identification
Record ID 227
Address 1340 Valley Dr, Las Cruces, Doña Ana County, New Mexico
Tax ID 02-32347

Sale Data
Grantor Walter & Shirley Ann Lewis
Grantee G. & H. Ventures LLC
Sale Date July 26, 2007
Deed Book/Page 972929
Recorded Plat 20758
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 60,506 SF

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

Remarks
 Property is located at the entrance of Tishiro Road

LAND SALE NO. 5

Property Identification
Record ID 231
Property Type Industrial
Address 3391 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 Ruddy
Grantee Unel & Enka Marquez and Salvador & Lidia Huqera
Sale Date August 13, 2007
Deed Book/Page #0731588
Property Rights Fee simple
Conditions of Sale Arms Length
Financing Conventional
Verification Unel Marquez, Jr., grantee: Confirmed by Harry Hansen

Sale Price \$196,020

Land Data
Zoning EH 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 175.0 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, Dona Ana County, New Mexico
 Tax ID 02-18674

Sale Data
 Grantor Billy Ghodin, Jr.
 Grantee Kantskopf & 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 \$120,000

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 2.284 Acres or 121,271 SF

Indicators
 Sale Price/Gross Acre \$114,921
 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 view.

LAND SALE NO. 7

Property Identification
 Record ID 256
 Property Type Commercial
 Address 1600 W Picacho Avenue, Las Cruces, Dona Ana County, New Mexico
 Tax ID 88005
 Legal Description 02-01986 & 02-18201
 4SRS Tracts 9C-9 and 9C-8

Sale Data
 Grantor Estate of Edna Westcott
 Grantee Manuel & Leticia Pilon
 Sale Date October 31, 2007
 Deed Book/Page 0737132
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing M/L \$ 300K down \$300K in 12 months at 6.5% balloon note
 Verification M/S 3/26/03, Edna Westcott agent. Confirmed by Emyr 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 2.158 Acres or 116,691 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. It is a vacant site sale.

LAND SALE NO. 8

Property Identification
 Record ID 255
 Address W. Armador Ave., Las Cruces, Dona Ana County, New Mexico
 Location west of Horse and Hound Feed Store
 Tax ID Part of 02-30417
 Legal Description E01 1B, Armador Tracts Replat No. 4

Sale Data
 Grantor Armador Compress Partners, LLC
 Grantee Invesco 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 6 311.93'
 User 7 311.93'

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

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

Remarks
 Property located on West Armador 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 575 North Valley Drive, Las Cruces, Dona 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 Simons 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 2-3-06 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 - Parcel 6.31
 User 5 P = 1,524.61'
 User 6 TF = 1,069.67'
 User 7 MF = 514.69'

Land Size Information
 Gross Land Size 3.103 Acres or 135,167 SF

Indicators
 Sale Price/Gross Acre \$225,888
 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 Cargels Expansion Land
 Address W. Amador, Las Cruces, Dona Ana County, New Mexico 88905
 Location East of Pioneer Place
 Tax ID 02-20657
 Legal Description Tract A1 Miner Summary, Subd

Sale Data

Grantor Indro Verdans, LLC
 Grantee Casey Cargels
 Sale Date September 18, 2008
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Conventional loan
 Verification Dave Sebarr, Broker - Other sources - Appraisal file - Confirmed by Harry Hansen

Sale Price

\$678,410

Land Data

Zoning M-1 Light Manufacturing
 Topography Level
 Utilities All public
 Shape Irregular
 Landscaping None
 Fencing None
 Flood Info Located in flood zone A; Map - 350130631

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 3430 Del Rey Blvd, Las Cruces, Dona Ana County, New Mexico
 Tax ID 03-04575
 Legal Description Lot 1 & 2, Blk 19, EHL&T Co Subd A

Sale Data

Grantor DKR Partnership
 Grantee Joe & Ida Chavez Family Trust
 Sale Date December 19, 2008
 Deed Book/Page 0834765
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Cash
 Verification Other sources - MLS # 801727 - Confirmed by Scott Eschenbrenner

Sale Price

\$27,324

Land Data

Zoning E11 Light Industrial 1.1Z
 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 188,620 SF

Indicators

Sale Price/Gross Acre \$69,042
 Sale Price/Gross SF \$2.27

Remarks

1.25 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 WKC Properties, LLC
 Grantee David & Juliana Garcia
 Sale Date July 15, 2008
 Deed Book/Page 0820091
 Recorded Plat 19-432-433
 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 - Pand 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 3430 Del Rey Blvd, Las Cruces, Dona Ana County, New Mexico
 Tax ID 03-04575
 Legal Description Pl Lots 1-2, Blk 19, EHL&T Co Subd A

Sale Data

Grantor David & Selvia Reddy, 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

1.25 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 2301 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, T28S, R1E

Sale Data

Grantor Valley Leasing & Development Company, Inc.
Grantee RACI Management Company, Inc.
Sale Date January 7, 2009
Deed Book/Page 0984276
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Cash to seller
Verification Confirmed by Scott Eschenbrenner

Sale Price \$1,542,340 (based on \$3 per

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 11.874 Acres or 514,182 SF
Front Footage 734 ft Motel, 699 ft Amador, 478 ft I-10

Indicators

Sale Price/Gross Acre \$130,600
Sale Price/Gross SF \$7.91

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 131.78 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 ONSHORE SCIENCE DUE TO THE OFFENSIVE ODORS EMBELLED FROM THE PLANT. IT APPEARS THAT BASED ON LAND VALUE FROM COMPARABLE AREA INDICATES A 30% DIMINUTION IN VALUE DUE TO THE EXTERNAL ONSHORE SCIENCE.

LAND SALE NO. 15

Property Identification

Record ID 329
Address Mats 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 Curran Living Trust
Grantee Lowell Finchan
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: M.S. 807526, Confirmed by Scott Eschenbrenner

Sale Price \$725,000

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 2.908 Acres or 1268,900 SF

Indicators

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

Remarks

North on I-10, West on Mats Avenue. Site is at the end of the pavement on the south side of Mats 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, T28S, R1E

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 \$4.76

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,
 NWC Sonoma Ranch & Peachtree Hills Road
Tax ID 02-36415
Legal Description Lot 2, Isaacks Subd.

Sale Data

Grantor Guido A. & Maria G. Lem
Grantee United Land Group of New Mexico, LLC
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 55,799 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 Peacock Land Development
Address Las Cruces, Dona Ana County, New Mexico
Location West end of Peacock Hills Country Club
Tax ID 03-28908, 03-28909, 03-28910
Legal Description Tract 3A20, 3A21, 3A22, Enchanted Desert Subdivision

Sale Data
Grantor Frances M. Burke and Martha Lou Burke
Grantee Peacock Mountain II Limited Partnership
Sale Date August 21, 2007
Deed Book/Page 075-0108
Recorded Plat 22-120-021
Property Rights Fee Simple
Conditions of Sale None
Financing Cash to seller
Verification (and then) Mark Conroy, MAI, (and then) Scott Eschenbrenner

Sale Price \$2,710,000

Land Data
Zoning E-17 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 \$10,520
Sale Price/Gross SF \$0.21

Remarks
 This parcel is sloping land to the west of Peacock Hills Country Club and adjacent to Coronado Ridge and Las Estancias de Peacock. All utilities are available in adjacent subdivisions. This parcel was in E-17 at the time of the sale (E-14) and is now part of Las Estancias de Peacock master plan. This parcel remains undeveloped and offers favorable views of Las Cruces.

LAND SALE NO. 19

Property Identification
Record ID 140
Property Name Heather Hills Development
Address Sierra Drive, Las Cruces, Dona 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, R, 9, Block 1, EBI & T Subd

Sale Data
Grantor Chris & Mary Ann Bess (897-a) & First Assembly of God Church (117-a)
Grantee DTJ Development Company
Sale Date Apr 13, 2007
Deed Book/Page 07-2448
Recorded Plat 06-200-016
Property Rights Fee Simple
Conditions of Sale Cash to seller
Financing John Curry - Purchaser, Other sources (Appraisal to \$1,725)
Verification Confirmed by Scott Eschenbrenner

Sale Price \$1,565,714

Land Data
Zoning E-163
Topography Generally Sloping
Utilities Sewer, Water, Natural Gas, Electric
Shape Irregular
Flood Info Zone X - Panel 624

Land Size Information
Gross Land Size 50.533 Acres or 2,201,892 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 Subd access to the north. Parcel B contains 30.08-acres of land with frontage on Sierra 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 Peacock Avenue, Las Cruces, Dona 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, Hill & 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 C-1000
Topography Generally Sloping
Utilities Water, electric and phone nearby
Shape Irregular

Land Size Information
Gross Land Size 32.690 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 rebuild 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 3+ years.

LAND SALE NO. 21

Property Identification
Record ID 304
Property Type Industrial
Address 258 Armory Road, Las Cruces, Dona Ana County, New Mexico 88905
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
Arms Length Arms length
Conditions of Sale Cash to seller
Financing Never sold
Sale History Christine Ochs, City of Las Cruces. Confirmed by Harry Hansen
Verification

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 493,921 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, Dona 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 Melrose Oil Company & John Miller
Sale Date August 17, 2006
Deed Book/Page 758, 184
Recorded Plat 7-188-9-283
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

\$79,500

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 3.000 Acres or 137,650 SF

Indicators

Sale Price/Gross Acre \$26,500
Sale Price/Gross SF \$0.57

LAND SALE NO. 23

Property Identification

Record ID 115
Property Type Industrial
Address Rea Blvd., Las Cruces, Dona Ana County, New Mexico 88005
Location West side of Rea Blvd. in the West Mesa Industrial Park
Tax ID 02-40842
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, 592
Recorded Plat 7-188-9-283
Property Rights Fee Simple
Conditions of Sale Arms length
Financing Cash to seller
Sale History Never sold
Verification Bill Hamon, City of Las Cruces. Confirmed by Harry Hansen

Sale Price

\$125,000

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 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 309
Property Type Industrial
Address 350 Alliance Drive, Las Cruces, Dona 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 00834119
Recorded Plat Fee Simple
Property Rights Arms length
Conditions of Sale Cash to seller
Financing Never sold
Sale History Christine Ochs, City of Las Cruces. Confirmed by Harry Hansen
Verification

Sale Price

\$407,649

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 11.230 Acres or 489,179 SF

Indicators

Sale Price/Gross Acre \$36,309
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, Dona 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 #0827965
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
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 7.409 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 Lars Jensen
Sale Date September 21, 2007
Deed Book/Page 07336-6
Recorded Plat 22 256-731
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 07331-1
Recorded Plat 22 256-247
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

\$300,000

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 6.650 Acres or 289,674 SF

Indicators

Sale Price/Gross Acre \$22,294
Sale Price/Gross SF \$0.63

Remarks

Property purchased by the adjacent land owner who is a truck holding 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 02-31906
Legal Description Tract 3, 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 0829703
Recorded Plat 22 375-576
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 30 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 SIC 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 Marx 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 \$0.57

LAND SALE NO. 30

Property Identification
 Record ID 104
 Property Type Industrial
 Address NHC Mountain Vista & Crawford Blvd., Las Cruces, Doña Ana County, New Mexico 88005
 Location West Mesa Industrial Park
 Tax ID 02-3501
 Legal Description Lot 1, West Mesa Industrial Park No. 24

Sale Data
 Grantor City of Las Cruces
 Grantee RDC, LLC
 Sale Date July 12, 2009
 Deed Book/Page 728-842
 Recorded Plat 21-672-073
 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 \$0.52

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 0072-2877
 Recorded Plat 21-672-073
 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 \$350,000

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 11,000 Acres or 509,520 SF

Indicators
 Sale Price/Gross Acre \$31,818
 Sale Price/Gross SF \$0.79

Remarks
 Transferred 2 days later to Brian Hande

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 Matthew Hard
 Sale Date June 22, 2007
 Deed Book/Page 00722066
 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 00722353
 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, Dona Ana County, New Mexico 88005
Location West Mesa Industrial Park
Tax ID 02-35595
Legal Description Lot 3, West Mesa Industrial Park No 22

Sale Data

Grantor City of Las Cruces
Grantee Jack & Jeff Billings
Sale Date April 4, 2002
Deed Book/Page 895-1096
Recording Plat 21-060-084
Property Rights Fee Simple
Conditions of Sale Arms or gift
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
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 4.740 Acres or 206,174 SF

Indicators

Sale Price/Gross Acre \$29,999
Sale Price/Gross SF \$0.69

LAND SALE NO. 35

Property Identification

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

Sale Data

Grantor City of Las Cruces
Grantee Leonard Besinger Jr
Sale Date June 21, 2007
Recorded Plat 21-060-085
Property Rights Fee Simple
Conditions of Sale Arms or gift
Financing Cash to seller
Sale History Never sold
Verification Christine Ocho, City of Las Cruces. Confirmed by Harry Hansen

Sale Price

\$283,777

Land Data

Zoning M-1 Light Manufacturing
Level Level
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 9.420 Acres or 410,874 SF

Indicators

Sale Price/Gross Acre \$30,125
Sale Price/Gross SF \$0.69

LAND SALE NO. 36

Property Identification

Record ID 139
Property Type Industrial
Property Name Spirals By Design
Address Trigg Loop, Las Cruces, Dona 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 727-617
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
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 4.000 Acres or 174,240 SF

Indicators

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

LAND SALE NO. 37

Property Identification

Record ID 263
Property Type Industrial
Address Crossford Blvd, Las Cruces, Dona 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. K. A Data Products, Inc
Sale Date September 24, 2007
Deed Book/Page 70735939
Property Rights Fee Simple
Conditions of Sale Arms length
Financing Cash to seller
Sale History Never sold
Verification Christine Ocho, City of Las Cruces. Confirmed by Harry Hansen

Sale Price

\$187,200

Land Data

Zoning M-1 Light Manufacturing
Level Level
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 5.200 Acres or 226,212 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, 88905
 Location West Mesa Industrial Park
 Tax ID 02-36842
 Legal Description Tract Parcel A, West Mesa Industrial Park Northside

Sale Data

Grantor City of Las Cruces
 Grantee World Radio Network
 Sale Date November 12, 2009
 Deed Book/Page 02-3549
 Recorder's Plat 22-38-99
 Property Rights Fee Simple
 Conditions of Sale Arms length
 Financing 4 set in seller
 Sale History None sold
 Verification Christine Logan, City of Las Cruces. Confirmed by Scott Eschenbrenner

Sale Price

\$300,000

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 ± 43,560 SF

Indicators

Sale Price/Gross Acre \$300,000
 Sale Price/Gross SF \$0.692

Remarks

Property purchased for the construction of a radio tower

Scott Eschenbrenner

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@tlanet.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 \$0,000 plus gross receipts tax (2.4375%) 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 an 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 1st valley listings but Steinbohm 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"

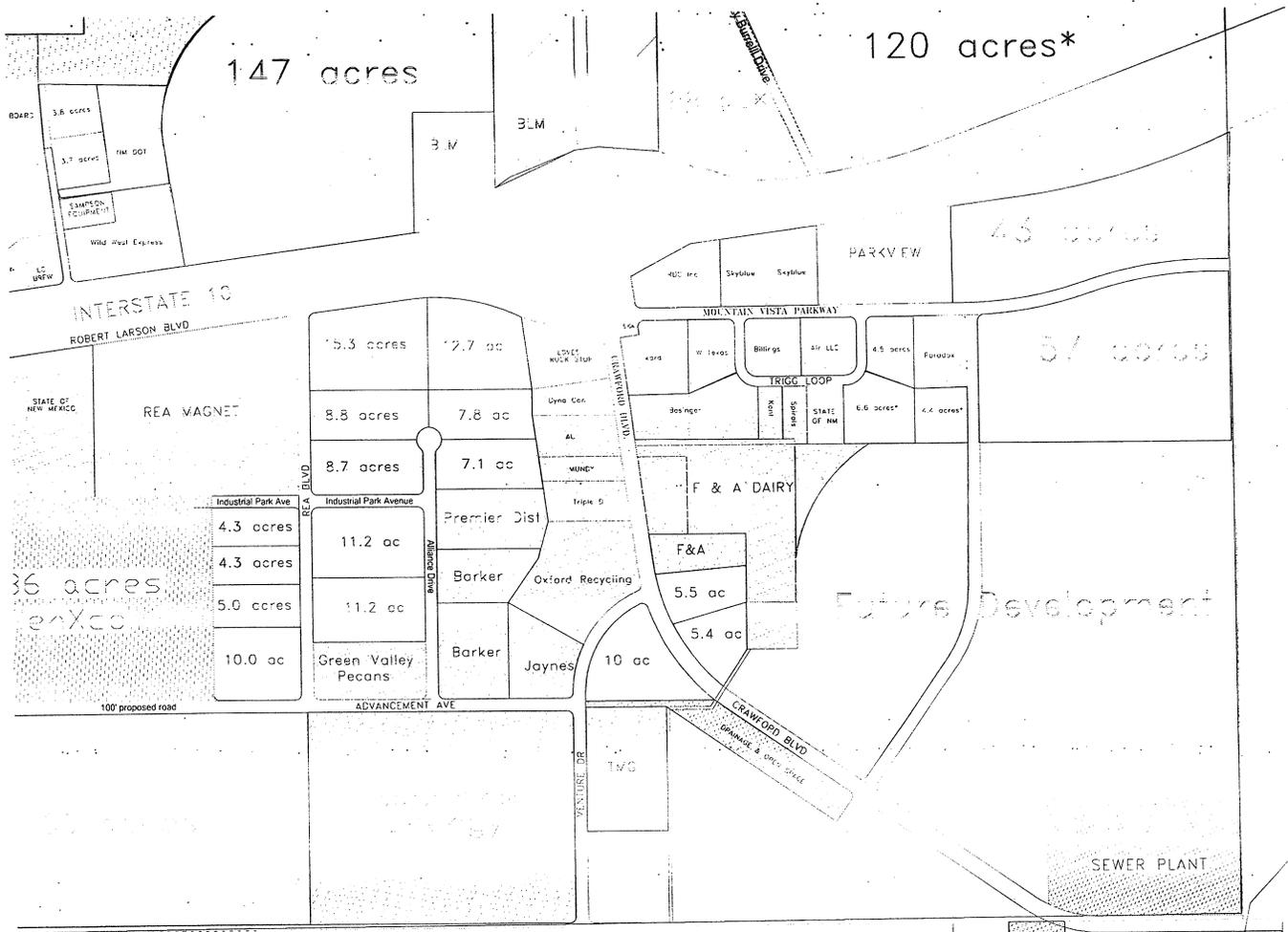
02-40907
 02-27108 and 02-37908 combined
 02-36843 less 1 acre

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

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Proposed SunEdison Lease



A portion of the
E1/2, Section 2, T24S, R1W

