JOSHUA CANNON & ASSOCIATES, INC.

APPRAISAL & ADVISORY SERVICES FOR NEW MEXICO REAL ESTATE

SELF CONTAINED APPRAISAL REPORT

VACANT LAND

Sunshine Terrace Avenue SE
West of University Boulevard
ALBUQUERQUE, NEW MEXICO

PROPERTY OWNER

Walter M Sanchez
Cecilia Sanchez

Appraisal Project 27161

EFFECTIVE DATE

October 3, 2010

PREPARED FOR

Thomas M. Neale
Associate Director, Real Estate Department
The University of New Mexico
2811 Campus Boulevard NE
1 University of New Mexico
MSC06 3593
Albuquerque, New Mexico 87131

JOSHUA CANNON & ASSOCIATES, INC.

APPRAISAL & ADVISORY SERVICES FOR NEW MEXICO REAL ESTATE

November 11, 2010

Thomas M. Neale
Associate Director, Real Estate Department
The University of New Mexico
2811 Campus Boulevard NE
1 University of New Mexico
MSC06 3593
Albuquerque, New Mexico 87131

Reference: Appraisal Report
Vacant Land
Sunshine Terrace Avenue SE
West of University Boulevard
Albuquerque, New Mexico

Property Owner: Walter M and Cecilia Sanchez

We have completed an appraisal of the above referenced property and we are pleased to submit the accompanying self-contained report of our findings and conclusions. The objective of the appraisal was to estimate the fair market value of the fee simple interest in the property, subject to assumptions and limiting conditions stated in the report. Our analysis indicates the following value of the property.

Effective Date	October 3, 2010
Estimated Fair Market Value	$30,000

The main body of our report provides you with our method of study as well as the limitations placed on the work product by the undersigned. Please read these limitations carefully so you may understand our conclusions clearly. In preparing this study, our conduct has been governed by the Code of Ethics of the various professional organizations of which we are members.

This opportunity to provide appraisal services to your organization is appreciated, and questions from authorized users of the report will be welcomed if any aspect of the research or analysis requires clarification.

JOSHUA CANNON & ASSOCIATES, INC.

Joshua Cannon

Joshua Cannon, MAI

PO Box 20088, Albuquerque, New Mexico 87154 Office: 505-298-2636 Fax: 866-284-3293 Email: jcannon@cannon-nm.com

Table of Contents

Table of Contents (continued)

Executive Summary

Project:	Vacant Land
Location:	Sunshine Terrace Avenue SE, west of University Boulevard, Albuquerque, New Mexico
Client:	Thomas M. Neale Associate Director, Real Estate Department University of New Mexico 2811 Campus Boulevard NE 1 University of New Mexico MSC06 3593 Albuquerque, New Mexico 87131
Legal Description:	Lot 6, Block F, Sunshine Terrace Addition
Property Owner:	Walter M and Cecilia Sanchez
Property Rights Appraised:	Fee simple estate
Land Area per Surveys:	0.1720 acre, or 7,492 square feet
Zoning:	R-1, Residential Zone
Important Appraisal Information:	The subject property is a portion of 59 platted lots in the Sunshine Terrace Addition located west of University Boulevard. Sunshine Terrace Avenue is not improved with asphalt paving west of University Boulevard, and the only utility service in its right-of-way is sewer. The installation of typical street and utility infrastructure is required to develop the lots. There are six private ownerships in this portion of Sunshine Terrace Addition with a total of 33 lots, and the University of New Mexico owns the remaining 26 lots. Sunshine Terrace Avenue is a platted and dedicated street, and it is assumed that an improvement district can be created to install infrastructure. In this appraisal, it is assumed that all 59 lots would be assessed a pro rata share of the infrastructure cost.
Highest and Best Use:	Apartment development
Estimate of Fair Market Value:	$30,000
Effective Date of Appraisal:	October 3, 2010

Overview of the Subject Property

The subject property is a 7,492-square-foot lot in the Sunshine Terrace Addition in Albuquerque, New Mexico. It is located on the south side of Sunshine Terrace Avenue, approximately 1,200 feet west of University Boulevard, in the southeast quadrant of the city. Sunshine Terrace Avenue is not improved with asphalt paving west of University Boulevard, and the only utility service immediately available to the subject is sewer. The lot is zoned for single-family residential use.

Exhibits in the *Appendix* of this report show the subject property's configuration and specific location.

Legal Identification

The subject property is legally described as Lot 6, Block F, Sunshine Terrace Addition. A survey with a metes & bounds legal description for the subject land is included in the *Appendix*.

History of Ownership

The client provided ownership information in the form of Commitments for Title Insurance from Stewart Title Guaranty Company. The ownership of the subject land is shown to be Walter M and Cecilia Sanchez. To my knowledge, there has been no change in the ownership of the property for at least three years, and there are no known purchase contracts, pending offers or listings.

Property Owner Contact Information

A letter dated September 16, 2010 was mailed to Walter and Cecilia Sanchez, and it explained the appraisal engagement by the University of New Mexico. The opportunity to provide subject property information to the appraiser and to be present during the property inspection was offered to the property owner. The letter was mailed to the address on the Bernalillo County real estate tax rolls and sent certified mail – return receipt. The U.S. Postal Service confirmed delivery of the letter. The property owner did not accompany the appraiser on the inspection.

Scope of the Assignment

The assignment is to prepare a fair market value appraisal of the property identified above, and to deliver a narrative report of the findings and conclusions.

The appraisal applies a sales comparison approach to value and it is presented in a self-contained format. The report is intended to comply with the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice, and the Appraisal Institute's Standards of Professional Practice.

The scope of work is intended to mirror the thought process of potential purchasers, and included inspection of the appraised property and competing market areas, a market study of the single-family housing and multifamily housing real estate markets, and analysis of land sale data relevant to the subject property type.

The collection, confirmation, reporting and interpretation of the market data are presented in the applicable sections of this report. The sources of market data included in-file information, public land records, interviews with real estate market participants, and databases administered by Southwest Multiple Listing Service, Commercial Association of Realtors – New Mexico, and LoopNet. Joshua Cannon, or individuals regarded as reliable, have personally verified the comparable land sales relied upon in the *Valuation* Section. Joshua Cannon personally inspected the subject property and the comparables.

The estimate of value is subject to an extraordinary assumption set forth in a following section of this report.

Market Value and Fair Market Value Defined

The definition of market value ordinarily used in an appraisal is dictated by the Uniform Standards of Professional Appraisal Practice (USPAP). It is as follows:

Market value means 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 both acting in what they consider their 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.

Source: Department of the Treasury, Office of the Comptroller of the Currency, 12 CFR Part 34 [Docket No. 90-16], Real Estate Appraisals, published in the Federal Register, Vol. 55 No. 165, August 24, 1990: Final Rule.

There is an exception to the USPAP requirement of using this definition of market value where the matter under appraisal may be subject to litigation. Under these circumstances the appraiser must conform to the legal definition of market value used in the appropriate jurisdiction. Because this assignment could potentially be involved in an eminent domain action, the appraisal has deviated from the above definition and applied the definition of market value used by the state courts of New Mexico.

New Mexico case law has defined fair market value for purposes of eminent domain. This definition has been incorporated into the New Mexico Uniform Jury Instructions as follows:

Fair market value is considered to be the highest amount of cash a willing seller would take, and a willing buyer would offer, for the property if it were offered for sale in the open market for a reasonable time to find a purchaser, buying with knowledge of all the uses to which the property is suitable or adaptable, the seller not being required to sell nor the purchaser being required to purchase. *New Mexico Uniform Jury Instruction 13-711.*

The most important difference between these two definitions is that the USPAP definition requires an estimation of the "most probable price," whereas the UJI definition calls for "the highest amount of cash."

Intended Use & Intended Users of the Appraisal

The appraisal is for use by the Regents of the University of New Mexico in connection with the planned acquisition of the identified property. The intended users are the Regents of the University of New Mexico and their consultants. The client is the Regents of the University of New Mexico.

Property Rights Appraised

The property rights appraised are identified as the fee simple estate in the referenced real estate. The fee simple estate is an absolute ownership unencumbered by any other interest or estate, subject only to the limitations of eminent domain, escheat, police power, and taxation.

Effective Date of Appraisal

The effective date of this appraisal is October 3, 2010, which is the date of the primary site inspection. The property was also inspected on multiple other dates. The date of the report is shown on the transmittal letter.

Extraordinary Assumption

The client engaged the engineering firm of Bohannan Huston, Inc. to perform cost estimates relating to the construction of infrastructure and the remediation of uncontrolled fill. A copy of the engineering report provided is included in the *Appendix* of this report. This appraisal relies on this report to make valuation adjustments for physical conditions present at the subject property and it is assumed to be accurate.

General Underlying Assumptions

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser; no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, such as subsoil structures or asbestos containing building materials which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.
7. The appraiser has noted in the appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
8. It is assumed that all applicable federal, state and local environmental regulations and laws have been complied with unless otherwise stated, defined and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

General Limiting Conditions

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, or with reference to the property in question, unless arrangements have been previously made.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event only with proper written qualification and only in its entirety.
3. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or another media without written consent and approval of the appraiser, nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified in public media without written consent of the appraiser.

Albuquerque Profile

This section of the report summarizes the city's economic base, its demographic and land-use trends, and the current development climate for real estate. The appraised property is located in the Sunrise Terrace Addition in the southeast quadrant of Albuquerque, New Mexico.

Geographic Area

The Albuquerque metropolitan area is located near the geographic center of New Mexico, situated on a high plateau along the Rio Grande just west of the Sandia and Manzano Mountains. The city covers 188 square miles and serves as the state's commercial, industrial, and transportation center. According to the U.S. Census Bureau, the state's July 2008 population was 1,984,356, and the Albuquerque metropolitan area population was 845,913. The Albuquerque Metropolitan Statistical Area includes Bernalillo County, the city of Albuquerque, the city of Rio Rancho as well as Sandoval, Valencia and Torrance Counties. Santa Fe, the state capital, is 65 miles to the north. The state capital, with a 2007 metropolitan-area population of 142,955, is a much smaller city than is Albuquerque.

Albuquerque is relatively isolated, with no significant sub-regional commerce centers between itself and Phoenix, 450 miles to the west; Denver, 420 miles to the north; Dallas, 650 miles to the east; and El Paso, 300 miles to the south. Albuquerque is well served by interstate highways and major airlines.

Historic Development Pattern

The Albuquerque metropolitan area is geographically divided into three distinct areas: the East Mesa, the Valley, and the West Mesa. Initial European settlement occurred in the valley area, where Spanish colonists settled the flood plain of the Rio Grande in the vicinity of "Old Town" in the 1600s. This agrarian society spread north and south along the river in a pattern of farms and small villages. Due to this settlement pattern, the most traditional segments of regional development are found in the valley areas.

Downtown Albuquerque originated in the late 1800s, when the railroad placed its tracks about one and one-half miles east of the Old Town Plaza. The Railroad Subdivision was platted near the tracks, and businesses developed in response to the convenience of moving goods and people by rail. For approximately 70 years, from the arrival of the railroad to the development of the first suburban shopping mall in 1961, Downtown Albuquerque was the center of government and commerce for the growing area. In subsequent years, Downtown workers and residents followed the national trend of out-migration to the suburbs (1960s and 1970s).

The decline of the Central Business District in the 1970s prompted government support of Downtown redevelopment through tax incentives and municipal bond financing of private projects. By the late 1980s and early 1990s, the Central Business District was the location of some of the heaviest public and private capital investment in the metropolitan area.

Residential and institutional growth took place largely on the East Mesa during the period 1930 to 1960. The direction of growth extended east from Downtown along old US Route 66, which was the east-west intra-city and interstate roadway until the freeways were developed in the 1960s. The establishment of the University of New Mexico, the state fair grounds, Albuquerque International Airport, Kirtland Air Force Base, Sandia National Laboratories (scientific and weapons research), and four regional hospitals on the East Side propelled this growth and created the economic base of modern Albuquerque as well. This early growth area is generally identified as the Southeast Heights and University area, and contains several high-demand residential neighborhoods.

Beginning in the early 1960s, development continued on the East Mesa, but shifted north of I-40 and east of I-25 to what is now known as the Northeast Heights. The boom in population growth and housing over the last quarter century made the "Heights" the largest and most prosperous regional development area. This area was laid out on a grid system with primary arterials placed along the section lines in accordance with the government-survey system. Until more recent planning and development, strip commercial and multifamily land uses were placed along the major arterials, forming a buffer for the single-family residential

neighborhoods within the square-mile sections. Since the 1980s, curved streets and clustered non-residential uses are the typical style of development. The easternmost area of the Northeast Heights has a preferred location at the base of the Sandia Mountains and should remain in high demand for residential buyers for the foreseeable future. The foothills area contains much of the region's most expensive housing.

The city's second major urban center, called "Uptown," was created near I-40 and Louisiana Boulevard at the approximate center of East Side development. Initiated in the 1960s when two regional shopping centers were developed within a quarter mile of each other, Uptown was Albuquerque's fastest-growing commercial and financial center during the 1970s and 1980s.

The supply of land on the East Mesa is nearly absorbed and development emphasis is now on the West Mesa, which includes the submarkets of Southwest Mesa, Northwest Mesa and Rio Rancho. Initially, the West Mesa competed primarily on the basis of less expensive land and suffered due to poor transportation linkages and inferior services. These impediments have been overcome; however, the major employment centers are primarily east of the Rio Grande and commuter traffic congestion is a material problem. The 12,612-acre Mesa del Sol master plan located on I-25 at the south end of Albuquerque is now developing and the first homes are expected to come on-line in 2009. This project has already attracted some major employers and it will eventually capture a significant percentage of new housing permits.

Population Trends

The 2008 population for Albuquerque was estimated at 521,999, according to the U.S. Census. The city's population grew at 7.59% per year during the 1950s, and the growth rate has typically averaged near two percent per year from the 1960s through the present.

Population growth over the 58-year period from 1950 to 2008 in the city of Albuquerque and Bernalillo County is shown in the following chart.

US Bureau of the Census Population Figures: 1950 – 2008

	City of Albuquerque		Bernalillo County	
Year	*Total Persons*	*Growth Rate**	*Total Persons*	*Growth Rate**
1950	96,815	---	145,637	---
1960	201,189	7.59%	262,199	6.05%
1970	244,501	1.97%	315,774	1.88%
1980	332,336	3.12%	420,262	2.90%
1990	386,988	1.53%	480,577	1.35%
2000	448,607	1.49%	556,678	1.48%
2008	521,999	1.91%	635,139	1.66%

*Annual compound rate of growth.

Note: Bernalillo County data encompasses the same land area from year to year. The City of Albuquerque's land area has undergone changes due to annexation.

Source: US Bureau of the Census

Joshua Cannon & Associates, Inc.

Population growth is attributable to a high quality of life, a favorable business environment, a strong and productive labor force, and aggressive economic development efforts that have been funded by both the state and local municipalities. In recent years, national publications have rated Albuquerque as one of the top places to live and work in the United States. These report typically cite low labor costs and taxes as well as rising median household income.

The University of New Mexico Bureau of Business and Economic Research (UNM BBER) is regarded as the leading research and forecasting entity in New Mexico for population and economic data, and they published a revised population estimate in August 2008. That estimate for the four counties making up the Albuquerque Metropolitan Area (Bernalillo, Sandoval, Torrance and Valencia Counties) is shown below.

Albuquerque MSA Projected Population – Revised Estimate from August 2008

	Projected Population					*Annual*
Year	*Bernalillo County*	*Sandoval County*	*Valencia County*	*Torrance County*	*Total (Alb. MSA)*	*Growth Rate per 5 yr. Period*
2005	614,508	107,104	71,459	18,282	811,353	-
2010	713,020	125,675	79,894	20,052	938,641	2.96%
2015	811,861	144,087	89,045	22,184	1,067,177	2.60%
2020	905,393	163,315	98,459	24,584	1,191,751	2.23%
2025	993,650	182,592	107,294	26,990	1,310,526	1.92%
2030	1,080,297	200,822	115,416	29,132	1,425,667	1.70%
2030	1,166,590	217,806	123,212	31,007	1,538,615	1.54%

Source: UNM BBER

Joshua Cannon & Associates, Inc.

The preceding forecast estimates growth approaching three percent per year through 2015 and spread among all four counties. The growth projections appear to be aggressive given the more recent economic forecasts for the metro area, but this is to be determined.

Another population forecast is made by the Mid-Region Council of Governments, which is a governmental agency that provides planning and other services in support of community and regional development, including employment growth, infrastructure planning and development, and resource management. Every four years MRCOG publishes a comprehensive socioeconomic forecast for the four-county area of Bernalillo, Sandoval, Torrance and Valencia, as well as southern Santa Fe County. MRCOG divides the plan area into Data Analysis Subzones (DASZ), which are small units of geography that are compatible with MRCOG's transportation model. The datasets are created by MRCOG to project future travel demand in the region, as well as land use planning, economic development and so on. DASZs are generally bounded by major roads and other physical features, and subdivisions of Census Tracts.

MRCOG published the *2030 Metropolitan Transportation Plan for the Albuquerque Metropolitan Planning Area* on April 26, 2007. This plan projects growth in population, employment, housing units and school enrollment for the plan area, as well as at the county and DASZ level. The forecast is from 2004 to the year 2030. According to MRCOG, resource data for the forecast includes the Bureau of Business and Economic Research, the US Census Bureau, the NM Department of Workforce Solutions, aerial photography, building permits, approved and pending real estate developments, interviews with major developers, land inventory and infrastructure availability.

The MRCOG population forecast for the Albuquerque Metropolitan Area is shown below.

Albuquerque MSA Projected Population – 2007 Estimate

	Projected Population				
Year	*Bernalillo County*	*Sandoval County*	*Valencia County*	*Torrance County*	*Total (Alb. MSA)*
2004	602,413	102,462	69,754	17,695	792,324
2030	759,000	197,182	128,922	27,479	1,112,583
Total Growth	156,587	94,720	59,168	9,784	320,259
Annual Growth Rate	0.89%	2.55%	2.39%	1.71%	1.31%

Source: MRCOG

Joshua Cannon & Associates, Inc.

The population forecast by MRCOG is more conservative that the UNM-BBER estimate in terms of the pace of growth, and it also predicts more of the growth will occur outside of Bernalillo County.

Employment

Albuquerque's economic base is nearly three-fourths trade, services, and government. Federal spending is a significant factor in the local economy, given the influence of Kirtland Air Force Base and Sandia National Laboratories, a major federal contractor in research and development of energy, weapons, and space exploration.

In recent years the average annual job growth has fluctuated from -1.36% to over 4% in the metropolitan area. The New Mexico Department of Workforce Solutions report the Albuquerque metro area gained approximately 2,000 jobs in 2008. Increases were mainly in transportation, warehousing & utilities, retail trade, information, education & health services, government, and leisure & hospitality. Manufacturing experienced a decline due to the layoffs at Intel, and construction also slipped.

The following table shows growth in the number of persons employed in the Albuquerque Metropolitan Statistical Area (MSA), the state of New Mexico, and the United States since 1994. The Albuquerque MSA includes Bernalillo, Sandoval, Valencia and Torrance Counties. (Note that starting in 2004 annual averages for labor force and number employed reflect a new DOL methodology in which workers are counted in the county of residence instead of job location. This may have overstated the growth in employed persons in the MSA for 2004.)

Historical Employment Information (Civilian Labor Force)

	ABQ Metro Area			*New Mexico*			*United States*		
	Number Employed (000's)	*Percent Change*	*Unemployment Rate*	*Number Employed (000's)*	*Percent Change*	*Unemployment Rate*	*Number Employed (000's)*	*Percent Change*	*Unemployment Rate*
1994	319.8	5.68%	4.4%	729.3	4.51%	6.3%	123,060	2.33%	6.1%
1995	328.9	2.85%	4.1%	741.4	1.66%	6.3%	124,900	1.50%	5.6%
1996	326.7	-0.67%	5.4%	733.6	-1.05%	8.1%	126,708	1.45%	5.4%
1997	339.4	3.88%	4.3%	763.3	4.04%	6.2%	129,558	2.25%	4.9%
1998	344.7	1.57%	4.5%	779.7	2.15%	6.2%	129,558	0.00%	4.5%
1999	339.4	-1.54%	3.9%	764.2	-1.99%	5.6%	131,463	1.47%	4.2%
2000	364.1	7.27%	3.3%	811.8	6.23%	5.0%	136,891	4.13%	4.0%
2001	365.8	0.48%	3.3%	818.5	0.83%	5.4%	136,933	0.03%	4.7%
2002	365.7	-0.04%	4.7%	829.8	1.38%	5.4%	136,485	-0.33%	5.8%
2003	368.9	0.88%	5.5%	839.7	1.19%	6.4%	137,736	0.92%	6.0%
2004	374.2	1.44%	5.2%	860.0	2.42%	5.7%	139,252	1.10%	5.5%
2005	380.4	1.66%	4.9%	886.7	3.10%	5.3%	141,730	1.78%	5.1%
2006	392.8	3.26%	4.0%	912.1	2.86%	4.3%	144,427	1.90%	4.6%
2007	392.9	0.04%	3.5%	910.0	-0.23%	3.5%	146,047	1.12%	4.6%
2008	394.9	0.50%	4.3%	919.4	1.04%	4.2%	145,362	-0.47%	5.8%
2009	379.8	-3.82%	7.4%	887.4	-3.48%	7.2%	139,877	-3.77%	9.3%

Source: New Mexico Department of Workforce Solutions and BBER

Joshua Cannon & Associates, Inc.

Total non-agricultural employment by category is summarized below for the Albuquerque MSA.

Employment According to Categories: Albuquerque MSA (Nonagricultural)

	Ann. Avg. 1990	*Ann. Avg. 2000*	*%Δ 1990-00*	*Ann. Avg. 2008*	*Ann. Avg. 2009*	*%Δ 2008-09*
Total Employment	271,400	357,400	31.7%	394,900	379,100	-4.0%
Total Private	216,300	288,400	33.3%	313,600	296,500	-5.5%
Goods Producing	37,600	51,100	35.9%	50,400	42,300	-16.1%
Services Providing	178,700	237,300	32.8%	263,200	254,200	-3.4%
Mining Logging & Const.	14,800	23,600	59.5%	28,300	24,100	-14.8%
Manufacturing	22,800	27,600	21.1%	22,000	18,200	-17.3%
Wholesale Trade	13,200	14,200	7.6%	13,100	11,900	-9.2%
Retail Trade	32,600	41,400	27.0%	44,500	41,700	-6.3%
Transportation, Warehousing & Utilities	8,000	10,700	33.8%	10,700	9,700	-9.3%
Information	6,700	11,100	65.7%	9,400	9,000	-4.3%
Financial Activities	16,800	19,400	15.5%	18,700	18,100	-3.2%
Professional and Business Services	42,400	58,700	38.4%	64,300	60,600	-5.8%
Educational and Health Services	24,200	37,300	54.1%	51,200	53,800	5.1%
Leisure and Hospitality	26,000	33,600	29.2%	38,900	37,600	-3.3%
Other Services	8,900	10,900	22.5%	12,500	11,900	-4.8%
Government	55,100	69,000	25.2%	81,300	82,600	1.6%

Source: New Mexico Department of Workforce Solutions

Joshua Cannon & Associates, Inc.

The Albuquerque MSA is much more of a service economy than a manufacturing economy. Roughly 86% of the economy is attributable to the service sector. Government of all types, at 20%, constitutes the single largest category of jobs. Overall non-farm employment increased in the Albuquerque MSA by 1.0% from 2006 to 2007.

As described above, the University of New Mexico Bureau of Business and Economic Research (UNM BBER) is regarded as the leading research and forecasting entity in New Mexico for population and economic data, and they published a quarterly forecast of economic statistics, including employment. The most recent forecast from Fall 2010 is shown on the following page.

UNIVERSITY OF NEW MEXICO
BUREAU OF BUSINESS AND ECONOMIC RESEARCH

SUPPLEMENT To **The FOR-UNM Bulletin**, FALL 2010

Prepared for

JOSHUA CANNON & ASSOCIATES, INC.

ALBUQUERQUE MSA	2008	2009	2010	2011	2012	2013	2014	2015
Total Nonagricultural Emp.	394.858	379.083	373.701	376.838	383.518	390.060	395.803	401.155
% Change Year Ago	-0.2	-4.0	-1.4	0.8	1.8	1.7	1.5	1.4
Logging, Mining and Construction Employment	28.333	24.108	21.915	21.878	22.360	23.042	23.713	24.247
% Change Year Ago	-7.0	-14.9	-9.1	-0.2	2.2	3.1	2.9	2.3
Manufacturing Employment	22.042	18.192	17.339	17.625	18.298	18.792	18.875	18.864
% Change Year Ago	-6.9	-17.5	-4.7	1.6	3.8	2.7	0.4	-0.1
Wholesale Trade Employment	13.050	11.917	12.047	12.084	12.281	12.474	12.584	12.683
% Change Year Ago	-2.2	-8.7	1.1	0.3	1.6	1.6	0.9	0.8
Retail Trade Employment	44.542	41.725	40.677	40.492	41.254	42.205	42.748	43.172
% Change Year Ago	-0.2	-6.3	-2.5	-0.5	1.9	2.3	1.3	1.0
Transportation, Warehousing and Utilities Employment	10.692	9.658	9.288	9.471	9.738	9.930	10.044	10.148
% Change Year Ago	-1.9	-9.7	-3.8	2.0	2.8	2.0	1.1	1.0
Information Employment	9.350	8.975	8.677	8.795	9.016	9.239	9.417	9.721
% Change Year Ago	1.8	-4.0	-3.3	1.4	2.5	2.5	1.9	3.2
Financial Activities Employment	18.708	18.050	17.803	17.758	17.918	17.999	18.029	17.986
% Change Year Ago	-2.5	-3.5	-1.4	-0.3	0.9	0.5	0.2	-0.2
Professional and Business Services Employment	64.342	60.642	58.257	59.590	61.231	62.869	64.627	66.226
% Change Year Ago	0.1	-5.8	-3.9	2.3	2.8	2.7	2.8	2.5
Educational Services, Health Care and Social Assistance Employment	51.200	53.750	54.950	56.416	58.008	58.969	60.238	61.699
% Change Year Ago	4.4	5.0	2.2	2.7	2.8	1.7	2.2	2.4
Leisure and Hospitality Employment	38.900	37.608	37.372	37.236	37.608	38.247	38.615	38.835
% Change Year Ago	-1.4	-3.3	-0.6	-0.4	1.0	1.7	1.0	0.6
Other Services Employment	12.450	11.900	11.815	11.865	11.886	11.903	11.930	11.924
% Change Year Ago	2.1	-4.4	-0.7	0.4	0.2	0.1	0.2	-0.1
Total Govt. Employment	81.250	82.558	83.560	83.627	83.921	84.395	84.990	85.657
% Change Year Ago	2.2	1.6	1.2	0.1	0.4	0.6	0.7	0.8
City of Albuquerque Total Housing Units	1.008	0.919	0.979	1.578	1.938	2.404	2.722	2.828
% Change Year Ago	-64.2	-8.8	6.6	61.1	22.8	24.1	13.2	3.9
City of Albuquerque Single-Family Units	0.659	0.654	0.695	1.064	1.324	1.658	1.958	2.014
% Change Year Ago	-68.4	-0.8	6.2	53.1	24.4	25.3	18.1	2.8
City of Albuquerque Multi-Family Units	0.349	0.265	0.285	0.514	0.614	0.746	0.763	0.814
% Change Year Ago	-52.2	-24.1	7.4	80.6	19.4	21.5	2.3	6.7

ALL FIGURES IN THOUSANDS

Source: UNM BBER

As shown above, the Albuquerque MSA had negative 0.2% employment growth in 2008, and negative 4.0% in 2009. Negative employment growth is forecast to occur in 2010 and then return to positive levels in 2011–2015. As with the United States economy, the pace of recovery is forecast to be moderate.

Following are some bullet points from the most recent Fall 2010 UNM BBER forecast.

- The pace of economic expansion in the Albuquerque MSA improved somewhat during the second quarter of 2010, posting a 1.3 percent decline, up from -2.1 percent in the first quarter. Albuquerque MSA personal income growth fell to only an estimated 1.6 percent in the second quarter. The second

quarter unemployment rate, non-seasonally adjusted, was 8.5 percent. The Albuquerque MSA economy lost 4,933 jobs (net) during the second quarter compared to a year earlier, fewer than the 8,133 jobs lost during the first quarter.

- Only three of the twelve employment sectors showed a net increase in jobs, government, educational services & health care, and wholesale trade. Government sector employment rose by 1,800 (2.2 percent), mostly in the federal sector (1,533), although state government added a few (267) jobs. The federal sector jobs were part of the 2010 Census and also with the US Forest Service. Health care employment was the next largest gainer, posting a net increase of 1,133 (2.1 percent). The third and final sector exhibiting positive growth was wholesale trade (400 jobs).

- The construction sector remains embattled, shedding another 2,433 jobs. Housing in the city of Albuquerque posted a small gain during the second quarter, up 7.2 percent, and in fact has posted gains in each of the last four quarters, but the number of units have not been large. Rio Rancho housing permits were down 31.9 percent in the second quarter. The total dollar value of construction contracts awarded during the second quarter was 28.1 percent below a year ago. Residential contracts were up 33.8 percent, but nonresidential contracts were off 61.3 percent, and non-building contracts dropped 29.7 percent.

- Employment in the professional and business services was 2,167 below a year ago (-3.6 percent) The losses included a host of temp jobs and the closing of the Sento, Inc. call center. Also included was a large layoff at the Lockheed Martin call center in Albuquerque. The only other sector to drop more than 1,000 jobs was retail trade (-1,067 jobs, -2.6 percent), although manufacturing came close (-800 jobs, -4.4 percent). The manufacturing losses included layoffs at Emcore and Aero Mechanical Industries, among others, and the closings of the Sparton microchip and Solo Cup plants. Each of the remaining sectors lost between 300 and 600 jobs, except for other services, which was down 167.

- The recession is now expected to continue through the end of 2010, with recovery commencing in 2011 and reaching full stride by the second half of 2012. Nonfarm employment growth will post a drop of 1.4 percent this year, followed by gains of 0.8 percent next year and 1.8 percent in 2012. Growth will slow gently thereafter, reaching 1.4 percent in 2015. Personal income growth will increase from 1.7 percent this year to 3.1 percent in 2011, and will show a pattern of increasing growth through 2015. The unemployment rate, on the other hand, will exhibit a pattern of annual declines, from a peak of 8.7 percent in 2010 to 7.0 percent in 2015.

- Employment strength during the forecast period will come from numerous sources as the recovery unfolds. The educational services and health care sector will continue to be a significant source of new jobs. Employment is expected to increase by 2.2 percent in 2010, and then climb to 2.7 percent and 2.8 percent in 2011 and 2012, respectively, as Presbyterian Health Systems opens a new full-service hospital in Rio Rancho. Professional and business services will also provide a substantial boost, with an employment gain of 2.3 percent in 2011, and gains in excess of 2.5 percent each year thereafter. Growth in 2010 will be a negative 3.9 percent, with the closing of the Convergys call center and the loss of 677 jobs. The strength will come from continued hiring at Fidelity Investments and the opening of the Hewlett-Packard call center in Rio Rancho, which promises as many as 1,350 jobs during its first year of operation. In addition, the temp workforce will begin to swell as the recovery unfolds.

- Following an employment decline of 4.7 percent this year as General Electric Aviation closes its jet engine components plant, the long-suffering manufacturing sector will see the light at the end of the tunnel. Manufacturing employment is expected to enjoy gains of 1.6 percent next year, 3.8 percent in 2012, and 2.7 percent in 2013, and remain flat thereafter. New jobs will be appearing at Intel, General Mills, Applied Technology Associates, and Solar Distinction. The construction sector is also expected to return to growth mode, but not until 2012. Beginning in that year, construction employment will average upwards of 2.5 percent annually through 2015. Housing is expected to begin a comeback this year, but will not get untracked until 2011, and enjoy moderate growth thereafter.

- A major source of jobs in the past, the government sector will see little employment growth through the forecast period, averaging about a half-percent annually. State and local government employment

will enjoy only minimal gains in the near term, with more moderate advances in the out years. A gain of 7.7 percent in federal government this year reflects Census 2010 and US Forest Service hiring, but employment will sink back down next year as hundreds of Census 2010 workers are released.

Real Estate Markets

The following table summarizes vacancy by market sector from year-end 1986 to Third Quarter 2009. Commercial real estate in Albuquerque is experiencing sharp increases in vacancy in all sectors. This is due to the recession, including a very slow housing market and a decline in retail spending. The rise in retail vacancy is primarily due to large store closings, and the industrial vacancy is also heavily impacted by retailers, as well as building materials. Most market participants expect vacancies to continue to rise somewhat.

Real Estate Market Sector Vacancy: Year-end 1986–2009

Year	*Retail Market*	*Office Market*	*Industrial Market*	*Apartment Market*
1986	7.8%	20.9%	8.3%	13.2%
1987	10.4%	19.5%	8.4%	12.4%
1988	11.1%	19.3%	8.4%	11.0%
1989	14.1%	21.1%	8.0%	7.5%
1990	15.5%	22.4%	6.7%	7.2%
1991	15.1%	19.9%	5.5%	3.8%
1992	12.1%	17.6%	4.6%	3.3%
1993	10.1%	13.5%	5.2%	3.0%
1994	6.3%	10.9%	4.3%	3.1%
1995	5.4%	11.4%	4.0%	7.5%
1996	7.5%	10.7%	4.3%	8.5%
1997	8.1%	11.8%	3.8%	9.9%
1998	6.1%	13.3%	3.3%	11.6%
1999	6.4%	14.0%	3.1%	9.8%
2000	6.7%	12.7%	4.3%	7.5%
2001	10.5%	13.3%	3.2%	6.95%
2002	10.4%	14.2%	6.1%	10.0%
2003	10.3%	17.3%	8.1%	10.0%
2004	9.1%	13.4%	6.5%	5.8%
2005	8.8%	12.4%	10.5%	5.7%
2006	8.4%	13.4%	6.5%	7.1%
2007	8.0%	10.8%	5.9%	4.8%
2008	9.4%	13.1%	7.5%	7.3%
2009	10.8%	16.0%	9.3%	6.1%

Sources:CB Commercial and Grubb & Ellis New Mexico: Retail, Office and Industrial
Apartment Association of New Mexico

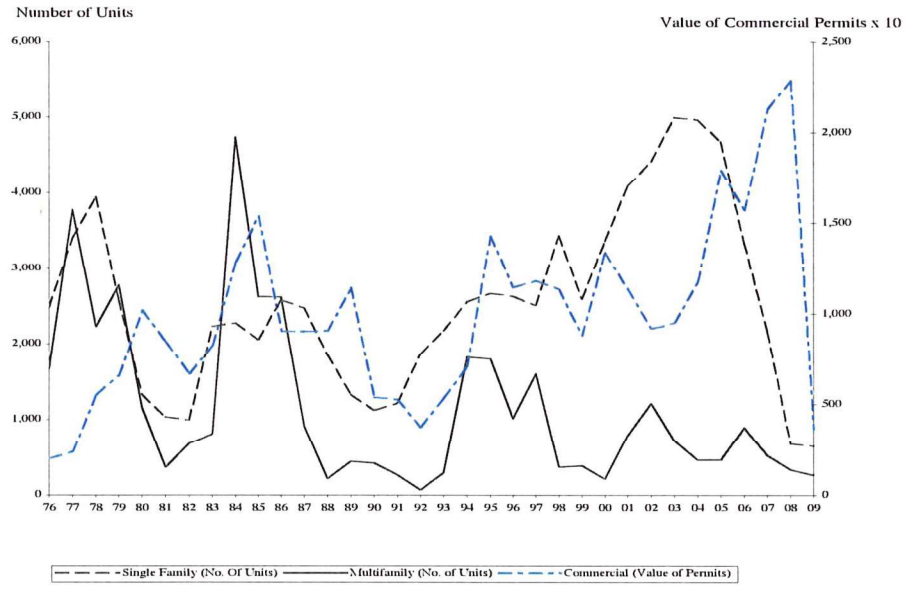
Joshua Cannon & Associates, Inc.

The behavior of Albuquerque's real estate markets over the long term is shown in the following graph, which covers the period from 1976 to 2009.

City of Albuquerque Construction Permits: 1976–2009

	Single Family		*Multi Family*		*Commercial*	
	No. of Units	*Value**	*No. of Units*	*Value**	*No. of Pmts.*	*Value**
1976	2,490	$95.90	1,680	$19.32	173	$19.99
1977	3,406	$128.46	3,768	$50.86	171	$23.79
1978	3,941	$155.53	2,231	$35.91	200	$55.25
1979	2,579	$120.34	2,771	$50.24	239	$65.97
1980	1,328	$72.90	1,158	$22.75	151	$101.78
1981	1,033	$58.93	362	$7.83	141	$84.43
1982	989	$57.12	682	$11.57	122	$66.67
1983	2,231	$136.71	811	$17.56	179	$82.76
1984	2,275	$177.94	4,729	$107.26	211	$128.68
1985	2,054	$136.26	2,623	$61.62	394	$153.87
1986	2,583	$183.94	2,617	$50.34	228	$90.30
1987	2,475	$180.40	912	$27.26	176	$90.11
1988	1,853	$141.91	214	$4.79	142	$90.56
1989	1,327	$109.90	443	$15.39	108	$114.16
1990	1,122	$98.56	421	$17.80	80	$53.82
1991	1,217	$114.86	265	$12.13	71	$52.62
1992	1,868	$176.62	66	$2.64	52	$37.27
1993	2,176	$205.55	294	$9.11	82	$53.34
1994	2,557	$249.93	1,823	$81.18	106	$70.57
1995	2,667	$247.17	1,801	$78.55	119	$142.95
1996	2,629	$256.01	1,013	$43.60	132	$114.34
1997	2,510	$243.34	1,601	$43.53	118	$118.16
1998	3,434	$215.39	367	$12.98	129	$113.53
1999	2,593	$340.44	390	$18.14	102	$88.00
2000	3,363	$318.34	210	$10.51	122	$133.83
2001	4,087	$385.60	792	$36.50	119	$113.62
2002	4,413	$449.49	1,212	$50.57	102	$91.74
2003	4,996	$553.32	720	$46.05	112	$95.00
2004	4,964	$628.72	465	$24.64	115	$117.47
2005	4,676	$740.48	465	$24.83	145	$179.15
2006	3,334	$586.13	893	$83.43	119	$156.95
2007	2,158	$363.37	522	$42.60	130	$212.95
2008	682	$110.72	334	$26.14	80	$228.79
2009	645	$100.61	262	$25.12	46	$36.42

• Value in millions of dollars



The single-family housing market's new construction for the metropolitan area peaked in 2005 after an unprecedented, sustained building cycle that began in 1991. Single-family building permits in the metro area (Bernalillo, Sandoval & Valencia Counties) totaled 8,818 in 2005. New single-family permits for the metro area declined to 1,874 in 2008 and 1,669 in 2009. Permits are predicted to begin to increase in 2010.

For apartment construction, the city's previous cycle peaked in 1994 and 1995 with approximately 1,800 apartment units permitted in each of those years. Most of that new construction was upper-end projects and was split almost evenly between the Far Northeast Heights and the West Side. Since 1996, much of the new multifamily development has been either condominiums or affordable apartments financed with Low Income Housing Tax Credits.

Conclusions regarding the real estate markets are that: 1) single-family residential construction was exceptionally strong from 2001 through 2005, then declined into 2009 by significant amounts; 2) apartment construction has had an erratic building pattern for several years and no significant upturn is predicted through 2011; 3) commercial construction was strong in 2005–2008, and then plummeted in 2009 to its lowest level since 1977.

Summary

The Albuquerque metro area has averaged employment growth of approximately two percent per year since the 1960s and the long-term projection is slightly lower than this rate. Among the distinguishing characteristics of the metro area's overall economy are: 1) its role as a statewide center for trade, transportation, and services; 2) an increasing local diversification in manufacturing and distribution; 3) in-migration of regional and national business interests; 4) a significant economic component from federal government employment and contracting; and 5) a high quality of life. Like the national economy, the metro area is currently within a recession and job growth was negative in 2009. Metro area job growth in 2010 is forecast to be slightly negative, and then turn positive in 2011.

With the limited supply of remaining developable land in the historically popular northeast quadrant, the primary growth areas of the metro area have been to the west. In the future, growth will also move south with the opening of Mesa del Sol and the continued development in Los Lunas. The northeast quadrant is expected to remain a desirable residential and commercial area of the city due to the quality of existing infrastructure and improvements, as well as its proximity to employment centers and the Sandia Mountains.

Neighborhood Profile

The subject neighborhood is a geographically small area covering approximately one- and one-half square miles in Albuquerque's southeast quadrant. The boundaries are Interstate 25 on the west, Coal Avenue on the north, Yale Boulevard on the east, and Gibson Boulevard on the south. Gibson Boulevard and the Interstate form clearly defined physical boundaries, while the other boundaries delineate approximate transition areas into neighborhoods that are more predominantly developed with residential improvements.

Lands within the subject neighborhood are about seventy percent developed. Commercial, apartments and institutional uses are located on major arterials, with mostly single-family homes and apartments recessed on local streets. A majority of the vacant land is located at the south and west portions of the neighborhood, including the western portion of Sunshine Terrace Subdivision.

Commercial and Institutional Development

A notable influence on this neighborhood is its proximity to the airport, Kirtland Air Force Base and Sandia National Laboratories. Albuquerque International Airport, located south of Gibson Boulevard, is the only commercial passenger airport in the region. Kirtland AFB and Sandia Labs are located to the east of the airport.

Improvements owned by or related to the University of New Mexico are the major influence in the neighborhood. The Science and Technology Park (S&TP) at the University of New Mexico is located at the northwest quadrant of Avenida Cesar Chavez and University Boulevard. This park was originated in 1965 by

UNM on 26 acres, and over the past thirty years UNM has acquired additional surrounding land for a total of approximately 150 acres. UNM's primary mission for the park is to lease sites and/or buildings in the promotion of technology transfer between UNM, the national scientific labs and private industry. The conceptual master plan would permit 2,400,000 square feet of space at full build-out, including a hotel, office and research & development. Over 300,000 square feet of good quality office and lab space now exist in the park.

At the southwest quadrant of Avenida Cesar Chavez and University is the UNM Arena, (known locally as "The Pit"), which is used by the UNM basketball program. The Pit has been undergoing a $60 million renovation that will be complete in November 2010. South of the Pit and adjoining the subject subdivision on the north is the UNM baseball & softball complex. At the southeast quadrant is the UNM football stadium, while the northeast quadrant is improved with the Albuquerque Sports Complex, also known as Isotopes Stadium. The Isotopes are the triple A farm club for the Los Angeles Dodgers. North of S&TP along University Boulevard is the Central New Mexico Community College campus (CNM). The main UNM campus is approximately one mile north of the subject at the northeast quadrant of University Boulevard and Central Avenue.

UNM has recently partnered with American Campus Communities (ACC) to develop an 864-bed student housing community on 18.5 acres to the west of the Pit and slightly northwest of the subject land. ACC will lease the land from UNM for a 40-year term and construct all the improvements. The project is expected to be complete in August 2011 and cost $40 million. In addition to the student apartments, the project will include study rooms, computer labs, recreation center and other places for students to socialize. A shuttle bus will transport students to the main campus.

A land ownership map is included in the *Appendix* that shows the various blocks of ownership in the area. The privately held land in the subject subdivision is nearly an island within the UNM ownership to the north and south. The land uses to the north of the subject have been described, while to the south is undeveloped vacant land. UNM has created a conceptual master plan for this southerly area, but specific land uses are not designated on the map. A copy of the master plan map is in the *Appendix*.

Residential Development

Existing residential development is predominantly located in the eastern portion of the neighborhood, or between University Boulevard and Yale Boulevard. Closest to the subject is the portion of Sunshine Terrace Addition located east of University Boulevard, which is comprised of approximately 63 lots on either side of Sunshine Terrace Avenue. These lots are nearly 100% built-out with a mixture of single-family homes, apartments, an elementary school and a church. As described above, a new 864-bed UNM student housing project is under construction slightly northwest of the subject.

Rows of residential blocks are also aligned north-south at the east edge of the neighborhood between Buena Vista Drive and Yale Boulevard. Home and apartment types in this area are similar to Sunshine Terrace in age and price. Finally, approximately 40 acres at the northeast quadrant of University Boulevard and Gibson Boulevard are built up with a mixture of single-family homes, apartments, townhouses and a mobile home park.

Traffic Patterns

The primary north-south arterials in the neighborhood are University, Girard and Yale Boulevards. The primary east-west arteries are Gibson Boulevard, Avenida Cesar Chavez, Coal Avenue and Lead Avenue. Gibson Boulevard is the southernmost east-west arterial in the southeast quadrant of the city. It carries traffic from the Interstate east to the airport, Kirtland, VA Hospital, and Sandia National Labs, all major employers in the city. Avenida Cesar Chavez is classified as a major arterial between I-25 and Yale Boulevard, and carries heavy traffic during larger sporting events at the nearby complexes. Both Gibson and Avenida Cesar Chavez have interchanges with I-25 and provide the subject with convenient freeway access.

Recent weekday traffic counts for major streets in the subject neighborhood are tabled below.

Estimated Daily Traffic Flows in Subject Vicinity: 1992 – 2008

Location	*1992*	*1996*	*2000*	*2004*	*2008*
University Blvd., south of Avenida Cesar Chavez	7,900	7,900	8,500	7,700	6,900
Avenida Cesar Chavez, west of University	18,900	22,500	27,200	21,300	28,400
Gibson Blvd., west of University	42,000	46,300	27,800	37,400	28,100

Source: Middle Rio Grande Council of Governments

Joshua Cannon & Associates, Inc.

Traffic volumes along University Boulevard near the subject have been stable over the past several years, and this is consistent with the area's relatively limited level of new development. Traffic volumes on Gibson Boulevard to the south have declined due to the construction of Sunport Boulevard into the airport.

Conclusion

The subject neighborhood is a stable area with good proximity to many of Albuquerque's major employers, including UNM, Kirtland Air Force Base, CNM, Sandia National Laboratories, the airport, major hospitals and Downtown. Much of the neighborhood, including land immediately surrounding the subject, is owned by UNM and improved with sports facilities or buildings within the Science and Technology Park, or targeted for eventual improvements of this type. Residential improvements are primarily located in the east portion of the neighborhood; however, a new UNM student housing project is under development slightly to the northwest.

Site to do Business Demographic Information

Site to do Business is an integrated market analysis system that combines demographic information, mapping technology and reporting tools for use in appraisal and consulting assignments. The site contains and uses data provided by leading database providers such as ESRI, TeleAtlas, GlobeXplorer and Acxiom.

The Site to do Business data can be presented in drive-time form, and the following chart shows demographic data for one, three and five mile rings around the intersection of University Boulevard and Sunshine Terrace Avenue. The chart shows the subject area to have a higher percentage of renter-occupied households and below average income levels. This is consistent with my inspection of the neighborhood.

StdB Demographic Information – Intersection of University & Sunshine Terrace

Location	*1 Mile Radius*	*3 Mile Radius*	*5 Mile Radius*
2010 Total Population	11,624	80,280	210,185
2010 Median Age	29.7	34.0	34.4
2010 Total Households	4,294	35,394	87,021
2010 Average Household Size	2.68	2.13	2.33
2010 - 2015 Annual Pop. Growth Estimate	1.36%	0.84%	0.91%
2010 Renter Occupied Housing Units	52.4%	52.4%	45.4%
2010 Median Household Income	$30,533	$38,680	$41,547
2010 Per Capita Income	$14,454	$22,553	$21,065

Joshua Cannon & Associates, Inc.

Sunshine Terrace Addition

Sunshine Terrace Addition was originally platted and filed in 1923 as Blocks 1–26 with approximately 150 lots. A replat was performed in 1950 that reconfigured Blocks 2–25 into Blocks A–F. Several replats since 1950, along with the creation of University Boulevard and Interstate 25, have formed the subdivision as it exists today.

Sunshine Terrace Addition is a linear subdivision with an east-west alignment and rows of lots located on either side of Sunshine Terrace Avenue. It has two distinct components that are separated by the north-south alignment of University Boulevard. The first component is approximately 63 lots located east of University Boulevard. These lots front on paved Sunshine Terrace Avenue and are primarily improved with a mix of apartments and single-family homes. Also in this section are a small church, Lowell Elementary School and a few scattered vacant lots. The portion of the subdivision east of University Boulevard is referred to as East Sunshine Terrace Addition for descriptive purposes in this appraisal.

The westerly component of Sunshine Terrace Addition is bordered by the AMAFCA South Diversion Channel on the west and University Boulevard on the east. This area west of University Boulevard is referred to as West Sunshine Terrace Addition in this appraisal. West Sunshine Terrace contains 59 platted lots held by seven ownerships. Sunshine Terrace Avenue west of University Boulevard has been bladed but contains no paving or curbing. A sewer line runs beneath Sunshine Terrace Avenue through the entire subdivision; electrical, natural gas and water lines end at University Boulevard.

Lot owners in West Sunshine Terrace Addition are listed below.

Summary of Lot Owners in West Sunshine Terrace Addition

Owner	*Block*	*Lots*	*Number of Lots Owned*	*Percent of Total Lots*
University of New Mexico	Block 2	Lots 2-6		
	Block 25	Lots 2-6		
	Block B	Lots 1-7, 9-13*		
	Block C	Lots 1-2		
	Block F	Lots 2-3	26	44.07%
John Gutierrez Trusts	Block A	Lots 1, 3, 4 & 9		
	Block B	Lot 8		
	Block F	Lots 1, 4, 5, 7-9		
	Block G	Lots 2-13*		
	Block H	Lot 1	24	40.68%
Claude Sanchez, et. al.	Block A	Lots 6-8	3	5.08%
Estate of Tom DeBlassie	Block A	Lot 2		
	Block F	Lot 10		
	Block G	Lot 1	3	5.08%
Samuel Montoya, et. al.	Block A	Lot 5	1	1.69%
Juan Chavez, et. al.	Block A	Lot 10	1	1.69%
Walter & Cecilia Sanchez	Block F	Lot 6	1	1.69%
Totals			59	100.00%

* The term "Lot 13" in Blocks B and G is used for descriptive purposes only. These lots are actually vacated portions of Sycamore Street.

The University of New Mexico owns 44% of the lots in West Sunshine Terrace Addition and these were acquired by either gift or purchase between 1975 and 1985. The remaining lots are held by six private owners.

The largest private owner is John Gutierrez (actual title is held in three trusts) with 24 lots. Mr. Gutierrez periodically operates a portion of his ownership as a fee parking lot when events are held at the nearby UNM stadiums. The easterly portion of the Gutierrez land has been improved with pole lighting and a water line.

West Sunshine Terrace Addition has varying terrain with a significant amount of fill dirt. The natural slope of the land is downward to the west and south. For roughly the east 900 feet of the subdivision (between University Boulevard and approximately the alignment of Cedar Street), the terrain is fairly level and near the grade of University Boulevard. From this point, the terrain has a moderate downward slope to the west with an overall grade change of about five feet. Portions of this western area appear to have fill dirt to an estimated depth of approximately 20 feet. This dirt has apparently been placed on the land by local earth moving contractors at the request of John Gutierrez.

As stated above, the only utility in Sunshine Terrace Avenue is an 8-inch concrete pipe sewer line. Natural gas, water and electric lines are in place at University Boulevard and could be extended through the subdivision.

The Improvement of West Sunshine Terrace Avenue

The subject land lacks paved street frontage and all utilities except sewer. Without this infrastructure, the land probably cannot be developed with typical improvements. The logical method of creating developable parcels of land is to pave West Sunshine Terrace Avenue and install the needed utilities. In that the subject is a portion of 59 total lots, the ideal method of paying for these improvements is via a joint effort among all or a large portion of the lot owners.

Improvement District

A common method of installing these types of improvements is via an "Improvement District." This is also commonly known as a "Special Assessment District" or S.A.D. An improvement district is essentially a government-driven means of installing infrastructure, and then assessing all beneficiaries of the infrastructure a pro rata amount sufficient to cover the cost. Legal counsel for the University of New Mexico in a prior assignment provided me with the following language on improvement districts. (For clarity, I have edited from the language references to specific statutes.)

> The New Mexico Statutes provide for improvement districts. Whenever the governing body of a municipality determines that the creation of an improvement district is necessary, the governing body may create an improvement district by the (1) provisional order method or (2) petition method.
>
> The provisional order method is one by which the initiative is taken by the governing body.
>
> The petition method is one by which the owners of 66.67% or more of the total assessed valuation of the property to be benefited, exclusive of any land owned by the United States or the State of New Mexico, petition in writing the governing body to create an improvement district and construct the improvements described in the petition. If such a petition is presented, the governing body may create the improvement district and otherwise proceed in accordance with the improvement district statutory provisions.

Counsel went on to provide the following information.

> If an improvement district were created, the statute appears to provide for an assessment of UNM property. The improvement district includes, for the purpose of assessment, all the property which the governing body determines is benefited by the improvement(s) ...including property utilized for public, governmental, charitable or religious purposes, except the United States or any agency, instrumentality or corporation thereof, in the absence of a consent of Congress.
>
> There are provisions allowing any owner of a tract or parcel of land to be assessed to contest (1) the proposed assessment, (2) the regularity of the proceedings relating to the improvement, (3) the benefits of the improvements, or (4) any other matter relating to the improvement district.

The most probable method of initiating an improvement district in this instance would be the petition method. Importantly, the statute requires a two-thirds majority of the property owners to be benefited to present the petition, and this majority is exclusive of land owned by the United States or the State of New Mexico. There are 59 lots in West Sunshine Terrace Addition, with 26 lots owned by UNM and 33 lots owned by private individuals. UNM is an entity of the State of New Mexico, thus their lots would not be counted in calculating a majority. Based upon my interpretation of the statute, only 22 of the 33 privately owned lots would be required to present the petition (for the sake of this analysis, it is assumed all 33 lots are equal in measuring the "total assessed valuation of the property to be benefited").

Based upon the foregoing information, it is assumed in this appraisal that an improvement district could be created for the lots in Sunshine Terrace Addition located west of University Boulevard. From the standpoint of estimating value for each privately owned lot, this is a reasonable and equitable assumption.

Another alternative is to estimate the value of the lots "as is," assuming the property owners have no means of jointly installing the infrastructure. Under this scenario, the only probable buyer would be the University of New Mexico.

Uncontrolled Fill within the Sunshine Terrace Subdivision

The natural grade of the land in the Sunshine Terrace Addition to the west of University is a downward slope to the west and south. Some of the land in this area has significant undulations due to either its natural terrain, or possibly prior sand and gravel operations. The primary private owner in the subdivision is John Gutierrez, and over the past many years he has apparently allowed the construction and trucking industry to place fill dirt on the land. Most of this fill has occurred on the Gutierrez land, but it has also been placed on some of the other ownerships, including the subject property. The fill has occurred in Sunshine Terrace Addition and not on the adjoining UNM land to the south. This manner of filling has created a slope along the south boundary of the subdivision and this allows for the observation of both the general depth of the fill, as well as the type of fill material. Photographs of this slope are in the *Appendix*. The grade difference created by the fill is generally higher at the western portion of the subdivision due to the natural grade of the land. The slope appears to be about 20 feet at its highest point, and various rubble and debris are visible in the exposed fill. According to engineering and soil testing at the property over the past five years, this is classified as "uncontrolled fill" and is not suitable for construction without remediation. The remediation process involves removing the fill, screening out rubble and debris, and then re-compacting the clean fill.

Bohannan Huston, Inc. Report on Infrastructure Construction and Earthwork

The engineering firm of Bohannan Huston, Inc. was engaged by the University of New Mexico to estimate the cost of (1) installing the roadway/utility infrastructure in Sunshine Terrace Avenue, (2) the cost of remediating the uncontrolled fill to construct the roadway, and (3) the cost of remediating the uncontrolled fill within the fee simple area of the subject lot. Bohannan Huston, Inc. provided their analysis and estimates in a written report and a copy is included in the *Appendix* of this appraisal.

Infrastructure Cost Estimate

The type of street to be installed is assumed to be similar to Sunshine Terrace Avenue to the east of University Boulevard. The street design has a curb-to-curb width of 32 feet with an asphalt paved roadway, and a concrete gutter, curb and sidewalk on each side. Other required items include lines for water, electricity and natural gas (sewer is already in-place), utility connections, street lights, fire hydrants, storm drainage, and professional design fees. An added cost for this property is dealing with the uncontrolled fill that has been placed on the land. This fill will have to be excavated, screened for debris and re-compacted.

The Bohannan Huston, Inc. engineering firm estimates the cost to install the street and other utility infrastructure (excluding roadway earthwork costs due to uncontrolled fill) is $18,325 per lot. The subject contains one lot, thus the estimate for the subject is $18,325. The subject has a total land area of 7,492 square feet, thus the infrastructure cost estimate equals $2.45 per square foot.

The estimate to remediate uncontrolled fill to construct the road varies by lot and is shown in a following chart. The variance in the estimate is based upon the depth of the fill within in the right-of-way at the frontage of each lot.

Bohannan Huston Inc. Estimate of Roadway Earthwork Cost per Lot

Owner	*Block*	*Lot*	*Roadway Earthwork Cost per Lot*	*Land in SF*	*Roadway Earthwork Cost per SF*
Walter & Cecilia Sanchez	Block F	6	$5,973	7,492	$0.80

Earthwork Cost Estimate for the Uncontrolled Fill

The majority of the land in the Sunshine Terrace Subdivision to the west of University Boulevard has been leveled with uncontrolled fill. According to the Bohannan Huston, Inc. report, land with this type of fill cannot be developed without remediation, which involves removing the uncontrolled fill, screening out rubble and debris, and re-depositing the clean fill with the proper compaction. The cost estimate to perform this task on the subject lots is summarized as follows.

Bohannan Huston Inc. Estimate of Earthwork Cost per Lot due to Uncontrolled Fill

Owner	*Block*	*Lot*	*Avg. Fill Depth in Feet*	*Earthwork Cost per Lot*	*Land in SF*	*Earthwork Cost per SF*
Walter & Cecilia Sanchez	Block F	6	8.1	$13,091	7,492	$1.75

As shown above, the estimated cost to remediate the uncontrolled fill within the boundaries of the subject land is $13,091, or $1.75 per square foot.

Subject Property Description

Size and Shape

The subject lot is rectangular in shape with 60 feet of frontage on Sunshine Terrace Avenue and a depth of ±124.9 feet. Total area according to the survey is 7,492 square feet.

Access

Access is via Sunshine Terrace Avenue, a two-lane gravel street with a dedicated right-of-way of 60 feet. Sunshine Terrace Avenue intersects with University Boulevard approximately 1,200 feet east of the subject property.

Topography and Drainage

This lot has been filled and leveled and is roughly at road grade. The terrain drops sharply away at the south boundary and the estimated drop to the adjoining property is approximately 15 feet.

Utilities and Services

According to Albuquerque Public Works Department, an 8-inch concrete sewer line runs the entire length of Sunshine Terrace Avenue. Water, natural gas and electricity are available at the intersection of Sunshine Terrace Avenue and University Boulevard, but have not been extended along the right-of-way.

Soils and Subsoil Conditions

Soil and subsoil conditions for this property are discussed in the preceding section of this appraisal.

Easements

No easements are shown to exist on the recorded plat of Sunshine Terrace Addition.

Zoning

The subject is within the city limits of Albuquerque and zoned R-1, Residential Zone. According to the city zoning code, this zone provides suitable sites for houses and uses incidental thereto in the Established and Central Urban areas. Permitted uses include one house per lot, and various accessory uses such as a non-commercial garage, family day care and limited home occupations.

There are 59 lots in West Sunshine Terrace Addition and 34 are zoned R-1. Of the remaining lots, 21 are zoned R-3 and four are zoned R-2. R-3 is the city's most intense residential zone and allows apartment development up to 30 dwelling units per acre. A notable requirement of R-3 zoning is a minimum lot width and depth of 150 feet. The subject does not comply with this size requirement.

Given the multifamily re-zoning that has already occurred, it is assumed in this appraisal that the subject lot could be re-zoned for apartment use. Specifically, this valuation incorporates the assumption that the subject could be zoned R-2, Residential Zone. This district requires a minimum lot size of 6,000 square feet, and a minimum width of 60 feet. Maximum development density is 30 units per acre, up to a floor area ratio of 0.50 (building area equals one-half land area). Minimum setbacks are 15 feet at front and rear, and five feet at sides. Parking requirements are one space per bath, but not less than one- and one-half spaces per unit.

Note that land to the east of the subject property in the Sunshine Terrace Addition is periodically used as a fee parking lot. This is not a permitted use under the R-1, R-2 or R-3 zones.

Declaration of Building Restrictions

A Declaration of Building Restrictions was filed with the recording of the Sunshine Terrace plat in 1950. The document states the restrictions will be binding until September 1, 1976, at which time they will be automatically extended for successive periods of ten years unless changed by a vote of the majority of the lot owners. The primary function of the document is to restrict development to one detached single-family dwelling per lot.

The restrictions encompass all the lots within Sunshine Terrace Addition, including those east of University Boulevard. Given that various lots east of University have been improved with apartments, a church and a school, it is assumed that the restrictions have been effectively voided by a majority of the lot owners.

Single-Family Residential Market Study

The zoning of the subject land will allow either single-family or apartment development. Following is an overview of single-family residential market conditions in the metro area.

Multiple Listing Service Statistics

Albuquerque residential real estate experienced one of the best periods in the city's history through 2006, with both existing home sales and new home construction setting new records. Prices experienced steady increases in most parts of the market area and some localized areas posted dramatic price increases. The price increases in the mid-2000s were the result of traditional demand factors magnified by low mortgage interest rates and investor speculation along with the expanded use of aggressive mortgage programs. Along with the rest of the United States, the Albuquerque metro area went into recession in 2008 and house prices began to decline.

The following chart shows average annual prices in the Albuquerque MSA for homes sold through MLS. For the 20-year period from 1983–2003, the highest annual appreciation rate was 9.38% in 1993, and the next highest year was 7.05% in 1994. This compares to annual appreciation rates of 9.47%, 12.06% and 11.81% for 2004–2006. Appreciation in 2007 was an above-average 6.31%, but then fell to minus 4.30% in 2008 and minus 7.72% in 2009.

MLS Average Residential Home Sale Price 1983–2009

Year	*Average Price*	*Change in Avg. Price From Previous Year*	*Change in % From Previous Year*
1983	$76,900	$3,400	4.62%
1984	$81,200	$4,300	5.59%
1985	$85,700	$4,500	5.54%
1986	$91,500	$5,800	6.77%
1987	$97,000	$5,500	6.01%
1988	$95,000	($2,000)	-2.06%
1989	$96,600	$1,600	1.68%
1990	$99,600	$3,000	3.11%
1991	$102,700	$3,100	3.11%
1992	$107,700	$5,000	4.87%
1993	$117,800	$10,100	9.38%
1994	$126,100	$8,300	7.05%
1995	$134,200	$8,100	6.42%
1996	$138,653	$4,453	3.32%
1997	$144,871	$6,218	4.48%
1998	$147,720	$2,849	1.97%
1999	$150,264	$2,544	1.72%
2000	$150,023	($241)	-0.16%
2001	$152,399	$2,376	1.58%
2002	$158,717	$6,318	4.15%
2003	$166,703	$7,986	5.03%
2004	$182,490	$15,787	9.47%
2005	$204,502	$22,012	12.06%
2006	$228,663	$24,161	11.81%
2007	$243,089	$14,426	6.31%
2008	$232,626	-$10,463	-4.30%
2009	$214,662	-$17,964	-7.72%

The Albuquerque Board of Realtors divides the metropolitan area into numbered "Areas" for multiple listing service reporting purposes, which allows statistical analysis for sales and listings by defined submarkets.

The following chart shows MLS sale prices ranked by Areas for single-family homes. This chart is useful in showing pricing for the various submarkets. The data is from year-end 2006 to 2009. The Areas are ranked on the chart from highest to lowest 2009 average sale price. The subject property is in MLS area 42.

Average Sale Prices by MLS Area for Existing Detached Single-Family Homes

Area #	Area	2006 # Sales	2006 Avg. Price	2007 # Sales	2007 Avg. Price	2008 # Sales	2008 Avg. Price	2009 # Sales	2009 Avg. Price	% Change from 2007
20	North Alb. Acres	131	$616,766	119	$651,313	92	$648,729	83	$587,378	-9.82%
31	Foothills North	99	$553,115	121	$569,952	75	$508,822	74	$502,596	-11.82%
130	Corrales	121	$504,745	83	$509,642	69	$546,388	70	$466,260	-8.51%
10	Sandia Heights	83	$516,208	71	$492,808	42	$451,618	54	$465,115	-5.62%
180	Placitas	99	$522,433	92	$510,843	78	$477,840	58	$462,551	-9.45%
103	West River Valley	21	$366,000	29	$435,990	20	$458,725	15	$389,747	-10.61%
60	Four Hills	78	$345,731	76	$359,669	55	$318,263	54	$326,452	-9.24%
100	North Valley	218	$361,265	187	$381,215	127	$381,796	127	$324,897	-14.77%
21	Alb. Acres West	248	$350,358	222	$388,175	175	$357,793	174	$303,472	-21.82%
30	Far NE Heights	569	$317,366	515	$323,939	373	$310,850	338	$288,802	-10.85%
51	Foothills South	197	$303,418	166	$318,191	128	$287,067	103	$284,128	-10.71%
102	Far North Valley	26	$429,069	32	$404,765	22	$380,361	17	$278,076	-31.30%
40	UNM	229	$302,291	221	$318,812	186	$282,346	160	$268,484	-15.79%
151	Rio Rancho Mid-Nor.	204	$273,153	189	$273,019	135	$249,728	201	$254,143	-6.91%
210-293	E. Mountain Area	564	$254,003	449	$266,692	342	$267,479	312	$243,950	-8.53%
170	Bernalillo/Algodones	60	$299,703	60	$286,175	45	$295,392	42	$238,054	-16.82%
101	Near North Valley	270	$274,302	204	$276,272	133	$270,158	139	$232,332	-15.90%
121	Paradise East	532	$252,026	406	$243,433	323	$232,725	306	$222,389	-8.64%
32	Academy West	161	$238,414	156	$249,488	129	$235,210	106	$221,229	-11.33%
140	Rio Rancho South	206	$249,080	197	$245,565	198	$239,760	170	$219,958	-10.43%
110	Northwest Heights	626	$227,030	511	$242,406	355	$236,691	367	$219,327	-9.52%
160	Rio Rancho North	409	$228,000	249	$241,518	157	$212,054	176	$215,743	-10.67%
42	UNM South	247	$232,331	198	$257,313	144	$237,063	128	$210,127	-18.34%
80	Downtown	198	$189,509	171	$210,884	113	$221,126	108	$205,377	-2.61%
71	Southeast Heights	193	$180,453	162	$189,249	118	$195,994	123	$185,304	-2.08%
120	Paradise West	770	$205,584	602	$211,040	511	$194,704	446	$183,997	-12.81%
150	Rio Rancho Mid	696	$185,691	535	$190,268	404	$186,832	404	$180,147	-5.32%
41	Uptown	346	$177,471	313	$191,628	244	$179,187	257	$170,078	-11.25%
50	NE Heights	953	$177,218	721	$185,143	600	$180,811	602	$169,948	-8.21%
111	Ladera Heights	600	$181,939	494	$183,759	336	$171,278	376	$164,565	-10.45%
91	Valley Farms	132	$178,692	100	$211,577	57	$179,477	48	$159,119	-24.79%
690-760	Valencia County	833	$174,988	633	$184,671	424	$176,630	435	$158,844	-13.99%
161	Rio Rancho Central	389	$165,667	348	$176,728	219	$163,017	249	$151,390	-14.34%
70	SE Heights	162	$156,400	116	$172,937	105	$171,263	80	$146,044	-15.55%
162	Rio Rancho NW	7	$258,199	1	$150,000	2	$147,500	2	$145,450	-3.03%
141	Rio Rancho SW	11	$150,104	14	$165,661	4	$194,225	2	$139,700	-15.67%
152	Rio Rancho Mid-W.	58	$132,673	40	$132,708	25	$124,634	23	$130,578	-1.61%
92	Southwest Heights	1,176	$139,457	831	$146,557	590	$140,211	598	$128,593	-12.26%
90	Southwest	256	$125,203	215	$137,630	142	$124,950	108	$111,204	-19.20%
93	Pajarito	17	$148,876	17	$148,332	10	$177,630	10	$108,875	-26.60%
112	Canoncito	1	$84,000	0	$0	2	$119,000	0	$0	0.00%
	All Areas	12,196	$228,663	9,866	$243,089	7,309	$232,626	7,145	$214,662	-11.69%

The chart shows the metro area's highest prices to be at the far north and east sections of Albuquerque, which are near the Sandia Mountains. Another higher priced market is the North Valley, which is along the Rio Grande to the north of I-40, and this submarket has a very limited land supply. The chart shows no discernable pattern on price change in relation to price rank.

The subject is in MLS area 42, which is near the center of the ranking for average price. It had an above average price decline of -18.34% from 2007 to 2009, but this is largely a reaction of the strong price increases during the housing boom.

Single Family Building Permits

The following table shows single-family construction volume since 1990 for the Albuquerque Metropolitan Area. This includes Bernalillo County, Sandoval County and Valencia County. The most populated communities in these counties are Albuquerque, Rio Rancho and Los Lunas, respectively. The year 1990 is significant because it was the low point of the previous housing cycle.

Single-Family Permits by Subarea: 1990 – First Half 2010

	City of Albuquerque		*City of Rio Rancho*		*East Mountain Bern. County*		*Remainder Bern. County*		*Village of Los Lunas*		*Remainder Valencia Cty.*		*Combined Total*	
Year	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*
1990	1,127	54.4%	411	19.8%	143	6.9%	192	9.3%	54	2.6%	146	7.0%	2,073	100.0%
1991	1,226	52.3%	605	25.8%	120	5.1%	177	7.6%	69	2.9%	147	6.3%	2,344	100.0%
1992	1,874	57.0%	631	19.2%	176	5.4%	350	10.6%	100	3.0%	157	4.8%	3,288	100.0%
1993	2,165	51.4%	1,043	24.8%	192	4.6%	387	9.2%	145	3.4%	276	6.6%	4,208	100.0%
1994	2,568	54.3%	853	18.0%	292	6.2%	499	10.5%	179	3.8%	341	7.2%	4,732	100.0%
1995	2,670	56.4%	808	17.1%	266	5.6%	397	8.4%	166	3.5%	430	9.1%	4,737	100.0%
1996	2,645	58.4%	735	16.2%	260	5.7%	328	7.2%	180	4.0%	380	8.4%	4,528	100.0%
1997	2,525	60.0%	664	15.8%	132	3.1%	382	9.1%	187	4.4%	315	7.5%	4,205	100.0%
1998	3,519	71.6%	627	12.8%	114	2.3%	231	4.7%	186	3.8%	237	4.8%	4,914	100.0%
1999	3,665	74.8%	510	10.4%	101	2.1%	267	5.5%	143	2.9%	213	4.3%	4,899	100.0%
2000	3,373	74.1%	628	13.8%	95	2.1%	209	4.6%	63	1.4%	184	4.0%	4,552	100.0%
2001	4,158	74.6%	820	14.7%	95	1.7%	232	4.2%	110	2.0%	161	2.9%	5,576	100.0%
2002	4,491	75.4%	835	14.0%	127	2.1%	263	4.4%	114	1.9%	130	2.2%	5,960	100.0%
2003	5,041	73.3%	1,198	17.4%	117	1.7%	321	4.7%	78	1.1%	124	1.8%	6,879	100.0%
2004	5,071	67.8%	1,715	22.9%	125	1.7%	271	3.6%	110	1.5%	186	2.5%	7,478	100.0%
2005	4,851	55.0%	2,920	33.1%	150	1.7%	181	2.1%	496	5.6%	220	2.5%	8,818	100.0%
2006	3,440	51.5%	2,048	30.7%	173	2.6%	218	3.3%	430	6.4%	301	4.5%	6,675	100.0%
2007	2,158	51.2%	1,046	24.8%	118	2.8%	173	4.1%	289	6.9%	251	6.0%	4,216	100.0%
2008	682	36.4%	713	38.0%	72	3.8%	120	6.4%	159	8.5%	128	6.8%	1,874	100.0%
2009	645	38.6%	688	41.2%	50	3.0%	65	3.9%	122	7.3%	99	5.9%	1,669	100.0%
1st H 10	444	51.5%	286	33.2%	12	1.4%	25	2.9%	61	7.1%	34	3.9%	862	100.0%
Total	58,338	61.7%	19,784	20.9%	2,930	3.1%	5,288	5.6%	3,441	3.6%	4,460	4.7%	94,487	100.0%
Avg.	2,846	61.7%	965	20.9%	143	3.1%	258	5.6%	168	3.6%	218	4.7%	4,609	100.0%
1st Half Permits														
YTD 09	225	26.7%	453	53.8%	20	2.4%	35	4.2%	62	7.4%	47	5.6%	842	100.0%
YTD 10	444	51.5%	286	33.2%	12	1.4%	25	2.9%	61	7.1%	34	3.9%	862	100.0%

Source: Home Builders Association of Central New Mexico

Joshua Cannon & Associates, Inc.

The downturn in building permit activity in 2006–2010 for the Albuquerque Metropolitan Area is following the pattern occurring regionally and nationally. The total number of single-family residential permits in the Albuquerque metro area reached an all-time high of 8,818 in 2005, following a lengthy period of build up. Permits hit a low of 1,669 in 2009, versus the previous cyclical low point of 2,073 permits in 1990. Permits in 2010 will likely be similar in number to 2009.

The following chart provides additional submarket detail for the metro area.

Market Share of Single-Family Permits by Sub-area: 1990 – First Half 2010

	Southwest Albuquerque		*Southeast Albuquerque*		*Northeast Albuquerque*		*Northwest Albuquerque*		*City of Rio Rancho*		*Valencia County*		*Total Metropolitan Area*	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1990	62	3.0%	19	0.9%	529	25.5%	523	25.2%	411	19.8%	200	9.6%	2,073	100%
1991	9	0.4%	36	1.5%	663	28.3%	510	21.8%	605	25.8%	216	9.2%	2,344	100%
1992	23	0.7%	28	0.9%	948	28.8%	860	26.2%	631	19.2%	257	7.8%	3,288	100%
1993	33	0.8%	117	2.8%	728	17.2%	1,287	30.4%	1,045	24.6%	421	9.9%	4,240	100%
1994	28	0.6%	250	5.3%	684	14.4%	1,606	33.9%	853	18.0%	520	11.0%	4,740	100%
1995	488	10.3%	193	4.1%	371	07.8%	1,618	34.1%	808	17.0%	596	12.6%	4,741	100%
1996	461	10.2%	176	3.9%	460	10.2%	1,548	34.2%	735	16.2%	560	12.4%	4,528	100%
1997	272	6.5%	94	2.2%	626	14.9%	1,533	36.5%	664	15.8%	502	11.9%	4,205	100%
1998	819	16.9%	86	1.8%	740	15.3%	1,874	38.7%	627	12.9%	423	8.7%	4,844	100%
1999	767	15.9%	289	6.0%	772	16.0%	1,837	38.0%	510	10.5%	356	7.4%	4,836	100%
2000	854	18.8%	208	4.6%	809	17.8%	1,502	33.0%	567	12.5%	247	5.4%	4,552	100%
2001	1,101	19.7%	255	4.6%	778	14.0%	1,986	35.6%	814	14.6%	271	4.9%	5,576	100%
2002	1,075	18.0%	216	3.6%	894	15.0%	2,263	38.0%	901	15.1%	244	4.1%	5,960	100%
2003	1,204	17.5%	132	1.9%	1,189	17.3%	2,470	35.9%	1,198	17.4%	202	2.9%	6,879	100%
2004	1,489	19.9%	261	3.5%	794	10.6%	2,433	32.5%	1,715	22.9%	296	4.0%	7,478	100%
2005	1,371	15.5%	124	1.4%	488	05.5%	2,622	29.7%	2,920	33.1%	716	8.1%	8,818	100%
2006	1,232	18.5%	301	4.5%	240	03.6%	1,667	25.0%	2,048	30.7%	731	11.0%	6,675	100%
2007	796	18.9%	173	4.1%	165	03.9%	1,024	24.3%	1,046	24.8%	540	12.8%	4,216	100%
2008	228	12.2%	75	4.0%	80	04.3%	299	16.0%	713	38.0%	287	15.3%	1,874	100%
2009	121	7.2%	96	5.8%	36	02.2%	392	23.5%	688	41.2%	221	13.2%	1,669	100%
1st H 10	107	12.4%	26	3.0%	69	08.0%	242	28.1%	286	33.2%	95	11.0%	862	100%
Total	12,540	13.3%	3,155	3.3%	12,063	12.8%	30,096	31.9%	19,785	21.0%	7,901	8.4%	94,398	100%

Source: Home Builders Association of Central New Mexico

Joshua Cannon & Associates, Inc.

As shown in the preceding chart, the northwest and southwest quadrants of Albuquerque and the City of Rio Rancho capture the majority of the new permits in the metro area. The subject property is in the southeast sector, which has captured an average of 3.3% of the single-family permits since 1990.

Conclusion

The preceding data shows the Albuquerque Metropolitan housing market in 2003–2006 experienced a period of the highest level of new construction and price increases in recent history. The market is now within a period of correction, with significantly reduced housing permits and reduced prices. The leading economic forecaster for the local market predicts continued soft conditions in 2010, and then a slow recovery beginning 2011.

Multifamily Residential Market Study

The chart below provides a summary of metro area vacancy rates and average rents per square foot since 2000 as published by the New Mexico Apartment Association and CB Richard Ellis. (Starting in 2006, the Apartment Association published its survey sporadically; CB Richard Ellis has now assumed responsibility.) As shown, vacancies were generally below 10% with only a few quarters of higher vacancy in 2002 and 2003. Some of higher rates were attributed to the time of year, as apartments typically have their lowest vacancies in the third quarter of the year and highest vacancies in the fourth quarter. In 2004-2005, the apartment market experienced slightly higher vacancies as low mortgage rates allowed more tenants to buy homes.

The most recent vacancy estimate is 4.2%, which is the lowest level reported over the past ten years. Average rents are at $0.88 per square foot, which is the highest level.

Apartment Occupancies 2000 – September 2010

	Survey Date	*Average % Vacant*	*Avg. Mo. Rent/sf*
2010	September	4.2%	$0.88
	May	5.7%	$0.86
	January	7.1%	$0.85
2009	September	6.8%	$0.86
	May	8.1%	$0.85
	January	9.0%	$0.85
2008	3rd Q	5.3%	$0.86
2007	June	4.8%	$0.80
2006	December	7.1%	$0.79
	June	4.3%	$0.78
2005	December	5.7%	$0.77
	September	6.2%	$0.76
	June	6.8%	$0.76
	March	6.7%	$0.76
2004	December	5.8%	$0.75
	September	4.9%	$0.75
	June	8.5%	$0.75
	March	7.0%	$0.75
2003	December	10.0%	$0.73
	September	7.9%	$0.74
	June	9.1%	$0.74
	March	10.3%	$0.74
2002	December	10.0%	$0.73
	September	5.7%	$0.75
	June	6.0%	$0.74
	March	7.7%	$0.74
2001	December	7.0%	$0.73
	September	6.1%	$0.73
	June	6.4%	$0.73
	March	8.4%	$0.72
2000	December	7.5%	$0.72
	September	6.1%	$0.73
	June	7.8%	$0.72
	March	8.8%	$0.70

Source: Apartment Assoc. of New Mexico (years 1998-2007 and CB Richard Ellis (2008-10)

There are no apartment projects under construction in the metro area, thus statistics will likely continue to improve as the economy strengthens. The CBRE apartment survey divides the metro area into market areas using the same boundaries as the Albuquerque Multiple Listing Service, and the subject property is in MLS Area 42. The statistics for September 2010 survey for MLS Area 42 are as follows.

Statistics from the CBRE Apartment Market Survey for September 2010

MLS Area	*Units Reporting*	*Vacant Units*	*Vacancy*	*Total Sq. Ft.*	*Average Sq. Ft.*	*Average Rent*	*Avg. Rent/ Sq. Ft.*
42	967	28	2.90%	770,482	797	$752	$0.94
Total	38,265	1,602	4.19%	30,933,286	808	$712	$0.88

Source: CB Richard Ellis Multi-Housing Group/Apartment Market Survey Summary May 2010

As shown, the subject area vacancy rate is lower than the metro area and its average rent per square foot is higher. The dominant driver for apartment demand in this area is estimated to be UNM and CNM.

Highest and Best Use

Highest and best use is the most probable and profitable use to which a property might be adapted, based on consideration of alternative legal uses for which the property is physically suited and for which there is a market. The four criteria of highest and best use are (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

Physically Possible. The subject property is one undeveloped lot with a total land area of 7,492 square feet. The subject lot has uncontrolled fill dirt and remediation of this condition will be required for development. Sewer service is within the Sunshine Terrace Avenue right-of-way. A physical drawback to the site is the lack of paved access and the availability of water, electricity, natural gas and storm drainage. As analyzed in a preceding section, it is assumed that needed infrastructure can be installed via an improvement district. Once complete infrastructure is in-place and the uncontrolled fill has been remediated, the only physical constraint on potential development is tract size and shape.

Legally Permissible. The subject is zoned R-1 for single-family residential use. Based upon re-zoning that has occurred in West Sunshine Terrace Addition, it is assumed in this appraisal that R-2 zoning could be achieved. This zoning allows apartment development up to a density of 30 dwelling units per acre and an FAR of 0.50.

Financially Feasible/Maximally Productive. Probable private sector uses that are permitted by zoning are apartment or single-family development. Market conditions for single-family development are currently poor and near-term development is unlikely. Market conditions for apartments are comparatively good and continue to improve. There is limited ongoing development in this sector due to the general economy, but it is likely the metro area will begin to have new apartment units constructed in 2011 or 2012. Based upon market evidence, the highest and best use of the subject land within the private sector is estimated to be for apartment use.

Another probable use for the subject property is incorporation into the campus of the University of New Mexico. The West Sunshine Terrace Addition has an atypical setting in that the University of New Mexico owns most of the surrounding land. To the north of the West Sunshine Terrace Addition are the UNM baseball fields, the basketball arena (the Pit), a new student housing project that is under construction, and vacant land. The vacant land south of West Sunshine Terrace Addition is also owned by UNM and there are no known near term development plans. Interstate 25 adjoins on the west and University Boulevard is on the east. In essence, West Sunshine Terrace Addition is an island of platted residential lots surrounded by institutional ownership. This ownership pattern is shown on the exhibits in the *Appendix*.

Land uses with the UNM ownership are not typically considered to be consistent with the definition of highest and best use because of the feasibility requirement. However, the UNM student housing project under construction to the northwest of the West Sunshine Terrace Addition is structured using a land lease to a private developer. The subject could be purchased by UNM and assembled with other land to create a similar tract that could be leased at a rent level that provides a return to the fee simple land value that would be attractive in the private sector. Also, UNM and CNM have growing student bodies and have purchased numerous sites surrounding their campuses over the past decades. These entities have demonstrated a need for land that is positioned like the subject and have historically paid market based prices. This is similar to the concept that owner-occupied buildings (such as offices or single-family homes) can be the highest and best use of a tract of land because that is the use that will generate the highest sale price, even though the

buildings may not generate sufficient rental income to feasibly support development costs. UNM and CNM do not necessarily pay the highest price for land in this neighborhood, but they have demonstrated themselves to be potential buyers that will pay market prices.

Valuation

The valuation technique used in this appraisal is a sales comparison approach. The first section of the valuation involves an estimate of fair market value assuming Sunshine Terrace Avenue is in-place and all infrastructure required to develop apartments is available. It also assumes all of the uncontrolled fill on the subject property has been remediated. The estimated cost to install the infrastructure and remediate the fill is then deducted to reach a fair market value estimate for the property in its current condition.

The fair market value estimate assuming all infrastructure is in-place is based on a comparison of the subject to properties that have sold. Factors that should be considered in selecting and analyzing comparables are size of tract, topography of land, availability of infrastructure, terms of sale, zoning, location and highest and best use.

The price ratio used in this analysis is sale price per square foot. Although not included as a part of the primary data set, supplemental land sales and listings have been researched and analyzed to provide perspective in considering overall market conditions, price trends and the influence of location.

The primary points of consideration in the valuation of vacant land include the following:

1. Property Rights Conveyed
2. Financing Terms of Sale
3. Conditions of Sale
4. Market Conditions (Date of Sale)
5. Location
6. Physical Characteristics (Size, Terrain & Infrastructure)

Property Rights Conveyed

All of the sales involve the transfer of fee simple title and this component has no influence on the data set. Sale 2 in the data set is actually a long-term land lease and title was permanently conveyed. The price per square foot was calculated using a multiplier of ten times the starting annual land rent, which is the best supported ratio for the Albuquerque metro area.

Financing Terms of Sale

Seller financing was provided in four of the 15 comparable sales (Sales 1, 9, 11 & 13). The seller terms were generally consistent with market terms and no adjustment is required.

Conditions of Sale

This consideration applies to sales involving distressed or unusually motivated buyers or sellers. None of the sales is known to require an adjustment for conditions of sale.

Adjustment for Date of Sale (Time)

The transactions occurred over a time span of September 1997 to May 2010. The 1997 sale is included because it is in the subject subdivision, and 16 of the 17 sales occurred in 2003–2010. There has been limited land sale activity in Albuquerque in 2008–2010 due to the market conditions created by the recession. Many buyers in the current environment seeking to purchase land want distressed prices and owners are not selling at these levels. Most owners plan to simply wait out the recession, unless they are forced to sell due to financial difficulties.

Based upon available data, the pattern of land prices in Albuquerque was on an upward trend through most of 2007, stable in late 2007 and early 2008, declining after the financial crisis in the fall of 2008, and then stabilizing in late 2009 and 2010. This pattern does not apply to all sectors and some land types did not decline in value over the past two years.

The highest and best private sector use of the subject land is apartment development. As previously shown in the *Multifamily Residential Market Study*, apartment statistics for occupancy and market rent are at a cyclical high. This would suggest an increase in land values; however, this has been offset primarily by an increase in overall rates. The value of a typical apartment building has declined since 2008 due to an increase in overall capitalization rates. Current overall rate information is provided by the *Korpacz Real Estate Investor Survey* published by Price, Waterhouse, and Coopers. This well-respected survey identifies performance expectations of institutional real estate investors or investment advisors nationwide. The following table shows investor expectations since 2004 for the national apartment market, and rates in Albuquerque have followed a similar pattern. Calculated at the bottom of the chart is the change in real estate value as a function of the change in the overall rate.

Korpacz RE Investor Overall Rate Survey – National Apartment Market

	3rd Qtr 2010	*4th Qtr 2009*	*4th Qtr 2008*	*4th Qtr 2007*	*4th Qtr 2006*	*4th Qtr 2005*	*4th Qtr 2004*
National Apartment Market							
Average Overall Rate	7.12%	8.03%	6.13%	5.75%	5.97%	6.13%	7.01%
Change in Basis Pts. from 3Q 10	-	-91	99	137	115	99	11
Change in Market Value from 3Q 10*	-	+12.78%	-13.90%	-19.24%	-16.15%	-13.90%	-1.54%

** Market value change due to overall rate change, assuming all other variables are constant*

The chart shows that overall rates hit a low point in 2006–2007, which is also the period of greatest land sale activity. At the current overall rates, an investment property would have a value of about 16%–19% lower than in 2006–2007, all other factors being equal. Given that vacancy and rental rate statistics have improved in Albuquerque over the past two years, it is reasonable to estimate that land values have been roughly flat during this period.

Time adjustments are ideally calculated using paired sales and this is possible with transactions in the included sale data set. The paired sale analysis is as follows. The pairs are ranked on the chart from highest to lowest time adjustment indication.

Paired Sale Time Adjustment Analysis

#	*Acres*	*Date of Sale*	*Zoning*	*Location*	*SP/SF*
12	3.242	12/17/03	UNM	Embedded in CNM campus near University	$3.86
15	4.894	10/25/07	SU-2/O-1	Adjoins CNM campus near Buena Vista	$6.85
				Indicated Annual Time Adjustment:	+16.0%
	Comment: High time adjustment indication because later sale has a superior location.				
n/a	1.586	10/3/05	Commercial	East side of Yale, north of Kathryn	$5.18
16	1.586	10/15/07	Commercial	Resale of the same tract	$6.88
				Indicated Annual Time Adjustment:	+15.0%
	Comment: Sale and re-sale of the same tract.				
9	0.144	5/13/05	Apartments	East side of Buena Vista, north of Gibson	$5.36
8	0.144	12/19/07	Apartments	East side of Buena Vista, north of Gibson	$6.08
				Indicated Annual Time Adjustment:	+5.0%
	Comment: These two nearby tracts are nearly identical.				
13	4.451	8/9/07	Industrial	Flightway, west of University	$5.67
11	0.591	4/7/09	Industrial	Flightway, west of University	$5.05
				Indicated Annual Time Adjustment:	-6.8%
	Comment: The second sale is a portion of the larger earlier sale.				

The four paired sale comparisons indicate time adjustments at a high of 16% per year and a low of -6.8% per year.

The first pair at 16% involves two purchases by CNM for land at their campus northeast of the subject. The second sale has a superior location, which influences the indicated adjustment to the high side.

The second pair involves the sale and re-sale of the same tract fronting Yale Boulevard. The first buyer in 2005 planned apartment construction, but subsequently canceled that development and sold it to an investor in 2007. The land has C-2 (commercial) zoning and the second buyer may have payed a stepped-up price in anticipation of a future commercial use.

The third pair is two apartment zoned lots located on Buena Vista Drive to the southeast of the subject. These are very similar properties and provide a well-supported time adjustment for apartment land.

The fourth pair is industrial land and indicates a time adjustment of negative 6.8% per year from August 2007 to April 2009. This indication probably overstates market conditions to the negative as the later sale has a triangular shape and is located furthest from Sunport Boulevard.

Overall, the third pair at 5.0% has the most relevance to the subject valuation, but recognition of the first and second pairs is warranted. On this basis, a time adjustment of 10.0% per year through December 31, 2007 is applied. No time adjustment is applied from January 1, 2008 to the current date of valuation.

Location

The spread in price per square foot among the sales is impacted by differences in quality of location. Occasionally, location differences are accounted for by the use of adjustments, provided there are discernible pricing patterns indicated from a paired-sales analysis or other market-derived sources. In the absence of market-extracted adjustments, inferences drawn from limited data are supported by the analyst's judgment to explain why one piece of property in one location would sell for more or less than another site with a different location. There are multiple location factors that impact sale price, ranging from general quality of infrastructure and proximity to employment and services, to the specific quality and condition of neighboring properties. Sufficient sales do not exist to provide adequately supported adjustments for location differences. A specific location adjustment is not applied, but this factor is recognized in the value estimate.

Physical Characteristics

The subject property has physical characteristics that are substantially different from the land sales in the neighborhood and the following adjustments are required.

First, Sunshine Terrace Avenue at the subject frontage is not improved. Unless the subdivision plat is vacated, this infrastructure would have to be installed to develop the land with buildings. It is assumed the cost of installing the infrastructure would be paid by the lot owners, and this cost was analyzed by the local engineering firm of Bohannan Huston, Inc. and the information was presented in a preceding section.

Second, uncontrolled fill has been deposited on the subject property that will require remediation before building construction can occur. Again, this cost was analyzed by the engineering firm of Bohannan Huston, Inc. and the information was presented in a preceding section.

To simplify the valuation, the comparative analysis of the sales to the subject is performed prior to the adjustment for physical characteristics. The adjustment for the subject physical characteristics is made in the concluding section.

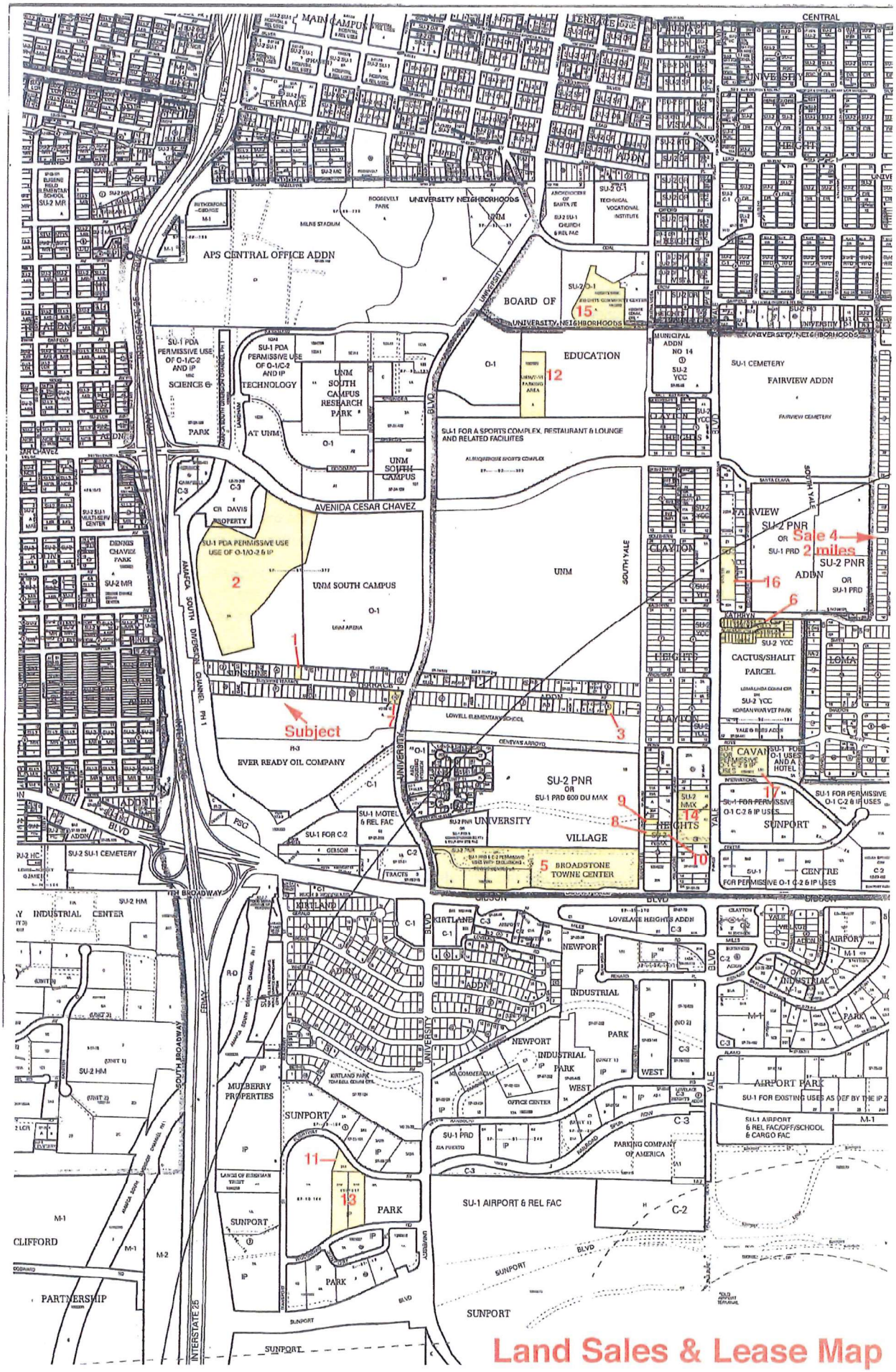
Another physical characteristic that is relevant to this data set is land size. Land sales and sale price per square foot are often inversely related, i.e., larger sites often sell for a lower price per square foot versus smaller sites, all other factors being equal. That condition is moderately present in this data set and it is recognized in the valuation.

Presentation of the Comparable Sales

In the report *Appendix* are the 17 individual data sheets for each of the properties used as comparables in this report. A summary chart of the data and a location map are presented on the following pages. The sales are separated into two groups on the chart.

Sales 1–10 are residential tracts and purchased or zoned for residential development at varying densities. The exception is Sale 5, which is a larger tract with some commercial land, but the dominant land use planned by the buyer was an apartment complex.

Sales 11–17 are non-residential land sales in the neighborhood that are rated generally similar to the subject in location. Planned land uses for these sales include industrial, motels and the expansion of the CNM campus. These sales have zoning districts that are different than the subject, but are relevant in showing general land price levels in the neighborhood. Also, UNM is a potential buyer of the land and they are not subject to zoning.


Subject
Sale 4
2 miles
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
MAIN CAMPUS
TERRACE ADDN
UNIVERSITY NEIGHBORHOODS
APS CENTRAL OFFICE ADDN
BOARD OF EDUCATION
UNM SOUTH CAMPUS RESEARCH PARK
AVENIDA CESAR CHAVEZ
UNM SOUTH CAMPUS
UNM
EVER READY OIL COMPANY
SU-2 PNR OR SU-1 PRD 600 DU MAX
UNIVERSITY VILLAGE
BROADSTONE TOWNE CENTER
SUNPORT
AIRPORT PARK
INDUSTRIAL CENTER
MULBERRY PROPERTIES
PARK
SU-1 AIRPORT & REL FAC
INTERSTATE 25
CLIFFORD
PARTNERSHIP
Land Sales & Lease Map

Land Sale & Land Lease Summary Chart (Sales 1 - 10 are residential in zoning and/or use and Sales 11 - 17 are non-residential)

Sale No.	Location	Planned Land Use	Sale Date	Sale Price	Sale Price per SF	Time Adj. at 10% per Year thru 12/31/07	Time Adj. Sale Price per SF	Seller	Buyer	Zoning	Land Area in Acres	Land Area in SF	Perimeter Infrastructure	Terrain	Comments
1	Sunshine Terrace, west of University	Investment	9/3/97	$12,000	$1.60	+103%	$3.25	Smid	Gutierrez	R-1	0.172	7,500	Incomplete	Undulating	Lot with no infrastructure in Sunshine Terrace subdivision. Lies below road grade.
2	LAND LEASE - Avenida Ceasar Chavez, west of The Pit	Student Housing	5/28/10	$3,336,430	$4.14	+0%	$4.14	UNM	ACC OP	SU-1	18.498	805,755	Incomplete	Sloped	Raw site west of Pit with above average earthwork and land lessee required to install perimeter infrastructure.
3	Sunshine Terrace, east of University	One Residence	6/19/03	$28,000	$3.73	+45%	$5.41	Ortiz	Nguyen	R-1	0.172	7,500	Complete	Level	Lot with infrastructure in area of homes and apartments. Same street as subject, but east of University.
4	Anderson & Alvarado	Apartments	12/23/06	$120,000	$4.97	+10%	$5.46	Azar	Tiryaki	R-2/R-3	0.555	24,167	Complete	Level	Older apartment area north of Gibson & east of San Mateo.
5	NEC Gibson & University	Apartments & Commercial	9/18/07	$4,013,000	$5.50	+3%	$5.66	Matteucci	Broadstone	PRD/SU-1	16.751	729,665	Complete	Undulating	Site has frontage on Gibson, University & Buena Vista. Undulating but balanced terrain. 1.6469-acre corner re-sold to Dion's.
6	SEC Yale & Kathryn	Townhomes	1/5/06	$672,375	$4.75	+20%	$5.70	Gold Leaf	Beazer	TH	3.250	141,553	Complete	Moderate slope	Corner tract with all infrastructure that buyer plans to develop with 32 townhouse lots.
7	SWC University & Sunshine Terrace	Investment	1/24/03	$42,500	$3.96	+49%	$5.90	Clay	Giraudo	R-3	0.247	10,739	Incomplete	Level	Lot & 1/2 vacated street at east edge of Sunshine Terrace subdivision. Later deeded to title co. due to faulty title.
8	Buena Vista, north of Gibson	Apartments	12/19/07	$38,000	$6.08	+0%	$6.08	Monty	Reed	R-2	0.144	6,250	Complete	Sloping	Sloping lot on local street built up primarily with small apartment buildings.
9	Buena Vista, north of Gibson	Investment	5/13/05	$33,500	$5.36	+26%	$6.75	Kia	Hail	R-2	0.144	6,250	Complete	Sloping	Sloping lot on local street built up primarily with small apartment buildings.
10	Wilmoore, north of Gibson	Apartments	6/22/07	$50,000	$8.00	+5%	$8.40	Presbyterian	Reed	R-2	0.143	6,250	Complete	Level	Older apartment area north of Gibson & east of University.
11	Flightway, north of Sunport Boulevard	Future industrial expansion	4/7/09	$130,000	$5.05	+0%	$5.05	Kassam	Gutierrez	IP	0.591	25,761	Complete	Sloping	Sloping site between I-25 and University Boulevard, north of motels along Sunport Boulevard. Triangular shape.
12	East of University, north of Avenida Cesar Chavez	CNM (TVI) Parking	12/17/03	$545,000	$3.86	+40%	$5.40	UNM	TVI	None	3.242	141,230	Complete	Level	This site is embedded in the CNM campus and formerly leased from UNM for parking. Lease had expired and fee simple purchased.
13	Woodward & Flightway, north of Sunport Boulevard	Investment	8/9/07	$1,100,000	$5.67	+4%	$5.90	Contractors	Kassam	IP	4.451	193,899	Complete	Sloping	Sloping site between I-25 and University Boulevard, north of motels along Sunport Boulevard.
14	West side of Yale, north of Gibson	Motel	7/18/06	$825,000	$5.46	+15%	$6.28	ABQ	110 Sunport	C-2	3.467	151,023	Complete	Sloping	Site fronts Yale in area built up with motels. Slopes down from street.
15	West of Buena Vista, south of Coal	CNM Building	10/25/07	$1,460,391	$6.85	+2%	$6.99	APS	CNM	SU-2	4.894	213,196	Complete	Level	This site is embedded in the CNM campus and formerly leased and used as baseball field.
16	Yale, south of Avenida Cesar Chavez	Investment	10/15/07	$475,000	$6.88	+2%	$7.01	Yale	MAMJ	C-2	1.586	69,086	Complete	Level	Midblock site in mixed use area of residential, commercial & institutional.
17	Yale & International	Motel	5/30/06	$909,668	$7.00	+16%	$8.12	Grayland	Alb. Inn	SU-1	2.983	129,953	Complete	Level	Site fronts Yale in the business park north of Gibson near Airport.

Analysis of the Residential Sales

Sales 1–10 are residential tracts and purchased or zoned for residential development at varying densities. The time-adjusted sale prices for this group are $3.25–$8.40 per square foot. The sales have varying characteristics for date of sale, land size, location, terrain and infrastructure. Some of sales occurred several years ago and therefore merit lesser weight due to any uncertainty in the accuracy of the time adjustment.

The residential sales are compared to the subject on the following chart. The comparison is made under the assumption that Sunshine Terrace Avenue at the subject frontage is installed and the uncontrolled fill has been remediated. The adjustment for these factors is made in the concluding section.

Comparison of the Residential Sales to the Subject Property*

		Comparison of Sale vs. Subject					
Res. Sales	*Time Adj. SP/SF*	*Sale Date*	*Land in Acres***	*Location*	*Off-Site Infrastructure**	*Terrain Condition**	*Indicated Subject Value/SF*
1	$3.25	1997	0.17	Similar	Inferior	Inferior	Much Higher
2	$4.14	2010	18.50	Similar	Inferior	Inferior	Much Higher
3	$5.41	2003	0.17	Similar	Similar	Similar	Higher
4	$5.46	2006	0.56	Inferior	Similar	Similar	Higher
5	$5.66	2007	16.75	Similar	Similar	Inferior	Higher
6	$5.70	2006	3.25	Similar	Similar	Similar	Higher
7	$5.90	2003	0.25	Similar	Inferior	Similar	Higher
8	$6.08	2007	0.14	Similar	Similar	Inferior	Higher
9	$6.75	2005	0.14	Similar	Similar	Inferior	Higher
10	$8.40	2007	0.14	Similar	Similar	Similar	Similar

* The comparison assumes Sunshine Terrace Avenue at the subject frontage is installed and uncontrolled fill is remediated.

** The subject land size is 0.5589 acre.

Joshua Cannon & Associates Inc.

The preceding comparative analysis provides a logical price pattern based upon the specific characteristics of the individual sales. Sales 1, 3 and 7 are notable because they are located in the Sunshine Terrace Subdivision, but they occurred in 1997–2003.

Sale 2 at $4.14/SF is actually a land lease and the implied sale price is calculated using the typical ratio of starting annual land rent times a factor of ten. This tract is located slightly northwest of the Sunshine Terrace and the land lessee is required to (1) install a significant amount of off-site infrastructure, and (2) perform an above average amount of earthwork. This is a reasonable indicator of value for the subject land in "as is" condition.

Sale 4 at $5.46/SF consists of two apartment zoned sites with level terrain and completed streets, but the location is rated inferior to the subject. In the latest apartment report detailed in the market study, the subject MLS Area 42 has an average occupancy of 97.10% and an average rent of $0.94/SF. Sale 4 is in MLS Area 71, which has an average occupancy of 95.5% and an average rent of $0.85/SF.

Sale 5 at $5.66/SF is located about one-quarter mile south of the subject at the corner of Gibson Boulevard and University Boulevard. It was developed mostly with apartments and about 30% has a planned use of commercial. The land is undulating and partially below grade, and had above average earthwork costs. All

off-site infrastructure was complete. Assuming the subject earthwork is complete, its indicated value is higher.

Sale 6 at $5.70/SF has a similar location to the subject at Yale Boulevard and Kathryn Avenue. Its zoning allowed a maximum density of 9.8 townhouse lots per acre and the more intensive subject zoning creates a higher value per square foot.

Sales 8–10 have prices of $6.08, $6.75 and $8.40 per square foot. These are 6,250-square-foot lots within 50 feet of each other on Buena Vista Drive and Wilmoore Drive. These lots front on fully improved streets about one-half mile southeast of the subject and rated similar in location. The price spread is due to the difference in terrain. Sales 8 and 9 at $6.08 and $6.75 per square foot had sloping terrain and the buyer was required to excavate the lots and construct retaining walls with a combined height of approximately six feet. The lowest priced Sale 8 at $6.08/SF has more relevance than Sale 9 in this appraisal due to its more recent sale date. The higher priced Sale 10 at $8.40/SF is a level site with good views.

Under the assumption of the subject land has complete off-site infrastructure and all uncontrolled fill remediated, Sales 8–10 indicated a value at the upper end of the range, or near $8.40 per square foot.

Based upon the preceding data, the residential sales indicate a subject value of approximately $8.40 per square foot, before applying the adjustment for the cost of infrastructure and uncontrolled fill remediation.

Analysis of the Non-Residential Sales

Sales 11–17 are non-residential tracts and purchased for industrial, commercial and institutional uses. These sales are useful in indicating the value of the subject land assuming it was (1) purchased by either UNM or CNM, or (2) a zone change was achieved to allow commercial or industrial uses.

The non-residential sales are compared to the subject on the following chart. The comparison is made under the assumption that Sunshine Terrace Avenue at the subject frontage is installed and the uncontrolled fill has been remediated. The adjustment for these factors is made in the concluding section.

Comparison of the Non-Residential Sales to the Subject Property*

		Comparison of Sale vs. Subject					
Res. Sales	*Time Adj. SP/SF*	*Sale Date*	*Land in Acres***	*Location*	*Off-Site Infrastructure**	*Terrain Condition**	*Indicated Subject Value/SF*
11	$5.05	2009	0.59	Similar	Similar	Inferior	Higher
12	$5.40	2003	3.24	Similar	Similar	Similar	Similar
13	$5.90	2007	4.45	Similar	Similar	Inferior	Higher
14	$6.28	2006	3.47	Superior	Similar	Inferior	Lower
15	$6.99	2007	4.89	Similar	Similar	Similar	Similar
16	$7.01	2007	1.59	Superior	Similar	Similar	Lower
17	$8.12	2006	2.98	Superior	Similar	Similar	Lower

* The comparison assumes Sunshine Terrace Avenue at the subject frontage is installed and uncontrolled fill is remediated.

** The subject land size is 0.5589 acre.

Joshua Cannon & Associates Inc.

Sales 11 and 13 are primarily industrial sites, with some limited long-term potential for motel use. The subject location is rated similar and terrain (assuming the uncontrolled fill has been remediated) is rated superior.

Sale 12 is located about one-half mile northeast of the subject and is embedded in the CNM campus. It is used for a parking lot and its means of access is through another CNM parking lot. The range of potential uses for this site is narrow and probably limited to parking.

Sales 14 and 17 front on Yale Boulevard, slightly north of the airport, and were purchased to develop new motels. The lower price of Sale 14 is due to its sloping terrain. This location is enhanced by proximity to the airport, plus Yale Boulevard at this point has a 2008 average weekday traffic count of 13,000 vehicles, compared to 6,900 vehicles at the subject's University Boulevard location. These sites have better exposure and can support a wider range of uses than the subject.

Sale 15 is the purchase of a 4.89-acre tract by CNM in the southeast portion of their campus. It is accessed by a dedicated easement connecting to Buena Vista Drive, and this site could support apartment or office uses. The subject frontage on Sunshine Terrace Avenue provides it with similar exposure.

Sale 16 is a 1.586-acre site on the Yale Boulevard, between Kathryn Avenue and Avenida Cesar Chavez. It is zoned C-2 (Community Commercial) and the buyer purchased the property as an investment. This is a level site with all infrastructure in place. Traffic count on Yale at this point is greater than twice as high as University Boulevard at Sunshine Terrace Avenue. This site can support commercial or apartment construction.

Before applying the adjustment for physical conditions, the preceding data indicates the subject property has a market value under a non-residential use of approximately $7.00 per square foot, which is lower than the estimate of $8.40 per square foot under a residential use. The higher value is applied in the appraisal.

Adjustment for Physical Conditions

As described previously in this report, the development of the subject land with improvements will require the construction of Sunshine Terrace Avenue and the remediation of the uncontrolled fill. The following information and analysis addresses the adjustment for this factor.

Bohannan Huston, Inc. Engineering Estimate

The engineering firm of Bohannan Huston, Inc. was engaged by the client to estimate the cost of these items and a copy of their report is in the *Appendix*. The cost estimate for the subject property is as follows:

Bohannan Huston, Inc. Cost Estimate

Item	*Total Cost Estimate For Subject Share*	*Cost per Square Foot*
Cost to Construct Sunshine Terrace Avenue	$18,325	$2.45
Cost to Remediate Uncontrolled Fill in Sunshine Terrace Avenue ROW	$5,973	$0.80
Cost ot Remediate Uncontrolled Fill within the Subject Property	$13,091	$1.75
Total	$37,389	$4.99

As shown above, Bohannan Huston, Inc. estimates the cost to construct infrastructure for Sunshine Terrace Avenue and remediate the uncontrolled fill is equal to $4.99 per square foot of subject land area.

Sales 8 and 10 Analysis

Sales 8 and 10 in the valuation are adjoining apartment sites located about one-half mile southeast of the subject. The analysis of these two sales is relevant to show buyer behavior in pricing land with on-site physical differences.

Sale 8 is a 6,250-square-foot lot that fronts on Buena Vista Drive and was purchased by Frederick Reed and Patricia Paiz in December 2007 for $6.08 per square foot. The buyers constructed a four-plex apartment building on the site. This site sloped about three to four feet upward from the roadway, plus the adjoining land at the rear is three to four feet higher. The development of this lot required the buyer to (1) cut the front portion of the land down to street grade and construct retaining walls at the sides of the lot, (2) construct a retaining wall at the rear of the lot to separate it from the higher adjoining lot to the east, and (3) construct an apartment building with a split-level design to accommodate the terrain.

Sale 10 is a 6,250-square-foot lot that fronts on Wilmoore Drive and was purchased by Frederick Reed and Patricia Paiz (the same as Sale 8) in June 2007 for $8.00 per square foot. This lot adjoins the rear of Sale 8, but it is level and on-grade with Wilmoore Drive. The buyers also constructed a four-plex apartment building on this site.

Sale 8 and Sale 10 are virtually identical in location and shape, and the price difference of $1.92 per square foot between the two sales is attributed to the terrain problems at Sale 8. The Bohannan Huston Inc. estimated adjustment for on-site uncontrolled fill remediation is $1.75 per square foot, or similar to the Sale 8 vs. Sale 10 indication. Overall, this data supports the validity of an adjustment based upon the Bohannan Huston, Inc. estimate.

San Antonio Drive Land Sale Analysis

On October 13, 2009, Jay and Anne Parks purchased a 3.0811-acre site that fronts on the south side of San Antonio Drive, slightly west of Louisiana Boulevard NE. The land is within a former landfill that was used in the 1960s. The Parks received City approval to build a self storage complex and the project is under construction as of the effective date of this appraisal. The development consists of a two-story caretaker's residence and office, and the balance is self storage units. Two forms of remediation were used on this site. First, the landfill under the caretakers unit was fully excavated and replaced with compacted soil. The depth of this excavation was approximately 30 feet. Second, the balance of the site was excavated to a depth of 18 inches, a plastic liner was set down and then clean fill was placed on top of the liner. The storage units were constructed on top of this clean fill.

Bryan Godfrey, MAI, is a commercial real estate appraiser in Albuquerque and is also performing an appraisal of the subject land for the University of New Mexico. Mr. Godfrey has worked with Mr. Parks on previous assignments and was able to interview him regarding the remediation of the landfill for this project. Information from that interview as reported by Mr. Godfrey is as follows.

> Mr. Parks stated they believed the site had mostly dirt and household debris, but that it ended up containing all types of debris, including petroleum debris, tires, appliances, household trash, etc. All of this had to be separated before it could be hauled off. It did not contain construction debris, which he thinks the City is reluctant to accept. The sorting costs, truck and hauling costs and dumping fees were a big item, along with the cost of good dirt that had to be imported. He indicated that about 6,000 cubic yards were extracted. Because the landfill had been professionally run, it had been compacted so the volume expanded during the extraction process.
>
> The vapor barrier technique was designed by the environmental engineer and apparently this has been used on a few properties around town. They used a 20-mil plastic that prevents gases from rising and also prevents moisture from penetrating and causing problems underneath. The plastic is specially designed for this use. They still had to do numerous venting stacks and monitoring wells that will be in service and monitored for years to come. He estimated on-going monitoring expenses are about $200 per month. He stated the City also put in some of their own monitoring wells that they monitor separately. The shallow depth of excavation under the majority of the site was possible because of the lightweight self storage buildings. Still, they need to use post tension slabs to ensure building stability.
>
> Mr. Parks said the total cost of dealing with the landfill issue was $300,000 to $350,000, and this included the engineer's fees, all of the physical digging, hauling, dumping, etc., plus the added cost of the post tension slabs above standard slab on grade costs. He stated this was about 10% above the

expected cost, mostly because of the added sorting and dumping fees associated with some of the unexpected items they found, and the cost of imported dirt being more than expected.

The actual cost of $300,000–$350,000 to remediate this 3.0811-acre site equals $2.23–$2.61 per square foot. The Bohannan Huston, Inc. estimated adjustment for the subject's on-site uncontrolled fill remediation is $1.75 per square foot. This data also supports the validity of an adjustment based upon the Bohannan Huston, Inc. estimate.

Conclusion of Fair Market Value Estimate – As Is Condition

The preceding analysis finds the cost estimate prepared by Bohannan Huston, Inc. to be generally supported and it is applied as an adjustment in this analysis. The indicated fair market value of the subject land before the physical condition adjustment is $8.40 per square foot. The adjustment estimated by Bohannan Huston is minus $4.99 per square foot, thus the final indication is $3.41 per square foot ($8.40 - $4.99 = $3.41).

The final value conclusion merits strong consideration of the May 2010 land lease from UNM to ACC OP of 18.498 acres directly northwest of the Sunshine Terrace Addition. ACC OP is developing the site with a privately owned student housing project. The development of this site required ACC OP to construct off-site roadways along the west and south boundaries of the site, plus they had to perform an above average amount of earthwork. The subject terrain is rated moderately inferior to this land due to its uncontrolled fill, but otherwise the land comprising Sunshine Terrace is similar and would support a similar student housing development. The analysis of the starting annual rent at this land lease indicates a fee simple value of $4.14 per square foot.

Based upon the preceding data, the estimate of fair market value for the subject property is $4.00 per square foot. The total calculation is as follows.

Estimate of Fair Market Value for the Subject Property

Subject Land Area in Square Feet	7,492
Estimate of Fair Market Value Per Square Foot	$4.00
Final Estimate of Fair Market Value	$29,968
Rounded	$30,000

Certification

This certifies that effective October 3, 2010, the estimated fair market value of the subject property of this report is Thirty Thousand and Dollars ($30,000).

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Practice.*
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- 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 continuing education program of the Appraisal Institute.
- Joshua Cannon is a General Certified Real Estate Appraiser, State of New Mexico, Certificate No. 000021-G.

This opportunity to provide appraisal services to your organization is appreciated, and questions from authorized users of the report will be welcomed if any aspect of the research or analysis requires clarification.

JOSHUA CANNON & ASSOCIATES, INC.

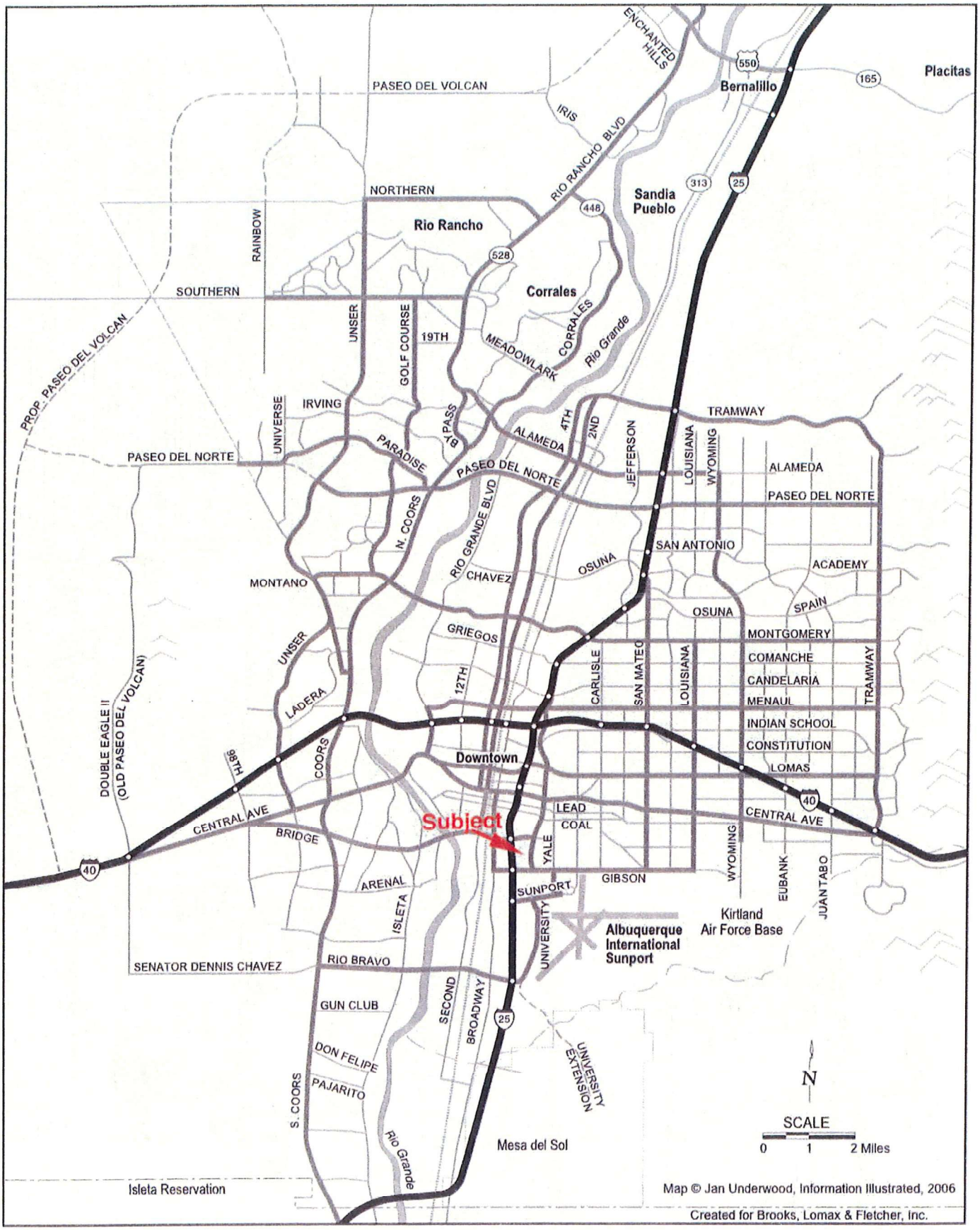
Joshua Cannon

Joshua Cannon, MAI

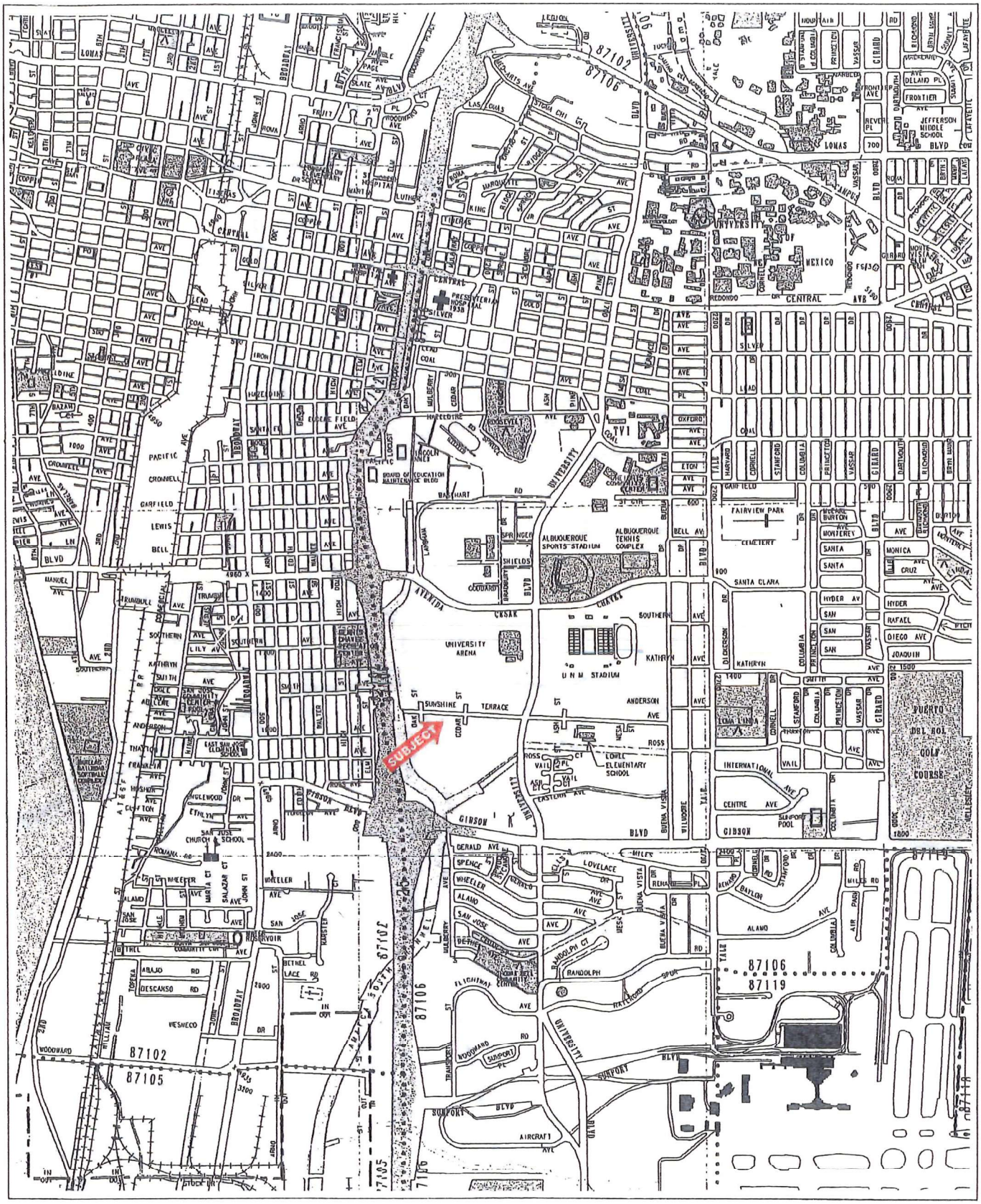
11-11-2010

Date

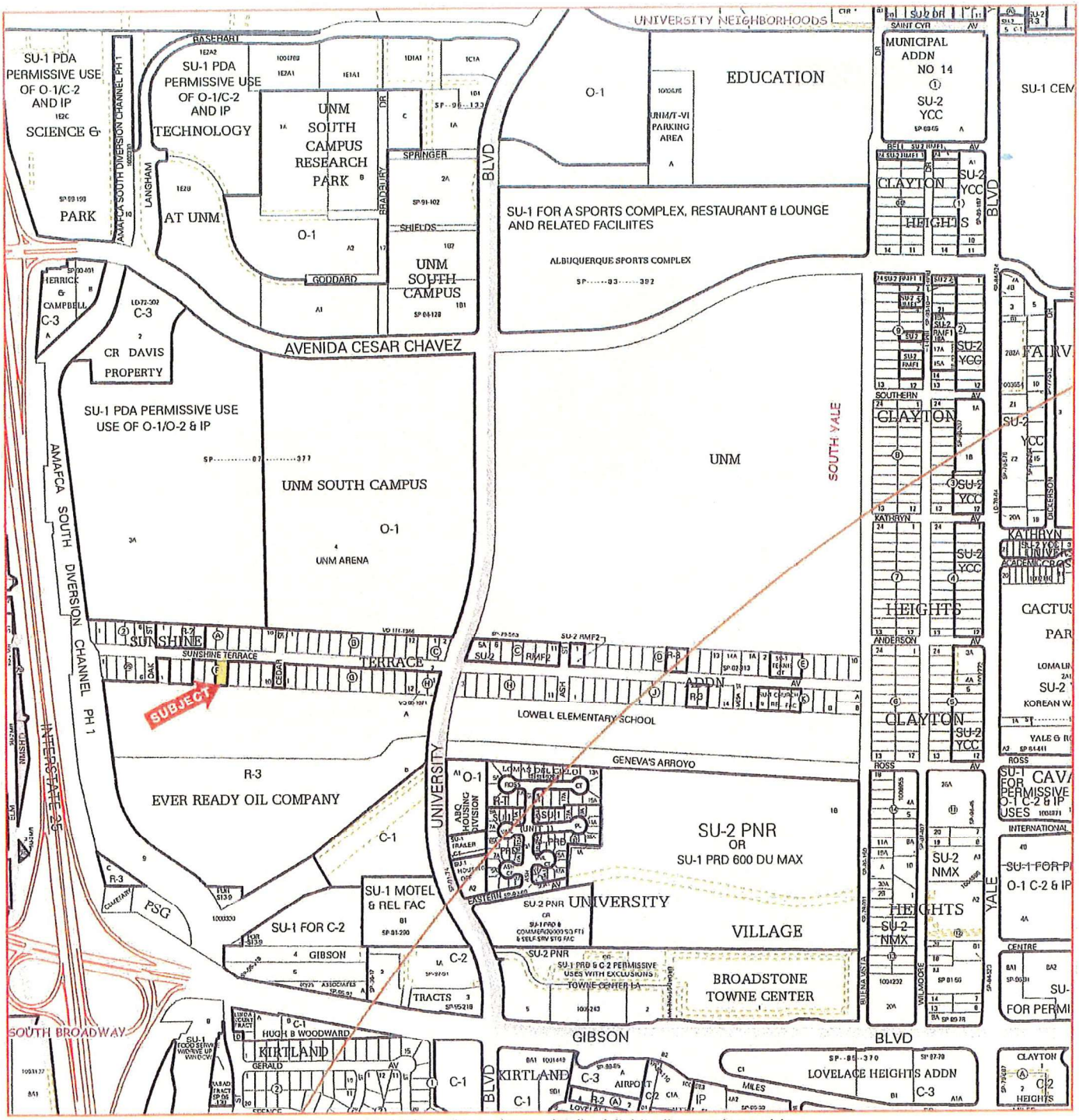
Appendix A



Albuquerque Area



Neighborhood Map



For more current information and more details visit: http://www.cabq.gov/gis

Albuquerque Geographic Information System

Map amended through: 2/4/2010

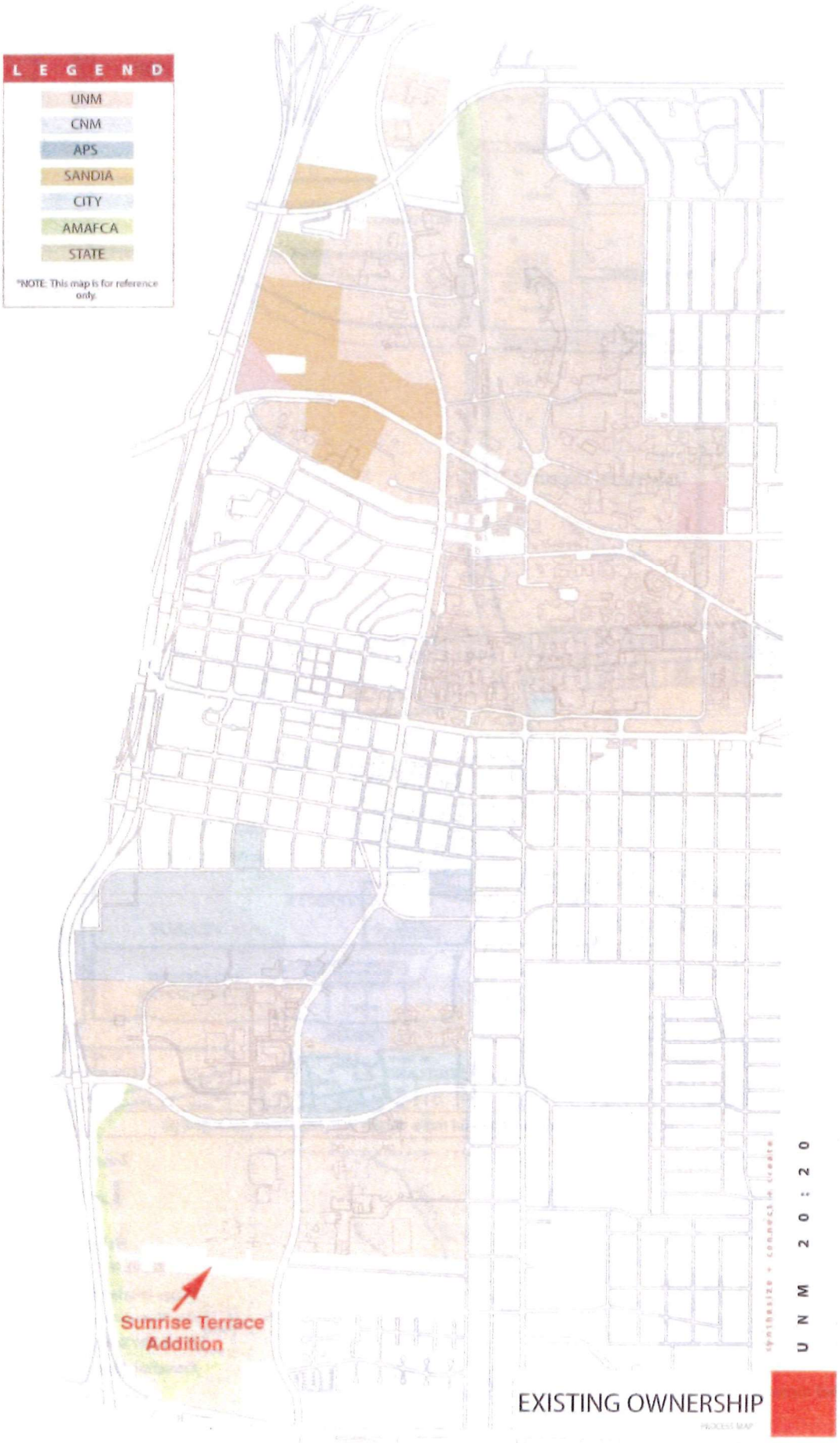
Zone Atlas Page:

L-15-Z

Selected Symbols

- SECTOR PLANS
- Design Overlay Zones
- City Historic Zones
- H-1 Buffer Zone
- Petroglyph Mon.
- Escarpment
- 2 Mile Airport Zone
- Airport Noise Contours
- Wall Overlay Zone

Feet: 0 — 750 — 1,500


LEGEND
UNM
CNM
APS
SANDIA
CITY
AMAFCA
STATE
*NOTE: This map is for reference only.
Sunrise Terrace Addition
EXISTING OWNERSHIP
UNM 2020


TRACT 3
(UNM STUDENT HOUSING TRACT)
18.5 Acres
TRACT 1
51.3 Acres
UNM PIT
TRACT 1
51.3 Acres
EXISTING TRACT LINE TO BE ELIMINATED
UNM STUDENT HOUSING
SOFTBALL FIELD
BASEBALL FIELD
BLOCK 2
BLOCK A
BLOCK B
SUNSHINE TERRACE AVENUE
BLOCK 25
BLOCK F
BLOCK G
I-25
AMAFCA South Diversion Channel
UNIVERSITY BLVD
N
SCALE: 1"=100'
SUNSHINE TERRACE LOTS
9/15/10
Bohannan Huston

Appendix B

Property Photographs on October 3, 2010
Sunshine Terrace Addition
Albuquerque, New Mexico

View west across University Boulevard along Sunshine Terrace Avenue. The subject property is 1,150 feet west of University Boulevard.

View east along Sunshine Terrace Avenue. Lot 6, Block F is on the right.

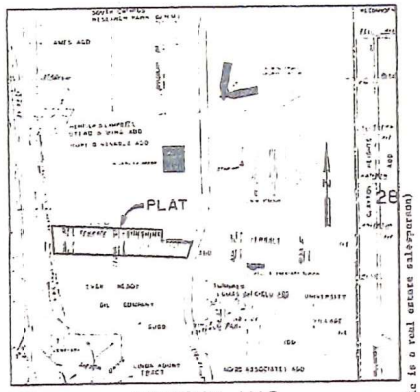
Property Photographs on October 3, 2010
Sunshine Terrace Addition
Albuquerque, New Mexico

View south toward Lot 6, Block F.

View west along the rear of Block F. The drop down to the adjoining land on the south at the rear of the subject lot is about 15 – 20 feet.

Appendix C

SURVEY PLAT FOR
UNIVERSITY OF NEW MEXICO
SHOWING PORTIONS OF
SUNSHINE TERRACE ADDITION
ALBUQUERQUE, NEW MEXICO
MARCH, 1985



LOCATION MAP
ZONE ATLAS MAP No. L-15

SCALE: 1" = 100'

LANDS OF UNM

AMAFCA SOUTH DIVERSION CHANNEL

SUNSHINE TERRACE AVENUE SE.

OAK ST. SE.

CEDAR ST. SE.

UNIVERSITY BLVD. SE.

SYCAMORE ST. SE. (VACATED BY ORD. No. V.O. 88-1971)

BLOCK 25

BLOCK A

BLOCK B

BLOCK C

BLOCK D

BLOCK E

BLOCK F

BLOCK G

BLOCK H

TRACT A
EVER READY OIL CO SUB'D.

NOTE:

ALL BEARINGS SHOWN ON THIS PLAT ARE REFERENCED TO THE NEW MEXICO STATE PLANE GRID.

DESCRIPTION

THE REMAINING EASTERLY PORTION OF LOT 2, ALL OF LOTS 3, 4, 5, AND 6 IN BLOCK 2, THE REMAINING EASTERLY PORTION OF LOT 2, ALL OF LOTS 3, 4, 5, AND 6 IN BLOCK 25 OF SUNSHINE TERRACE ADDITION AS SHOWN ON THE PLAT OF SAID ADDITION FILED IN THE OFFICE OF THE COUNTY CLERK OF BERNALILLO COUNTY, NEW MEXICO ON OCTOBER 6, 1923. TOGETHER WITH LOTS 1 TO 10, INCLUSIVE, IN BLOCK "A", LOTS 1 TO 8, INCLUSIVE, IN BLOCK "B", LOTS 1 TO 10, INCLUSIVE IN BLOCK "F", LOTS 1 TO 12, INCLUSIVE IN BLOCK "G", ALL OF LOTS 1 AND 2 IN BLOCK "H" WEST OF UNIVERSITY BOULEVARD SE, AND ALL OF VACATED SYCAMORE STREET SE, LYING SOUTH OF THE SOUTH RIGHT-OF-WAY LINE OF SUNSHINE TERRACE AVENUE SE, AS THE SAME ARE SHOWN AND DESIGNATED ON THE AMENDED PLAT OF BLOCKS 2 TO 24, INCLUSIVE, SUNSHINE TERRACE ADDITION FILED IN THE OFFICE OF THE COUNTY CLERK OF BERNALILLO COUNTY, NEW MEXICO ON MARCH 17, 1958.

SURVEYOR'S CERTIFICATE

I, GAYLE JEWELL, A REGISTERED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Gayle Jewell — 3-1-85

GAYLE JEWELL, N. M. NO. 4071 — DATE

REGISTERED LAND SURVEYOR STATE OF NEW MEXICO No. 4071 GAYLE JEWELL

ANDREWS, ASBURY & ROBERT, INC.
CONSULTING ENGINEERS
ALBUQUERQUE — NEW MEXICO

EXHIBIT

DESCRIPTION

A certain tract of land within Section 28, Township 10 North, Range 3 East, City of Albuquerque, Bernalillo County, New Mexico, being and comprising all of LOT 6, BLOCK F, as the same is shown and designated on the Plat of SUNSHINE TERRACE ADDITION, filed in the Office of the County Clerk of Bernalillo County, New Mexico on March 17, 1950 in Volume C1, folio 91, and being more particularly described by New Mexico State Plane Grid Bearings (NAD83 Central Zone) and ground distances as follows:

BEGINNING at the southwest corner of said Lot 6, coincident with the northerly boundary line of Tract A, as the same is shown and designated on the Amended Summary Plat of Tract B of the Ever Ready Subdivision, filed in the Office of the County Clerk of Bernalillo County, New Mexico on February 19, 1982 in Volume C19, folio 93, WHENCE the NMSHC Brass Cap "STA I-25-30" having NM State Plane Grid Coordinates (NAD83 Central Zone) N=1,477,335.008 and E=1,524,161.952 bears S31°37'21"W a distance of 1551.64 feet;

THENCE along the westerly boundary of said Lot 6, N03°18'35"E a distance of 124.88 feet to the northwest corner of said Lot 6, coincident with the southerly right-of-way line of Sunshine Avenue;
THENCE along the northerly boundary of said Lot 6, coincident with the southerly right-of-way line of Sunshine Avenue, S86°41'25"E a distance of 60.00 feet to the northeast corner of said Lot 6;
THENCE along the easterly boundary of said Lot 6, S03°18'35"W a distance of 124.88 feet to the southeast corner of said Lot 6, coincident with the northerly boundary line of said Tract A;
THENCE along the southerly boundary of said Lot 6, coincident with the northerly boundary line of said Tract A, N86°41'36"W a distance of 60.00 feet to the POINT OF BEGINNING.

This tract contains 0.1720 acre, more or less.

SURVEYOR'S CERTIFICATION

I, Alan R. Benham, a New Mexico Professional Surveyor No. 15700, do hereby certify that this Property Description and the actual survey on the ground upon which it is based were performed by me or under my direct supervision; that I am responsible for this survey; that this survey meets the Minimum Standards for Surveying in New Mexico; and that it is true and correct to the best of my knowledge and belief. I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act and that this instrument is a retracement of an existing lot.

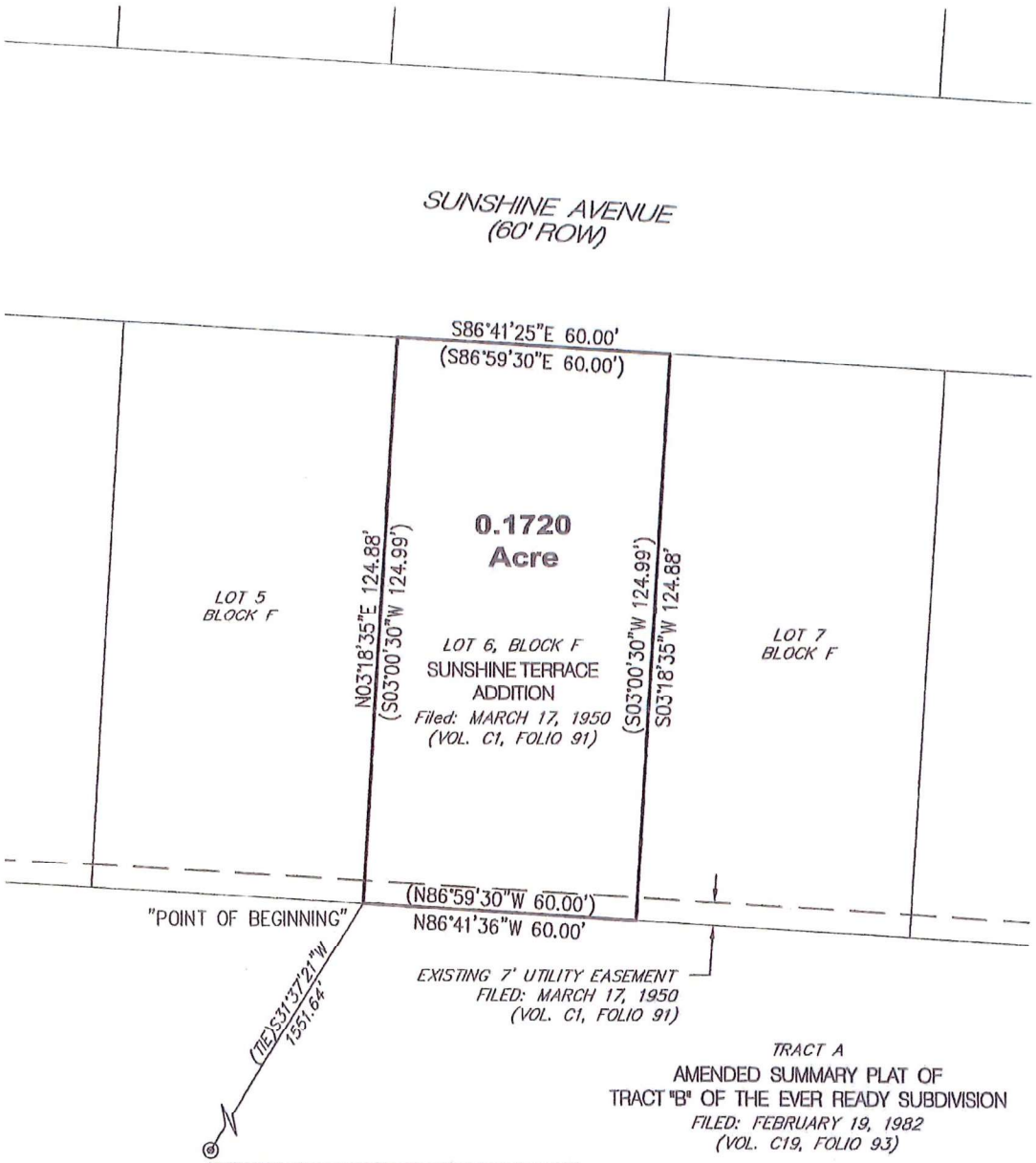
Alan R. Benham — 09/10/2010
Alan R. Benham — Date
NM Professional Surveyor No. 15700

ALAN R. BENHAM
NEW MEXICO
15700
LICENSED PROFESSIONAL SURVEYOR

SUNSHINE TERRACE LOT 6, BLOCK F	
INDEX ID:	SHEET 1 OF 2
BHI #: 20110111.003.01	DATE: 2010/09/20

Bohannan Huston

EXHIBIT



NMSHC BRASS CAP "STA 1-25-30"
GEOGRAPHIC POSITION (NAD 1983)
NM STATE PLANE COORDINATES (CENTRAL ZONE)
X=1,524,161.952 Y=1,477,335.008
GROUND TO GRID FACTOR = 0.999678244
DELTA ALPHA = -00°13'23.37"
NAVD 1988 ELEVATION = 5041.30

0 15 30
SCALE: 1"=30'

ALAN R. BENHAM
NEW MEXICO
15700
09/20/10
LICENSED PROFESSIONAL SURVEYOR

NOTES

Distances are ground distances.
Bearings are New Mexico State Plane Grid Bearings NAD83 Central Zone.
Record Bearings and Distances are shown in parenthesis ( ).

Bohannan Huston

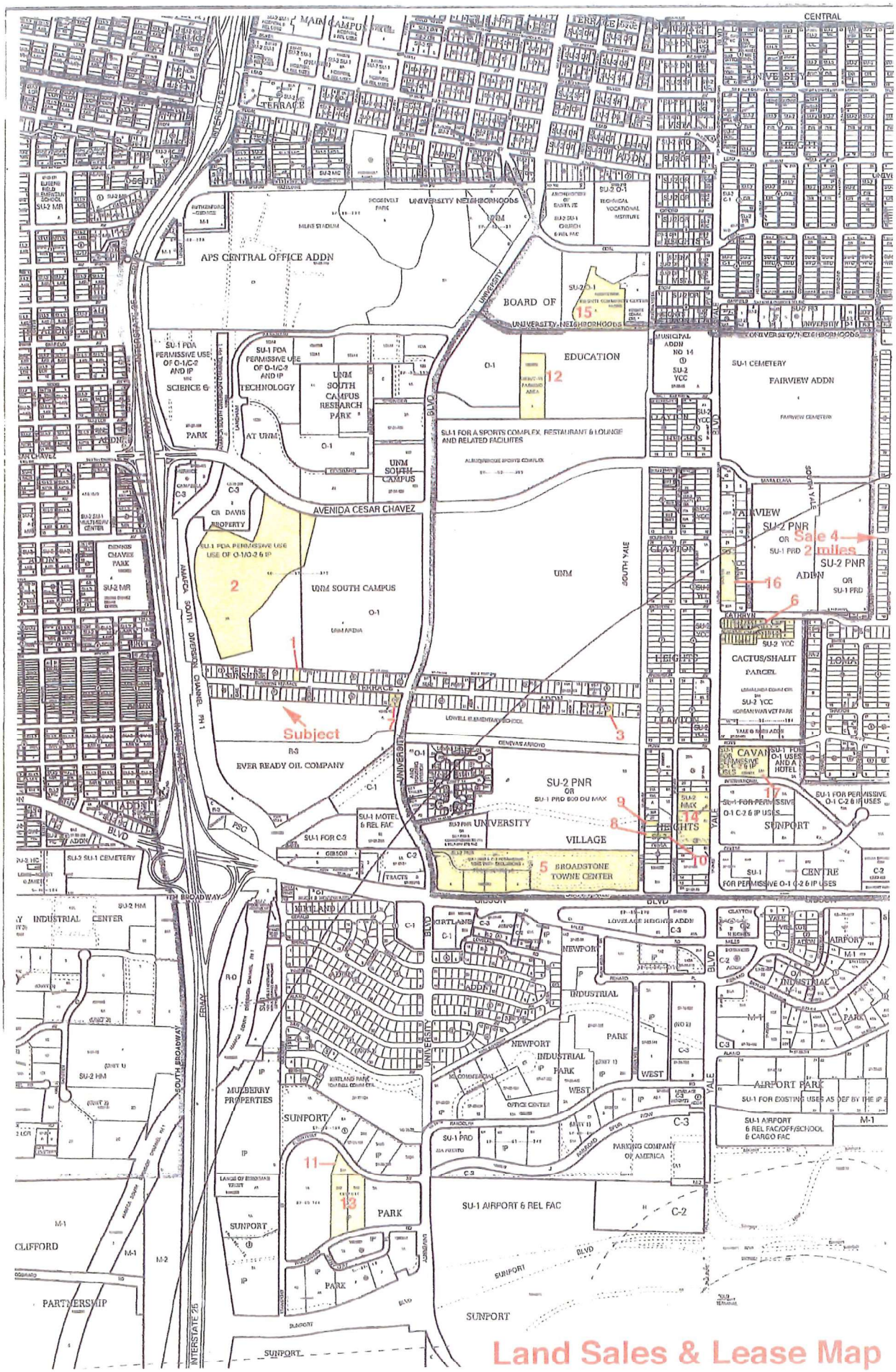
SUNSHINE TERRACE
LOT 6, BLOCK F

INDEX ID:	SHEET 2 OF 2
BHI #: 20110111.003.01	DATE: 2010/09/20

P:\20110111\SURVEY\GRAPHICS\01 EXHIBITS\20110111EXHIBIT11.dwg

JOB NO. 20110111 003

Appendix D


Subject
Sale 4
2 miles
Land Sales & Lease Map

Land Comparable 1

Single Family
Land Sale

Comp # 11002

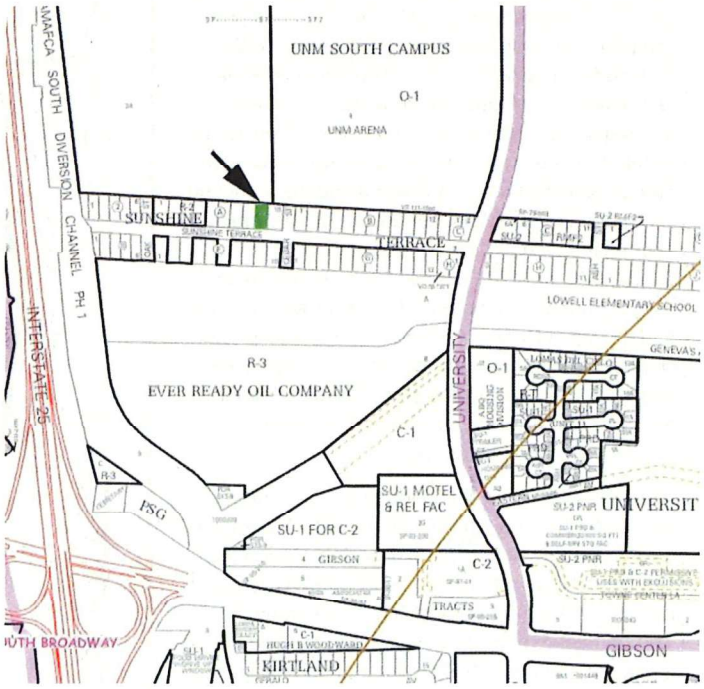
Project Name	Vacant Lot in Sunshine Terrace			**Sale Price**	$12,000
Location	North side of Sunshine Terrace Avenue SE, west of University Boulevard			**Date of Sale**	3 Sep 1997
				Acres	0.1722
Street Address				**Net Acres**	
City, County, State	Albuquerque	Bernalillo	New Mexico	**Price/Acre (Net)**	$69,707
Legal Description	Lot 9, Block A, Sunshine Terrace Addition			**Square Feet**	7,499
				Net SF	
				Price /SF (Net)	$1.60
				Number Lots/DUs	1
				Sale Price/DU	$12,000
Market Area	Airport Area	**Map Page**	L-15	**Zoning**	R-1 Single family
Arterial Location	Local				

Grantor	James G. Smid
Grantee	John & Emma Gutierrez
Terms	Real estate contract at 7.0% with $4,000 cash and $200.00 per month until paid in full
Document Number	97-091624 **Document Type**

Plat	C1-91	**Utilities**	Sewer only
Tax ID Number			
Development Timing	Future	**Topography**	Undulating
Intended Use	Speculative		
Off-site Infrastructure	See comments		

Comments

This lot is within the Sunshine Terrace Addition to the west of University Boulevard. A sewer line is in the platted right of way of Sunshine Terrace Avenue, but the other infrastructure was never installed, i.e., there is no paved street or water line. There are multiple lot owners within the subdivision and the timing of the installation of infrastructure is not certain.



Land Comparable 2

Multi-family
Land Lease

Comp # 12003

Project Name	UNM Student Housing Project			**Sale Price**	$3,336,430
Location	South side of Avenida Ceasar Chavez, east of I-25 and west of University Boulevard. Immediately west of The Pit			**Date of Sale**	28 May 2010
				Acres	18.4976
Street Address				**Net Acres**	
City, County, State	Albuquerque	Bernalillo	New Mexico	**Price/Acre (Net)**	$180,371
Legal Description	Tract 3, Plat of Tracts 1,2, 3 & 4, UNM Arena			**Square Feet**	805,755
				Net SF	
				Price /SF (Net)	$4.14
				Number Lots/DUs	
				Sale Price/DU	
Market Area	Airport Area	**Map Page**	L-15	**Zoning**	SU-1 PDA plus O-1, O-2, IP
Arterial Location	Major				

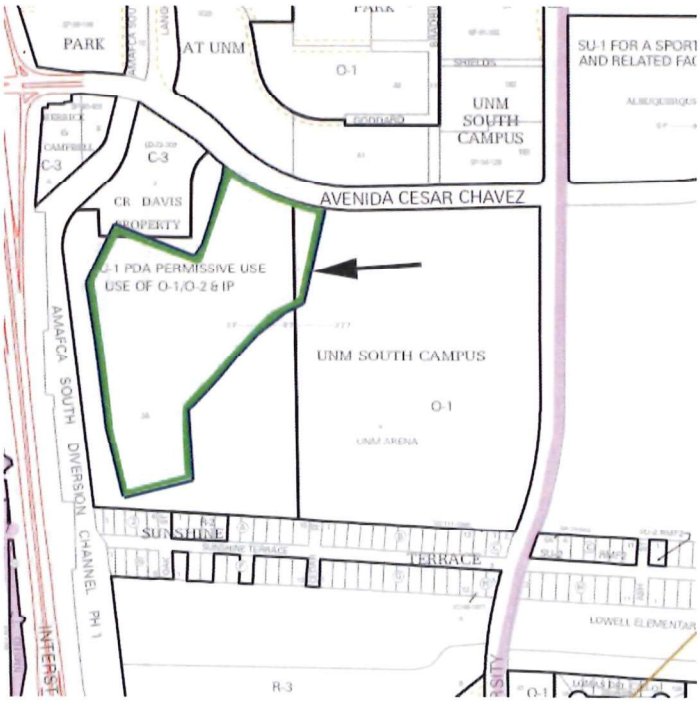
Grantor	Regents of the University of New Mexico
Grantee	ACC OP LLC (American Campus Communities)
Terms	40-year land lease starting at $333,643 per year and increasing 3% annually through Year 5. Thereafter, rent is 5.7% of gross revenues from the UNM housing project, with a starting minimum of $350,000 per year.
Document Number	**Document Type** Land lease

Plat	2010C-64	**Utilities**	At boundary
Tax ID Number			
Development Timing	Immediate	**Topography**	Sloping with approximately 40-foot elevation difference from high to low point. Most of slope is in the northeast portion of the site.
Intended Use	UNM Student Housing		
Off-site Infrastructure	Not complete		

Comments

This site is owned by UNM and located just west of The Pit. The land lessee (ACC OP LLC) is a private company who will construct and operate an 864-bed student housing project. The land lessee is responsible for all development costs, including grading the site and installing off-site infrastructure dictated by the lease and development agreement. The off-sites include new roads along the west and south boundaries (West and South Road), which engineers estimated had a total construction cost of $1,622,976, or $2.01 per square foot. Access to the housing project will be from Avenida Cesar Chavez and the West Road. The land has undulating and sloping terrain and earthwork costs will be above average. The finished site plans shows minimal area lost due to slope and this will require the construction of retaining walls.

As of the timeframe of this transaction, starting annual rent for the typical land lease is based upon 10% of the fee simple value, thus the implied fee simple value for this site at the $333,643 per year lease rate is $3,336,430, or $4.14 per square foot. The rental payments will begin upon the completion of construction, which is forecast to be in August 2011.



Land Comparable 3

Single Family
Land Sale

Comp # 10996

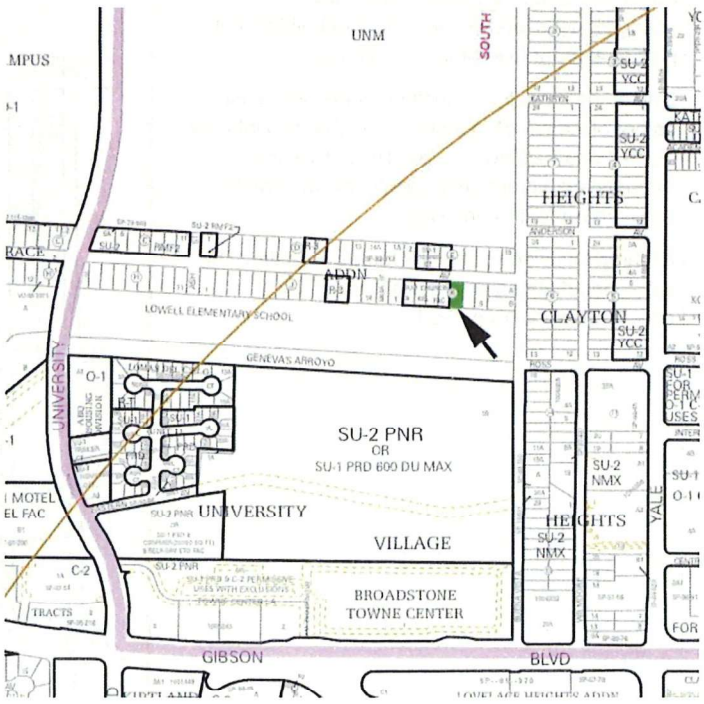
Project Name	One Vacant Residential Lot	**Sale Price**	$28,000
Location	South side of Sunshine Terrace Avenue, east of University Boulevard SE	**Date of Sale**	19 Jun 2003
		Acres	0.1722
Street Address		**Net Acres**	
City, County, State	Albuquerque Bernalillo New Mexico	**Price/Acre (Net)**	$162,621
Legal Description	Lot 6, Block K, Sunshine Terrace Addition	**Square Feet**	7,500
		Net SF	
		Price /SF (Net)	$3.73
		Number Lots/DUs	1
		Sale Price/DU	$28,000
Market Area	Airport Area **Map Page** L-15	**Zoning**	R-1
Arterial Location	Local		

Grantor	Eloy & Alicia Ortiz
Grantee	Sun Nguyen & Ngo Huong
Terms	Cash to seller
Document Number	03-105096 **Document Type** Warranty Deed

Plat	C1-91	**Utilities**	All available
Tax ID Number			
Development Timing	Immediate	**Topography**	Mostly level
Intended Use	Single family home		
Off-site Infrastructure	Typical		

Comments

This lot fronts on a paved street in an area of older homes. The lot dimensions are 60 feet wide by 125 feet deep. The buyer constructed a single-family home.



Land Comparable 4

Multi-family
Land Sale

Comp # 12001

Project Name	Vacant Apartment Land		
Location	NE/c Palomas Dr & Anderson Ave SE & Alvardo Ave S/o Anderson, S/o Kathryn N/o Gibson E/o San Mateo		
Street Address			SE
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Parcel 1 - Virginia Place, Melendres' subdivision of Block 4, Lot 18 (February 27, 1958 in Plat Book D1, folio 97); and Parcel II - Lots 16 & 17, Blk. 12 of Virginia Place Addition (August 3, 1953 in Plat Book B3, folio 62).		
Market Area	Airport Area	**Map Page**	L-18
Arterial Location	Minor		

Sale Price	$120,000
Date of Sale	23 Dec 2006
Acres	0.5548
Net Acres	
Price/Acre (Net)	$216,294
Square Feet	24,167
Net SF	
Price /SF (Net)	$4.97
Number Lots/DUs	
Sale Price/DU	
Zoning	R-2 (Lot 18, Bk.4) R-3 (Lots 16 & 17)

Grantor	Azar, Greg and Lorinda C
Grantee	Tiryaki, Ahmet and Martha
Terms	Cash to Seller
Document Number	06-193634-A
Document Type	Warranty Deed

Plat	B3-62 & D1-97
Tax ID Number	1-018-056-108-208-3-23-01*
Development Timing	Immediate
Intended Use	Apartments
Off-site Infrastructure	In Place

Utilities	All public utilities extended to the property.
Topography	Level

Comments

Buyer is a builder that purchased these noncontiguous lots with the intent of building a 4-plex apartment (two-story) on each lot.

One of the three lots is located at the northeast corner of Anderson Avenue. The other two lots are located one-half block away. These two side-by-side lots are situate on the west side of Alvarado between Anderson and Ross.

All three lots were owned by the same seller. The buyer negotiated a price for all three. The conveyance was one deed.

Land Comparable 5

Multifamily
Land Sale

Comp # 11584

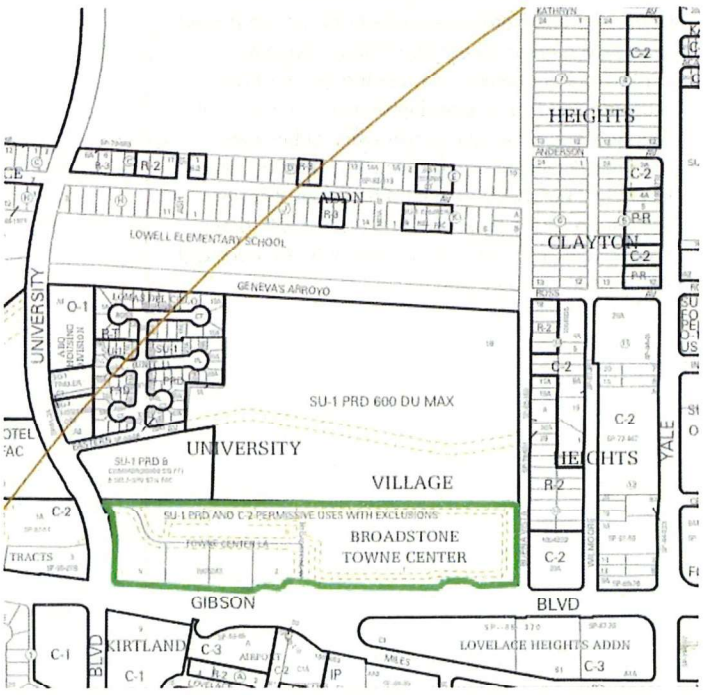
Project Name	Planned Apartments & Commercial	**Sale Price**	$4,013,000
Location	N/s Gibson Blvd. SE between University and Buena Vista E/o I-25	**Date of Sale**	18 Sep 2007
		Acres	16.7508
Street Address	SE	**Net Acres**	
City, County, State	Albuquerque Bernalillo New Mexico	**Price/Acre (Net)**	$239,571
Legal Description	Section 28, Township 10 North, Range 3 East: metes and bounds (three parcels)	**Square Feet**	729,665
		Net SF	
		Price /SF (Net)	$5.50
		Number Lots/DUs	
		Sale Price/DU	
Market Area	Airport Area **Map Page** L-15	**Zoning**	PRD/ SU-1 for C-2 Permissive uses
Arterial Location	Major		

Grantor	Matteucci, Paul J, trustee et al & Montano, Donna et al
Grantee	Broadstone Towne Center L L C (Patrick W Dukes, Phoenix, AZ)
Terms	Cash to seller
Document Number	07-134831 & 07-134832 **Document Type** Special Warranty Deed

Plat		**Utilities**	All available
Tax ID Number	1-015-056-328-016-4-03-02*		
Development Timing	Immediate	**Topography**	Undulating and below street grade. No net fill or removal required per the selling broker.
Intended Use	Apartments & commercial		
Off-site Infrastructure	Typical		

Comments

This sale represents two purchases by the same buyer from two sellers on the same day. The tracts were 11.2823 & 5.4685 acres, and the sale price was confirmed with the buyer as the total assemblage price. The buyer plans to develop a mixed use project with a 240-unit gated apartment complex and future commercial at hard corner of Gibson and University. The buyer/developer is an entity of Alliance Residential out of Phoenix. This is a lower- to middle-income area with above-average proximity to Albuquerque's major employment centers, but limited demand for commercial services.



Land Comparable 6

Multi-family
Land Sale

Comp # 11005

Project Name	Planned Townhouse Subdivision		
Location	Southeast corner of Yale Boulevard and Kathryn Avenue SE		
Street Address			
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Tracts B-1 & B-2, Cactus/Shalit Parcel		
Market Area	Airport Area	**Map Page**	L-15/L-16
Arterial Location	Minor/Collector		

Sale Price	$672,375
Date of Sale	5 Jan 2006
Acres	3.2496
Net Acres	
Price/Acre (Net)	$206,910
Square Feet	141,553
Net SF	
Price /SF (Net)	$4.75
Number Lots/DUs	32
Sale Price/DU	$21,012
Zoning	C-1 & O-1 Permit for 32 TH Units

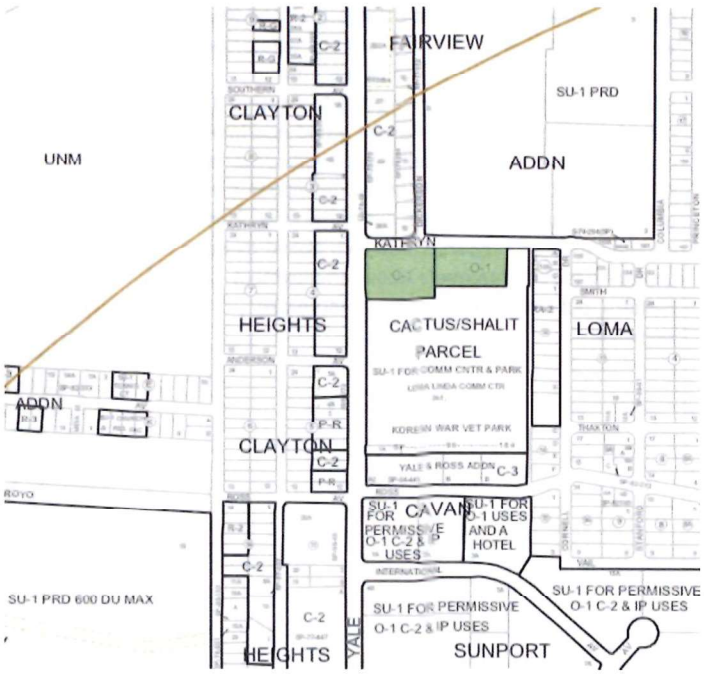
Grantor	Gold Leaf, LLC
Grantee	Beazer Home Sales, Inc.
Terms	Cash to seller
Document Number	06-00238
Document Type	Special Warranty Deed

Plat	91C-81
Tax ID Number	
Development Timing	Immediate
Intended Use	32 Townhouses
Off-site Infrastructure	Typical

Utilities	All available
Topography	Moderate slope

Comments

This site is located at the intersection of Yale Boulevard and Kathryn Avenue between the Airport and UNM market areas. The land is zoned for commercial and office use, but the grantor had received conditional use approval from the City of Albuquerque for a 32-lot townhouse subdivision prior to the closing of this sale. The grantor, Gold Leaf LLC, purchased the land on December 28, 2005 from Shalit Trust for $580,367, or $4.10 per square foot. This price was set prior to the approval for the 32-lot subdivision.



Land Comparable 7

Multifamily
Land Sale

Comp # 10994

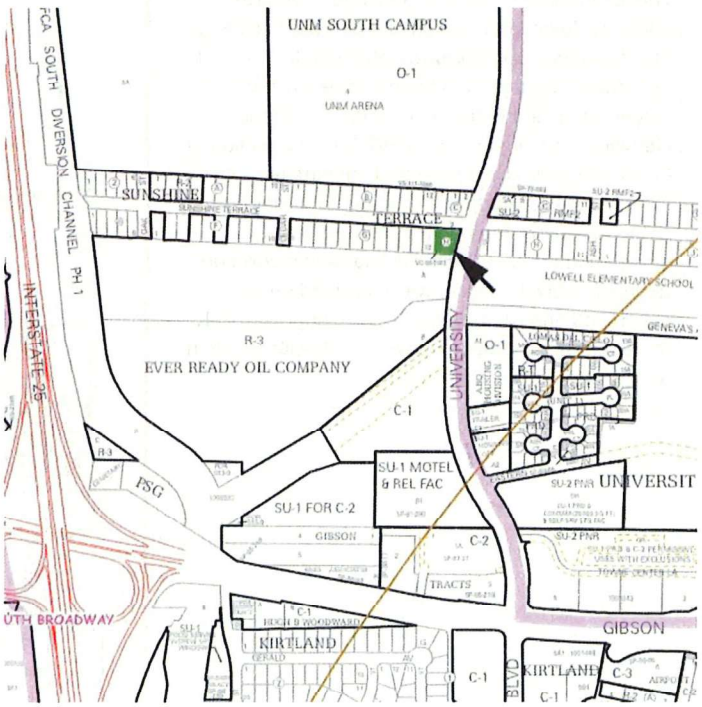
Project Name	Vacant Lot in Sunshine Terrace	**Sale Price**	$42,500
Location	Southwest corner of University Boulevard and Sunshine Terrace Avenue SE	**Date of Sale**	24 Jan 2003
		Acres	0.2465
Street Address		**Net Acres**	
City, County, State	Albuquerque Bernalillo New Mexico	**Price/Acre (Net)**	$172,393
Legal Description	Westerly portion of Lot 1, Block H, Sunshine Terrace Addition, and east one-half of vacated Sycamore Street adjacent to Lot 1	**Square Feet**	10,739
		Net SF	
		Price /SF (Net)	$3.96
		Number Lots/DUs	
		Sale Price/DU	
Market Area	Airport Area **Map Page** L-15	**Zoning**	R-3
Arterial Location	Major		

Grantor	Marion Kelleher Clay
Grantee	George & Caterina Giraudo Trust
Terms	Cash to seller
Document Number	03-012605 **Document Type** Warranty Deed

Plat		**Utilities**	All at University
Tax ID Number			
Development Timing	Unknown	**Topography**	Level
Intended Use	Unknown		
Off-site Infrastructure	Sunshine Terrace not paved		

Comments

This sale price was confirmed with the selling broker and the buyer's planned use was not known. Sunshine Terrace is not paved, but this site could probably be developed by extending one-half paving along its frontage. This tract was subsequently deeded back to the title company after it was discovered the seller did not own the east one-half of vacated Sycamore Street (it was owned by John Gutierrez). The title company sold the 6,989 SF remainder of Lot 1 to John Gutierrez for $18,700, or $2.68 per SF.



Land Comparable 8

Multi-family
Land Sale

Comp # 11999

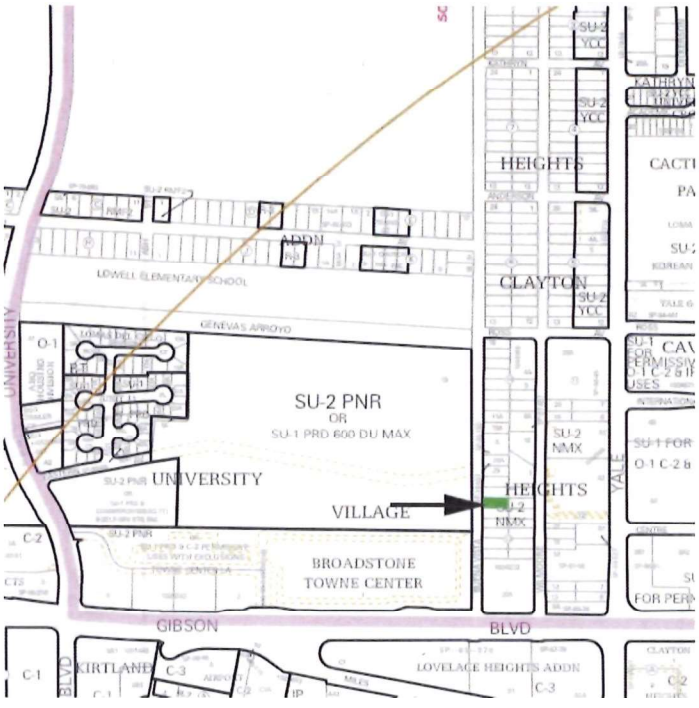
Project Name	One Vacant R-2 Lot	**Sale Price**	$38,000
Location	East side of Buena Vista Drive, north of Gibson Boulevard SE	**Date of Sale**	19 Dec 2007
		Acres	0.1435
Street Address		**Net Acres**	
City, County, State	Albuquerque Bernalillo New Mexico	**Price/Acre (Net)**	$264,845
Legal Description	Lot 26, Block 13, Clayton Heights	**Square Feet**	6,250
		Net SF	
		Price /SF (Net)	$6.08
		Number Lots/DUs	
		Sale Price/DU	
Market Area	Airport Area **Map Page** L-15	**Zoning**	R-2 Multifamily
Arterial Location	Local		

Grantor	Ike J. Monty III
Grantee	Frederick W. Reed III and Patricia B. Paiz
Terms	Cash to seller
Document Number	07-171040 **Document Type** Warranty Deed

Plat	C-73	**Utilities**	All available
Tax ID Number			
Development Timing	Immediate	**Topography**	Above grade with slope at front
Intended Use	Investment		
Off-site Infrastructure	Typical		

Comments

This lot fronts on Buena Vista Drive in an area primarily developed with small apartment buildings. This lot slopes up approximately three to four feet from the street and then becomes nearly level The neighboring land to the rear is also at a higher elevation. The buyer excavated the west portion of the site to near street level and constructed a two-story, four-unit apartment building. The rear portion of the four-plex steps up about three feet to accommodate the terrain. New retaining walls up to approximately three feet were required on the sides, and another retaining wall of approximately three feet was installed above the elevated portion at the rear.



Land Comparable 9

Multi-family
Land Sale

Comp # 11003

Project Name	One Vacant R-2 Lot		
Location	East side of Buena Vista Drive, north of Gibson Boulevard SE		
Street Address			
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Lot 28, Block 13, Clayton Heights		
Market Area	Airport Area	**Map Page**	L-15
Arterial Location	Local		

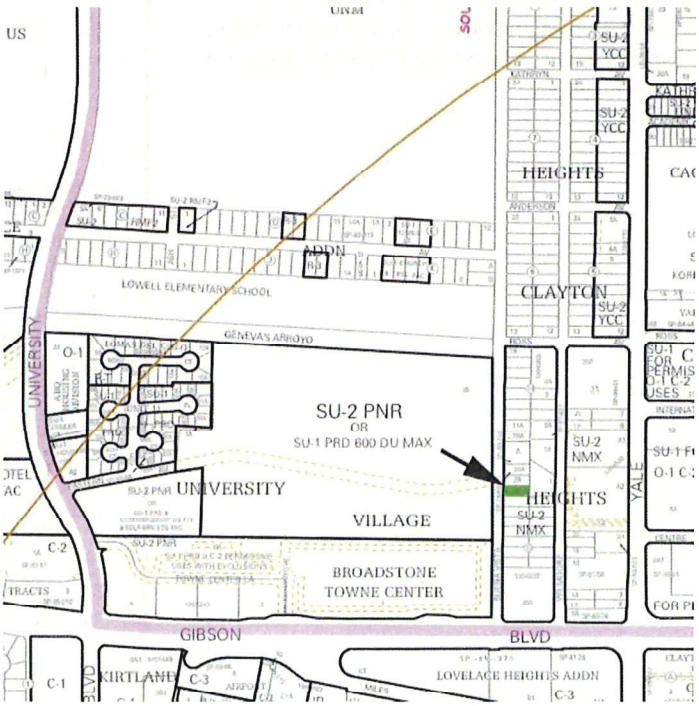
Sale Price	$33,500
Date of Sale	13 May 2005
Acres	0.1435
Net Acres	
Price/Acre (Net)	$233,482
Square Feet	6,250
Net SF	
Price /SF (Net)	$5.36
Number Lots/DUs	
Sale Price/DU	
Zoning	R-2 Multifamily

Grantor	Nahid Kia
Grantee	Darrell and Kathi Hail
Terms	Real estate contract at 8.5% with $6,700 cash, $247.33 per month, and remaining balance due on June 1, 2010.
Document Number	05-066406
Document Type	Real Estate Contract

Plat	C-73	**Utilities**	All available
Tax ID Number			
Development Timing	Future	**Topography**	Above grade with slope at front
Intended Use	Investment		
Off-site Infrastructure	Typical		

Comments

This lot fronts on Buena Vista Drive in an area primarily developed with small apartment buildings. This lot slopes up approximately three to four feet from the street and then becomes nearly level.



Land Comparable 10

Comp # 12002

Multi-family
Land Sale

Project Name	One Vacant R-2 Lot		
Location	West of Yale Blvd., north of Gibson Blvd., on the west side of Wilmoore Drive		
Street Address	1909 Wilmoore Drive SE		
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Lot 3, Block 13, Clayton Heights		
Market Area	Airport Area	**Map Page**	L-15
Arterial Location	Local		

Sale Price	$50,000
Date of Sale	22 Jun 2007
Acres	0.1435
Net Acres	
Price/Acre (Net)	$348,481
Square Feet	6,250
Net SF	
Price /SF (Net)	$8.00
Number Lots/DUs	
Sale Price/DU	
Zoning	R-2

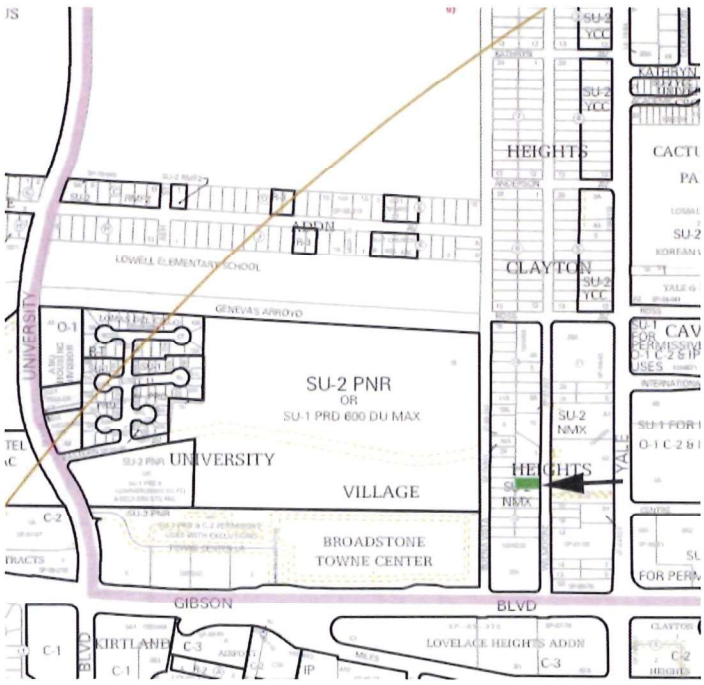
Grantor	Presbyterian Healthcare Foundation
Grantee	Frederick W. Reed III and Patricia B. Paiz
Terms	Cash to Seller
Document Number	07-091723
Document Type	Warranty Deed

Plat	C-73
Tax ID Number	1 015 056 511 070 40113
Development Timing	Immediate
Intended Use	Apartments
Off-site Infrastructure	Typical

Utilities	All available
Topography	Level

Comments

This is a level lot that is on grade with Wilmoore Avenue and surrounding uses are predominantly apartments. The buyer constructed a two-story 4-plex on this lot.



Land Comparable 11

Industrial
Land Sale

Comp # 12006

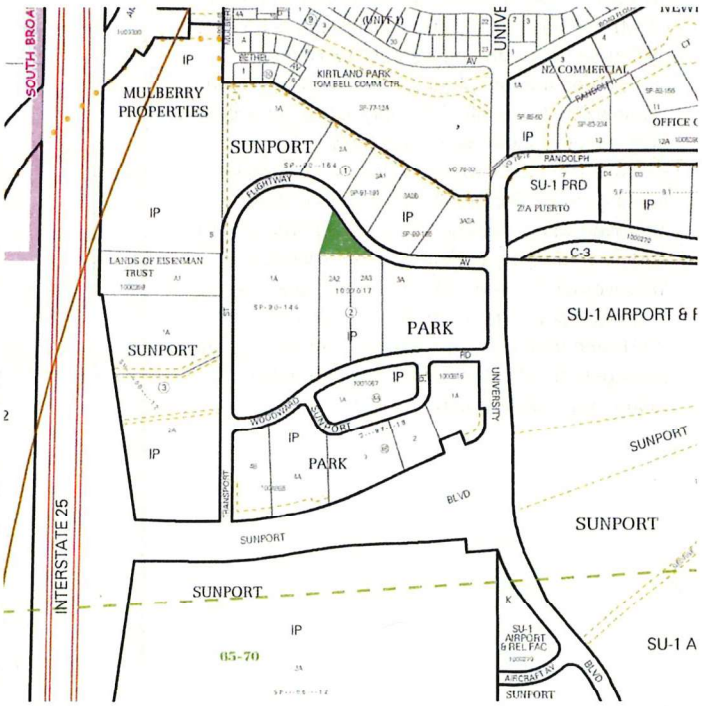
Project Name	Vacant Land			**Sale Price**	$130,000
Location	S/s Flightway Ave SE just W/o University N/o Sunport E/o I-25			**Date of Sale**	7 Apr 2009
				Acres	0.5914
Street Address			SE	**Net Acres**	
City, County, State	Albuquerque	Bernalillo	New Mexico	**Price/Acre (Net)**	$219,817
Legal Description	Sunport Park, Block 2, Lot 2-A-1			**Square Feet**	25,761
				Net SF	
				Price /SF (Net)	$5.05
				Number Lots/DUs	
				Sale Price/DU	
Market Area	Airport Area	**Map Page**	M-15	**Zoning**	IP
Arterial Location	Local				

Grantor	Kassam, Karim/ Jariwala, Ajay
Grantee	Gutierrez, Larry P and Jane H
Terms	$20,000 cash, real estate contract at 6.0% with payments of $928.24 per month and balance due April 7, 2014
Document Number	09-037059 **Document Type** Real Estate Contract

Plat	2008C-165	**Utilities**	All available
Tax ID Number	1-015-055-197-269-3-04-12		
Development Timing		**Topography**	Slopes down to the west with grade change of approximately five percent
Intended Use	Industrial		
Off-site Infrastructure	At frontage		

Comments

This site is recessed in an industrial park near the airport. It has a triangular shape and sloping terrain. An overhead transmission line runs along the south boundary. The buyer owns an industrial facility to the west and purchased this land for future expansion or parking.



Land Comparable 12

Public Use
Land Sale

Comp # 11997

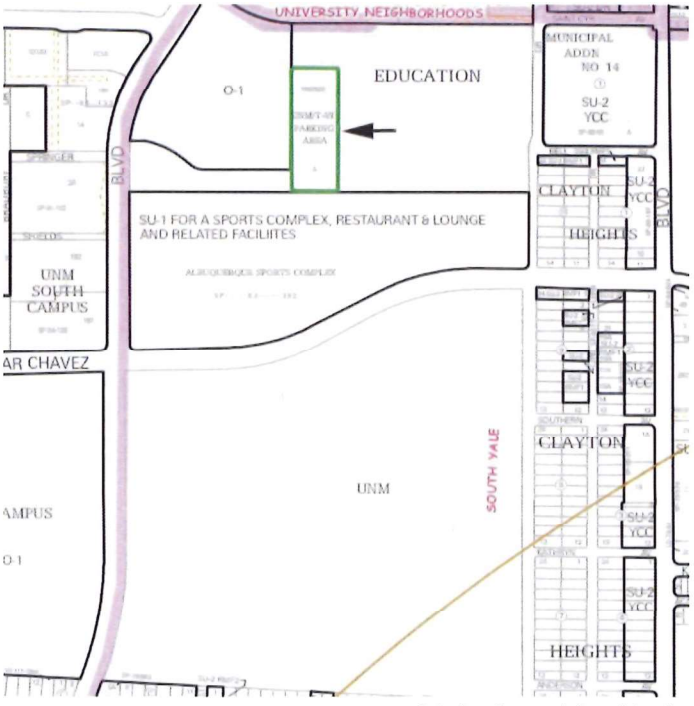
Project Name	TVI Parking Lot	**Sale Price**	$545,000
Location	E/o University Blvd. SE N/o Cesar Chavez S/o Coal	**Date of Sale**	17 Dec 2003
		Acres	3.2422
Street Address	SE	**Net Acres**	
City, County, State	Albuquerque Bernalillo New Mexico	**Price/Acre (Net)**	$168,096
Legal Description	UNM/T-VI Parking Area, Tract A	**Square Feet**	141,230
		Net SF	
		Price /SF (Net)	$3.86
		Number Lots/DUs	
		Sale Price/DU	
Market Area	Airport Area **Map Page** L-15	**Zoning**	UNM owned not subject to zoning
Arterial Location	Local		

Grantor	The Regents of the University of New Mexico (Julie Weaks Gutierrez)
Grantee	The Albuquerque Technical and Vocational Institute District
Terms	Cash to seller
Document Number	03-224904 **Document Type** Quit Claim Deed

Plat	2003C-367	**Utilities**	All available
Tax ID Number	1-015-056-380-484-1-06-30*		
Development Timing		**Topography**	Level
Intended Use	Parking lot		
Off-site Infrastructure	See comments		

Comments

This site is imbedded in the campus of TVI (now CNM) and has limited street visibility. It is bordered by TVI on the north and west, UNM Student Housing on the east, and the Albuquerque Sports Complex on the south. The only improved access is from a gated entrance at its southwest corner, which is accessed from another TVI parking lot fronting University Boulevard. The land was improved with a parking lot at the expense of TVI, and no value was attributed to the existing site improvements in this sale. TVI had leased this property from UNM at $1.00 per year from 1992 - 2001, and that lease had expired. The real estate managers for UNM and TVI considered this to be a market price transaction.



Land Comparable 13

Industrial
Land Sale

Comp # 11402

Project Name	Vacant Land		
Location	N/s Woodward Rd SE S/s Flightway just W/o University N/o Sunport E/o I-25		
Street Address	1401 Woodward Road		SE
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Sunport Park, Block 2, Lot 2-A		
Market Area	Airport Area	**Map Page**	M-15
Arterial Location	Local		

Sale Price	$1,100,000
Date of Sale	9 Aug 2007
Acres	4.4513
Net Acres	
Price/Acre (Net)	$247,119
Square Feet	193,899
Net SF	
Price /SF (Net)	$5.67
Number Lots/DUs	
Sale Price/DU	
Zoning	IP

Grantor	Contractors Leasing L L C (J Howard Mock/ Donald A M Power)
Grantee	Kassam, Karim/ Jariwala, Ajay
Terms	$400,000 cash and real estate contract for one year at 8.0%
Document Number	07-116234
Document Type	Real Estate Contract

Plat	90C-195
Tax ID Number	1-015-055-183-234-3-04-10
Development Timing	
Intended Use	Hotel/motel
Off-site Infrastructure	Typical

Utilities	All available
Topography	Sloping

Comments

This is a moderately sloping site between I-25 and the Albuquerque International Airport, and to the north of Sunport Boulevard SE. It is recessed in a commercial subdivision and situated between motels to the south along Sunport, and industrial to the north and east. It has relatively good visibility from I-25 due to the upward sloping terrain. It is crossed on an east-west axis near the north end by an overhead transmission line. The buyer is an active hotel/motel operator and plans eventual development with this use.

Land Comparable 14

Commercial
Land Sale

Comp # 11170

Project Name	Vacant Land		
Location	West side of Yale Blvd. SE, north of Gibson Blvd.		
Street Address	1921 Yale Boulevard		SE
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Clayton Heights, Block 12, Tract A		
Market Area	Airport Area	**Map Page**	L-15
Arterial Location	Major		

Sale Price	$825,000	
Date of Sale	18 Jul 2006	
Acres	3.4670	
Net Acres	3.467	
Price/Acre (Net)	$237,958	($237,958)
Square Feet	151,023	
Net SF	151,023	
Price /SF (Net)	$5.46	($5.46)
Number Lots/DUs		
Sale Price/DU		
Zoning	C-2	

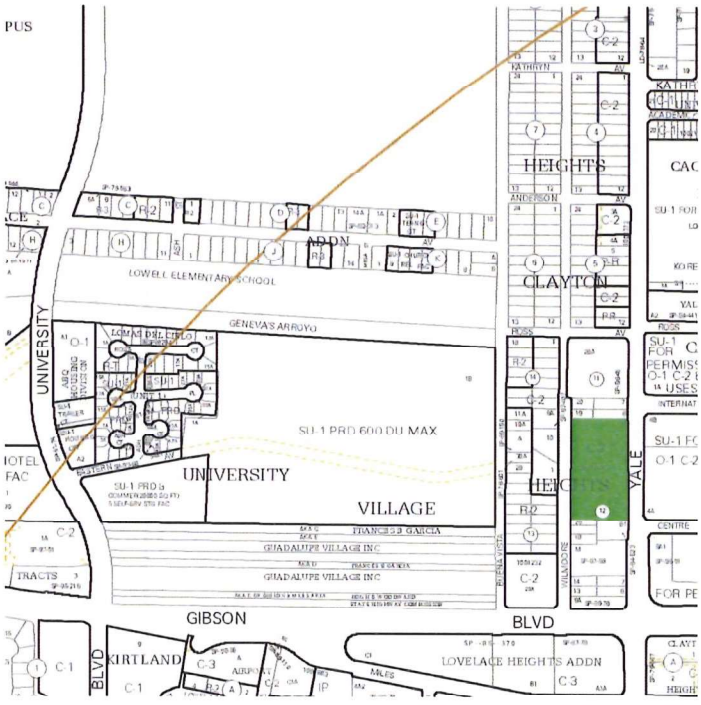
Grantor	ABQ Dolphin L P (Kevin Pitts, Irvine, CA)
Grantee	110 Sunport L L C (Tajdin Gillani)
Terms	Cash to seller
Document Number	06-108101
Document Type	Warranty Deed

Plat	B13-120	**Utilities**	All available at property line
Tax ID Number	1-015-056-533-076-4-05-07		
Development Timing		**Topography**	Downward slope from east to west
Intended Use	Future Commercial Development		
Off-site Infrastructure	In Place		

Comments

This site is located near the airport in an area of motel/hotel, lower density office & commercial, and special purpose improvements. The site slopes downward away from Yale Boulevard and development will either require significant fill dirt or a multi-level site plan.

The seller had purchased this site on August 15, 2000 for $921,250, or $6.10 per square foot (Bernalillo County Reception #2000-079478).



Land Comparable 15

Public Use

Comp # 12005

Project Name	Heights Park		
Location	Just W/o Buena Vista Ave SE just S/o Coal E/o University		
Street Address			SE
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Heights Community Center, Tract A		
Market Area	Airport Area	**Map Page**	K-15
Arterial Location	Local		

Sale Price	$1,460,391
Date of Sale	25 Oct 2007
Acres	4.8943
Net Acres	
Price/Acre (Net)	$298,384
Square Feet	213,197
Net SF	
Price /SF (Net)	$6.85
Number Lots/DUs	
Sale Price/DU	
Zoning	SU-2 O-1

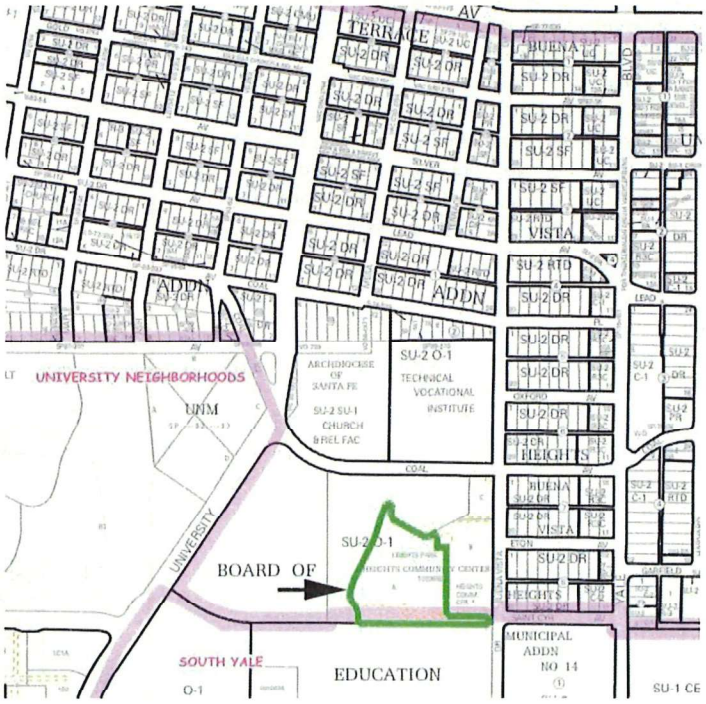
Grantor	Board of Education of the City of Albuquerque, New Mexico...(Paula Maes)/ City of Albuquerque (Bruce J Perlman)
Grantee	Central New Mexico Community College (Katharine Winograd)
Terms	Cash to seller
Document Number	07-149786 etc
Document Type	Quit Claim Deed

Plat	2007C-316
Tax ID Number	1-015-057-425-040-4-01-10*
Development Timing	Future
Intended Use	CNM building
Off-site Infrastructure	Typical

Utilities	All available
Topography	Level

Comments

This site is located on an easement street that is a westerly extension of Saint Cyr Avenue from Buena Vista Drive. It was owned by APS and the City of Albuquerque, and improved with a baseball field. CNM purchased the land at appraised value, removed the ball field improvements and constructed a new campus building.



Land Comparable 16

Commercial
Land Sale

Comp # 11694

Project Name	Vacant Land		
Location	E/s Yale Blvd. SE just N/o Kathryn S/o Cesar Chavez/Santa Clara		
Street Address			SE
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Fairview, Tract Z-2		
Market Area	Airport Area	**Map Page**	L-16
Arterial Location	Minor/Collector		

Sale Price	$475,000
Date of Sale	15 Oct 2007
Acres	1.5860
Net Acres	
Price/Acre (Net)	$299,496
Square Feet	69,086
Net SF	
Price /SF (Net)	$6.88
Number Lots/DUs	
Sale Price/DU	
Zoning	C-2

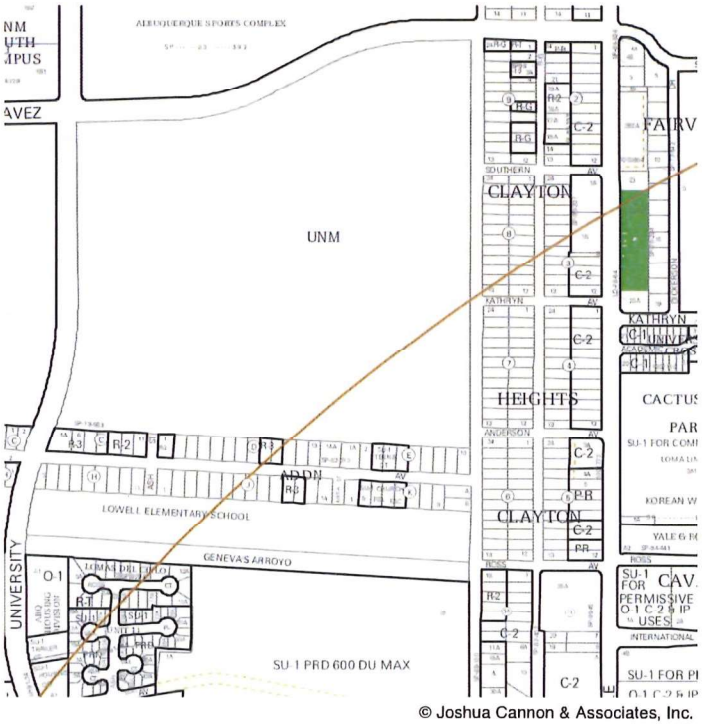
Grantor	Yale Apartments L L C (Sheryl Wible/ James Wible/ David Perko)
Grantee	MAMJ L L C (Ahmad Assed/ Nabil A Jaber)
Terms	Cash to seller
Document Number	07-145526
Document Type	Warranty Deed

Plat	C15-139
Tax ID Number	1-016-056-012-314-2-01-20
Development Timing	Future
Intended Use	Unknown
Off-site Infrastructure	Complete

Utilities	All available
Topography	Level

Comments

This is a level site in a mixed use area of commercial, residential and institutional. The sale price was confirmed with the seller and the buyer's planned use is not known. The seller purchased the land on October 3, 2005 for $358,000, or $5.18 per square foot and had planned to construct a 36-unit apartment complex, but subsequently canceled this plan. This sale/re-sale indicates an appreciation rate from October 3, 2005 to October 17, 2007 of 14.9% per year.



Land Comparable 17

Commercial
Land Sale

Comp # 11168

Project Name	Future Motel Site		
Location	East side of Yale Blvd. SE between International Av. & Ross Av., north of Gibson Blvd.		
Street Address			SE
City, County, State	Albuquerque	Bernalillo	New Mexico
Legal Description	Cavan Sunport Centre, Tracts 1-A, 2-A		
Market Area	Airport Area	**Map Page**	L-16
Arterial Location	Major		

Sale Price	$909,668	
Date of Sale	30 May 2006	
Acres	2.9833	
Net Acres	2.9833	
Price/Acre (Net)	$304,920	($304,920)
Square Feet	129,953	
Net SF	129,953	
Price /SF (Net)	$7.00	($7.00)
Number Lots/DUs		
Sale Price/DU		
Zoning	SU-1 O-1 C-2 & IP uses	

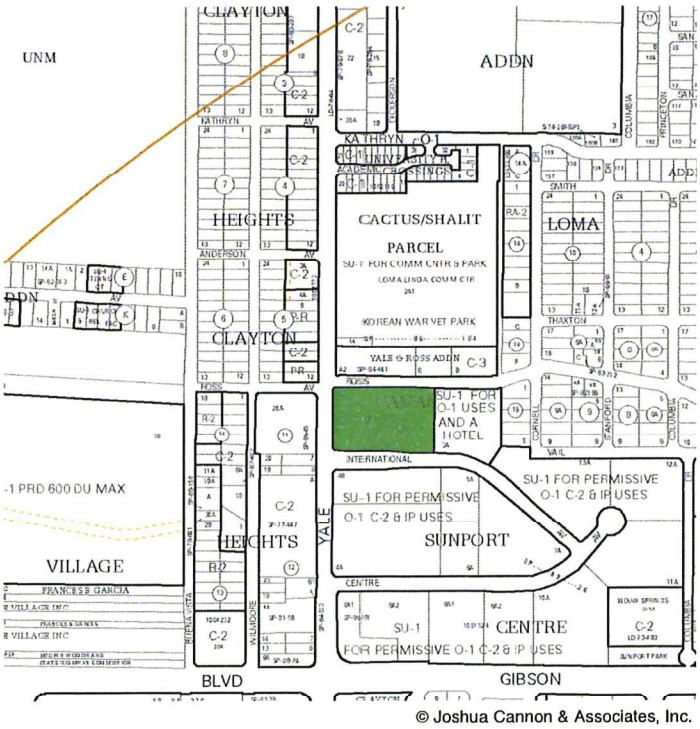
Grantor	Lee, David R (17.8025%) et al etc Grayland Corporation
Grantee	Albuquerque Innkeeper 1 L L C (Las Cruces, NM)
Terms	Cash to seller
Document Number	06-093250
Document Type	Warranty Deed

Plat	C35-173
Tax ID Number	1-016-056-017-127-3-01-01*
Development Timing	Near term
Intended Use	Hotel development
Off-site Infrastructure	In place

Utilities	All available at property line
Topography	Generally level

Comments

Site is located north of the Albuquerque International Airport and surrounding land uses are predominantly motels/hotels, restaurants and other businesses oriented toward the airport.



Appendix E

Bohannan Huston INC.

Courtyard I
7500 Jefferson St. NE
Albuquerque, NM
87109-4335

www.bhinc.com

voice: 505.823.1000
facsimile: 505.798.7988
toll free: 800.877.5332

October 27, 2010

Mr. Thomas Neale
University of New Mexico
Real Estate Department
Scholes Hall, Room 252
Albuquerque, NM 87131

Re: Sunshine Terrace Land – Opinion of Probable Cost for Residential Development (ver. 3)

Dear Tom:

In response to the questions raised in John Cannon's email on October 22nd, 2010, we are providing this updated letter and exhibits. This letter now addresses the lot that was created by the vacated Sycamore Street as well as the updates to the estimate and impact fees applicable to the Sunshine Terrace lots. The northern vacated lot is consumed equally by Lot 12, Block B and Lot 1, Block C. Essentially the total lot count was increased by one lot (the portion of vacated Sycamore Street, south of Sunshine Terrace), now totaling 59. All of the information provided in the October 6th letter and exhibits is included herein, so this update replaces the original letter.

In accordance with your request, we have enclosed an opinion of probable cost for the development of the Sunshine Terrace property, located just west of University Blvd., south of the UNM Arena (The Pit). A vicinity map is enclosed to help identify the site.

We have prepared the estimate to substantially recognize the existing platting of the property. Residential development is anticipated for these lands. Accordingly, a 32 foot face of curb to face of curb street (public) was estimated for the existing platted road right of way. As you are aware, an existing sanitary sewer is located within the roadway right of way. All that is needed for sanitary sewer service is for the services to be placed to the individual lots. A 10 inch water line (990 feet) running east from the UNM Student Housing development will provide service to the western lots (west boundary to S. Cedar St.). An 8 inch water line (1090 feet) running west from University Blvd will provide services to the remaining lots. This solution will eliminate the need for a Pressure Reducing Valve (PRV) since the site lies within two pressure zones.

Impact fees were calculated assuming a maximum of five dwelling units on all lots zoned R-2 and R-3 (24 lots total). The density was derived based on City of Albuquerque zoning requirements for setbacks and parking. This assumption required the need for larger service lines; primarily an upgrade of water services from ¾" to 1 ½" and sanitary sewer services from 4" to 6" (see Exhibit C). Impact fees were calculated as follows:

	Single Family Fees	Single Family Cost per Lot (34 Lots)	Muti-Family Fees	Muti-Family Cost per Lot (24 Lots)	Cost per Multi-Family Dwelling Unit (120 Units)	Total
ABCWUA Utility Expansion Charges (UEC)	$150,246	$4,419	$255,153	$10,631	$2,126	$ 405,399
APS School Facility Fees	$82,450	$2,425	$181,875	$7,578	$1,516	$ 264,325
COA Impact Fees	$22,644	$666	$79,920	$3,330	$666	$ 105,894
TOTAL:	$255,340	**$7,510**	$516,948	**$21,540**	**$4,308**	
					Grand Total:	**$ 775,618**

A geotechnical investigation provided by Vinyard and Associates in 2004 provided information that helped to identify areas of uncontrolled fill and debris on the property. Nevertheless, as with any geotechnical report, there is only a limited number of soil borings to assist in understanding the subsurface conditions of property. Accordingly, the earthwork estimate provided is our best approximation of earthwork costs that might be encountered on the project. As recommended in the geotechnical report, we have assumed that the existing fill material will be excavated and screened to remove rubble larger than 4 inches in diameter. All unsuitable fill will be hauled off site to a proper landfill.
The conclusion of our cost estimating effort is as follows, including hard and soft costs but not including impact fees:

Earthwork	$ 536,140
Infrastructure	$1,131,775
Total Opinion of Probable Cost	**$1,667,915**

The following assumptions were made in order to determine a cost per individual lot.

1. Infrastructure costs are divided equally between all 59 lots since the lots are very similar in size.
2. Earthwork costs per individual lot was determined using an average depth of uncontrolled fill established by comparing the 2004 Vinyard and Associates geotechnical report and survey data gathered in 2010 (see Exhibit A). The entire site was divided into 5 separate pieces categorized by the amount of uncontrolled fill in that area. Each lot's area was multiplied by the average depth. The price associated with the volume calculated was broken up into three parts: usable fill that only needs compaction (70% @ $2.00 per yd^3), material requiring screening (30% @ $4.00 per yd^3), and material requiring to be hauled off to a landfill (30% of the material screened @ $17.50 per yd^3) (see Exhibit B).
3. Roadway earthwork was determined by dividing the proposed roadway area equally between lots that have uncontrollable fill within the lot's 1 of 5 separate areas. The fill depth for the roadway was determined using the same procedure as the lot depth.
4. Elevations used to determine fill depths were obtained using Stereo Ortho Photography (see Exhibit A).
5. We have assumed City of Albuquerque review and approval processes, including acceptance requirements (i.e. inspection, close out procedures, etc.).
6. Roadway pavement sections consists of the following: Residential asphalt concrete, Type C, 1-1/2" (2 lifts), 6" Aggregate Base Course, and 12" Sub-grade Prep.
7. Unit Prices are based on COA Public Works Department Estimated Unit Prices for 2009 or current contractor prices for current BHI projects.
8. 8" Sanitary Sewer line and manholes are for stubs to the north and south in Oak St. (city policy requirement).
9. Assume a 50' radius cul-de-sac at Oak St.
10. Paving assumes 32' F-F.
11. This estimate does not include costs for traffic control, walls or landscaping.

12. Earthwork & Drainage Estimates do not include off-site flow management (i.e., assume there is no applicable offsite flows).
13. Earthwork for uncontrolled fill assumes no import or export.
14. See Exhibit C: PRELIMINARY ENGINEER'S OPINION OF COST FOR SUNSHINE TERRACE (Infrastructure) for infrastructure quantities and prices.
15. See Exhibit D: PRELIMINARY ENGINEER'S OPINION OF COST FOR SUNSHINE TERRACE (Earthwork) for earthwork quantities and prices.

Enclosed is the following documentation and back up supporting material for this effort:

Exhibit A - Sunshine Terrace Fill Comparison (1 of 1)

Exhibit B - Infrastructure & Earthwork Cost per Lot (2 of 2)

Exhibit C - Preliminary Engineer's Opinion of Cost for Sunshine Terrace (Infrastructure) (2 of 2)

Exhibit D - Preliminary Engineer's Opinion of Cost for Sunshine Terrace (Earthwork) (1 of 1)

Exhibit E - Sunshine Terrace Lot Exhibit (1 of 1)

If we can answer any questions, please feel free to contact me at anytime.

Sincerely,

FOR Bruce Stidworthy, P.E.
Senior Vice President and Managing Principal
Community Development and Planning

BJS/cc
Enclosures

cc: John Salazar, Rodey, Dickason, Sloan

EXHIBIT A

SUNSHINE TERRACE FILL COMPARISON

October 27, 2010

Reference Point (Coach Box)

2004 Reference		2010 Reference			Average (coorection factor)
5101.5	-	5098.9	=	-2.6	-3.0

Reference Point (I-25 Gore)

2004 Reference		2010 Reference		
5132.6	-	5129.3	=	-3.3

Test Hole #	2004 Elevation	2004 Corrected	2010 Elevation	04-'10 Difference	2004 Fill Depth	2010 Fill Depth
#	ft	ft	ft	ft	ft	ft
1	5098.5	5095.5	5096.4	0.9	2	2.9
2	5100.2	5097.2	5097.6	0.4	0	0.4
3	5096.9	5093.9	5095.2	1.3	0	1.3
4	5096.8	5093.8	5095.1	1.3	0	1.3
5	5095.5	5092.5	5093	0.5	2	2.5
6	5094.4	5091.4	5091.9	0.5	0	0.5
7	5089.5	5086.5	5087.8	1.3	7	8.3
8	5086.6	5083.6	5085.3	1.7	4	5.7
9	5076.8	5073.8	5078.3	4.5	10	14.5
10	5076.1	5073.1	5073.3	0.2	0	0.2
11	5072.3	5069.3	5071.5	2.2	2	4.2
12	5073.8	5070.8	5074.5	3.7	4	7.7
13	5078.7	5075.7	5069.4	-6.3	3	-3.3
14	5062.7	5059.7	5070.3	10.6	3	13.6
15	5055.4	5052.4	5067.8	15.4	0	15.4
16	5057	5054.0	5065.9	11.9	4	15.9
17						
18						
19	5090.9	5087.9	5088.5	0.6	0	0.6
20	5088.9	5085.9	5086.3	0.4	10	10.4
21	5086.4	5083.4	5085.3	1.9	8	9.9
22	5083.4	5080.4	5081.2	0.8	8	8.8
23	5079	5076.0	5078.2	2.2	10	12.2
24	5073.4	5070.4	5074.7	4.3	6	10.3

	Average Uncontrolled Fill Depth (ft)	Lots	
	1.4	BLOCK B: Lots (8,9,10,11,12) BLOCK S. Sycamore N.: Lots (1,2)	BLOCK G: Lots (8,9,10,11,12) BLOCK S. Sycamore S.: Lots(1 &vact lot)
	2.9	BLOCK B: Lots (4,5,6,7)	BLOCK G: Lots (4,5,6,7)
	8.1	BLOCK A: Lot (6) BLOCK B: Lots (1,2,3)	BLOCK F: Lots (6,7,8,9,10) BLOCK G: Lots (1,2,3)
	10.4	BLOCK A: Lots (1,2,3,4,5)	BLOCK F: Lots (1,2,3,4,5)
	0	BLOCK A: Lot (7,8,9,10) BLOCK 2: lots (1,2,3,4,5,6)	BLOCK 25: Lots (2,3,4,5,6)

NOTES:

1. SEE EXHIBIT E FOR A GRAPHIC DEPICTION OF EACH COLOR CODED SECTION OF THE SUNSHINE TERRACE LOTS.

EXHIBIT B

INFRASTRUCTURE & EARTHWORK COST PER LOT

10/27/2010

LOT #	Infrastructure Cost	Lot Earthwork Cost	Road Earthwork Cost	Area (ft^2)	Volume (ft^3)	Volume (yd^3)	Total Cost
Block 2							
1	$18,325	$0	$0	2443.6	0.0	0.0	**$18,325**
2	$18,325	$0	$0	6243.9	0.0	0.0	**$18,325**
3	$18,325	$0	$0	6243.9	0.0	0.0	**$18,325**
4	$18,325	$0	$0	6243.8	0.0	0.0	**$18,325**
5	$18,325	$0	$0	6243.8	0.0	0.0	**$18,325**
6	$18,325	$0	$0	6243.7	0.0	0.0	**$18,325**
Block 25							
2	$18,325	$0	$0	1822.8	0.0	0.0	**$18,325**
3	$18,325	$0	$0	6245.6	0.0	0.0	**$18,325**
4	$18,325	$0	$0	6246.6	0.0	0.0	**$18,325**
5	$18,325	$0	$0	6245.3	0.0	0.0	**$18,325**
6	$18,325	$0	$0	6245.2	0.0	0.0	**$18,325**
Block A							
1	$20,349	$20,228	$4,093	9114.6	94335.9	3493.9	**$44,670**
2	$20,349	$16,630	$4,093	7493.2	77554.8	2872.4	**$41,072**
3	$20,349	$16,628	$4,093	7492.2	77544.1	2872.0	**$41,069**
4	$20,349	$16,635	$4,093	7495.3	77576.4	2873.2	**$41,076**
5	$18,325	$16,627	$4,093	7492.0	77542.7	2872.0	**$39,045**
6	$18,325	$13,098	$5,973	7496.9	61082.7	2262.3	**$37,396**
7	$18,325	$0	$0	7495.0	0.0	0.0	**$18,325**
8	$18,325	$0	$0	7491.8	0.0	0.0	**$18,325**
9	$18,325	$0	$0	7495.7	0.0	0.0	**$18,325**
10	$18,325	$0	$0	8750.0	0.0	0.0	**$18,325**
Block F							
1	$20,349	$17,449	$4,093	7862.4	81375.6	3013.9	**$41,891**
2	$18,325	$16,632	$4,093	7494.0	77562.8	2872.7	**$39,050**
3	$18,325	$16,630	$4,093	7493.5	77557.3	2872.5	**$39,048**
4	$20,349	$16,631	$4,093	7493.7	77559.7	2872.6	**$41,073**
5	$20,349	$16,629	$4,093	7492.6	77548.6	2872.2	**$41,070**
6	$18,325	$13,091	$5,973	7492.9	61050.1	2261.1	**$37,389**
7	$20,349	$13,091	$5,973	7493.0	61051.2	2261.2	**$39,413**
8	$20,349	$13,090	$5,973	7492.5	61046.8	2261.0	**$39,412**
9	$20,349	$13,090	$5,973	7492.2	61045.2	2260.9	**$39,411**
10	$20,349	$14,180	$5,973	8116.4	66130.4	2449.3	**$40,502**
Block B							
1	$18,325	$15,283	$5,973	8747.8	71275.2	2639.8	**$39,581**
2	$18,325	$13,102	$5,973	7499.3	61102.2	2263.0	**$37,400**
3	$18,325	$13,104	$5,973	7500.5	61112.2	2263.4	**$37,402**
4	$18,325	$4,737	$1,140	7501.5	22091.9	818.2	**$24,202**
5	$18,325	$4,739	$1,140	7504.8	22101.7	818.6	**$24,204**
6	$18,325	$4,740	$1,140	7505.6	22104.0	818.7	**$24,204**
7	$18,325	$4,738	$1,140	7502.1	22093.7	818.3	**$24,202**
8	$18,325	$2,325	$594	7505.3	10845.1	401.7	**$21,244**
9	$18,325	$2,326	$594	7507.9	10848.9	401.8	**$21,245**
10	$18,325	$2,327	$594	7509.0	10850.5	401.9	**$21,245**
11	$18,325	$2,327	$594	7509.1	10850.6	401.9	**$21,245**
12	$18,325	$2,715	$594	8761.6	12660.5	468.9	**$21,633**

EXHIBIT B

INFRASTRUCTURE & EARTHWORK COST PER LOT

10/27/2010

LOT #	Infrastructure Cost	Lot Earthwork Cost	Road Earthwork Cost	Area (ft²)	Volume (ft³)	Volume (yd³)	Total Cost
Block G							
1	$20,349	$15,270	$5,973	8740.2	71213.3	2637.5	**$41,592**
2	$20,349	$13,089	$5,973	7491.8	61041.8	2260.8	**$39,411**
3	$20,349	$13,085	$5,973	7489.4	61021.7	2260.1	**$39,406**
4	$20,349	$4,730	$1,140	7491.0	22061.0	817.1	**$26,219**
5	$20,349	$4,730	$1,140	7490.4	22059.1	817.0	**$26,219**
6	$20,349	$4,730	$1,140	7490.8	22060.4	817.1	**$26,219**
7	$20,349	$4,729	$1,140	7488.9	22054.8	816.8	**$26,218**
8	$20,349	$2,321	$594	7489.7	10822.5	400.8	**$23,263**
9	$20,349	$2,320	$594	7488.9	10821.5	400.8	**$23,263**
10	$20,349	$2,321	$594	7490.3	10823.5	400.9	**$23,263**
11	$20,349	$2,321	$594	7490.1	10823.2	400.9	**$23,263**
12	$20,349	$3,878	$594	12516.3	18086.0	669.9	**$24,821**
S. Sycamore N.							
1	$18,325	$3,879	$594	12520.0	18091.4	670.1	**$22,798**
2	$18,325	$1,484	$594	4790.2	6921.8	256.4	**$20,403**
S. Sycamore S.							
1	$20,349	$2,078	$594	6706.5	9690.9	358.9	**$23,021**
Vacat Lot	$20,349	$2,323	$594	7497.8	10834.3	401.3	**$23,266**

Road Earthwork				
	33177.4	0.0	0.0	$0
	18441.9	190873.9	7069.4	$29,515
	41023.2	334248.3	12379.6	$51,685
	14437.7	42519.0	1574.8	$6,575
	26820.5	38755.6	1435.4	$5,993

Total

LOT #	Infrastructure Cost	Lot Earthwork Cost	Road Earthwork Cost	Area (ft²)	Volume (ft³)	Volume (yd³)	Total Cost
59	$1,131,775	$406,111	$130,028	568335.2	2500325.0	92604.6	$1,667,915

EXHIBIT C

PRELIMINARY ENGINEER'S OPINION OF COST FOR SUNSHINE TERRACE (Infrastructure)
(59 LOTS)
October 27, 2010

Spec No.	Short Description	Unit	Quantity	Unit Price	Amount
	PAVING				
301.020	SUBGRADE PREP, 12"	SY	6621	$2.66	$ 17,613
302.010	ABS, 6"	SY	6621	$9.54	$ 63,137
336.022	RES ASP CONC, TYPE C, 1-1/2", M	SY	13243	$7.04	$ 93,175
336.120	TK CT	SY	6621	$0.37	$ 2,471
340.010	SDWK, 4", PCC	SY	1764	$33.25	$ 58,635
340.030	VLY GUT & CURB, PCC	SY	164	$73.35	$ 12,029
340.035	VLY GUT, PCC, REM, DISP & REP	SY	82	$70.43	$ 5,775
343.010	AC PVMT, R&D NO SAW	SY	13150	$7.07	$ 92,971
340.050	C & G, STD, PCC	LF	3890	$20.81	$ 80,965
340.025	WLCHR ACC RAMP, 4" PCC	EA	6	$1,353.95	$ 8,124
	SUBTOTAL PAVING				**$ 434,895**
	WATER				
801.003	8" WL PIPE, w/o FIT	LF	1090	$13.08	$ 14,257
801.004	10" WL PIPE, w/o FIT	LF	990	$ 26.66	$ 26,393
801.150	MJ REST GLND, 4"-8"	EA	15	$58.37	$ 876
801.151	MJ REST GLND, 10"-12"	EA	7	$ 111.35	$ 779
801.155	JNT REST HRNSS, 4"-8"	EA	6	$81.14	$ 487
801.157	JNT REST HRNSS, 10"-12"	EA	3	$ 85.08	$ 255
801.059	NON PRESS CONN, w/FIT, WL	EA	1	$436.19	$ 436
801.065	DI FIT, MJ, 4"-14", WL	LB	1120	$1.57	$ 1,753
801.082	8" GATE VLV	EA	3	$888.92	$ 2,667
801.083	10" GATE VLV	EA	2	$ 2,248.18	$ 4,496
801.105	VLV BOX A	EA	5	$ 404.35	$ 2,022
801.114	FH, 4 1/2'	EA	2	$1,984.46	$ 3,969
802.610	3/4" WTR SVC, DBL	EA	16	$ 1,169.17	$ 18,707
802.600	3/4" WTR SVC, SGL	EA	2	$ 625.74	$ 1,251
802.64X	1 1/2" WTR SVC, SGL	EA	25	$ 1,662.21	$ 41,555
	SUBTOTAL WATER				**$ 119,904**
	SANITARY SEWER				
905.050	4" NEW SAS SVC	EA	34	$398.68	$ 13,555
905.060	6" NEW SAS SVC	EA	25	$448.93	$ 11,223
920.070	MH, 4' DIA, C or E	EA	2	$2,354.77	$ 4,710
901.030	8" SAS PIPE	LF	320	$6.78	$ 2,170
901.610	WET CONN, 8"-10" SAS	EA	2	$ 111.35	$ 223
901.630	PUMP SEWAGE, SAS	HR	59	$ 231.06	$ 13,633
	SUBTOTAL SANITARY SEWER				**$ 45,514**

PRELIMINARY ENGINEER'S OPINION OF COST FOR SUNSHINE TERRACE (Infrastructure)
(59 LOTS)
October 27, 2010

	STORM DRAIN					
701.100	TRCHG BF, 18-36" SWR, <8'	LF	250	$ 17.00	$	4,250
910.009	24" RCP, III	LF	250	$ 41.00	$	10,250
915.01X	CTH BSN, A, DG, DW	EA	1	$ 4,329.49	$	4,329
920.010	MH, 4' DIA, C, <6' D	EA	1	$ 2,256.54	$	2,257
920.01X	MH, 6' DIA, WTR-QUAL, 6'-10' D	EA	1	$ 5,000.00	$	5,000
910.072	WYE, 24" x 18" RCP	EA	1	$ 1,500.00	$	1,500
XXX.XXX	AMAFCA OUTFALL STRUCTURE INCL, HDWALL AND EROS CNTRL, CIP	EA	1	$ 7,000.00	$	7,000
	SUBTOTAL STORM DRAIN				**$**	**34,586**
	DRY UTILITIES - ELECTRIC, GAS, PHONE & CABLE					
XXXX.XX	INSTALLATION OF LINES TRANSFORMERS & PULL BOXES, TRCHG, BF & COMP , 5'	LOT	59	$ 2,000.00	$	118,000
	SUBTOTAL DRY UTIITIES				**$**	**118,000**
	STREET LIGHTING					
422.032	STREET LIGHTING, INCL FNDTN. AND CONDUIT, CIP	EA	3	$ 2,313.79	$	6,941
	SUBTOTAL LIGHTING				**$**	**6,941**
	SUBTOTAL ITEMS				$	759,840
	SUBTOTAL W/CONTINGENCIES @ 15%				**$**	**873,816**
	FEES					
	ENGINEERING @ 6%				$	52,429
	CITY REVIEW @ 3.3%				$	28,836
	CONSTRUCTION SURVEY @ 3%				$	26,214
	CONSTRUCTION INSPECTION @ 5%				$	43,691
	TESTING @ 2%				$	17,476
	BOND/LETTER OF CREDIT/MISC. FEES @ 1.75%				$	15,292
	SUBTOTAL FEES				**$**	**183,938**
	SUBTOTAL W/FEES				$	1,057,754
	NMGRT @ 7.0%				$	74,043
	TOTAL				**$**	**1,131,797**
		cost per lot (59 lots) =			**$**	**18,325**
		(R-2/R-3) Increase for larger service lines =			**$**	**2,024**

NOTES: 1. See cover letter for assumptions used in determining unit prices and quantities.

EXHIBIT D

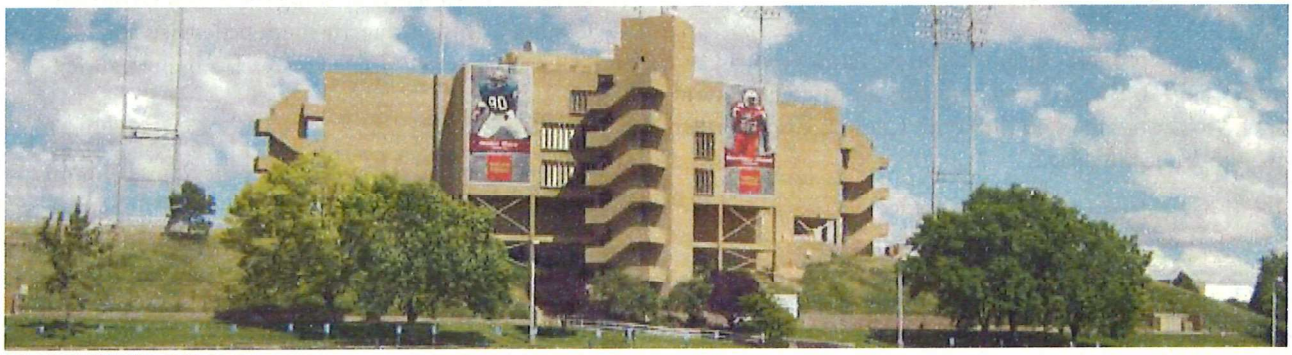
PRELIMINARY OPINION OF COST & COMPARISON FOR SUNSHINE TERRACE (EARTHWORK)
October 27, 2010

Spec No.	Short Description	Unit	Quantity	Unit Price	Amount
	EARTHWORK				
204.XXX	EARTHWORK-GRADING	CY	64823	$ 2.00	$ 129,646
XXXX.XX	REMOVE UNSUITABLE FILL, SCREEN, RELAY AND RECOMPACT	CY	27781	$ 4.00	$ 111,125.56
XXXX.XX	HAUL UNSUITABLE FILL TO LANDFILL	CY	8334	$ 17.50	$ 145,852.29
	SUBTOTAL				**$ 386,624**
	SUBTOTAL W/ CONTINGENCIES @ 20%				**$ 463,949**
	FEES				
	ENGINEERING @ 3%				$ 13,918
	CITY REVIEW (not required for grading)				0
	CONSTRUCTION SURVEY @2%				$ 9,279
	CONSTRUCTION INSPECTION (not required for grading)				0
	TESTING @ 2%				$ 9,279
	BOND/LETTER OF CREDIT/MISC. FEES/PERMITS @ 1%				$ 4,639
	SUBTOTAL FEES				**$ 37,116**
	SUBTOTAL W/FEES				$ 501,065
	NMGRT @ 7.0%				$ 35,075
	TOTAL				**$ 536,140**


EXHIBIT E
UNM PIT
TRACT 1
51.3 Acres
TRACT 1
51.3 Acres
UNM STUDENT HOUSING
SOFTBALL FIELD
BASEBALL FIELD
AMAFCA - South Diversion Channel
I-25
UNIVERSITY BLVD
N
SUNSHINE TERRACE LOTS
10/06/10
Bohannan Huston

South Campus

The approximately 289-acre South Campus is a ten-minute walk from the Central Campus and is bounded by Basehart on the north, Gibson to the south, I-25 on the west, and Buena Vista to the east. It is linked to Central Campus by University and Buena Vista. The South Campus currently has three distinct land uses: athletics, office /research space, and large-scale parking. This plan is a first step in proposing new land uses that would create a more complete campus. The intent is to provide a mixture of uses that will complement the existing uses and create a fun, educational, and stimulating environment for students, faculty, and visitors. The existing concentration of sports venues provides a strong base for developing new uses. The Pit, perhaps the most iconic building on the entire UNM campus, broke ground on a 60 million dollar addition in 2009. The addition will add amenities, including a restaurant and a lounge. University Stadium also has plans for an extensive renovation that would add suites and press boxes. These destination venues in large part define the unique identity of the South Campus.



Lobo Football Stadium- DPS

The 2009 Update builds upon the Athletics Facility Plan authored by Molzen Corbin in 2007and the approved UNM Science and Technology Development Plan. A new network of roads will provide access to the land west of the Pit that is designated for student housing and commercial uses. This area becomes more connected with a well-defined pedestrian network that ties to the overall transit and street car system. With this network and infill development, the boundary is blurred between athletics and the Science and Tech Park, and the proposed housing and commercial development. Parking structures will make parking an integrated function rather than a dominant land use.

The 2009 Update departs from the Molzen Corbin Athletics Facility Plan and the UNM Science and Technology Plan in the following ways:

- The 2009 Update proposes a more defined urban edge along Cesar Chavez and new commercial uses near the intersection of University and Cesar Chavez. Cesar Chavez is envisioned as a more urban street with wide sidewalks and development fronting on the street. Commercial development at the southeast intersection of Cesar Chavez and University Blvd. will provide restaurant and retail services for large-scale events associated with the Pit, University Stadium, and Isotopes Park. The new buildings would be carefully sited to enhance the elevations of the Pit and University Stadium.
- On the south side of Cesar Chavez, plans for Phase II of the Science and Technology Park are modified. Instead of extending office uses across Cesar Chavez, a mix of student housing and retail is proposed.
- Another exception to the Molzen Corbin Plan is that the tennis courts proposed southwest of the Pit are not shown on this plan. It is anticipated that these courts could be accommodated in the area that is now platted as Sunshine Terrace.

The 2009 Update builds upon a well-developed fabric of buildings, plazas, and circulation in the Science and Technology Park. The concept plan proposes to infill some of the existing surface parking with buildings that further the Park's mission of research and fostering startup companies. The vacant parcels along Cesar Chavez are still proposed for uses similar to those shown in the approved UNM Science and Technology Development Plan: hotel/office/mixed-use. Circulation is enhanced with an east-west bike connector between Buena Vista and the Science and Tech Park and a longer north-south bike trail paralleling the Diversion Channel.

On the south side of Cesar Chavez, the 2009 Update proposes a mix of retail and office uses that would front Cesar Chavez. A new road would extend south from Cesar Chavez along the Diversion Channel and connect to Gibson on the south. This road, along with a parallel, secondary connection to the east, would create a grid of street blocks that range in size but average 450 feet in length. While the uses for these blocks would be flexible, some major element of housing is recommended.

The buildings proposed along both sides of Cesar Chavez are intended to create a more defined edge along the primary entryway to the South Campus from the west. These proposed changes to the character of Cesar Chavez are also in line with the recommendations of the South Yale Sector Development Plan.

South of Sunshine Terrace, a undeveloped subdivision located south of the Pit, the 2009 Update includes a mix of uses, including interim surface parking to replace the South Lot and previously-approved commercial development along Gibson.

Major Proposed Improvements

The 2009 Update proposes three categories of improvements for the South Campus. The major components are listed below and correspond to the numbers on the South Campus Concept Plan shown on the following page.

Proposed Road Network and Circulation Improvements:

1. **Establish a grid block pattern and a network of streets south of Cesar Chavez, between University Boulevard and I-25.** The intent of these improvements is to create a framework for mixed-use development that can be implemented over time. This planning approach will diffuse traffic, minimize street widths, and enable the efficient placement of infrastructure.

2. **Add signalized intersections at strategic locations along Cesar Chavez and University Boulevards to make internal north-south circulation easier.** Providing more opportunities for vehicular and pedestrian crossings will help tie the various South Campus parcels and uses together, slow down traffic on Cesar Chavez, and improve internal campus circulation.

Open Space and Pedestrian/Bike Circulation:

3. **Create an open space network that includes urban streetscapes, plazas, and trails.** The addition of these amenities will play an important part in creating a unique identity for the South Campus. These facilities will accommodate the large numbers of visitors who come to the South Campus on game days, and will be seen as an amenity to campus residents and those working at the UNM Science and Technology Park. The design of the open space will create a visually engaging and attractive environment and help to create a human scale amenity, which is important given the large-scale nature of the athletic venues.

4. **Create a new South Campus Gateway Park on Cesar Chavez Boulevard east of I-25.** Due to the proximity to I-25, the west entry to South Campus is the primary gateway and used by large numbers of visitors to access the area. The new gateway should introduce the UNM identity and establish a strong sense of entry into the campus.

5. **Improve the intersection at Cesar Chavez and University Boulevards to make it more pedestrian-friendly.** At most times, the intersection is dominated by cars and parking. A redesign should makes this an attractive and safe area for pedestrians and bicyclists for everyday use.

6. **Create a pedestrian plaza between the Pit and University Stadium, along Cesar Chavez Boulevard.** This plaza is intended to create a defined gathering area used primarily before and after large-scale sporting events.

7. **Create a multi-use trail along the South Diversion Channel.** This new north-south pedestrian and bike corridor will provide much-needed recreation opportunities.

Proposed Facilities Improvements:

8. **Diversify the mixture of uses on the South Campus.** Develop upperclassmen student housing in the area between the Pit and I-25 and establish retail and mixed-use along Cesar Chavez.

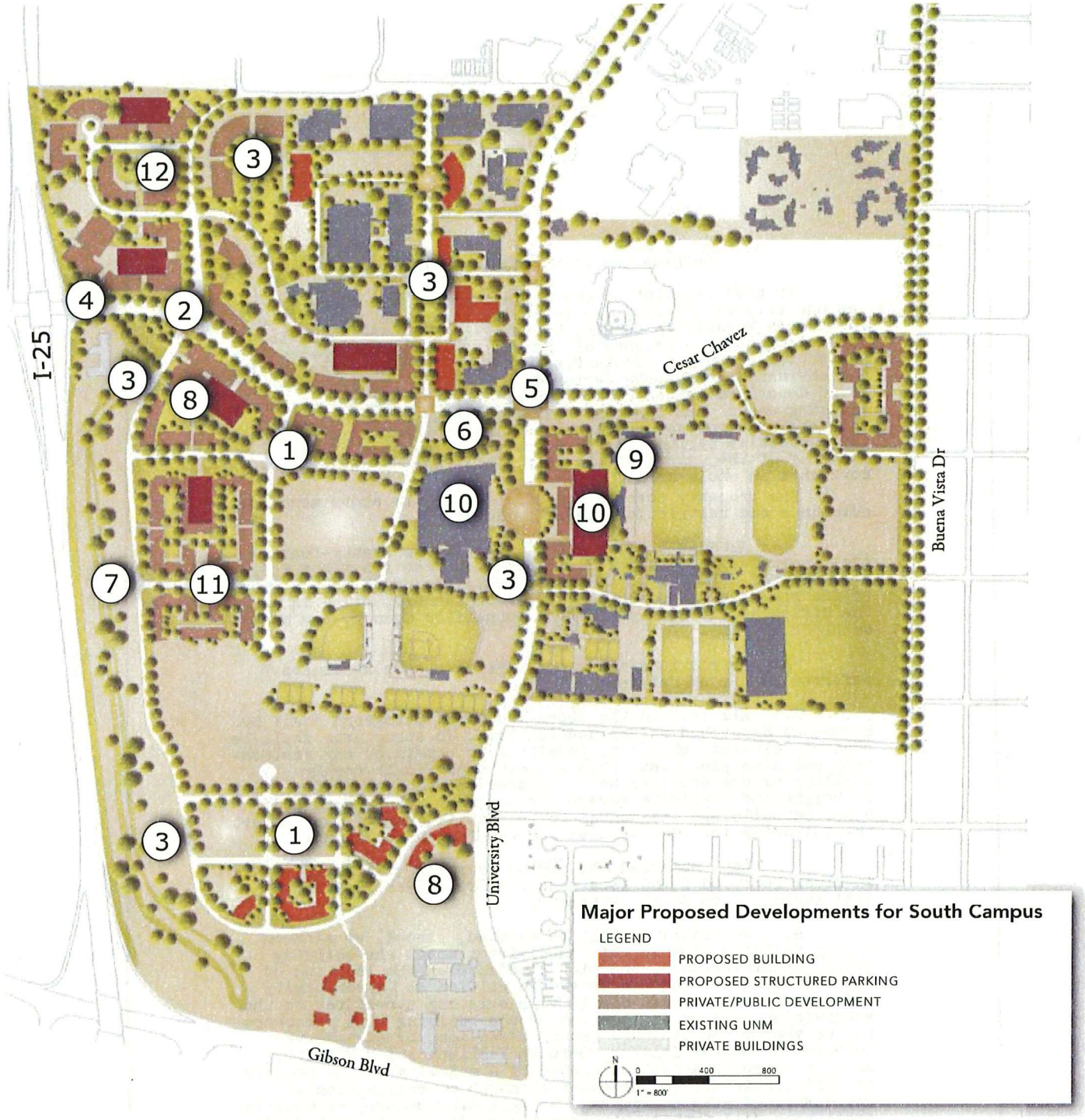
9. **Transition to structured parking from surface parking to enable a higher intensity of development.** In order to optimize land values, there will need to be a transition to structured parking. Quality pedestrian and bike circulation as well as improved transit options will also reduce the overall demand for parking.

10. **Enhance the sporting venues with completion of additions to the Pit and anticipated renovations of University Stadium.**

11. **Establish housing village west of the Pit.** This housing will offer better accommodations for sophomores, juniors, and seniors. Development of housing in this area will also help alleviate housing that is displaced by construction of new dorms on Central Campus.

12. **Continue an infill strategy on the Science and Technology Park.** The Science and Technology Park needs a comprehensive pedestrian and parking plan to accommodate the influx of new tenants. New infill development in the Park will require careful assessment of parking and available land.

Additional item not numbered: A UNM IT data center scaled to provide services and fiber connectivity for high tech partnerships and UNM research initiatives will be developed on South Campus. (location to be determined)



Proposed Road Network and Circulation Improvements:

1. Establish a grid block pattern and a network of streets south of Cesar Chavez, between University and I-25.
2. Add signalized intersections at strategic locations along Cesar Chavez and University Boulevards to make internal north-south circulation easier.

Open Space and Pedestrian/Bike Circulation:

3. Create an open space network that includes urban streetscapes, plazas, and trails.
4. Create a new South Campus Gateway park on Cesar Chavez Boulevard east of I-25.
5. Improve the intersection at Cesar Chavez and University Boulevards to make it more pedestrian- friendly.
6. Create a pedestrian plaza between the Pit and University Stadium, along Cesar Chavez Boulevard.
7. Create a multi-use trail along the South Diversion Channel.

Proposed Facilities Improvements:

8. Diversify the mixture of uses on the South Campus.
9. Transition to structured parking from surface parking to enable a higher intensity of development.
10. Complete the Pit addition and University Stadium renovation.
11. Establish a housing village west of the Pit.
12. Continue infill strategy in the Science and Technology Park.

Sunshine Terrace
D139/155

DECLARATION OF BUILDING RESTRICTIONS

IN CONSIDERATION of One Dollar, and other things of value, the undersigned ownersof the following described real estate located in Bernalillo County, New Mexico, does hereby declare the creation and existence of the building restrictions and protective covenants hereinafter set forth,and said restrictions and covenants are hereby declared to run with the land hereinafter described and be binding on all parties and all persons claiming under them until SEPTEMBER 1, 1976, at which time said restrictions and covenants shall be automatically extended for successive periods of ten years unless by vote of the majority of the owners of the lots, it is agreed to change said covenants in whole or in part;

The property covered and affected by the above mentioned covenants and restrictions is as follows:

Amended Plat of Blocks Three(3) to Twenty-four (24) inclusive, comprising new Blocks lettered A,B,C,D,E,F,G, H,J and K of SUNSHINE TERRACE ADDITION,Albuquerque, New Mexico, as the same are shown and designated on the Plat filed in the Office of the County Clerk of Bernalillo County, New Mexico on MARCH 17,1950.

The restrictions and protective covenants hereinabove referred to are as follows:

A. All lots in the above mentioned paragraph shall be known and described as residential lots. No structures shall be erected, altered, placed or permitted to remain on any residential building plot other than one detached single-family dwelling,or one dwelling not to exceed two and one-half stories in height and a private garage for not more than 3 cars and other outbuildings incidental to residential use of plot except the following lots may be used for two-family dwellings:

Lots numbered Ten ((10)to Fourteen (14) inclusive in Block lettered D and lots numbered Ten (10)to Fourteen (14) inclusive in Block lettered J.

B. No building shall be erected, placed, or altered on any building plot in this subdivision until the building plans, specifications, and plot plan showing the location of such building have been approved in writing as to conformity and harmony of external design with existing structures in the subdivision, and as to location of the building with reference to topography and finished ground elevation, by a committee composed of Rachel Keleher, Dorothy Valliant and M.W.Smith, or by a representative designated by a majority of the members of said committee. In the event of death or resignation of any member of said committee, the remaining member, or members, shall have full authority to approve or disapprove such design and location, or to designate a representative with like authority. In the event said committee, or its designated representative, fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it or, in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. Neither the members of such committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The powers and duties of such committee,

and of its designated representative, shall cease on and after January 1, 1953. Thereafter the approval described in this Covenant shall not be required unless, prior to said date and effective thereon, a written instrument shall be executed by the then record owners of a majority of the lots in this subdivision and duly recorded appointing a representative, or representatives, who shall thereafter exercise the same powers previously exercised by said committee.

C. No building shall be located on any residential building plot nearer than 25 feet nor further than 35 feet from the front line of said lot nor nearer to any side street line than 10 feet. No building, except a detached garage or other out buildings located 70 feet or more from the front lot line, shall be located nearer than 5 feet to any side lot line.

D. No residential structure shall be erected or placed on any building plot, which plot has an area of less than 6000 square feet or a width of less than 60 feet at the front building set back line.

E. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

F. No trailer, basement, tent, shack, garage, barn, or other outbuilding erected in the tract shall be, at any time, used as a residence temporarily or permanently, nor shall any structure of a temporary character, be used as a residence.

G. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall not be less than 750 square feet, in the case of a one-story structure, nor less than 650 square feet in the case of a one and one-half, two or two and one-half story structures, except in the case of two-family dwellings, the ground floor area of the main structure, exclusive of one-story open porches and garages, shall be not less than 900 square feet in the case of a one-story structure, nor less than 800 square feet in the case of a one and one-half, two or two and one-half story structure.

H. All dwellings to be finished as to exterior within 6 months from the starting of construction.

I. An easement is reserved over the rear 5 feet of each lot for utility installation and maintenance.

If the parties hereto, or any of them, or their heirs or assigns, shall violate or attempt to violate any of the covenants or restrictions herein, it shall be lawful for any other person or persons owning any real property situated in said development or subdivision, and hereinabove described, to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant or restriction, and either to prevent him or them from so doing or to recover damages or other dues for such violation.

Invalidation of any of these covenants by judgment or court order shall in no wise effect any of the other provisions which shall remain in full force.

J. D. Kelley

Rachel Kelley

William P. Kelley

#3

DECLARA ION OF BUILDING RES RIC IONS

S A E OF NEW ME ICO }
COUN Y OF B RNALILLO } SS.

On this 13 day of April, 1950, before me personally appeared J.D.KELEHER AND RACHEL KELEHER, to me known to be the persons described in and who execu ed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal the day and year last above written.

John B. Smith

My commission expires July 25, 1953

S A E OF NEW ME ICO }
COUN Y OF B RNALILLO } SS.

On this 20th day of April, 1950, before me personally appeared MOR IS W. SMITH and MARY I. SMI H, his wife, P.D. MILLER and KA HLEEN P. MILLER, his wife, to me know to be the persons described in and who executed the foregoing instrument, and acknowledged that they execu ed the same as their free act and deed.

Witness my hand and seal the day and year last above written.

My commission expires June 10, 1950

Ella M. Sonnichsen
Notary Public

State of New Mexico }
County of Bernalillo } ss
This instrument was filed for record on
APR 20 1950 at 10
At ... o'clock ... m. Recorded in Vol. 139
of records of said County Folio 185
Ramona Montoya Clerk & Recorder
Mary Elizabeth Deputy Clerk
4-20-50

JOSHUA CANNON & ASSOCIATES, INC.

APPRAISAL & ADVISORY SERVICES FOR NEW MEXICO REAL ESTATE

September 16, 2010 **Certified Mail – Return Receipt**

Walter M. Sanchez
Cecilia Sanchez
1301 California NE
Albuquerque, New Mexico 87110

Reference: Appraisal of Platted Lots in the Sunshine Terrace Addition
Sunshine Terrace Avenue, west of University Boulevard SE
Albuquerque, New Mexico

Dear Walter M. and Cecilia Sanchez,

The three firms listed under the signature line below have been retained by the University of New Mexico to prepare three independent appraisals of your land in the Sunshine Terrace Addition. The University of New Mexico has an interest in purchasing your property and will use the three appraisals for that purpose. If you have any questions regarding our engagement, please call Tom Neale, Associate Director of Real Estate for the University of New Mexico. His telephone number is 505-277-4637.

It will be necessary for us to inspect your property for the appraisal. We prefer to inspect your property with you or your designated representative present, if possible. We have set aside the three days of October 4 – 6, 2010 for the property inspections. Please contact Joshua Cannon at the telephone number or email address shown on the letterhead to provide a meeting time. If you have any specific questions regarding this property inspection, if you will be unavailable during that three-day period to accompany us on an on-site inspection and need to discuss another possible date, or if you are not interested in touring your property with us, we would very much appreciate hearing from you as soon as possible. Also, we would welcome any information you believe is relevant to the appraisal of your property. A monthly or annual summary of any parking revenue the property has generated would be appreciated and please provide as much detail as possible.

A self-addressed stamped envelope is enclosed. Please make your selection on the following page and return the entire copy of the letter at your earliest convenience.

Attached to this letter is the title commitment provided by UNM that highlights the specific name(s) under which your ownership is held and the legal description. Please let us know if this information is not correct.

JOSHUA CANNON & ASSOCIATES, INC.

Joshua Cannon, MAI

BROOKS PEARSALL ZANTOW, LLC

Larry N. Brooks, MAI, CRE

GODFREY APPRAISAL SERVICES, INC.

Bryan E. Godfrey, MAI

cc: Tom Neale, University of New Mexico

PO Box 20088, Albuquerque, New Mexico 87154 Office: 505-298-2636 Fax: 866-284-3293 Email: jcannon@cannon-nm.com

Walter M. and Cecilia Sanchez
September 16, 2010

Please check below and return the entire copy of this letter in the self-addressed stamped envelope.

X I plan to accompany the appraisers on the inspection and will contact Joshua Cannon to arrange a meeting time.

____ I do not plan to accompany the appraisers, but I grant them permission to go onto my property to perform an inspection.

____ I do not plan to accompany the appraisers, and I deny them permission to go onto my property to perform an inspection.

Qualifications of Joshua Cannon, MAI

Professional Memberships and Licenses

MAI, Member of the Appraisal Institute, Certificate No. 8661
Certified Real Estate Appraiser, State of New Mexico, General Certificate No. 21-G
Past Member of the Board of Directors, Rio Grande Chapter of the Appraisal Institute

Education

Bachelor of Science, New Mexico State University, Las Cruces, New Mexico, 1983

Appraisal Courses and Seminars

Principles in Real Estate Appraisal, New Mexico State University
Real Estate Appraisal Principles, Course 1A-1, AIREA
Real Estate Valuation Procedures, Course 1A-2, AIREA
Capitalization Theory and Techniques, Part A, Course 1B-A, AIREA
Capitalization Theory and Techniques, Part B, Course 1B-B, AIREA
Case Studies in Real Estate Valuation, Course 2-1, AIREA
Report Writing and Valuation Analysis, Course 2-2, AIREA
Standards of Professional Practice, Parts A and B, AIREA and Appraisal Institute
Standards of Professional Practice, Part C, Appraisal Institute
Subdivision Analysis Seminar, Appraisal Institute
Rates, Ratios and Reasonableness Seminar, Appraisal Institute
Current Issues and Misconceptions in the Appraisal Process Seminar, Appraisal Institute
Understanding Limited Appraisals and Reporting Options Seminar, Appraisal Institute
Highest & Best Use and Market Analysis, Course 520, Appraisal Institute
Water Rights and Issues Seminar, Appraisal Institute
The Internet and Appraising Seminar, Appraisal Institute
Eminent Domain & Condemnation Appraising Seminar, Appraisal Institute
Internet Search Strategies for Real Estate Appraising Seminar, Appraisal Institute
Valuation of Detrimental Conditions in Real Estate Seminar, Appraisal Institute
Appraising from Blueprints and Specifications Seminar, Appraisal Institute
Flood Zone Issues Seminar, Appraisal Institute
Real Estate Fraud: The Appraiser's Responsibilities and Liabilities Seminar, Appraisal Institute
Conservation Easements Seminar, Appraisal Institute and ASFMRA
Appraisal Consulting: A Solutions Approach for Professionals Seminar, Appraisal Institute
Natural Resource Appraisal Seminar, Appraisal Institute
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book Seminar)

Experience

Joshua Cannon & Associates, Inc. from July 2007 to present.

Associated with Brooks, Lomax & Fletcher, Inc., October 1983 to June 2007. Appraisal assignments have involved a wide variety of property types, including multifamily, retail, office, industrial, subdivisions, special purpose, eminent domain and rural. Other assignments include market studies, feasibility analyses and consultation on a variety of property types.

Expert Witness

District Court – New Mexico
District Court – Utah

Sample Clients

Bank of America, Bank of Albuquerque, Bank of the West, Wells Fargo Bank, KeyBank, Comerica Bank, New Mexico Bank & Trust, First State Bank, First Federal Bank, Los Alamos National Bank, Imperial Thrift and Loan, Fremont Investment & Loan, Realty Mortgage Investment Company, Charter Bank, University of New Mexico, Sandia Foundation, Transamerica Realty Services, Trust for Public Land, Albuquerque Publishing Company, Ford Motor Company, Chrysler Corporation, and many government entities, insurance companies, private developers, attorneys and individuals.