

City of Las Cruces®

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Council Action and Executive Summary

Item # 23

Ordinance/Resolution# 2620

For Meeting of June 6, 2011
(Ordinance First Reading Date)

For Meeting of June 20, 2011
(Adoption Date)

TITLE: AN ORDINANCE AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND NORM FRISTOE AND/OR ASSIGNS, FOR THE SALE OF 0.75 ACRES OF MUNICIPALLY OWNED LAND AT 2305 E NEVADA AVENUE IN THE ENTRADA DEL SOL INDUSTRIAL PARK FOR THE PURCHASE PRICE OF TWO HUNDRED AND TEN THOUSAND DOLLARS (\$210,000.00) IN ACCORDANCE WITH PROVISIONS OF SECTION 3-54-1, NMSA, 1978, AS AMENDED.

PURPOSE(S) OF ACTION:

Sell City land.

COUNCIL DISTRICT: 3		
<u>Drafter/Staff Contact:</u> Christine Logan <i>CL</i>	<u>Department/Section:</u> Community Development	<u>Phone:</u> 541-2286
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

This Ordinance authorizes the sale of 0.75 acres real property in the Entrada Del Sol Industrial Park to Norm Fristoe and/or assigns for \$210,000.

In 1948 the City acquired approximately 30 acres of land. Through the 1960's and 70's the land was developed using EDA grants to become the Entrada Del Sol Industrial Park. As a part of the development of the Industrial Park, a 0.75 acre tract of land was leased to Goodwill Industries of Southern New Mexico in 1968 and they built the existing 6,000 square foot building on the site in 1970. The lease was assigned to Good Start Industries in 2004 and Good Start operated the facility until January 2011 at which time they disincorporated and terminated the lease. Upon termination, all improvements became the property and responsibility of the City.

City staff secured the building and has been maintaining the site to prevent accumulation of excessive weeds or debris. The site was marketed for sale with information distributed through MVEDA and the local commercial real estate community. On April 7, 2011 a purchase offer was received from Norm Fristoe.

Norm Fristoe is and has been involved in several local commercial and industrial projects, most recently a zone change and remodel project at the Walnut Professional Plaza. The purchase of this City property is as a member/owner of SASD Supply, LLC, an industrial supply and brokerage serving the greater Las Cruces area (Deming, Hatch, El Paso, Silver City). The company was formed in 2008 and currently employs 2 people. SASD Supply would use the property to locate the expanding company that would eventually employ 8 to 10 people.

The property was marketed at \$290,000 based on an appraisal completed in February 2011. The proposed purchase price is \$210,000. A memo providing further information is attached. State statutes and the Municipal Code allow the City to sell land at below appraised value and doing so does not set a precedent that would interfere with the sale price for any other City owned land.

As required by the Municipal Code, two property appraisals are attached. A February 2010 appraisal of the property estimated the land value at \$290,000. A second, independent appraisal was ordered when the offer was received and will be made available to the public as an attachment to this summary prior to City Council consideration of adoption.

No City infrastructure improvements are required as a part of this sale. The City would be responsible for paying a 6% real estate commission as a part of this land sale agreement as authorized by Resolution 02-125. Steinborn TCN represents the buyer. The real estate company will be responsible for coordinating the sale process and the \$12,600 commission payment will be funded from the proceeds of the land sale. Closing costs will also be funded from the proceeds resulting in net proceeds to the City of approximately \$196,500.

The Ordinance has been prepared in accordance with 3-54-1 et. Seq., NMSA 1978, as amended. The closing date for the sale will not occur until 45 days after the adoption of the Ordinance and would occur no later than 90 days after adoption (between August 4th and September 18th, 2011). This Ordinance has been published prior to its adoption and will be published at least once after its adoption.

Proceeds from this land sale will be deposited into the General Fund.

SUPPORT INFORMATION:

1. Ordinance.
2. Exhibit "A", Real Estate Purchase Agreement.
3. Attachment "A", Property Appraisals.
4. Attachment "B", Memo detailing negotiated purchase price.
5. Attachment "C", Vicinity Map.

SOURCE OF FUNDING:

Is this action already budgeted? N/A	Yes <input type="checkbox"/>		See fund summary below
	No <input type="checkbox"/>		If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from:
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?	Yes <input checked="" type="checkbox"/>		Funds will be deposited into this fund: General Fund 1000-590020 in the amount of \$196,500 for FY12.
	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
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Ordinance and allow the sale of property to Norm Fristoe and/or assigns for \$210,000.
2. Vote "No"; this will disapprove the Ordinance. The City would continue to market the property for sale.
3. Vote to "Amend"; this could modify the Ordinance based on direction provided by the City Council. It may or may not require acceptance by Mr. Fristoe.
4. Vote to "Table"; this could allow the Council to table/postpone the Ordinance and direct staff accordingly.

REFERENCE INFORMATION:

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

1. N/A

COUNCIL BILL NO. 11-040
ORDINANCE NO. 2620

AN ORDINANCE AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND NORM FRISTOE AND/OR ASSIGNS, FOR THE SALE OF 0.75 ACRES OF MUNICIPALLY OWNED LAND AT 2305 E NEVADA AVENUE IN THE ENTRADA DEL SOL INDUSTRIAL PARK FOR THE PURCHASE PRICE OF TWO HUNDRED AND TEN THOUSAND DOLLARS (\$210,000.00) IN ACCORDANCE WITH PROVISIONS OF SECTION 3-54-1, NMSA, 1978, AS AMENDED.

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 a 0.75 acre tract of land situated at 2305 E Nevada Avenue within the Entrada Del Sol Industrial Park; and

WHEREAS, this land was acquired by the City of Las Cruces for the purpose of industrial and economic development, has recently been vacated; and

WHEREAS, Norm Fristoe has made an offer to purchase the land.

NOW, THEREFORE, Be it ordained by the governing body of the City of Las Cruces:

(I)

THAT the sale of 0.75 acres of municipal land for \$210,000, subject to the conditions and terms in Exhibit "A", Real Estate Purchase Agreement, which is attached hereto and made a part of this ordinance, is hereby approved.

(II)

THAT this Ordinance has been published prior to its adoption and shall be published at least once after adoption, pursuant to Las Cruces Municipal Code Section 2-1312 and NMSA 1978, Section 3-54-1 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 General 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

Exhibit "A"
REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, 2011 between Norm Fristoe and/or assigns, whose address is 780 S Walnut, Building #6, Las Cruces NM 88001 (hereafter "Purchaser"); and the City of Las Cruces, a New Mexico municipal corporation (hereafter "City").

The City, in consideration of the mutual covenants herein contained, agrees to sell and convey, and Purchaser agrees to purchase Lot 6 of Entrada Del Sol Industrial Park (being a 0.75 acre tract of land located at 2305 E Nevada Avenue in Las Cruces NM) with all improvements thereon, and all rights, easements and appurtenances thereunto belonging.

TERMS AND CONDITIONS:

Purchase Price

The purchase price for the Property shall be Two Hundred and Ten Thousand Dollars (\$210,000.00), payable as follows:

- a) \$ 5,000.00 as an earnest money deposit which Purchaser agrees to deposit with a mutually agreed upon Title Company at such time as a Real Estate Purchase Agreement covering the Property is executed by Purchaser and City
- b) remainder in cash or equivalent at closing.

Closing Date

Closing for the sale of the Property shall occur on a mutually agreeable date at least forty-five (45) days after the adoption of the ordinance authorizing the purchase by the City (unless a referendum election is held pursuant to 3-54-1. NMSA, 1978, as amended) and not more than ninety (90) days following the date of the ordinance.

Review of Title and Patent Reservations

- a) As soon as reasonably possible following the execution of this agreement, the City shall furnish Purchaser a commitment of owner's policy of title insurance ("Commitment") for the Property together with full copies of all exceptions set forth therein, including but not limited to covenants, conditions, restrictions, reservations, easements, rights of way, assessments, liens and other matters of record. Purchaser shall have fifteen (15) days from receipt of the Commitment and copies of said exceptions within which to notify the City of Purchaser's disapproval of any exceptions shown in the Report.
- b) The City shall have until the date for closing to eliminate any disapproved exception(s) or reservations, except patent reservations(s) from the policy of title insurance to be issued in favor of Purchaser, and if not eliminated, then the earnest money deposit shall be refunded, unless Purchaser then elects to waive his prior disapproval. Failure of Purchaser to disapprove any exception(s) or patent reservation(s) within the aforementioned time limit shall be deemed an approval of such exception or patent reservation. The policy of title insurance shall be a standard coverage policy in the amount of the total purchase price and shall be paid for by Purchaser.
- c) In the event this contingency or any other contingency to this contract has not been eliminated or satisfied within the time limits and pursuant to the provisions herein, and unless Purchaser elects to waive the specific contingency by written notice to the City, this Agreement shall be deemed null and void, the earnest money deposit shall be returned to the Purchaser, and neither party shall have any rights or liabilities under this Agreement.

d) At closing, the City shall execute and deliver a Warranty Deed conveying the Property to the Purchaser and/or his assigns, in fee simple, subject to all patent reservations and to all other existing liens, encumbrances and other exceptions of record except those exceptions and reservations which are disapproved by Purchaser and eliminated by the City pursuant to this Agreement. The place of closing shall be mutually agreed by the parties.

Costs and Fees

a) The closing costs shall be paid as follows: any loan and/or surveying fees shall be paid by the Purchaser; the Commitment of Title Insurance, Title Policy Premium, and a real estate commission shall be paid by the City; and all other closing costs will be split equally between the City and Purchaser.

b) Purchaser shall be solely responsible for all development costs including but not limited to development fees, permits, applications, utility extensions and utility hook-up fees.

c) If either is found by a court to have breached this agreement, the other party may recover reasonable attorney's fees and cost of litigation. Prior to the institution of any litigation, however, the parties have the contractual duty to in good faith attempt to resolve any controversy hereunder at the least possible expense.

Compliance with Statutes

The City states that it has complied with the requirements of New Mexico Statutes and the Las Cruces Municipal Code and has authorization to sell the property.

Governing Laws

This agreement shall be subject to the laws of the State of New Mexico.

State Permits and Licenses

Purchaser agrees that City has no responsibility for Purchaser to make application and obtain any Federal, State, or local permits and/or licenses.

Default and Remedy

a) Default by City. If City defaults in the performance of this Agreement solely as a result of the passage of a negative recall referendum on the real estate sale pursuant to 3-54-1 NMSA 1978, as amended, this agreement is terminated.

b) Default by Purchaser. If Purchaser defaults in the performance of this Agreement by failure to complete the purchase, the City may seek specific performance of this Agreement or any other remedy for such breach.

Risk of Loss

All risk of loss or damage to the Property will pass from the City to Purchaser at closing. In the event that material loss or damage, or material adverse change occurs prior to closing, Purchaser may, without liability, refuse to accept the conveyance of title. Possession of the Property will be released to Purchaser at closing.

Counterparts

This Agreement may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on all of the parties.

Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns.

Termination

This agreement shall be terminated on the closing date for sale of property, unless either party ends the agreement prior to that date per the provisions of this Agreement.

Notice

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid, to the City of Las Cruces, ATTN: Land Manager, P .0. Box 20000, Las Cruces, NM 88004; and to Norm Fristoe, 780 S Walnut, Building #6, Las Cruces NM 88001 or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

Done and approved on the date first written above,

THE CITY OF LAS CRUCES

PURCHASER

Ken Miyagashima
Mayor

Norm Fristoe

APPRAISAL OF
2305 E. NEVADA AVENUE
LAS CRUCES, NEW MEXICO 88001

FEBRUARY 18, 2011

FOR
CHRISTINE LOGAN
ECONOMIC DEVELOPMENT ADMINISTRATOR
CITY OF LAS CRUCES
PO DRAWER 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: 2305 Nevada Avenue, 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 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 sales price negotiations.

CLIENT AND INTENDED USERS: City of Las Cruces.

EFFECTIVE DATE OF VALUE: February 18, 2011.

DATE OF REPORT: February 18, 2011.

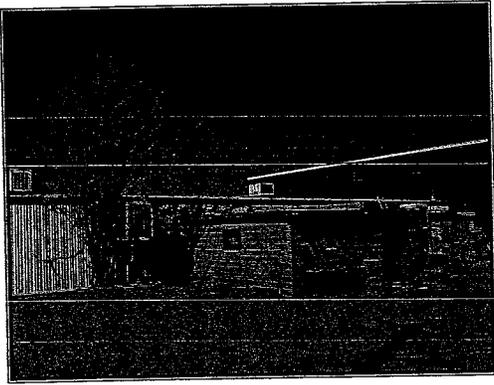
MARKET VALUE ESTIMATE: \$290,000.00

RECENT OWNERSHIP HISTORY:

To my knowledge the subject property is not currently under any agreement of sale or option and has not been sold within the past three years.

REASONABLE EXPOSURE TIME: One year.


HARRY L. HANSEN, MAI, SRA
NM Certification #44-G



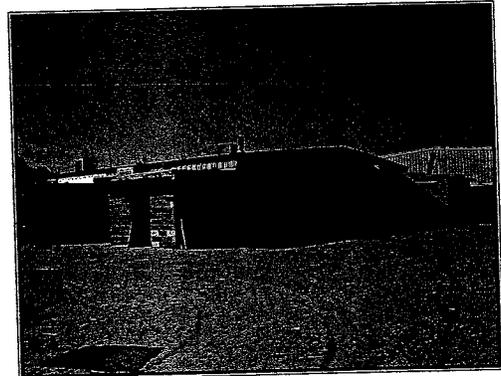
East Side View of Subject Property



Front View of Subject Property



Office View



Rear View of Subject Property

IDENTIFICATION OF THE APPRAISED PROPERTY:

Type of Property: Warehouse.
 Location: 2305 Nevada Avenue, City of Las Cruces, Doña Ana County, NM.
 Legal Description: Lot 6 Entrada Del Sol, Industrial Park, City of Las Cruces, Doña Ana County, New Mexico.
 Doña Ana County Assessor Parcel No. 02-13645
 Owner of Record: City of Las Cruces

Assessed Value:

Building:	\$59,000
Land:	97,500
Total:	\$156,500

Taxes due for 2010: N/A

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.

SCOPE OF WORK:

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 interior and exterior of the subject property. The appraiser has inspected the exterior of all comparable sale properties. The Cost Approach, Sales Comparison Approach and Capitalized Income Approach to value have all been considered for use in this appraisal. If any of these approaches are not used in this appraisal, an explanation will be found within the body of this report. 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.

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	\$113.3	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
2010	576	\$101.1	5

Source: City of Las Cruces

In addition the city issued 107 mobile home permits in 2010. Commercial development has occurred primarily between North Main Street and New Mexico State University along Telshor 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 175 units in 2010. The County issued 158 new single-family building permits in 2010 down from 170 in 2009 for a total valuation of \$39,169,500 or \$247,908 per housing unit. The City average value per home unit was \$175,515 for 2010 up from \$167,928 in 2009. The county also issued 13 new commercial permits for \$3,237,851.

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.

Economic Base:

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

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

In addition to the main campus enrollment the Doña Ana Community College enrollment was 8,796 for 2009.

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 Workforce Solutions, the Doña Ana County civilian labor force was reported as 94,767, with 7.9% unemployment rate in November 2010. This is slightly lower than the 8.2% rate reported for the State Of New Mexico. Of the 70,600 nonagricultural employment in November 2010 only 9.2% 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.

LOCATION DESCRIPTION:

Geographic Influences:

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

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

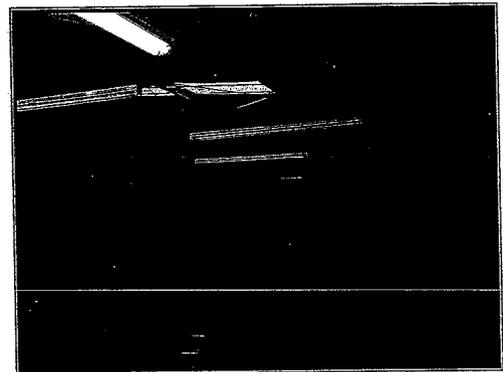
Population:

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

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

Year	Las Cruces	Doña Ana County
1950	12,325	39,557
1960	29,367	59,948
1970	37,857	69,773
1980	45,086	96,340
1990	62,126	135,510
1994	71,045	155,466
2000	73,539	174,682
2004	79,524*	186,095
2010		219,828*

*US Census Bureau estimates.



Interior View of Subject Property



Street Scene Looking Easterly Along Nevada Avenue

SITE DESCRIPTION:

Size and shape: .7484 acres or 32,600 square feet.

Topography: Level, inside site.

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 FIRM number 35013C0632 F, effective September 6, 1995. The Zone X is an area determined to be outside the 500-year flood plain.

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

Access: Good paved access on Nevada.

Streets: Paved with concrete curb and gutter, and street lights.

Utilities: All public.

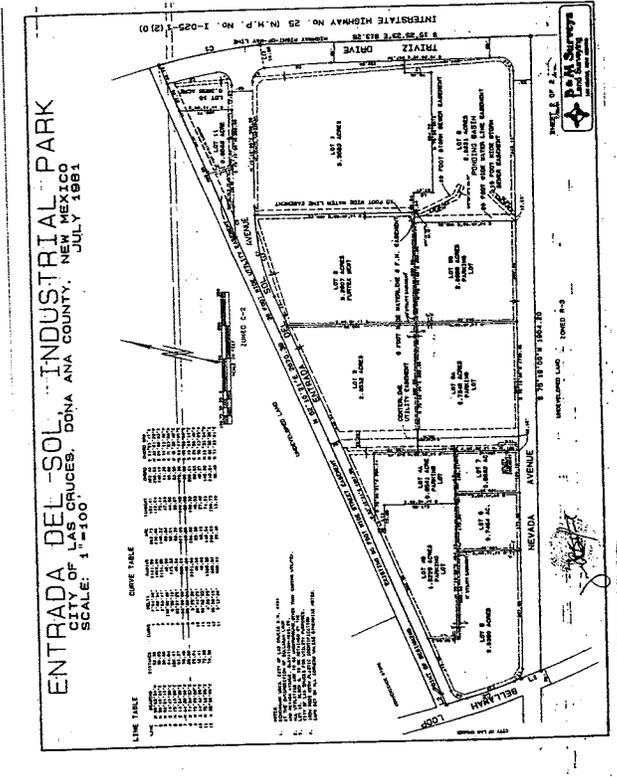
Legal Limitations to Use: The site is zoned "M-1" Light Industrial and is restricted to uses consistent with the provisions of this zone as enforced by the City of Las Cruces. The subject property is in conformity with the present zoning. There are no apparent adverse easements, restrictions or encroachments affecting use, however the appraiser did not have a current survey available to observe the location of improvements compared with property lines and public easements. Your attention is invited to the copy of the current zoning regulations included in the addenda.

Site Improvements: Asphalt parking and fence.

Encroachments or Easements: No adverse noted.

Special Amenities: Good access and location.

Adverse Influences: None.



NEIGHBORHOOD DESCRIPTION:

Predominant Use: Commercial along major streets. Some industrial uses and residential remainder.

Built Up: 95%

Trends: Development of infill lots.

Conformity: Average.

Special Amenities: None.

Objectionable Influences: None.

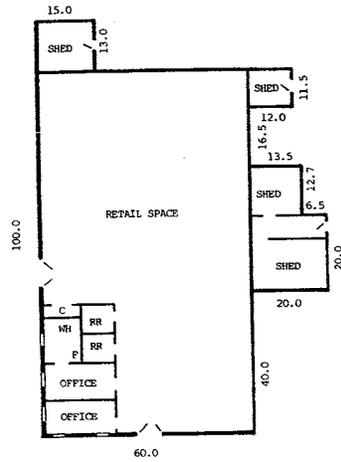
Housing:

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.

THE VALUE OF THE SITE



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DESCRIPTION OF IMPROVEMENTS:

Building Type: Single-story industrial storage building.

Size: 6,000 square feet in main metal building. 904 SF of attached concrete block sheds.

Foundation and floor: Reinforced concrete.

Floor Cover: Vinyl tile in office areas.

Exterior Wall: Metal.

Interior Construction: Drywall.

Plumbing: Two restrooms and sink.

Electrical: Adequate service, outlets and fixtures.

Heating and cooling: Central forced air gas fired furnace for offices, gas space heaters for warehouse area. Evaporative coolers.

Roof: Metal roof over metal trusses.

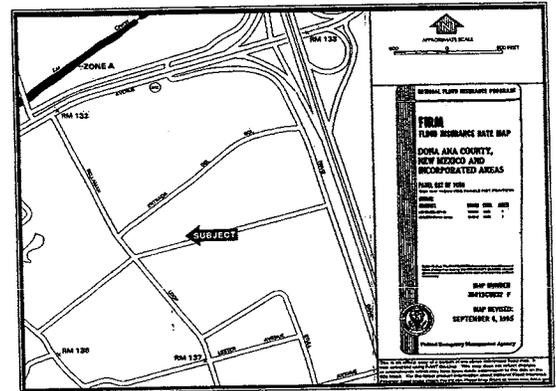
Windows: Aluminum front and offices.

Insulation: Vinyl clad.

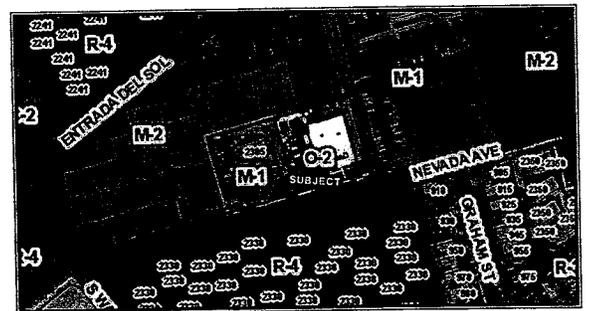
Age/Condition: According to the assessor's records, the improvements were built in 1970. The observed effective age is estimated as 30 years.

Remaining Economic Life: 30 years.

General Quality: Average.



FLOOD MAP



ZONING MAP

HIGHEST AND BEST USE AS IF VACANT:

Industrial or commercial building site.

HIGHEST AND BEST USE AS IMPROVED:

Continue present use.

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SITE VALUE BY DIRECT SALES COMPARISON:

The value of the site is estimated by direct comparison of the subject property with sales or offers of properties with similar characteristics. Analysis of these property sales and comparison of their value influencing qualities to those of the subject produces the indications of value for the subject land as shown in the following table.

Sale Number	1	2	3	4	5	6	7
Database ID#	335	294	227	221	217	213	206
Address	1915 S. Valley	971 Sand Castle	1360 S. Valley	2340 Westgate Ct	1745 Marquess	1001 Parkhill	700 W. Palms
Sale Price	\$180,926	\$171,500	\$220,000	\$250,000	\$215,000	\$425,000	\$185,130
Size	45,000 SF	40,942 SF	60,906 SF	63,554 SF	51,836 SF	121,532 SF	43,560 SF
Price/SF	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Market	Market	Market	Market	Market	Market	Market
Terms Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Conditions of Sale	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Conditions Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Date of Sale	Nov-08	Jul-08	Jul-07	May-07	May-07	Mar-07	May-07
Date Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Adjustments:							
Legal Use	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical	0.00	0.00	0.00	0.00	0.05	0.00	0.00
Location	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Size	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Access	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subject Rating	1.00	1.00	1.00	1.00	1.05	1.00	1.00
Adj. Value/SF	\$4.02	\$4.19	\$3.61	\$3.93	\$4.36	\$3.50	\$4.25

Indicated Value for the Land Component/SF is: \$4.00

Estimated Market Value for the Land Component is: 32,600 SF X \$4.00 = \$130,400

Indicators

Sale Price/Gross Acre \$175,136
 Sale Price/Gross SF \$4.02

Remarks

The property was improved with a mobile home sales lot, which closed a few years prior. There were no improvements to the site. The property was most recently acquired from the adjacent property owner through an unsolicited letter to the owner who at the time was in default on owner financed note. The owner essentially walked away from the debt and any equity with the purchaser acquiring the note and making the payments current. The purchase price to the new owner was slightly less than the original purchase price indicating no appreciation. Although the seller was under duress to sell the property was also acquired from the adjacent property owner who can be considered motivated to expand.

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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. All sales were deemed similar to the subject in terms of general physical characteristics except sale #5 which required some fill.

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 a very important criteria affecting the value of real property. Particularly for commercial real estate, ease of access and good traffic exposure are often the most important characteristics.

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Property Identification

Record ID 335
 Property Name Action Rental
 Address 1315 South Valley Drive, Las Cruces, Doña Ana County, New Mexico
 Location adjacent to Action Rental
 Tax ID 02-07582
 Legal Description USRS Tract 11C-39B3, Sec 19 & 30, T23S, R2E

Sale Data

Grantor Palma Enterprises, Inc.
 Grantee Muench Family Investments, LLC
 Sale Date November 14, 2008
 Deed Book/Page 0831078
 Property Rights Fee Simple
 Conditions of Sale Seller was under duress to sell and buyer was motivated.
 Financing Assumed owner financing
 Sale History Sold 9/12/2005 for \$136,000 (Sale #585). Sold 3/6/
 Verification Settlement Statement; Joseph Muench - Action Rental, 524-8616, March 19, 2010; Confirmed by Scott Eschenbrenner

Sale Price \$180,926

Land Data

Zoning M-1 Light Manufacturing
 Topography Level
 Utilities All city services except sewer - septic tank required.
 Dimensions 150' x 300'
 Shape Rectangular
 Landscaping None
 Fencing Rock wall at the rear of property
 Perimeter P = 900'
 Total Frontage TF = 150'
 Main Frontage MF = 150'

Land Size Information

Gross Land Size 1.033 Acres or 45,000 SF
 Front Footage 150 ft South Valley Drive

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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. Paired sales analysis for this type of property in the Las Cruces area indicates a stable price level over the past few years. Therefore no adjustment for date of sale was deemed justified.

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LAND SALE NO. 5

Property Identification

Record ID 217
 Address 1745 Marquess Street, Las Cruces, Doña Ana County, New Mexico
 Tax ID 02-07387
 Legal Description Lot 14, Barker Center Unit 1

Sale Data

Grantor Kevin B. and Rebecca D. Horner
 Grantee Elpidio and Rosalina Quezada
 Sale Date May 9, 2007
 Deed Book/Page 812/1833
 Recorded Plat 12/136-137
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Cash to seller
 Verification Kevin Horner - Seller

Sale Price \$215,000

Land Data

Zoning M-1 Light Manufacturing
 Topography Basically Level
 Utilities All City Services
 Shape Irregular

Land Size Information

Gross Land Size 1.190 Acres or 51,836 SF
 Front Footage Marquess Street

Indicators

Sale Price/Gross Acre \$180,672
 Sale Price/Gross SF \$4.15

Remarks

The property is situated on Marquess Street across from the BLM administration offices. The site will require some additional fill due to the flood zone status.

LAND SALE NO. 4

Property Identification

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

Sale Data

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

Sale Price \$250,000

Land Data

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

Land Size Information

Gross Land Size 1.459 Acres or 63,554 SF

Indicators

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

LAND SALE NO. 3

Property Identification

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

Sale Data

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

Sale Price \$220,000

Land Data

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

Land Size Information

Gross Land Size 1.398 Acres or 60,906 SF

Indicators

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

Remarks

Property is located at the entrance of Tashiro Road.

LAND SALE NO. 2

Property Identification

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

Sale Data

Grantor WDC Properties, LLC
 Grantee David & Juliana Garcia
 Sale Date July 15, 2008
 Deed Book/Page 0820091
 Recorded Plat 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

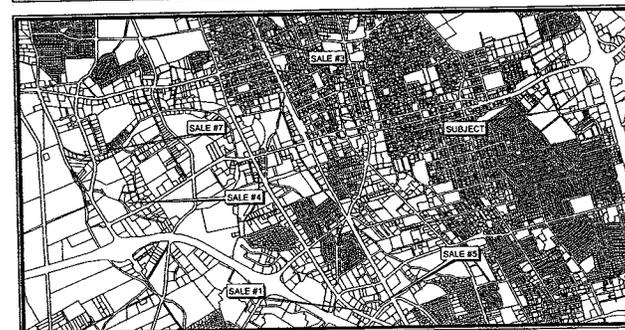
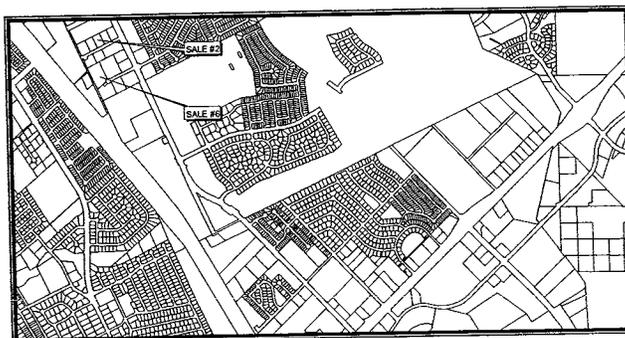
Zoning M-1 Light Manufacturing
 Topography Basically Level
 Utilities All City Services
 Shape Rectangular
 Flood Info Zone X - Panel 518
 Perimeter P = 830'
 Total Frontage TF = 165'
 Main Frontage MF = 165'

Land Size Information

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

Indicators

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



COMPARABLE LAND SALES MAP

THE SALES COMPARISON APPROACH TO VALUE

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LAND SALE NO. 7

Property Identification

Record ID 206
 Property Name Pro Plumbing
 Address 700 West Palms, Las Cruces, Doña Ana County,
 New Mexico
 Tax ID 02-28355
 Legal Description Lot 1, Palms Centre Subdivision No. 13

Sale Data

Grantor Foster Sales Company
 Grantee Pro Plumbing Heating & Cooling
 Sale Date May 16, 2007
 Deed Book/Page 814/1306
 Recorded Plat 19/654
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Cash to seller
 Verification Confidential

Sale Price \$185,130

Land Data

Zoning M-1 Light Manufacturing
 Topography Level
 Utilities All City Services
 Shape Rectangle

Land Size Information

Gross Land Size 1.000 Acres or 43,560 SF

Indicators

Sale Price/Gross Acre \$185,130
 Sale Price/Gross SF \$4.25

Remarks

Purchased by the adjacent property owner. The parcel is at the corner of West Palms and West Hadley Avenue.

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LAND SALE NO. 6

Property Identification

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

Sale Data

Grantor John N. & Mary C. Rinne
 Grantee Oak Mountain Properties, LLC
 Sale Date March 29, 2007
 Deed Book/Page 802/704
 Recorded Plat 21/112
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Cash to Seller
 Sale History Sold in 2005 for \$2.01/SF
 Verification John Rinne, grantor to Ken Odenheim; Confirmed
 by Harry Hansen

Sale Price \$425,000

Land Data

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

Land Size Information

Gross Land Size 2.790 Acres or 121,532 SF

Indicators

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

Remarks

North on Del Rey off Highway 70 past Keytronics.

SALES COMPARISON APPROACH TO VALUE:

Analysis of improved property sales provides an indication of the market value for the subject property. This approach consists of analyzing improved sales on a unit of comparison basis. This analysis is presented in the following table.

Sale Number	1	2	3	4	5	6
Database ID#	421	414	408	401	393	242
Address	5350 W. Picacho	350 Archuleta	301 N. 17 th	200 S Crawford	8861 Trigg Loop	935 San Francisco
Sale Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Market	Market	Market	Market	Market	Market
Terms Adjustment	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Conditions of Sale	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Conditions Adjustment	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Date of Sale	Jan-11	Nov-10	Apr-10	Aug-10	Jun-09	Jun-07
Date Adjustment	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Est. Site Value	<u>136,000</u>	<u>680,000</u>	<u>81,600</u>	<u>152,440</u>	<u>80,000</u>	<u>74,924</u>
Improvement Value	\$149,800	\$355,000	\$138,400	\$212,560	\$411,000	\$155,076
Building Size	3,625 SF	11,975 SF	5,200 SF	4,694 SF	7,500 SF	5,030 SF
Impr. Value/SF	\$41.32	\$29.65	\$26.62	\$45.28	\$54.80	\$30.83
Adjustments:						
Quality	0.00	0.00	0.00	-0.25	-0.20	-0.10
Age/Condition	-0.13	-0.11	-0.20	-0.20	-0.30	-0.20
Size	0.00	0.00	0.00	0.00	0.00	0.00
Location	0.00	0.00	0.00	0.00	0.00	0.00
Site Improvements	0.00	0.00	0.05	0.00	0.00	0.00
Subject Rating	0.87	0.89	0.85	0.55	0.50	0.70
Adj. Value/SF	\$35.95	\$26.39	\$22.63	\$24.90	\$27.40	\$21.58
Subject Size	6,000 SF	6,000 SF	6,000 SF	6,000 SF	6,000 SF	6,000 SF
Indicated Value	\$215,700	\$158,340	\$135,780	\$149,400	\$164,400	\$129,480
Site Value	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>
Total	\$346,100	\$288,740	\$266,180	\$279,800	\$294,800	\$259,880

Indicated Value By Sales Comparison Approach: \$290,000.00

Land Data
 Land Size 2.722 Acres or 118,570 SF
 Zoning EC-2 & BR4
 Topography Hilltop site
 Utilities Private water/sewer. Public electric and natural gas
 Shape Irregular
 Landscaping Mature
 Flood Info Not located in flood hazard area
 Land Value \$136,000

General Physical Data
 Building Name Warehouse
 Building Type Single tenant
 Gross SF 3,625
 Construction Type Metal
 Roof Type Metal
 Foundation Concrete
 Electrical Adequate
 HVAC None
 Stories 1
 Year Built 1983
 Condition Average

General Physical Data
 Building Name Office
 Building Type Single tenant
 Gross SF 539
 Construction Type Stucco
 Roof Type Metal over metal trusses
 Foundation Concrete
 Electrical Adequate
 HVAC Evap
 Stories 1
 Year Built 1983
 Condition Average

Building Name	Construction Type	Summary for Multiple Buildings				Avg. Fl. Ht.
		Year Built	Gross Sq. Ft.	Net Sq. Ft.	No. Stories	
Warehouse	Metal	1983	3,625		1	
Office	Stucco	1983	539		1	
Gross SF		4,164				

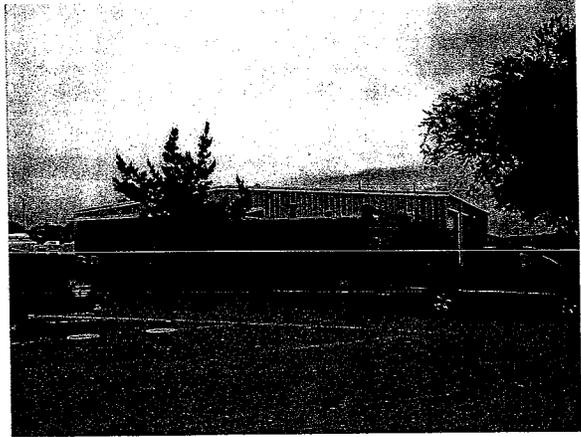
Quality of Construction - This adjustment considers both the quality and extent of exterior and interior finishes, quality of materials and workmanship. Design and overall appeal of the building improvements is also considered here.

Age/Condition - The age and physical characteristics of the improvements are important in considering the comparability of properties. The subject property was estimated to have an effective age of 30 years and is in average condition. All sales were deemed similar to the subject in terms of general physical condition and were adjusted for differences in effective age.

Relative Size of the Improvements - Due to economies of scale, small projects typically cost more and sell for more per square foot than larger projects. All of the sales considered were deemed to be of similar size and scale as the subject. Therefore no adjustments for size were considered appropriate or justified.

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.

Site Improvements - Site improvements include parking, landscaping, and provision for adequate drainage. The subject property has good asphalt parking and fence. The comparables are similar.



Property Identification
 Record ID 421
 Property Type Light Industrial
 Property Name Mesilla Valley Snacks
 Address 5350 W. Picacho Ave, Las Cruces, Doña Ana County, New Mexico
 Tax ID 03-02109
 Legal Description Pt of Sec 20, T23S, R1E

Sale Data
 Grantor Mark R. Woodman
 Grantee Alfred H. & Hazel J. Coelho
 Sale Date January 5, 2011
 Deed Book/Page 1100827
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Cash to Seller
 Verification Hansen File 6-5-2009; Other sources: MLS #812558; Confirmed by Scott Eschenbrenner
 Sale Price \$285,800

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. Quality of Construction.
5. Age/Condition.
6. Relative Size of the Project.
7. Location Characteristics.
8. Site Improvements.

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. Paired sales analysis for this type of property in the Las Cruces area indicates a stable price level over the past few years. Therefore no adjustment for date of sale was deemed justified.

Property Identification

Record ID 408
 Property Type Industrial
 Address 301 N. 17th Street, Las Cruces, Doña Ana County, New Mexico
 Tax ID 02-41218
 Legal Description Lot 3, Glen Porter Subd.

Sale Data

Grantor Picacho Valley Group, LLC
 Grantee Joseph D. Gomez & Brenda Bustamante
 Sale Date April 15, 2010
 Deed Book/Page 1009163
 Recorded Plat 23/31-32
 Property Rights Fee Simple
 Conditions of Sale Arms Length
 Financing Real Estate Contract; Maturity Date: April 15, 2030; Interest Rate: 7.50%; Mortgagee: Owner Financed; Original Mortgage: \$200,000
 Verification Other sources: Bill Boling; Agent; Confirmed by Scott Eschenbrenner

Sale Price \$220,000

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Land Data

Land Size 1.620 Acres or 70,567 SF
 Zoning M-1 Light Manufacturing
 Topography Level
 Utilities All public
 Shape Triangular
 Landscaping None
 Fencing Chain link
 Land Value \$355,000

General Physical Data

Building Type Single tenant
 Gross SF 21,530
 Area Breakdown Office 4,875
 Warehouse 7,100
 Sheds 9,555

Construction Type

Roof Type Metal
 Foundation Concrete
 Electrical Adequate
 HVAC Central for offices
 Stories 1
 Year Built 1981
 Condition Average

Income Analysis

Potential Gross Income \$42,000
 Effective Gross Income \$42,000
 Expenses \$4,270
 Net Operating Income \$37,730

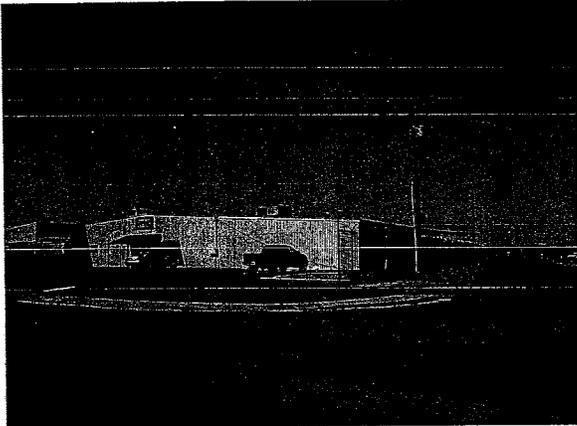
Indicators

Sale Price/Gross SF \$31.58
 Bldg Price/Gross SF \$15.10
 Floor Area Ratio 0.31
 Land to Building Ratio 3.28:1
 Occupancy at Sale L&P
 Gross Income Multiplier 16.19
 Eff. Gross Income Multiplier 16.19
 Expenses/Sq. Ft. \$0.20
 Overall or Cap Rate 5.55%
 Net Operating Income/Sq. Ft. \$1.75

Remarks

Rents Below market. Lease expired and grantee to take possession and occupy.

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Property Identification

Record ID 414
 Property Type Commercial/warehouse
 Address 350 Archuleta, Las Cruces, Doña Ana County, New Mexico
 Location Amador & Archuleta
 Tax ID 02-02157
 Legal Description Part of USRS 9C-125

Sale Data

Grantor Vanland LLC
 Grantee Airgas Southwest
 Sale Date November 29, 2010
 Deed Book/Page 1032426
 Property Rights Fee Simple
 Conditions of Sale Arms length
 Financing Cash to seller
 Verification Walt, First Valley Realty; Confirmed by Harry Hansen

Sale Price \$680,000

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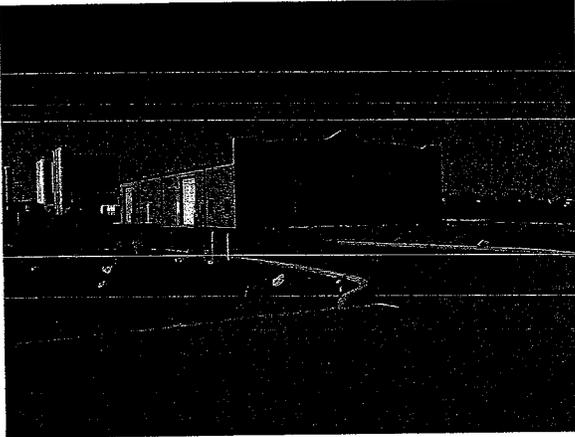
Indicators

Sale Price/Gross SF \$68.64
 Bldg Price/Gross SF \$35.98
 Floor Area Ratio 0.04
 Land to Building Ratio 28.48:1

Remarks

Excellent commercial investment in a secure location. There is an onsite residence which consists of a converted mobile home permanently sited with metal roof and new exterior finish. The residence has one bath, two bedrooms and attached carport, which is currently leased. Property is fenced, and includes gated entry with security camera in place. Leased manufactured home and 52 space RV storage business provide additional income streams.

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**Property Identification**

Record ID 393
 Property Type Light Industrial
 Address 8861 Trigg Loop, Las Cruces, Doña Ana County,
 New Mexico
 Location West Mesa Industrial Park
 Tax ID 02-41128
 Legal Description Lot 8A, West Mesa Industrial Park #22

Sale Data

Grantor Sidney and Mary Williamson
 Grantee Kent-Land Ltd. RLLLP
 Sale Date June 5, 2009
 Deed Book/Page 0915533
 Recorded Plat 22/708
 Property Rights Fee Simple
 Marketing Time 13 months
 Conditions of Sale Arms Length
 Financing Cash to seller
 Verification Gil Jones - Broker; Confirmed by Scott
 Eschenbrenner
 Sale Price \$491,000

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Land Data
 Land Size 3.811 Acres or 165,998 SF
 Front Footage 300 ft South Crawford Boulevard
 Zoning M-1 Light Manufacturing
 Topography Level
 Utilities All City Services
 Shape Rectangular
 Landscaping Average
 Fencing Chain Link
 Flood Info Zone X, Panel - 35013C-0625
 Land Value \$40,000 per acre

General Physical Data

Building Type Single tenant
 Gross SF 4,694
 Area Breakdown Office 2,294 Built in 1995
 Warehouse/Shop 2,400 Built in 1996
 Construction Type Office - Wood Frame & Shop is Pre-engineered
 Metal
 Roof Type 4 ply mineral and pre-eng
 Foundation Concrete
 Electrical Typical
 HVAC Package
 Sprinklers None
 Year Built 1995 Shop added in 1996
 Condition Average

Indicators

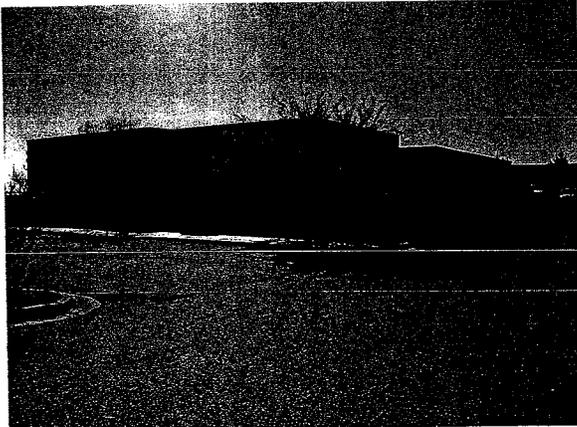
Sale Price/Gross SF \$77.76
 Bldg Price/Gross SF \$45.29
 Floor Area Ratio 0.03
 Land to Building Ratio 35.36:1

Remarks

The property was built as an office and shop facility for DynaCon Construction. There are two separate structures on the property and were built in 1995 and 1996. There is a 2,294 square foot office building that is wood framed and stucco construction. There is a 253 square foot that is wood framed and stucco construction. There is a 849 square foot covered front porch in addition to an 849 square foot carport. The office is divided into a reception room, five individual offices, file storage, kitchen and two restrooms. The finish-out is average to good with several built-in workstations, wood base boards, commercial grade carpet in average condition, ceramic tile, full service kitchen, sound insulation between the office walls and an electric fireplace in the back office. There is a 30' x 80' pre-engineered metal building that is divided equally into two spaces. The southern portion of the shop is insulated, heated and cooled with a single evaporative unit. The northern half of the building has no insulation or heating and cooling. This portion of the building is used for dry storage. There is an estimated 8,200 square feet of asphalt paving and approximately one acre of the site is fenced with 680 lineal feet of chain link. There is approximately 1,200 square feet of concrete paving. Overall, the property is in good condition with no deferred maintenance noted and good quality workmanship and materials.

This property sold under duress with the threat of foreclosure.

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**Property Identification**

Record ID 401
 Property Type Light Industrial
 Property Name Renegade Construction
 Address 200 South Crawford Boulevard, Las Cruces, Doña
 Ana County, New Mexico
 Location West Mesa Industrial Park
 Tax ID 02-24117
 Legal Description Parcel 1, West Mesa Industrial Park
 Subdivision, Plat No. 4

Sale Data

Grantor Mike and Brenda Pogue
 Grantee Renegade Construction, LLC
 Sale Date August 9, 2010
 Deed Book/Page 1022794
 Recorded Plat 18/232-233
 Property Rights Fee Simple
 Conditions of Sale Sold under the threat of Foreclosure
 Financing Cash to seller; Mortgagee: Conventional
 Property Appraised for \$430,000 on 11/24/09
 Verification Kary Bulsterbaum - Broker, August 12, 2010;
 Other sources: Appraisal File #7472;
 Confirmed by Scott Eschenbrenner
 Sale Price \$365,000

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Land Data

Land Size 0.468 Acres or 20,400 SF
 Zoning M-1 Light Manufacturing
 Topography Level, at street grade
 Utilities All city services
 Shape Irregular
 Landscaping None
 Flood Info Located in flood zone AE; Panel 631E
 Land Value \$81,600

General Physical Data

Building Type Single tenant
 Gross SF 5,200
 Construction Type Pre-engineered metal
 Roof Type Metal
 Foundation Concrete Slab
 Electrical Typical
 HVAC Evap and GFAU
 Floor Height 16'
 Year Built 1996
 Condition Average

Income Analysis

Potential Gross Income \$21,600
 Effective Gross Income \$21,600
 Expenses \$1,650
 Net Operating Income \$19,950

Indicators

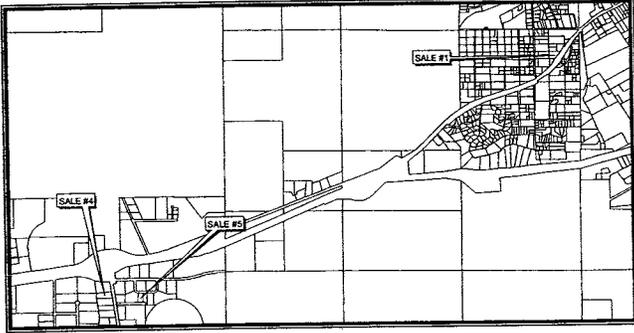
Sale Price/Gross SF \$42.31
 Bldg Price/Gross SF \$26.62
 Floor Area Ratio 0.25
 Land to Building Ratio 3.92:1
 Occupancy at Sale 100%
 Gross Income Multiplier 10.19
 Eff. Gross Income Multiplier 10.19
 Multiplier
 Expenses/Sq. Ft. \$0.32
 Overall or Cap Rate 9.07%
 Net Operating Income/Sq. Ft. \$3.84

Remarks

All units have 3 phase power with separate meters. Development consists of four duplex units with a total of 5,200 square feet per unit and 2,600 square feet for each space. There is a small fenced in area adjacent to the building.

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IMPROVED SALE NO. 6 (Cont.)



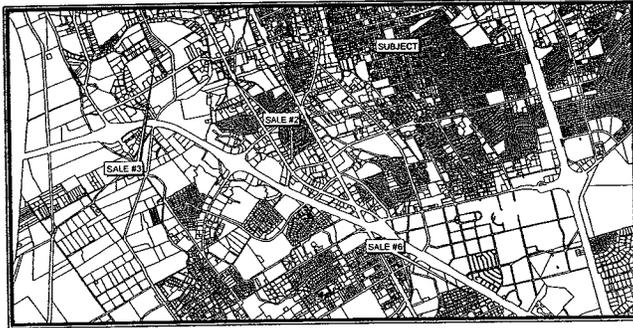
Land Data
 Land Size 0.859 Acres or 37,435 SF
 Zoning ETZ EV
 Topography Level
 Utilities All public
 Landscaping None
 Fencing Some Rock
 Flood Info Not located in flood hazard area
 Land Value \$74,924

General Physical Data
 Building Name Top Notch Exteriors
 Building Type Single tenant
 Gross SF 5,030
 Construction Type Pre-engineered metal
 Roof Type Pre-engineered metal
 Foundation Concrete Slab
 Electrical Typical
 HVAC Evap and GFAU
 Year Built 1996
 Condition Average

Income Analysis
 Potential Gross Income \$21,600
 Effective Gross Income \$21,600
 Expenses \$3,152
 Net Operating Income \$18,448

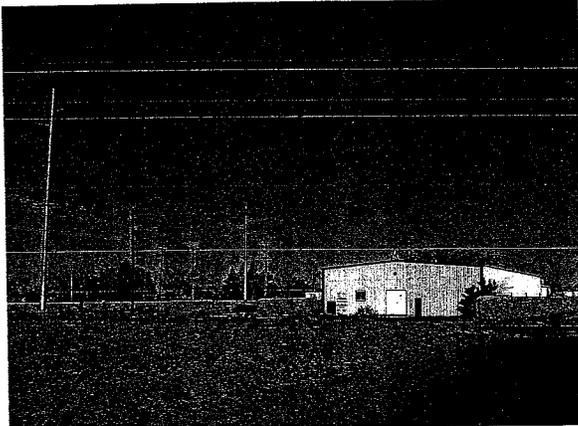
Indicators
 Sale Price/Gross SF \$45.73
 Bldg Price/Gross SF \$30.83
 Floor Area Ratio 0.13
 Land to Building Ratio 7.45:1
 Occupancy at Sale 100%
 Gross Income Multiplier 10.65
 Eff. Gross Income Multiplier 10.65
 Expenses/Sq. Ft. \$0.63
 Overall or Cap Rate 8.02%
 Net Operating Income/Sq. Ft. \$3.67

Remarks
 Building is a combination of showroom, office and approximately 35% open, unfinished warehouse. The property is leased on a month to month basis for \$1,800/mo to Top Notch Exteriors. Owner pays taxes, insurance and structural maintenance. The property sold previously on April 1, 2004 for \$180,000 indicating a 8% annual appreciation factor.



COMPARABLE SALES MAP

IMPROVED SALE NO. 6



Property Identification
 Record ID 242
 Property Type Commercial,
 Property Name Top Notch Exteriors
 Address 935 San Francisco, Las Cruces, Doña Ana County,
 New Mexico
 Location Half block west of Stern Dr., Tortugas
 Tax ID 03-07495

Sale Data
 Grantor Joe Moysa
 Grantee Grady Oxford
 Sale Date June 13, 2007
 Deed Book/Page 822/114
 Property Rights Fee simple
 Conditions of Sale Arms length
 Financing Assumed a loan with Bank of the Rio Grande
 Sale History Sold previously on 4/1/04 for \$180,000
 Verification Grady Oxford - Purchaser, June 19, 2007;
 Confirmed by Scott Eschenbrenner

Sale Price \$230,000

IMPROVED SALE NO. 5 (Cont.)

Land Data
 Land Size 2.000 Acres or 87,120 SF
 Front Footage 200 ft Trigg Loop
 Zoning M-1 Light Manufacturing
 Topography Level
 Utilities All City Services
 Shape Rectangular
 Landscaping Average
 Fencing None
 Land Value \$80,000

General Physical Data
 Building Type Single tenant
 Gross SF 7,500
 Area Breakdown Office 1,500
 Warehouse 6,000
 Construction Type Pre-engineered metal
 Roof Type Metal
 Foundation Concrete Slab
 Electrical 480V Three Phase
 HVAC Evaporative Air and GFAU
 Sprinklers None
 Floor Height 16'
 Year Built 2007
 Condition New

Indicators
 Sale Price/Gross SF \$65.47
 Bldg Price/Gross SF \$54.80
 Floor Area Ratio 0.09
 Land to Building Ratio 11.62:1

Remarks
 Part of the conditions allowed the seller to use the back 3,000 feet of the building for two years. Approximately 3,000 square feet of space will be occupied by the seller \$1,500 per month. When the property was originally developed it consisted of four acres. Prior to the sale, the property was split in two and the seller retained two acres to the east. The two acres retained by the seller have no gas, electricity, or water, and the ability to hook up to waste water is unclear.

The property was built in 2007 and represents new construction with 1,500 square feet of office space and the balance is warehouse. The building is insulated with a 16 clear ceiling height and oversized Mastercool evaporative units. There are 2 14' x 14' overhead doors. The property is available for lease @ \$6.50 per square foot based on a triple net lease.

COST APPROACH TO VALUE:

In the cost approach to value the appraiser estimates the amount of money required to produce an improved property of the same utility as the property being appraised. As an alternative to purchasing the subject property, an informed purchaser is assumed to consider purchasing a vacant tract of land and constructing improvements of the same utility. In the application of the cost approach, the current cost of reproducing the improvement is estimated and then accrued depreciation from all causes is deducted. To the depreciated value of the improvements is then added the value of the land in order to arrive at the indicated value of the property.

Reproduction Cost New:

Main Building	6,000 SF	@	\$32.50	=	\$195,000
CB Additions	904 SF	@	\$20.00	=	<u>18,080</u>
Total				=	\$213,080
Less Accrued Depreciation:			30%	=	<u>63,924</u>
Depreciated Value of Building(s):				=	\$149,156
Other Improvements-Depreciated Value:					
Asphalt			\$15,800		
Fence			<u>3,000</u>		
Total Other Improvements:				=	18,800
Land Value as previously estimated by comparison to recent sales and current offerings of similar tracts of land:				=	<u>130,400</u>
Total:				=	\$298,356

Indicated Value By Cost Approach SAY \$300,000.00

The estimate of reproduction cost new is based upon the use of the Calculator Cost Analysis of the "Marshall Valuation Service".

6. Capitalization Rate: Several methods are used to indicate an appropriate overall capitalization rate including band of investment, debt coverage ratio and comparable sales indicated rates.

Band of Investment Method:

Mortgage	75%	X	9.304%	=	0.0698	
Equity	25%	X	8.00%	=	0.0200	
			Total =		0.0898	Say 9.00%

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 9.304% mortgage rate is the rate necessary to meet the debt service, (interest and principal reduction) on a loan amortized for 20 years at 7.0% interest rate. 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.

In addition to the band of investment method, many loan underwriters are interested in the rates based upon a debt coverage ratio method. The debt coverage ratio is the ratio of NOI to debt service. The Appraisal Institute reports that the typical required debt coverage ratio for conventional loans less than \$5 million is 1.30. The overall rate may be estimated by the formula:

OAR = DCR X Mortgage Constant X Loan to Value Ratio

OAR = 1.30 X .09304 X .75

OAR = 9.07

Based upon the indications provided by this analysis I am concluding a rate of 9.0% to be a reasonable and supportable overall rate.

Explanation of Capitalized Income Approach by Item

- Gross Income: The subject's potential economic rent was based upon analysis of competitive and comparable rental properties in the subject's market area.
- Vacancy and Credit Loss: This allowance provides for rental losses due to typical occupant turnover, lease negotiation period and possible losses due to nonpayment of rent. This allowance is estimated, based on analysis of similar properties in the area, and interviews with property managers at 8% of gross income or \$2,545.
- Effective Gross Income: Gross income less vacancy and credit loss.
- Owner's Expenses: Typical fixed and operating expenses were analyzed, estimated, and stabilized in order to derive the income attributable to the property. These expenses are discussed below.

Taxes:

Tax Agency	Assessment	Tax
Doña Ana Co.	\$156,500	\$1,705

Insurance: Owners of improved properties typically insure building improvements against losses from fire and other hazards, as well as personal liability. The property insurance is currently \$840 per year.

Improvement Maintenance: This cost estimate is based upon an orderly program of typical maintenance and repair of the property improvements to maintain them properly functioning at all times. This cost does not include any major remodeling or component replacement. This is an average annual cost over the projected term of ownership. This cost is estimated at \$600.

Management: This is the cost of the day-to-day operations of the property and includes administration, leasing, collection, and record keeping. This cost is estimated on an annual basis at 6% of effective gross income or \$1,756.

Replacement Reserve: An allowance must be made to provide for replacement of those components which are expected to wear out one or more times during the total economic life of the improvements. This cost annualized is estimated at \$200 per year.

Utilities and Services: This is the cost of providing those utilities and services to the property for which the landlord is responsible. The following table presents these services and the estimated annual cost.

None

- Net Income Before Recapture: Effective gross income less owner's expenses.

CAPITALIZED INCOME APPROACH TO VALUE:

Analysis of comparable rental properties in the area as well as the subject rent schedule provides an indication of the gross income producing capabilities of the subject property. From this is deducted all the expenses incurred in producing this income to arrive at an indication of the net income before recapture. This net income before recapture when capitalized at the appropriate market rate provides an indication of the value by the capitalized income approach.

1. Gross Annual Income Estimate:					
	Warehouse	6,000 SF	@	\$5.00	= \$30,000
	CB Sheds	904 SF	@	\$2.00	= 1,808
	Total				= \$31,808
2. Less Vacancy Loss:			8%		= 2,545
3. Effective Gross Income:					= \$29,263
4. Less Annual Expenses:					
	Taxes -	\$1,705			
	Insurance -	840			
	Maintenance -	600			
	Management -	1,756			
	Replacement Reserves -	200			
	Utilities -	0			
	Total -				= 5,101
5. Net Income Before Recapture:					= \$24,162
6. Capitalization Rate: Band of Investment					
	Mortgage	75%	X	9.304%	= 0.0698
	Equity	25%	X	8.000%	= 0.0200
	Total			0.0898	Say 9.00%

* Based upon 7.0% interest with 20 year amortization.

7. Capitalization Process:

Value = Net Income/Cap Rate

$\frac{\$24,162}{0.0900} = \$268,469$

Indicated Value by the Income Approach SAY \$268,500.00

CAPITALIZED INCOME APPROACH TO VALUE

We reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process, which were unknown to us, when the report was finished.

Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of appraiser and firm is limited to the amount of the fee received by appraiser.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in this report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in this report.

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.

Improvements proposed, if any, on or off-site, as well as any repairs required, are considered, for purposes of this appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Amount or payment of the fee for services is not contingent on any result, approval amount or other estimates or statements.

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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 prefaced 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, are 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.

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.

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RECONCILIATION AND FINAL VALUE CONCLUSION:

All approaches to value are based upon market data. However, each approach deals with market data differently due to the assumptions or point of view upon which each analysis is based. Each of the property value indications was for the most part, developed independently, and the purpose of the reconciliation analysis is to reevaluate the strength of each approach compared with the others. The value indications developed by each approach are as follows:

Value by Sales Comparison Approach	\$290,000.00
Value by Cost Approach	\$300,000.00
Value by Income Approach	\$268,500.00
Final Value Estimate	\$290,000.00

That approach in which the appraiser has the most confidence is accordingly given the greatest consideration in the final value estimate. This implies a sufficient quantity of data, which reflects the attitudes of purchasers of this type of property, and maximum data reliability and comparability. The basic assumption underlying all approaches to market value is the principle of substitution, which essentially suggests that a prudent purchaser will not pay more for any particular property than the cost of acquiring a substitute in the open market, and that the purchaser is aware of and does consider alternate properties in the process of his ultimate selection.

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 NAIIFA, 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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HARRY L. HANSEN, MAI, SRA

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 BEVA Compass Bank, Bank of America, Bank of the Rio Grande, Bank of the Southwest, Bank 34, Citizens Bank of Las Cruces, Community First National Bank, First Federal Bank of New Mexico, First American Bank, First New Mexico Bank, First Savings Bank, Pioneer Bank, Wells Fargo, Western Heritage Bank. Appraisal assignments have included the valuation of residential, multi-family, commercial, rural, industrial and development property.

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Professional Seminars Attended:

Appraising in 2009. Sponsored by Appraisal Institute, Ruidoso, NM.

Appraisal Tools Tune-Up. Sponsored by Appraisal Institute, Ruidoso, NM.

Declining Markets & Sales Concessions; 2009. Sponsored by Appraisal Institute, El Paso, TX.

Attacking & Defending an Appraisal in Litigation; 2008. Sponsored by Appraisal Institute, El Paso, TX.

7-Hour National Standards of Professional Practice, (USPAP); 2008. Sponsored by American Society of Farm Managers and Rural Appraisers and Appraisal Institute, Ruidoso, NM.

Forecasting Revenues; 2007. Sponsored by Appraisal Institute, Santa Teresa, NM.

Evaluating Commercial Construction; 2006. Sponsored by Appraisal Institute, Santa Teresa, NM.

Evaluating Residential Construction; 2006. Sponsored by Appraisal Institute, Santa Teresa, NM.

Appraisal Consulting: A Solutions Approach for Professionals; 2006. Sponsored by Appraisal Institute, Albuquerque, NM.

FHA and the New Residential Appraisal Form; 2006. Sponsored by Appraisal Institute, El Paso, TX.

Rates and Ratios: Making Sense of GIM's, OARs, and DCF; 2004. Sponsored by Appraisal Institute, Albuquerque, NM.

Mathematically Modeling Real Estate Data; 2004. Sponsored by Appraisal Institute, El Paso, TX.

Analyzing Commercial Lease Clauses: Understanding Implications for Property Value and Marketability; 2003. Sponsored by Appraisal Institute, El Paso, TX.

Effective Appraisal Writing; 2002. Sponsored by Appraisal Institute, Ruidoso, NM.

Feasibility Analysis, Market Value and Investment Timing: Introducing the Impact of Option Value; 2002. Sponsored by Appraisal Institute, El Paso, TX.

The Road Less Traveled...Special Purpose Properties; 2001. Sponsored by Appraisal Institute, Ruidoso, NM.

Conservation Easements; 2001. Sponsored by American Society of Farm Managers and Rural Appraisers and Appraisal Institute, Albuquerque, NM.

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CERTIFICATION:

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

- * The statements of fact contained in this report are true and correct.
- * The reported analyzes, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyzes, opinions, and conclusions.
- * I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- * I have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.
- * My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- * My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- * My analyzes, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice, the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- * I have made a personal inspection of the property that is the subject of this report.
- * No one provided significant professional assistance to the person signing this report.
- * I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- * As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Harry L. Hansen, MAI, SRA
NM Certification #44-G

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Assessor's Parcel Search Results

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[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:	

A D D E N D U M

Parcel Information

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

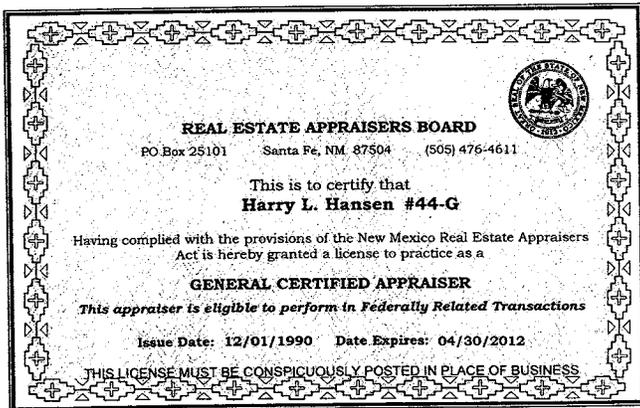
PARCEL	PROPERTY ADDRESS			
02-13645	2305 E NEVADA			
MAPCODE	FOLDER	SEC	TWP	RGE
02I4009135010255	18513	16	23S	2E
SUBDIVISION			BLOCK	LOT
334 - ENTRADA DEL SOL INDUSTRIAL PARK				LT 6

Land Information

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<http://www2.donaanacounty.org/pages/H16810.php?print=1>

2/15/2011



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.

Funeral Home
 Hotel/Motel
 Institutional Office: Public, Private, Educational, Religious, & Philanthropic
 Insurance
 Laboratory
 Legal Services
 Mailing & Stenographic Services
 Medical/Dental Office
 Motion Picture Production
 Research Organization, Commercial or Noncommercial
 Pharmacy
 Tax Preparation

M1/M2 - INDUSTRIAL STANDARD: The M1/M2 district is intended to provide for industrial uses that consist of full-scale fabrication, manufacturing, packaging and processing of products that can be conducted in a generally clean, quiet, and safe environment with minimal negative impacts on the surrounding environment and uses.

LAND USES ALLOWED

- RESIDENTIAL-RELATED LAND USES (See Section 38-33B)
 - Accessory Uses and Structures
 - Greenhouse (Non-Commercial), Garden Shed or Tool Shed
 - Recreational Court, Tennis, etc., Private
- AGRICULTURE & EQUESTRIAN LAND USES (See Section 38-33C)
 - Brewery/Winery
- INSTITUTIONAL LAND USES (See Section 38-33D)
 - Community Buildings - Uses
 - Detention Facility
 - Library/Museum
- RECREATIONAL LAND USES (See Section 38-33E)
 - Racetrack, Mini, e.g., go-carts
- RETAIL LAND USES (See Section 38-33G)
 - Auto/Truck Self-Service (Automated or Full Service Wash/Wax/Detailing)
 - Bar, Pub, Tavern (No Dancing)
 - Café, Cafeteria, Coffee Shop, Restaurant, etc.
 - Cleaning & Maid Services
 - Clothing Store
 - Convenience Store
 - Delicatessen, Produce/Meat Market
 - Gas Station
 - Hardware Store
 - Health Care Clinic (Non-Hospital)
 - Laundry/Dry Cleaning Services
 - Plant Nursery
 - Radio/TV Studio/Station
 - Small Item Repair
 - Specialty Foods (Bakeries, Confectionaries, etc.)
 - Specialty Store (Books, Music, Toys, Sports Equip, Stationery, etc.)
 - Theater, Drive-in
 - Tire Sales/Repair
 - Upholstery Shop
- SERVICE LAND USES (See Section 38-33F)
 - Accounting, Auditing & Bookkeeping
 - Architectural, Engineering, Planning & Surveying Services,
 - Art Studio
 - Bank, Bonding & Financial Institution/Facility (No Drive Thru)
 - Barber/Beauty/Hair Salon & Related Personal Care
 - Business Offices
 - Consulting
 - Counseling
 - Desktop Publishing & Graphic Design

TRANSPORTATION, WHOLESALE TRADE, WAREHOUSING & BULK STORAGE LAND USES (See Section 38-33H)

Distribution Centers
 Freighthouse/Truck Terminal
 Interstate Warehouse/Bulk Storage Facilities
 Ministorage Units
 Parking Facilities, Commercial (Garages & Private Parking Lots)
 Railroad Terminal/Depot
 Trucking Companies
 Wholesale Trade, any product

MANUFACTURING & RELATED LAND USES (See Section 38-33I)

Apparel & Other Textile Products - Clothing
 Body Shops & Vehicle Painting Establishments
 Brooms, Brushes & Vacuums
 Chemical & Allied Products
 Construction Yard or Building(s), Temporary
 Cottage Industry - Retail or Service
 Crematorium
 Dyeing & Engraving Establishments
 Electrical & Electronic Equip. (Computers)
 Extraction of Raw Materials
 Fabricated Metal Products
 Food & Kindred Products
 Furniture & Fixtures
 Frozen Food Lockers
 Glass Cutting & Finishing
 Jewelry, Silverware, & Plated Ware
 Laboratories (Medical/Dental/R & D)
 Leather Products
 Lumber & Wood Products (Sawmill/Planing)
 Machinery, except electrical
 Manufactured Buildings
 Metal Work & Machine Shop
 Motion Picture Production Theater/Studio
 Musical Instruments
 Needles, Pins & Fasteners
 Paper & Allied Products
 Petroleum & Coal Products
 Primary Metal Industries
 Printing & Publishing
 Retail Trade, Business Service Establishment or Offices, any type
 Rubber & Plastic Products

IV-38

1/22/07

IV-37

1/22/07

Taxes

BILLS PAID	Amount	BILLS UNPAID	Amount
199676287			N/A
199778172			N/A
199879771			N/A
199981480			N/A
200083509			N/A
200184697			N/A
2002490			N/A
200387846			N/A
200489563			N/A
200591875			N/A
200694940			N/A
200799010			N/A
2008102236			N/A
2009103169			N/A
2010103604			N/A

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

LAND SIZE	VALUE METHOD	NUMBER LOTS	UNIT PRICE	LAND TYPE
0.75	PA	0	130000	CM

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
6000	ML	1970

Detached Structures

STRUCTURE	MEASURE1	MEASURE2
AP	11400	0

Valuation Information

LAND VALUE	RES BLDG VALUE	NON-RES BLDG VALUE	FULL VALUE
97500	0	59000	156500

Recording Information

RECORDING INFORMATION
PLAT BK 13 PG 98-99

Harry Hansen

From: Christine Logan [clogan@las-cruces.org]
 Sent: Tuesday, February 15, 2011 2:16 PM
 To: Harry Hansen
 Subject: RE: Appraisal of 2305 E Nevada

Please proceed. PO # 11202335 has been issued.

Thanks!

From: Harry Hansen [mailto:hansen@zianet.com]
 Sent: Tuesday, February 15, 2011 10:03 AM
 To: Christine Logan
 Subject: RE: Appraisal of 2305 E Nevada

Hi Christine, I can do this in three weeks or less for \$2,500 plus tax. Thanks, Harry

From: Christine Logan [mailto:clogan@las-cruces.org]
 Sent: Friday, February 11, 2011 4:58 PM
 To: Harry Hansen
 Cc: Hope Rodriguez
 Subject: Appraisal of 2305 E Nevada

Harry,

I need an appraisal for 2305 E Nevada (county parcel 02-13645).

This is the former GoodStart donation center. It is currently vacant but I have the key and can let you to assess the facility.

I would like to market this property ASAP. I have attached my preliminary information sheet.

Please let me know if you can do this appraisal and if so, how quickly and what it would cost.

Thanks!

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

No virus found in this message.
 Checked by AVG - www.avg.com
 Version: 10.0.1204 / Virus Database: 1435/3445 - Release Date: 02/15/11

No virus found in this message.
 Checked by AVG - www.avg.com
 Version: 10.0.1204 / Virus Database: 1435/3445 - Release Date: 02/15/11

2/15/2011

- Art. IV, Sec. 38-32
- MANUFACTURING & RELATED LAND USES** (See Section 38-33I and Section 38-53)
 Body Shops & Vehicle Painting Establishments
 Construction Yard or Building(s), Temporary
 Contractor's Yard (Building/Electrical/Mechanical/Roads/Utilities)
 Cottage Industry - Retail or Service
 Retail Trade, Business Service Establishment or Offices, any type
 Vehicle Repair (Auto/Truck/Heavy Equipment/Motorcycle/Boat/Recreational Vehicle)
 Wrecker Services
- UTILITY LAND USES** (See Section 38-33J, Section 38-53 and Section 38-59)
 Antenna, Towers, Communication Structures, and Other Vertical Structures
 Face Mount (Attached to Primary Use)
 Public/Private Utility Installation

LAND USES ALLOWED REQUIRING A SPECIAL USE PERMIT

- AGRICULTURE & EQUESTRIAN LAND USES** (See section 38-33C and Section 38-54)
 Racetrack, Animal
 Rodeo Arena
- RECREATIONAL LAND USES** (See section 38-33e and Section 38-54)
 Amusement Park - Permanent
 Archery Range - Outdoor
 Firing Range - Outdoor
 Racetrack, Auto/Truck
 Sports Complex
- RETAIL LAND USES** (See Section 38-33G and Section 38-54)
 Adult Book/Video Store & Entertainment Establishment
- TRANSPORTATION, WHOLESALE TRADE, WAREHOUSING & BULK STORAGE LAND USES**
 (See Section 38-33H and Section 38-54)
 Airport, Privately or Publicly Owned
 Heliport/Helistop
- UTILITY LAND USES** (See Section 38-33J, Section 38-54, and Section 38-59)
 Antenna, Towers, Communication Structures, and Other Vertical Structures
 Waste Transfer Stations/Sewage Treatment Plants

- Art. IV, Sec. 38-32
- Signs & Advertising
 Stone, Glass & Clay Products
 Storage Boxes
 Textile Mill Products (Carpets, Rugs, Hosiery, Threads)
 Tire Manufactures & Recyclers
 Tobacco Manufacturing
 Toys & Sporting Goods, Dolls, Games
 Transportation Equipment
 Upholstery Shop (Vehicle & Furniture)
 Writing Utensils (pens/pencils/inked ribbons)

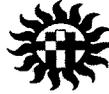
- UTILITY LAND USES** (See Section 38-33J)
 Recycling Centers

LAND USES ALLOWED WITH CONDITIONS

- RESIDENTIAL LAND USES** (See Section 38-33A and Section 38-53)
 Detached, Site-Built, Single Family Dwelling Unit
 Dwelling Use (Non primary)
 Manufactured Dwelling Unit
- RESIDENTIAL-RELATED LAND USES** (See Section 38-33B and Section 38-53)
 Home Occupation
 Kennel/Cattery (Private Residential)
 Storage of recreational vehicles and motor vehicle appurtenances
 Swimming Pool, Private
 Temporary Uses
- INSTITUTIONAL LAND USES** (See Section 38-33D and Section 38-53)
 Child Care or Preschool
 School, College or University
 School, Commercial, Trade or Technical
- RECREATIONAL LAND USES** (See Section 38-33E and Section 38-53)
 Amusement Park (Temporary)
 Archery Range - Indoor
 Firing Range - Indoor
 Park
 Swimming Pool, Commercial or Public
- RETAIL LAND USES** (See Section 38-33G and Section 38-53)
 Auto/Truck Repair & Service
 Large Equipment Repair & Service (Non-Vehicular)
 Large Equipment Repair & Service (Vehicular)
 Petroleum/Propane Sales
- TRANSPORTATION, WHOLESALE TRADE, WAREHOUSING & BULK STORAGE LAND USES**
 (See Section 38-33H and Section 38-53)
 Above Ground Storage Tanks for Flammable and Combustible Liquids and LP Gas
 Storage of dismantled or wrecked vehicles & products
 Storage/Display of merchandise for sale (except manufactured buildings, mobile homes & operable cars, trucks, motorcycles and RVs)
 Storage outside of buildings of materials, equipment, and supplies not for sale
 Storage, warehousing accessory to Office, Retail Service or Industry

Insert Second Appraisal

To be Delivered by or before June 8, 2011

**City of Las Cruces****Community Development
Interoffice Memorandum**

To: Brian Denmark, Assistant City Manager

From: Christine Logan, Economic Development Administrator *CL*

Subject: Negotiated sale price for property at 2305 Nevada Avenue

Date: May 18, 2011 M-11-112

Good Start Industries terminated the lease for the donation center on Nevada Avenue effective January 31, 2011. City staff evaluated the property and determined that there is no City use for which the facility is suitable and so the property was made available for sale. An appraisal of the property was obtained on February 18, 2011. That appraisal estimated the value at \$290,000 and the marketing material was distributed indicating that value. Sale information was distributed through MVEDA and the local commercial real estate community.

On April 7, the City received an offer for the land at a purchase price of \$156,000 (the assessed value of the property). I could not recommend a sale at that price and subsequently negotiated a sale agreement at \$210,000 for the City Council to consider.

Appraisals are estimates based on comparisons to sales of similar properties and on cost estimate to create similar improvements on a vacant property. In this case the value of the land was estimated at \$130,400 (\$4 per square foot) and the improvements (walls and parking area) were valued at \$18,800. The buyers reasoning in support of a lower than appraised price is disagreement over the value of the existing building. This proposed sale allows that there is value to the building but that it adds only \$60,000 to the value of the site.

The 6,000 square foot metal building was built in 1970 and includes two office spaces and two restrooms. The foundation and the steel frame appear to be in good condition but the exterior is not and the utility systems in the building may need to be improved. Several small additions have been added to the building but are of very poor construction. The building is 41 years old and does not appear to have been well maintained. The February 2011 appraisal estimated that a similar new building would be worth \$213,000 but that this facility has depreciated 30% valuing it at \$149,156. An appraisal of the same property was conducted in November of 2000 and depreciated the building by 71%. A second current appraisal has been ordered and will be available prior to approval of this sale as an independent estimate.

Although the City might be able to get a higher value for the site if we keep it on the market longer, there is no guarantee of that. SASD Supply is a new but established company. The owner, Norm Fristoe has a track record of being involved in successful remodels and business enterprises in the community. Again, there is no guarantee but it is reasonable to believe that if this sale is approved the property will be put to constructive use quickly. There is a value to selling this property now at \$210,000 rather than holding on to it in hopes of getting a higher price soon.

There are expenses associated with the City holding on to the vacant building –the site is near a residential area and requires frequent monitoring and clean up to keep it from becoming a nuisance. A private purchase of the site would bring the property onto the tax rolls and allow SASD to locate there to invest in the property, create employment and generate additional tax revenue.

Section 2-1314 of the Las Cruces Municipal Code requires that when real property is sold for a value less than the lowest appraised value, a detailed written explanation of the difference be made available to the public. This memo serves as that public explanation.

Cc: David Weir, Community Development Director *DW*

2305 Nevada Ave Vicinity Map

