

JOSHUA CANNON & ASSOCIATES, INC.

APPRAISAL & ADVISORY SERVICES FOR NEW MEXICO REAL ESTATE

NARRATIVE APPRAISAL REPORT

VACANT LAND

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

PROPERTY OWNER

Juan Chavez

Appraisal Project 27351

EFFECTIVE DATE

February 17, 2014

PREPARED FOR

Thomas M. Neale
Interim Director of Real Estate
The University of New Mexico
2811 Campus Boulevard NE
MSC06 3595
1 University of New Mexico
Albuquerque, New Mexico 87131

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March 13, 2014

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Interim Director of Real Estate
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2811 Campus Boulevard NE
1 University of New Mexico
MSC06 3595
Albuquerque, New Mexico 87131

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

We have completed an appraisal of the above referenced property and we are pleased to submit the accompanying narrative 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	February 17, 2014
Estimated Fair Market Value	\$72,900

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, MAI

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Executive Summary

Project: Vacant Land

Location: Sunshine Terrace Avenue SE, west of University Boulevard, Albuquerque, New Mexico

Client: Thomas M. Neale
Interim Director of Real Estate
University of New Mexico
2811 Campus Boulevard NE
MSC06 3595
1 University of New Mexico
Albuquerque, New Mexico 87131

Legal Description: Lot 10, Block A, Sunshine Terrace Addition

Property Owner: Juan Chavez

Property Rights Appraised: Fee simple estate

Land Area per Surveys: 0.2007 acre, or 8,742 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 five private ownerships in this portion of Sunshine Terrace Addition with a total of nine lots, and the University of New Mexico owns the remaining 50 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: \$72,900

Effective Date of Appraisal: February 17, 2014

Overview of the Subject Property

The subject property is an 8,742-square-foot lot in the Sunshine Terrace Addition in Albuquerque, New Mexico. It is located on the north side of Sunshine Terrace Avenue, approximately 900 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.

Client, 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.

Effective Date of Appraisal

The effective date of this appraisal is February 17, 2014, 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.

Legal Identification

The subject property is legally described as Lot 10, Block A, 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 Juan Chavez. 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.

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 the sales comparison approach to value and it is presented in a narrative 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 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, CoStar 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."

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.

Extraordinary Assumption

The client engaged the engineering firm of Bohannon 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 2010 population was 2,059,179, and the Albuquerque metropolitan area population was 887,077. 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 2010 metropolitan-area population of 144,170, 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 periodic 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. The Downtown area is the city's second largest office district and public officials continue to work to attract retail and entertainment businesses.

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 during the 1960s-1990s 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. Beginning in the 1980s, curved streets and clustered non-residential uses became 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. It continues to be a major retail and office district.

The supply of land on the East Mesa is effectively absorbed and the primary development emphasis is now in the "West Mesa," or the western portion of the metro area, 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 came on-line in 2012. This project has already attracted some major employers and it will eventually capture a significant percentage of new housing permits.

Population Trends

The 2010 population for Albuquerque was 545,852, 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 1950 to 2010 in the city of Albuquerque and Bernalillo County is shown in the following chart.

US Bureau of the Census Population Figures: 1950 – 2010

Year	City of Albuquerque		Bernalillo County	
	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%
2010	545,852	1.98%	662,564	1.76%

*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

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The University of New Mexico and its 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 period population estimates. Their most recent estimate is shown below.

Albuquerque MSA Projected Population – Estimate from November 2012

County	2010	2015	2020	2025	2030	2035	2040
Bernalillo	664,636	721,153	780,244	835,325	886,564	932,091	970,371
Sandoval	132,434	154,048	176,276	198,950	221,644	243,897	265,607
Torrance	16,383	16,927	17,589	18,266	18,865	19,344	19,801
Valencia	<u>76,735</u>	<u>82,644</u>	<u>88,380</u>	<u>93,726</u>	<u>98,589</u>	<u>102,949</u>	<u>106,830</u>
Total Metro Area	892,198	976,787	1,064,509	1,148,292	1,227,692	1,300,316	1,364,649
Annual % Growth	-	1.83%	1.73%	1.53%	1.35%	1.16%	0.97%

Source: Geospatial and Population Studies Group, University of New Mexico. Released November 2012.

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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.

Since 1994, the average annual job growth has fluctuated from -3.9% to over 4% in the metropolitan area. Employment increases have been 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 has had significant job losses since 2007.

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	359.7	-1.20%	4.3%	821.0	1.14%	4.9%	136,933	0.03%	4.7%
2002	357.5	-0.61%	5.1%	823.2	0.27%	5.5%	136,485	-0.33%	5.8%
2003	360.0	0.70%	5.5%	835.8	1.53%	5.9%	137,736	0.92%	6.0%
2004	366.5	1.81%	5.3%	850.0	1.70%	5.8%	139,252	1.10%	5.5%
2005	373.1	1.80%	4.9%	866.3	1.92%	5.2%	141,730	1.78%	5.1%
2006	385.2	3.24%	3.9%	886.7	2.35%	4.1%	144,427	1.90%	4.6%
2007	391.4	1.61%	3.4%	903.9	1.94%	3.5%	146,047	1.12%	4.6%
2008	389.4	-0.51%	4.6%	903.9	0.00%	4.5%	145,362	-0.47%	5.8%
2009	374.3	-3.88%	7.1%	873.0	-3.42%	6.8%	139,877	-3.77%	9.3%
2010	367.2	-1.90%	8.3%	860.2	-1.47%	7.9%	139,064	-0.58%	9.6%
2011	366.3	-0.25%	7.8%	859.0	-0.14%	7.4%	139,869	0.58%	8.9%
2012	369.0	0.74%	7.0%	867.3	0.97%	6.7%	142,469	1.86%	8.1%
3Q 2013	364.6	-1.19%	6.7%	861.3	-0.69%	6.7%	144,651	1.53%	7.2%

Source: New Mexico Department of Workforce Solutions and BBER

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Total non-agricultural employment by category is summarized below for the Albuquerque MSA. The most recent year with data available is 2011.

Employment According to Categories: Albuquerque MSA (Nonagricultural)

	<i>Ann. Avg. 1990</i>	<i>Ann. Avg. 2000</i>	<i>%Δ 1990-00</i>	<i>Ann. Avg. 2010</i>	<i>Ann. Avg. 2011</i>	<i>%Δ 2010-11</i>
Total Employment	271,400	357,400	31.7%	371,600	371,700	0.0%
Total Private	216,300	288,400	33.3%	288,300	288,600	0.1%
Goods Producing	37,600	51,100	35.9%	38,900	38,300	-1.5%
Services Providing	178,700	237,300	32.8%	249,400	250,300	0.4%
Mining Logging & Const.	14,800	23,600	59.5%	21,300	20,500	-3.8%
Manufacturing	22,800	27,600	21.1%	17,600	17,800	1.1%
Wholesale Trade	13,200	14,200	7.6%	11,700	11,500	-1.7%
Retail Trade	32,600	41,400	27.0%	40,800	40,800	0.0%
Transportation, Warehousing & Utilities	8,000	10,700	33.8%	9,500	9,500	0.0%
Information	6,700	11,100	65.7%	8,700	8,600	-1.1%
Financial Activities	16,800	19,400	15.5%	17,800	17,300	-2.8%
Professional and Business Services	42,400	58,700	38.4%	57,400	56,900	-0.9%
Educational and Health Services	24,200	37,300	54.1%	54,700	56,900	4.0%
Leisure and Hospitality	26,000	33,600	29.2%	37,100	37,300	0.5%
Other Services	8,900	10,900	22.5%	11,800	11,700	-0.8%
Government	55,100	69,000	25.2%	83,300	83,000	-0.4%

Source: New Mexico Department of Workforce Solutions

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The Albuquerque MSA is much more of a service economy than a manufacturing economy. Roughly 87% of the economy is attributable to the service sector. Government of all types, at 22%, constitutes the single largest category of jobs.

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 periodically publish a forecast of economic statistics, including employment. The forecast from January 2014 is shown on the following page.

Albuquerque MSA Employment, Thousands
Table Prepared for Joshua Cannon & Associates
 January 2014 Forecast

	2012	2013	2014	2015	2016	2017	2018
Total Employment (Thousands)	355.095	358.405	363.840	370.432	377.628	384.095	389.263
% Change Year Ago	-0.6	0.9	1.5	1.8	1.9	1.7	1.3
Agriculture & Mining	0.744	0.748	0.741	0.744	0.747	0.750	0.752
% Change Year Ago	-4.2	0.5	-0.9	0.3	0.5	0.4	0.3
Construction	18.596	19.300	20.162	21.168	22.259	23.091	23.587
% Change Year Ago	-5.9	3.8	4.5	5.0	5.2	3.7	2.1
Manufacturing	17.704	17.637	17.644	17.937	18.210	18.311	18.364
% Change Year Ago	0.3	-0.4	0.0	1.7	1.5	0.6	0.3
Wholesale Trade	11.600	11.456	11.574	11.660	11.790	11.905	11.952
% Change Year Ago	1.4	-1.2	1.0	0.7	1.1	1.0	0.4
Retail Trade	40.808	40.979	41.413	41.845	42.290	42.616	42.914
% Change Year Ago	-0.1	0.4	1.1	1.0	1.1	0.8	0.7
Transport., Warehousing & Utilities	8.904	9.079	9.312	9.553	9.821	10.069	10.230
% Change Year Ago	0.1	2.0	2.6	2.6	2.8	2.5	1.6
Information	8.143	8.162	8.127	8.128	8.311	8.544	8.772
% Change Year Ago	-0.6	0.2	-0.4	0.0	2.2	2.8	2.7
Finance & Insurance	10.627	10.678	10.715	10.738	10.761	10.781	10.739
% Change Year Ago	-1.8	0.5	0.4	0.2	0.2	0.2	-0.4
Real Estate, Rental & Leasing	5.200	5.276	5.369	5.474	5.579	5.635	5.654
% Change Year Ago	3.7	1.5	1.7	2.0	1.9	1.0	0.4
Professional, Scientific & Tech. Svs.	28.178	28.134	28.391	28.801	29.296	29.826	30.379
% Change Year Ago	-1.9	-0.2	0.9	1.4	1.7	1.8	1.9
Mgmt. of Companies & Enterprises	3.308	3.329	3.371	3.386	3.396	3.402	3.406
% Change Year Ago	-0.5	0.6	1.3	0.5	0.3	0.2	0.1
Administrative & Waste Mgmt.	23.739	24.591	25.551	26.746	27.890	28.900	29.577
% Change Year Ago	-5.9	3.6	3.9	4.7	4.3	3.6	2.3
Educational Services	4.920	4.895	4.868	4.868	4.883	4.901	4.907
% Change Year Ago	2.3	-0.5	-0.5	0.0	0.3	0.4	0.1
Health Care & Social Assistance	47.841	49.051	50.504	52.112	53.937	55.672	57.299
% Change Year Ago	1.9	2.5	3.0	3.2	3.5	3.2	2.9
Arts, Entertainment & Recreation	4.209	4.233	4.241	4.278	4.332	4.378	4.402
% Change Year Ago	14.5	0.6	0.2	0.9	1.2	1.1	0.5
Accommodation & Food Svs.	34.482	35.321	36.033	36.607	37.154	37.685	38.064
% Change Year Ago	2.0	2.4	2.0	1.6	1.5	1.4	1.0
Other Services & Unclassified	9.950	9.497	9.619	9.736	9.840	9.912	9.945
% Change Year Ago	1.2	-4.6	1.3	1.2	1.1	0.7	0.3
Government	76.144	76.039	76.204	76.650	77.132	77.715	78.321
% Change Year Ago	-1.5	-0.1	0.2	0.6	0.6	0.8	0.8

City of Albuquerque Housing Permits, Thousands
Table Prepared for Joshua Cannon & Associates
 January 2014 Forecast

	2012	2013	2014	2015	2016	2017	2018
City of Albuquerque Total Housing (Thousands)	1.675	1.848	2.137	2.530	2.742	2.811	2.888
% Change Year Ago	62.1	10.3	15.6	18.4	8.4	2.5	2.8
City of Albuquerque Single Family	0.930	0.849	1.107	1.493	1.642	1.699	1.758
% Change Year Ago	21.3	-8.7	30.4	34.9	10.0	3.4	3.5
City of Albuquerque Multi-Family	0.745	0.999	1.030	1.037	1.100	1.112	1.130
% Change Year Ago	180.1	34.1	3.1	0.7	6.1	1.1	1.6

Source: UNM BBER

The Albuquerque MSA had negative employment growth in 2008–2012 then turning to slightly positive in 2013. UNM BBER forecasts job growth of 1.3%–1.9% per year from 2014–2018. As with the United States economy, the pace of recovery is forecast to be moderate.

Following are some bullet points from the January 2014 UNM BBER forecast.

- In this forecast, 2013Q2 is the most recent quarter of employment data released by the New Mexico Department of Workforce Solutions (NMDWS). In total, 2,653 jobs (0.7%) were added in the Albuquerque MSA economy over the same quarter a year earlier. This marks the third consecutive quarter of net positive job addition in the MSA after four full years of contraction. Likewise, the private sector continued to show signs of reawakening as that aggregate sector added nearly 3,000 jobs in the quarter (1.1%), for the third consecutive quarter of year-over-year growth greater than 1.0%. This strength comes after nearly five consecutive years of losses. The government sector, on the other hand, continues to be in the weak, as that sector dropped nearly 300 jobs in the quarter (-0.4%). That aggregate sector has now lost jobs for ten out of the last eleven quarters – although losses appear to be slowing.
- The healthcare and social assistance sector provided the main source of strength in the second quarter as 1,267 net jobs were added (2.7%). This sector, which was generally strong before, during and after the recession, faltered somewhat in 2012 and only grew by 1.9% over a year earlier. However, the relative strength in the first (3.3%) and second (2.7%) quarters is a welcome sign that this sector is likely to begin to return to form. Perhaps most impressive was the construction sector, which added 812 jobs in the quarter (4.4%), for that sector's third consecutive quarter of job addition. Job growth in this sector was much more rapid than in the previous two quarters (0.9% and 1.7% in 2012Q4 and 2013Q1, respectively), as that sector now seems to be moving in the right direction after 23 consecutive quarters of deep losses.
- The public sector, which has now shed jobs for the ninth consecutive quarter seems to be stabilizing. The state government sector added 353 jobs in the second quarter (1.7%), for that sector's fourth consecutive quarter of positive job addition, and with three of those quarters growing at 1.3% or more over the same quarter a year earlier. Local government shed a small number of jobs in the second quarter (-45 jobs, -0.1%) after posting gains a quarter earlier (0.5%). The federal government sector continues to operate as an overall drag on the economy, as that sector shed 603 jobs (-4.0%). Like the aggregate government sector, the federal government sector has dropped jobs for nine consecutive quarters.
- Total employment in the Albuquerque MSA is forecasted to pick up the pace in 2014 as the MSA is expected to add 5,435 for the year (1.5%). The private sector is expected to do most of the work (5,270 jobs, 1.9%), while the government sector is forecasted to show positive but slow growth (165 jobs, 0.2%). The turnaround in the government sector is particularly noteworthy because that aggregate sector has not experienced positive job addition since 2010 in the MSA.
- The healthcare & social assistance sector is expected to be particularly strong and add 1,453 jobs (3.0%) as key provisions of the Affordable Care Act are implemented. In addition, the administrative and waste services sector is forecasted to add nearly 1,000 in the year (3.9%), as temporary employees are added to the job rolls and as call centers (such as Sitel and Stream Global Services) open and expand.
- The construction sector should begin to shake off the rust in 2014 and add 862 jobs (4.5%), as single-family and multi-family construction picks up the pace and as businesses begin to expand plant and equipment. Meanwhile, strength is expected in accommodation & food services (712 jobs, 2.0%), as that sector continues a winning streak dating back to 2011.
- In the public sector, both the local and state government subsectors are forecasted to add jobs in 2014 (278 jobs, 0.7% and 184 jobs, 0.7%, respectively) as near term state and local budget situations improve in the year (although a wildcard may be the Bernalillo County budget situation). The federal government, however, is forecasted to drop 261 jobs for the year (-1.8%).

- In the longer term, from 2013 to 2018 (using 2013 as the base), the Albuquerque MSA economy is forecasted to add 30,858 jobs (1.7% average annual growth). Growth is expected to be concentrated in the private sector (28,577 additional jobs, 2.0% average annual growth). However, the government sector is also forecasted to add a significant number of jobs over the period (2,281 jobs, 0.6% average annual growth).
- The seemingly unflappable healthcare & social assistance sector is expected to add the greatest number of jobs over the period (8,248 jobs over the period, 3.4% average annual growth). This sector, which has historically shown consistently (strong) growth will further be buoyed by the effects of the Affordable Care Act, as those provisions begin to go into effect in 2014.
- The administrative & waste services sector is also forecasted to be a strong performer over the period (5,833 jobs, 4.1% average annual growth) as employers increasingly turn to temporary workers to fill staffing holes and as call centers (some of which are classified in this sector) continue to open and expand in the MSA (i.e. Sitel and Stream Global Services, in particular). The construction sector is forecasted to finally turn the corner and add a significant number of jobs over the period on a consistent basis (4,286 jobs, 4.4% average annual growth). This will mark a welcome return to a sector that had been seriously battered by the effects of the recession; but as single-family and multifamily construction becomes more regular, that sector should see a welcome boost.
- Total housing permits in the City of Albuquerque are expected to increase in each year of the forecast). Total housing permits in 2014 are forecasted to grow by 289 permits (15.6%) over a year earlier to 2,137 permits, with nearly half of the permits each in single-family and multifamily (1,107 permits and 1,103 permits, respectively). Thereafter, total permits are expected to number 2,530 in 2015, 2,742 in 2016, 2,811 in 2017 and 2,888 in 2018. In general, multifamily permits should make up from 1,000 to 1,100 per year, with the balance being made up by single-family permits. It is important to note, however, that even at the peak reached in 2018, total permits are only expected to hit 50% of the peak reached in 2003 (5,716 total permits). In addition, the mix of permits is expected to skew somewhat more in favor of multifamily permits than was historically true, with multifamily permits making up between one-third and two-fifths of total permits versus multifamily making up between one-seventh and one-sixth of total permits on average from 2000 to 2012.

Real Estate Markets

The following table summarizes vacancy by market sector from year-end 1986–2013. Commercial real estate in Albuquerque recently experienced 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 believe vacancies have stabilized.

Real Estate Market Sector Vacancy: Year-end 1986–2013

<i>Year</i>	<i>Retail Market</i>	<i>Office Market</i>	<i>Industrial Market</i>	<i>Apartment Market</i>
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%
2010	9.2%	18.0%	10.3%	4.2%
2011	9.4%	18.0%	10.3%	6.4%
2012	8.1%	18.9%	10.3%	6.7%
2013	7.6%	19.3%	9.3%	6.9%

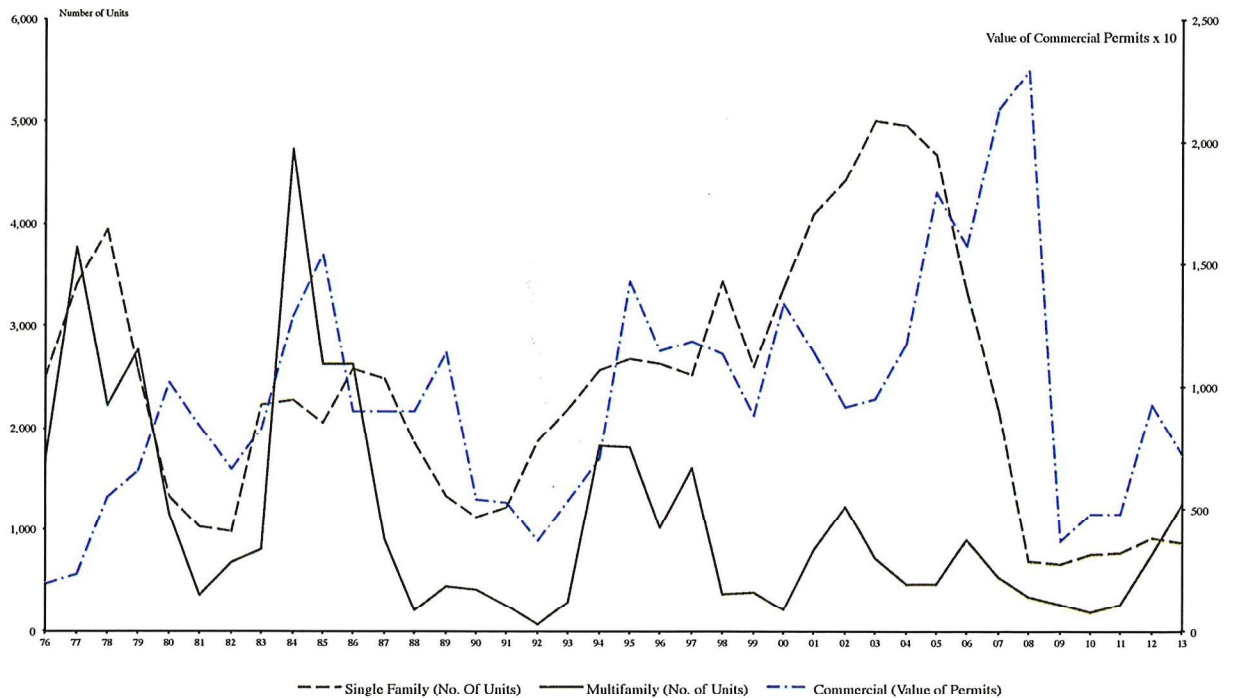
Sources: CBRE for Apartments and Colliers International for Retail, Office and Industrial

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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 2013.

City of Albuquerque Construction Permits: 1976-2013

	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
2010	747	\$117.52	177	\$27.16	39	\$47.73
2011	767	\$128.66	255	\$27.47	35	\$47.61
2012	903	\$167.15	741	\$60.60	57	\$91.92
2013	858	\$159.60	1,230	\$84.64	72	\$71.53



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 1,192 in 2011 before rising slightly in 2012. The change for 2013 is flat for the metro area.

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. From 1996–2011, much of the new multifamily development was either condominiums or affordable apartments financed with Low Income Housing Tax Credits. Non-subsidized multifamily permits had a rebound in 2012 and 2013.

Retail market conditions are slowly improving and some new construction is occurring. Most of the big box stores vacated during the recession have been absorbed and new retailers coming into the market will generate new construction. Office market conditions remain depressed due to continued job losses and shrinking space needs per office employee. Market experts are uncertain on when conditions in this sector will improve. Industrial market conditions are soft, but stable, and their improvement going forward will track the economy.

The following chart shows single family building permits for the Albuquerque metro area and divided into the major submarkets.

Market Share of Single Family Permits by Sub-area: 1990–2013

	Southwest Albuquerque		Southeast Albuquerque		Northeast Albuquerque		Northwest Albuquerque		City of Rio Rancho		Valencia County		Total Metro 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%
2010	131	9.1%	45	3.1%	125	08.7%	446	31.0%	455	31.6%	155	10.8%	1,440	100%
2011	145	12.2%	165	13.8%	108	09.1%	349	29.3%	301	25.3%	61	5.1%	1,192	100%
2012	118	8.3%	188	13.2%	56	03.9%	541	37.9%	417	29.2%	31	2.2%	1,428	100%
2013	116	8.0%	156	10.7%	57	03.9%	529	36.3%	479	32.9%	34	2.3%	1,457	100%
Total	12,943	13.1%	3,683	3.7%	12,340	12.5%	31,719	32.0%	21,151	21.4%	8,087	8.2%	99,053	100%

Source: Home Builders Association of Central New Mexico

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The subareas in the preceding table are broad in scope, basically intended to identify quadrants of the metropolitan area. Northwest Albuquerque, as delineated for use in the table, includes the North Valley and Northwest Mesa areas. Southwest Albuquerque includes the South Valley and Southwest Mesa.

Conclusions regarding the real estate markets are that: 1) single-family residential construction was exceptionally strong from 2001 through 2005, dramatically declined into 2011, and the strength of the following recovery has been modest; 2) apartment construction has had an erratic building pattern for several years with an upturn in 2013; 3) commercial construction was strong in 2005–2008, and then plummeted in 2009–2013.

Summary

Like the national economy, the metro area is currently suffering from a soft economy and job growth was negative in 2008–2011. Metro area job growth in 2012–2013 was slightly positive. The Albuquerque metro area averaged employment growth of approximately two percent per year through 2007, but the long-term projection is below that level.

The primary growth areas of the metro area will be to the west. Growth will also move south with the ongoing development of Mesa del Sol and the continued development in Los Lunas. The northeast quadrant has a nominal remaining land supply, but 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 covers 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 the Albuquerque International Sunport on the south. The airport and the interstate form 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 and the major owner is the University of New Mexico.

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 area 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 – 2012

Location	1992	1996	2000	2004	2008	2012
University Blvd., south of Avenida Cesar Chavez	7,900	7,900	8,500	7,700	6,900	7,400
Avenida Cesar Chavez, west of University	18,900	22,500	27,200	21,300	28,400	26,000
Gibson Blvd., west of University	42,000	46,300	27,800	37,400	28,100	20,500

Source: Middle Rio Grande Council of Governments

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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 declined after the completion of Sunport Boulevard into the airport.

Institutional Development

A notable influence on this neighborhood is its proximity to the airport, Kirtland Air Force Base and Sandia National Laboratories. Albuquerque International Sunport, 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 University Arena, (known locally as "The Pit"), which is used by the UNM basketball program. The Pit had a \$60 million renovation that was completed in November 2010. South of the Pit 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 at the northeast quadrant of University Boulevard and Central Avenue.

UNM partnered with American Campus Communities (ACC) in 2010 to develop Lobo Village, an 864-bed student housing community on 18.5 acres to the west of the Pit and the southeast quadrant of I-25 and Avenida Cesar Chavez. ACC leased the land from UNM for a 40-year term and constructed the improvements. The project cost \$40 million and opened in August 2011. In addition to the student apartments, the project includes study rooms, computer labs, and recreation amenities. A shuttle bus transports students to the main campus. It is located northwest of Sunshine Terrace Addition and visible on the aerial photo exhibits.

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, an 864-bed UNM student housing project was constructed slightly northwest of the subject in 2011.

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. 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.

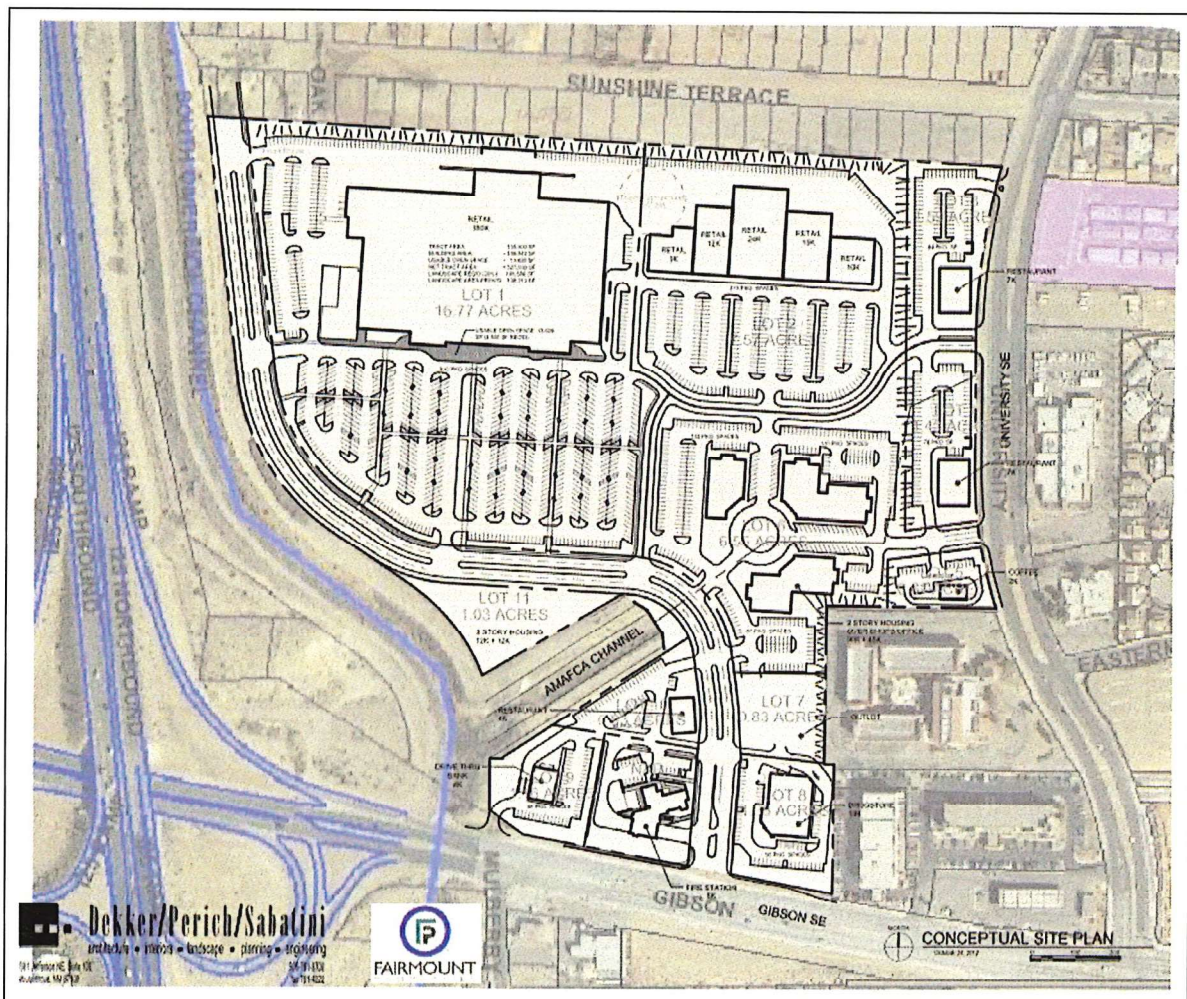
The most recent residential project in the neighborhood is a renovated former hotel about one-quarter mile south of the subject on University Boulevard. A group of investors purchased the vacant 155-room Vagabond Hotel in September 2012 and renovated it into an extended stay property named University Village. The project is marketed as studio apartments to UNM students, and as extended stay motel units. The owner reports the acquisition and renovation cost at \$6.2 million.

Commercial Development

Existing commercial development in the neighborhood is concentrated along Gibson Boulevard and predominantly consists of businesses supporting the airport. These include hotels, motels, restaurants, gas stations, and fee parking lots. Gibson Boulevard continues east past the airport area and is a suburban commercial arterial until it enters Kirtland Air Force Base at Louisiana Boulevard. There are no significant shopping services in the area and there are no commercial improvements along Avenida Cesar Chavez and University Boulevard near the athletic facilities.

There is a significant amount of planned commercial development on the ± 45 -acre tract adjoining Sunshine Terrace Addition on the south that is owned by UNM. The tract fronts on University Boulevard, Gibson Boulevard and Interstate 25. UNM has recently entered into a master development agreement and ground lease with Fairmount Properties to initiate the development of this land, along with two other tracts fronting Avenida Cesar Chavez. Fairmount will act as the developer and UNM will receive ground rent under a 74-year lease. The development planned to the south is a large shopping center and Fairmount is targeting a Walmart Supercenter as the anchor tenant. The land has already been subdivided for this planned use and the intersection at Gibson Boulevard for the shopping center entrance road is complete. This road will run north from Gibson and connect to Avenida Cesar Chavez at the northwest corner of Lobo Village. It will adjoin the west boundary of Sunshine Terrace Addition, although there is a significant difference in land elevation.

Following is a conceptual site plan of the shopping center and its north boundary is common to the Sunshine Terrace Addition. Development timing on this project is probably dependent upon securing an anchor tenant and the specific timing to break ground is not known.



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. A newer UNM student housing project has been developed slightly to the northwest of the subject property and a major shopping center is in the planning stages to the south.

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 –Sunshine Terrace Subdivision

<i>Location</i>	<i>1 Mile Radius</i>	<i>3 Mile Radius</i>	<i>5 Mile Radius</i>
2013 Total Population	11,178	77,543	212,195
2013 Median Age	29.3	33.4	34.3
2013 Total Households	4,043	34,365	87,710
2013 Average Household Size	2.74	2.13	2.34
2013 - 2018 Annual Pop. Growth Estimate	0.57%	0.67%	0.68%
2013 Renter Occupied Housing Units	54.8%	53.5%	46.5%
2013 Median Household Income	\$26,600	\$30,492	\$32,268
2013 Per Capita Income	\$13,402	\$21,489	\$20,112

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 six 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

<i>Owner</i>	<i>Block</i>	<i>Lots</i>	<i>Number of Lots Owned</i>	<i>Percent of Total Lots</i>
University of New Mexico	Block 2	Lots 2-6	50	84.75%
	Block 25	Lots 2-6		
	Block A	Lots 1, 3, 4 & 9		
	Block B	Lots 1-8, 9-13*		
	Block C	Lots 1-2		
	Block F	Lots 1-4, 5, 7-9		
	Block G	Lots 2-13*		
	Block H	Lot 1		
Chong Sanchez	Block A	Lots 6-8	3	5.08%
Robert DeBlassie, et. al.	Block A	Lot 2	3	5.08%
	Block F	Lot 10		
	Block G	Lot 1		
Steven & Gina DeBlassie	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 85% of the lots in West Sunshine Terrace Addition and these were acquired by either gift or purchase between 1975 and 2014. The remaining lots are held by five private owners. The most recent acquisition by UNM is the purchase of 24 lots from the John Gutierrez estate on January 10, 2014. The Gutierrez ownership periodically operated a portion of their ownership as a fee parking lot when events were held at the nearby UNM stadiums. The easterly portion of the land nearest University Boulevard had been improved with pole lighting and a water line. All of this land is now owned by UNM.

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 up to 30 feet. This dirt was apparently placed on the land by local earth moving contractors at the request of John Gutierrez (now deceased).

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. A water line can also be extended from the north through the UNM ownership.

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.

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.

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 for many years was John Gutierrez. He passed away in 2010 and the University of New Mexico purchased the land from his estate in January 2014. Mr. Gutierrez apparently allowed the construction and trucking industry to place fill dirt on the land. Most of this fill occurred on the Gutierrez land, but it has also been placed on some of the other ownerships. 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 close to 30 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 several 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.

The perimeter of the subject property has been the recipient of uncontrolled fill and the central portion appears to be near its natural grade. Therefore, the grade of the interior portion of the subject lot is now below most of the adjoining property in Sunshine Terrace.

Bohannon Huston, Inc. Report on Infrastructure Construction and Earthwork

The engineering firm of Bohannon 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. Bohannon 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 Bohannon Huston, Inc. engineering firm estimates the cost to install the street and other utility infrastructure is \$15,390 per lot. The subject contains one lot, thus the estimate for the subject is \$15,390. The subject has a total land area of 8,742 square feet, thus the infrastructure cost estimate equals \$1.76 per square foot. Note that the Bohannon Huston, Inc. report also shows the cost of a water meter for each ownership, but this item is not included for adjustment purposes as all properties in Albuquerque require a water meter prior to development.

Bohannon Huston Inc. Estimate of Sunshine Terrace Avenue Construction Cost per Lot

Owner	Block	Lot	Roadway Construction Cost per Lot	Land in SF	Roadway Construction Cost per SF
Juan Chavez	Block A	10	\$15,390	8,742	\$1.76

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 Bohannon 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. Only a portion of the subject land has uncontrolled fill and its remediation cost will be lower than most of the other lots in the subdivision.

Bohannon 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
Juan Chavez	Block A	10	Varies	\$4,347	8,742	\$0.50

As shown above, the estimated cost to remediate the uncontrolled fill within the boundaries of the subject land is \$4,347, or \$0.50 per square foot.

Subject Property Description

Size & Shape:	The subject lot is rectangular in shape with 70 feet of frontage on Sunshine Terrace Avenue and a depth of ± 124.9 feet. Total area according to the survey is 8,742 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 9,000 feet east of the subject property.
Topography & Drainage:	The perimeter of this lot has been partially filled and leveled to roughly at road grade. The interior of the lot is a depression of several feet and has ponding water during wet weather. Photographs of the property are in the <i>Appendix</i> .
Utilities & 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.
Soil & 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 was periodically used in the past 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.

Multifamily Residential Market Study

It is assumed the subject can be re-zoned to allow apartment development. Following is an overview of multifamily market conditions in the metro area.

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 the 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.

The most recent vacancy estimate is 6.85%, or slightly higher than frictional vacancy, which is typically regarded to be 5%. Average rents are at \$0.90 per square foot and are generally flat since 2011.

Apartment Occupancies 2000 – January 2014

	Survey Date	Average % Vacant	Avg. Mo. Rent/sf
2014	January	6.9%	\$0.90
2013	September	5.6%	\$0.91
	May	6.1%	\$0.91
	January	6.7%	\$0.90
2012	January	6.4%	\$0.90
2011	September	4.6%	\$0.90
	January	5.0%	\$0.88
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 (2008-14)

There is a moderate level of apartment construction ongoing in the metro area and market conditions are expected to remain stable into the foreseeable future.

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 January 2014 survey for MLS Area 42 are as follows.

Statistics from the CBRE Apartment Market Survey for January 2014

<i>MLS Area</i>	<i>Units Reporting</i>	<i>Vacant Units</i>	<i>Vacancy</i>	<i>Total Sq. Ft.</i>	<i>Average Sq. Ft.</i>	<i>Average Rent</i>	<i>Avg. Rent/ Sq. Ft.</i>
42	967	41	4.24%	751,242	777	\$788	\$1.01
Total	38,886	2,665	6.85%	31,749,031	810	\$730	\$0.90

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

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 students attending 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 8,742 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 continue to be soft and near-term development is unlikely. Market conditions for apartments are comparatively good and indicated to be stable. 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 potential 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 newer student housing project (Lobo Village), and vacant land. The vacant land south of West Sunshine Terrace Addition was recently placed under ground lease to Fairmount Properties for the planned shopping center. Interstate 25 adjoins on the west and University Boulevard is on the east. West Sunshine Terrace Addition is largely an island of private land surrounded by institutional ownership. Land uses within the UNM ownership are not typically considered to be consistent with the definition of highest and best use because of the feasibility requirement; however, in the subject area, UNM has been active in creating ground leases to the private sector to generate rental income. UNM is seeking to charge a market rent for their assets and this type of activity is consistent with the definition of highest and best use.

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 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 "as is" 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 or leased. 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 subject is 0.2007 acre (8,742 square feet) of land recessed west of University Boulevard with a highest and best use of multifamily development. The price ratio used in this analysis is sale price per square foot. A comprehensive search was made for sales and leases of similar land and this produced ten closed sales and one closed land lease. This market data is presented and analyzed in the following section. Note that the University of New Mexico purchased 24 lots in Sunshine Terrace from the Gutierrez family in January 2014. This sale occurred under the threat of condemnation and the price was based upon an appraisal. The sale is not relevant in a fair market value appraisal.

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. Land Lease 6 in the data set is a long-term land lease. 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

The included sales were either cash, or at seller terms that were similar to market rates, 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 eleven transactions in the data set occurred between June 2007 and July 2013. Available market data indicates land values for multifamily tracts have remained relatively stable over this period, although a moderate upward trend is implied with the improving economy. The overview of multifamily market conditions presented previously in this report showed the 2007 vacancy rate for the metro area was 4.8% and the average rent was \$0.80 per square foot. The vacancy rate in January 2014 is higher at 6.9%, but the average rent is also higher at \$0.90 per square foot. Construction costs have increased somewhat since 2007, which works to erase the benefit of increasing rent. Overall, the market study data supports a relatively flat to modest upward trend in multifamily land values over the past seven years. No time adjustment is applied on the sale summary chart.

Location

The spread in price per square foot among the sales is impacted by differences in quality of location. A specific adjustment for location cannot be supported with available market data and is not applied. However, a general location comparison of Inferior, Superior or Similar is made on the summary chart.

Physical Characteristics

To simplify the valuation, the comparative analysis of the sales to the subject is performed assuming all of the work needed for the subject infrastructure and uncontrolled fill is complete. A final adjustment for the subject physical characteristics is then made in the concluding section.

Site Work & Infrastructure Adjustment. Sloping terrain or the requirement that the buyer has to complete off-site improvements impacts development costs at some of the included sales. The specific adjustments are as follows.

Sale 2 had moderately sloping terrain that increased development cost and it is adjusted upward by \$0.50 per square foot.

Sale 3 had undulating terrain and a portion of the land had uncontrolled fill that required remediation. It is adjusted upward \$1.50 per square foot.

Sale 5 has sloped terrain that the buyer will be required to cure prior development. It is adjusted upward by \$1.00 per square foot.

Land Lease 6 had major infrastructure and terrain costs that require adjustment. The buyer was required to construct a new roadway along the west and south perimeter, and the engineer's cost estimate equaled \$2.01 per square foot. The site had large slopes that required leveling into building tiers. No actual grading costs for this site are available; however, the 45-acre shopping center site immediately south of the subject has similar terrain and the engineer's grading cost estimate is \$1.89 per square foot. Nearly all sites require some amount of grading, and the terrain adjustment applied to Land Lease 10 is \$1.75 per square foot.

Sale 8 has sloping terrain and the added cost of development is estimated at \$0.50 per square foot.

The buyer of Sale 9 is required to pave an adjoining alley and this cost equals \$1.41 per square foot of site area.

Sale 10 is a single platted lot in the subject subdivision (Sunshine Terrace) and will have development costs similar to the subject, although it has a higher cost for uncontrolled fill remediation. Specifically, the pro rata cost to construct Sunshine Terrace Avenue equals \$2.05 per square foot and the cost to remediate the uncontrolled fill is \$3.20 per square foot. These amounts are added to the sale price as adjustments.

The following chart summarizes the land sales and lease. Individual data sheets for each transaction are in the *Appendix*. The sales are ranked on the chart from lowest to highest adjusted sale price per square foot.

Summary of Land Sales & Lease

Data No.	Subject Property	Sale 1	Sale 2	Sale 3
Market Area	SE Heights	SE Heights	NE Heights	Airport
Location	Sunshine Terrace Ave., west of University	Gibson Boulevard, west of San Mateo	Lafayette Drive, south of Comanche	NEC I-25 & Sunport Boulevard
Sale Price		\$160,300	\$93,000	\$4,450,000
Sale Date	Current Appraisal	August 22, 2011	April 4, 2013	July 31, 2013
Land in Acres	0.2007	0.9200	0.5682	21.0123
Zoning	R-1, assumed R-2	R-3	R-2	IP
Terrain	Assumed Level	Level	Sloped	Undulating
Site Development Cost	Assumed Average	Average	Average	Above Average
Planned Use		Apartments	Apartments	Apartments
Sale Price/SF		\$4.00	\$3.76	\$4.86
Infrastructure Cost Adj./SF	Assumed Complete	\$0.00	\$0.00	\$0.00
Terrain Cost Adj.	Assumed Complete	<u>\$0.00</u>	<u>\$0.50</u>	<u>\$1.50</u>
Adj. SP/SF		\$4.00	\$4.26	\$6.36
Location vs. Subject		Inferior	Inferior	Inferior
Size vs. Subject		Larger	Similar	Larger
Indicated Subject Value		Higher	Higher	Higher
Data No.	Sale 4	Sale 5	Land Lease 6	Sale 7
Market Area	North Valley	SE Heights	SE Heights	SE Heights
Location	SEC Candelaria & 10th Street	Buena Vista Drive, north of Gibson	Avenida Cesar Chavez, east of I-40	Wilmoore Drive, north of Gibson
Sale Price	\$260,000	\$38,000	\$3,336,430	\$50,000
Sale Date	May 13, 2011	December 19, 2007	May 28, 2010	June 22, 2007
Land in Acres	0.8690	0.1435	18.4976	0.1435
Zoning	SU-2 R-T	R-2	SU-1 PDA, O-1, IP	R-2
Terrain	Level	Sloped	Significant slope	Level
Site Development Cost	Average	Above Average	Above Average	Average
Planned Use	16 townhouses	Apartments	Lobo Village Apts	Apartments
Sale Price/SF	\$6.87	\$6.08	\$4.14	\$8.00
Infrastructure Cost Adj./SF	\$0.00	\$0.00	\$2.01	\$0.00
Terrain Cost Adj.	<u>\$0.00</u>	<u>\$1.00</u>	<u>\$1.75</u>	<u>\$0.00</u>
Adj. SP/SF	\$6.87	\$7.08	\$7.90	\$8.00
Location vs. Subject	Inferior	Inferior	Similar	Inferior
Size vs. Subject	Larger	Similar	Larger	Similar
Indicated Subject Value	Higher	Higher	Higher	Higher
Data No.	Sale 8	Sale 9	Sale 10	Sale 11
Market Area	SE Heights	Downtown	SE Heights	SE Heights
Location	Yale Boulevard, north of Gibson	8th Street, between Roma & Fruit	Sunshine Terrace Ave., west of University	SWC Girard & Garfield
Sale Price	\$180,000	\$55,000	\$40,000	\$275,000
Sale Date	November 17, 2011	April 16, 2013	March 17, 2011	September 28, 2011
Land in Acres	0.5510	0.1630	0.1720	0.4865
Zoning	SU-2 YCC	SU-2 DNA-MR	R-1	R-3
Terrain	Sloped	Level	Level	Level
Site Development Cost	Above Average	Above Average	Above Average	Average
Planned Use	Investment	Apartments	Investment/Apartments	Apartments
Sale Price/SF	\$7.50	\$7.75	\$5.34	\$12.98
Infrastructure Cost Adj./SF	\$0.00	\$1.41	\$2.05	\$0.00
Terrain Cost Adj.	<u>\$0.50</u>	<u>\$0.00</u>	<u>\$3.20</u>	<u>\$0.00</u>
Adj. SP/SF	\$8.00	\$9.16	\$10.59	\$12.98
Location vs. Subject	Inferior	Similar	Similar	Superior
Size vs. Subject	Similar	Similar	Similar	Similar
Indicated Subject Value	Higher	Similar	Similar	Lower

The ten sales and one lease have an adjusted price range of \$4.00–\$12.98 per square foot. The sales have been adjusted for physical characteristics and the price spread is attributed primarily to location and tract size.

Following is an analysis of the market data.

Sale 1 at \$4.00/SF:	This is a level site on Gibson Boulevard about 2.5 miles southeast of the subject. This location has a large supply of older apartment buildings and it is rated inferior to the subject location near the University of New Mexico.
Sale 2 at \$4.26/SF:	Sale 2 is a functional apartment site on a local street in the Northeast Heights. It is rated comparable to Sale 1 in location and this is consistent with their similar prices. It is rated inferior to the subject in location.
Sale 3 at \$6.36/SF:	This is the largest tract in the data set at 21.0123 acres and this large size has a downward influence on the price per square foot. It is located about one mile south of the subject property on the east side of I-25, just north of Sunport Boulevard. The site has undulating terrain and there was some uncontrolled fill that required remediation. The apartment development will target UNM and CNM students and rent bedrooms on an individual basis. The marketability of this more southerly location to UNM & CNM students is inferior to the subject, plus its access is more circuitous. The indicated subject value per square foot is higher.
Sale 4 at \$6.87/SF:	This site is in the North Valley and zoned for townhouse development. It is a level corner site, but it cannot be developed at a density equal to R-2 zoning. Also, the buyer of this site was required to build a common area access street down the center to access the new townhouse lots. The subject land value is higher.
Sale 5 at \$7.08/SF:	This site is located one-half mile southeast of the subject on a recessed street improved primarily with lower cost apartments. The land was sloped and the buyer incurred added costs for grading and retaining walls. This location is inferior to the subject due to inferior proximity to UNM and the quality of surrounding improvements.
Land Lease 6 at \$7.90/SF:	This property is located slightly northwest of the subject and is similar in location. A notable characteristic of this site is its large size at 18.4976 acres, which had a downward influence on price per square foot. The indicated value of the subject is higher due to this factor. This transaction required large adjustments for physical characteristics, which detracts from its reliability as a direct value indicator. It does provide general support to the final value estimate.
Sale 7 at \$8.00/SF:	This property is located near Sale 5 and rated inferior in location for the same reasons.
Sale 8 at \$8.00/SF:	This property is located approximately one-half mile east of the subject property on Yale Boulevard. The site is zoned to allow either commercial or multifamily use. There is minimal demand for commercial space at this location and the most likely use is apartments. The subject location near University Boulevard and the UNM sports facilities is rated superior.
Sale 9 at \$9.16/SF:	This is a small site located a few blocks west of the Downtown business district. The site is within walking distance to Downtown, but it is in a pocket of older buildings in below-average condition that detract from its value. All factors considered, it is rated similar to the subject land for apartment development.
Sale 10 at \$10.59/SF:	This is a platted lot within the Sunshine Terrace Subdivision and located about 240 feet west of the subject. It is highly similar in all characteristics.

The buyers were Steven and Gina DeBlassie. Steven DeBlassie's parents were longtime owners of three other lots in Sunshine Terrace and also related to the Gutierrez family, who owned 24 lots. The parents have passed away and Steven DeBlassie now owns those three lots with his siblings. Mr. DeBlassie was interviewed for this appraisal assignment regarding this purchase (Sale 10). He said his motivation to purchase was to assemble lots in Sunshine Terrace Subdivision and then combine ownerships with the Gutierrez family for a mixed-use development. He envisioned commercial uses along University Boulevard and primarily multifamily uses recessed to the west. He also believed a motel use was possible. He said a larger ownership would allow the feasible development of infrastructure and buildings could be placed on those lots with the least amount of uncontrolled fill. The Gutierrez family subsequently sold their 24 lots to UNM in January 2014 and Mr. DeBlassie said it is no longer practical to initiate a development with the few remaining privately held lots. However, this is an arms length sale and merits weight in this appraisal. Its price is generally consistent with the other market data.

Sale 11 at \$12.98/SF:

The site is located 1.25 miles northeast of the subject property on Girard Boulevard, about four blocks south of Central Avenue. This location is within walking distance to both UNM and the Nob Hill area, which increases its value. The land is zoned R-3 and was purchased for development with 14 apartments, or 29 units per acre. It is a corner site with dual entrances, which produces a functional site plan. Overall, this is a superior apartment site to the subject in terms of both its location and allowable development density. The subject's value per square foot is lower.

Conclusion of Valuation for Multifamily Use Land Before Infrastructure/Uncontrolled Fill Adjustment

The adjusted sales provide a consistent and logical sale price pattern based upon their comparative locations and physical characteristics. The indicated value of the subject property is higher than Sales 1–8, similar to Sales 9 and 10, and lower than Sale 11. Based upon the preceding data and analysis, the estimate of value of the subject land is \$10.60 per square foot, before adjustment for the cost to install infrastructure and remediate the uncontrolled fill.

Adjustment for Physical Conditions

As described previously in this report, the development of the subject land with buildings will require the construction of Sunshine Terrace Avenue and the remediation of the uncontrolled fill. The engineering firm of Bohannon 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:

Bohannon Huston, Inc. Cost Estimate

<i>Item</i>	<i>Total Cost Estimate For Subject Share</i>	<i>Cost per Square Foot</i>
Subject Pro Rata Cost to Construct Sunshine Terrace Avenue	\$15,390	\$1.76
Cost to Remediate Uncontrolled Fill within the Subject Property	<u>\$4,347</u>	<u>\$0.50</u>
Total	\$19,737	\$2.26

As shown above, Bohannon Huston, Inc. estimates the cost to construct infrastructure for Sunshine Terrace Avenue and remediate the uncontrolled fill is equal to \$2.26 per square foot of subject land area.

Conclusion of Fair Market Value Estimate – As Is Condition

The indicated fair market value of the subject land before the physical condition adjustment is \$10.60 per square foot. The adjustment estimated by Bohannon Huston is minus \$2.26 per square foot, thus the final indication is \$8.34 per square foot ($\$10.60 - \$2.26 = \8.34).

Based upon the preceding data, the estimate of fair market value for the subject property is a rounded amount of \$8.34 per square foot. The total calculation is as follows.

Estimate of Fair Market Value for the Subject Property

Subject Land Area in Square Feet	8,742
Estimate of Fair Market Value Per Square Foot	\$8.34
Final Estimate of Fair Market Value	\$72,908
Rounded	\$72,900

Certification

This certifies that the estimate of market value of the subject property is \$72,900. The effective date of the estimate is February 17, 2014.

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.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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. 21-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.

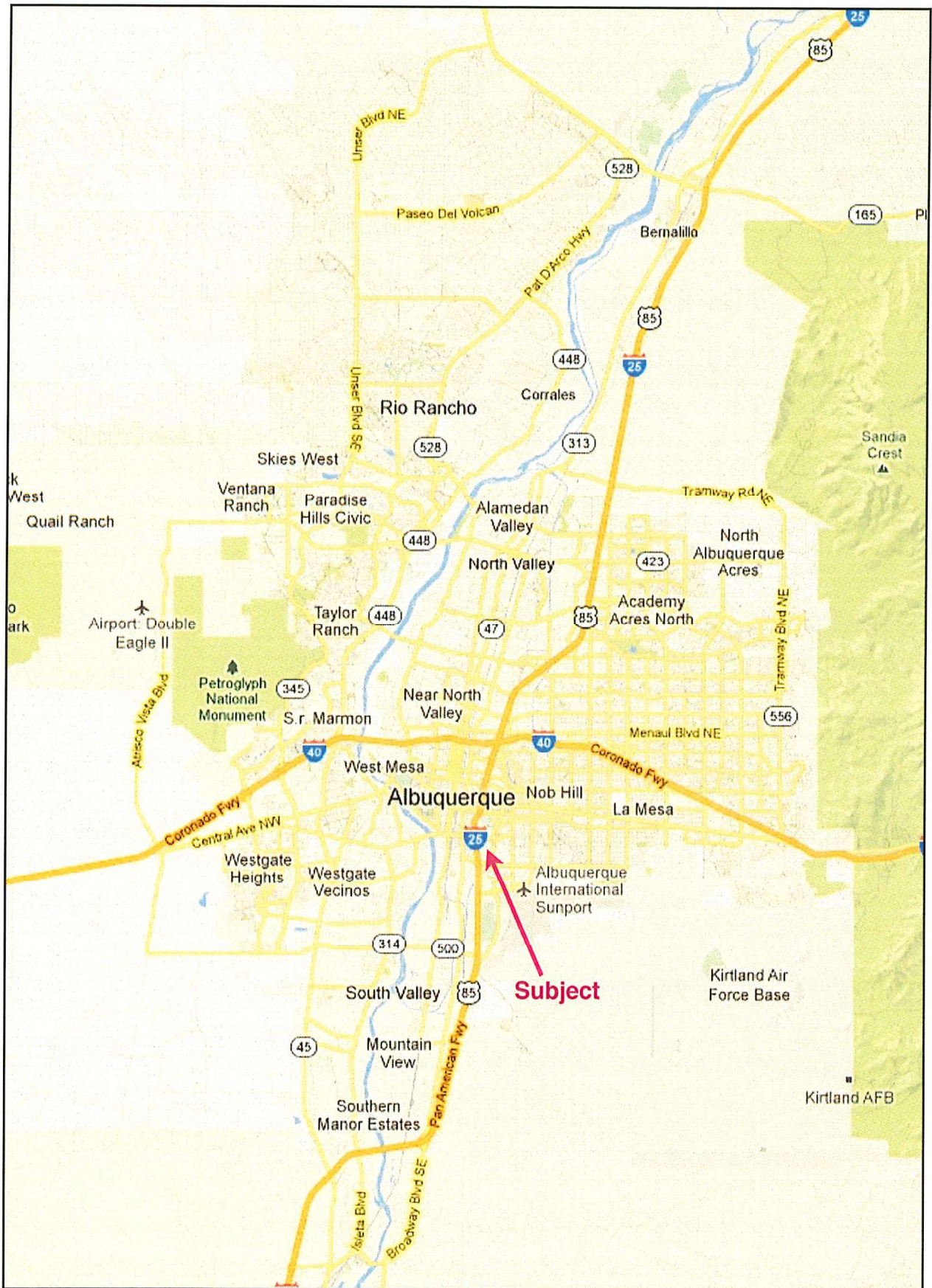
JOSHUA CANNON & ASSOCIATES, INC.



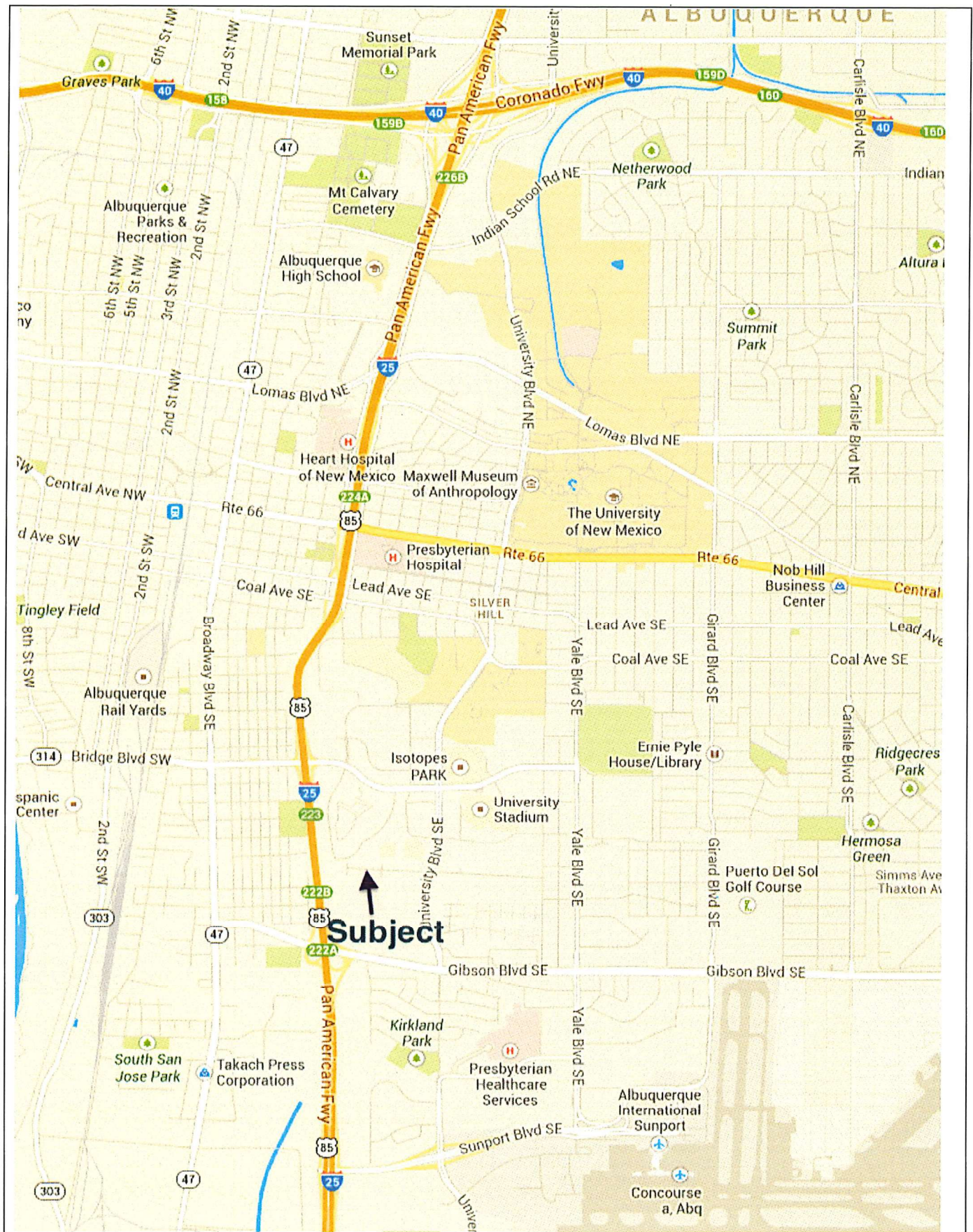
Joshua Cannon, MAI

3-13-14

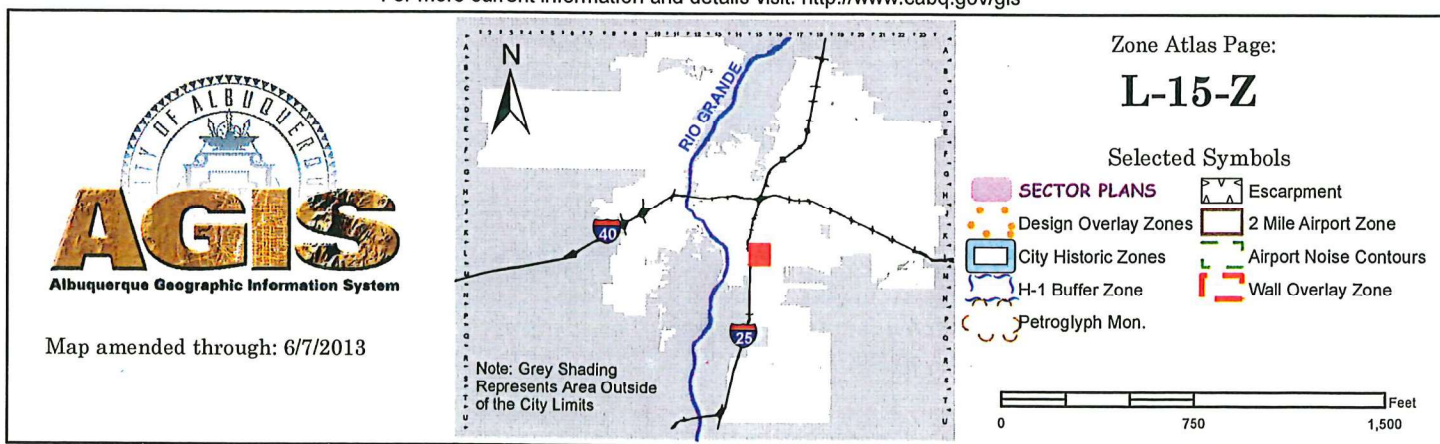
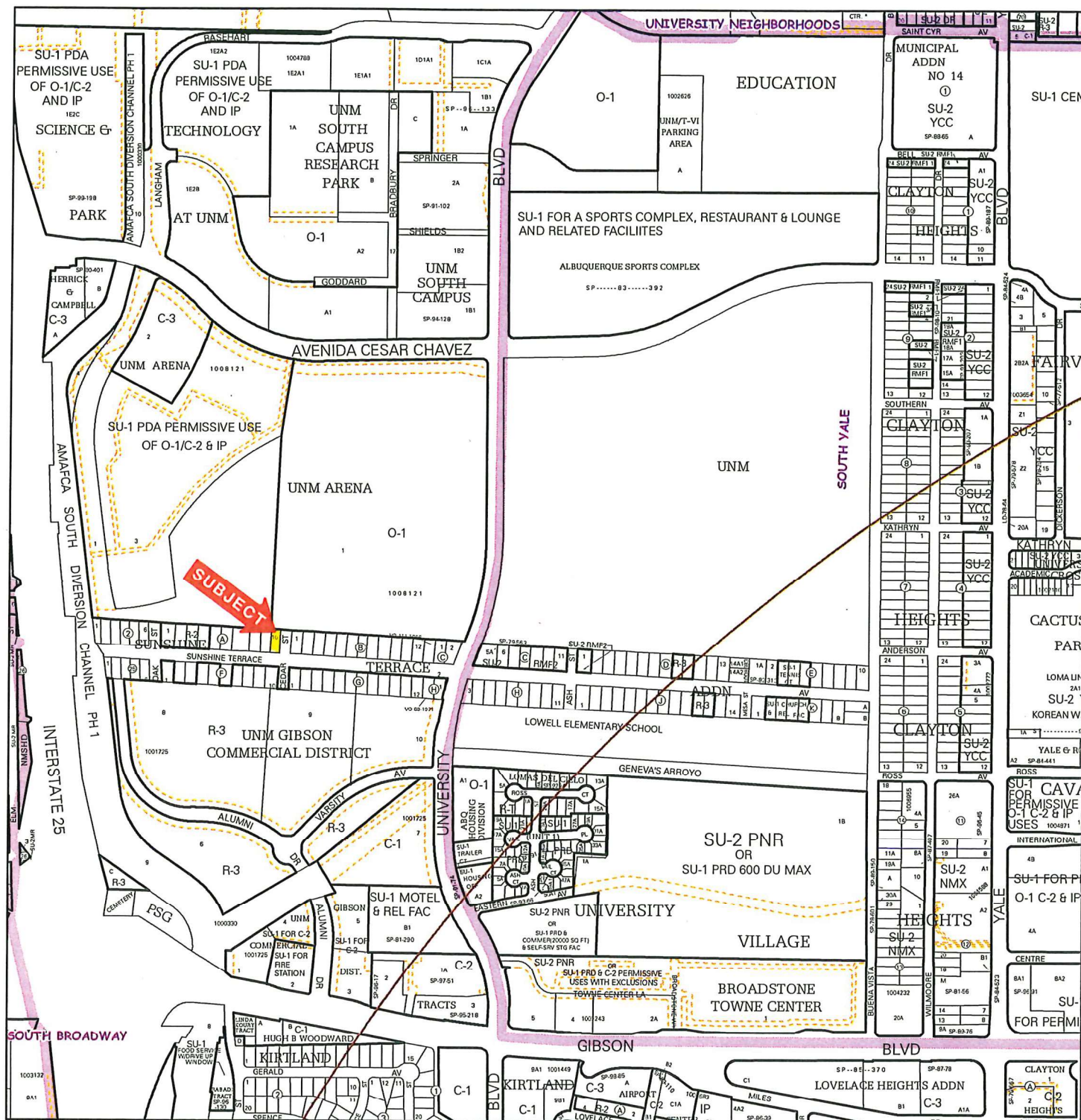
Date



Albuquerque & Rio Rancho Map



Neighborhood Map



BASEBALL FIELD

Subject

SOFTBALL FIELD

UNIVERSITY BLVD

32
RACE AVENUE

PAR ST.

13

1177

5: OAK

With D

SUNSHINE TERRACE LOTS
11-07-2013

Bohannon ▲ Huston ▼

Confidential 7800 Jefferson Blvd. Albuquerque, NM 87109-0000

- APPROX. LOCATION OF BOREHOLE

- LOTS ZONED R-2/R-3 (REMAINING LOTS ARE ZONED R-1)

LOTS WITH 17.8FT OF UNCONTROLLED FILL

- LOTS WITH 27.5FT OF UNCONTROLLED FILL

AMAFCA South Diversion Channel

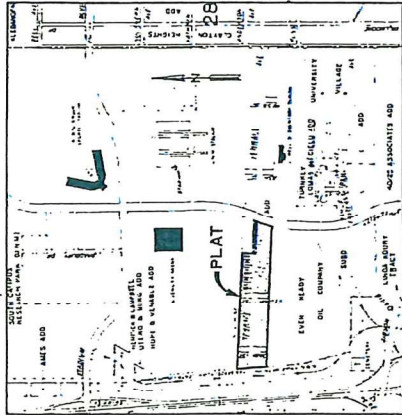
\\20160158\001\Users\amand\2013-10-08\amand\10000 Fill Comparison.dwg 11/6/2013 - 3:38pm, Plotted by: HANNA/AMAND

Sunshine Terrace Addition

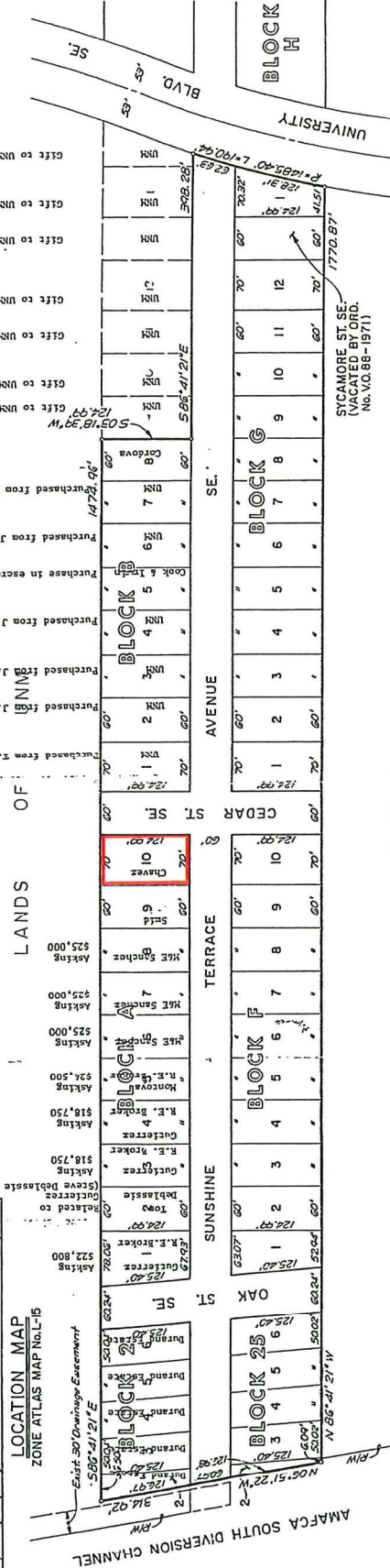
Albuquerque, New Mexico



**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**



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 10, BLOCK A, 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 southeast corner of said Lot 10, WHENCE the NMSHC Brass Cap "STA 1-25-30" having NM State Plane Grid Coordinates (NAD83 Central Zone) N=1,477,335.008 and E=1,524,161.952 bears S37°10'47"W a distance of 1867.87 feet;

THENCE along the southerly boundary of said Lot 10, coincident with the northerly right-of-way line of Sunshine Avenue, N86°41'25"W a distance of 60.00 feet to the southwest corner of said Lot 10;

THENCE along the westerly boundary of said Lot 10, N03°18'35"E a distance of 124.86 feet to the northwest corner of said Lot 10, coincident with the southerly boundary line of Tract 1, as the same is shown and designated on the Plat of Tracts 1, 2, 3 & 4, UNM Arena, filed in the Office of the County Clerk of Bernalillo County, New Mexico on May 26, 2010 in Book 2010C, Page 64;

THENCE along the northerly boundary of said Lot 10, coincident with the southerly boundary line of said Tract 1, S86°41'21"E a distance of 11.16 feet to a found 0.6"Dia. Rebar with Plastic Survey Cap stamped "NM P.S. 11184";

THENCE continuing along the northerly boundary of said Lot 10, coincident with the southerly boundary line of said Tract 1, S86°42'35"E a distance of 58.84 feet to the northeast corner of said Lot 10;

THENCE along the easterly boundary of said Lot 10, coincident with the westerly right-of-way line of South Cedar Street, S03°18'35"W a distance of 124.88 feet to the POINT OF BEGINNING.

This tract contains 0.2007 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.

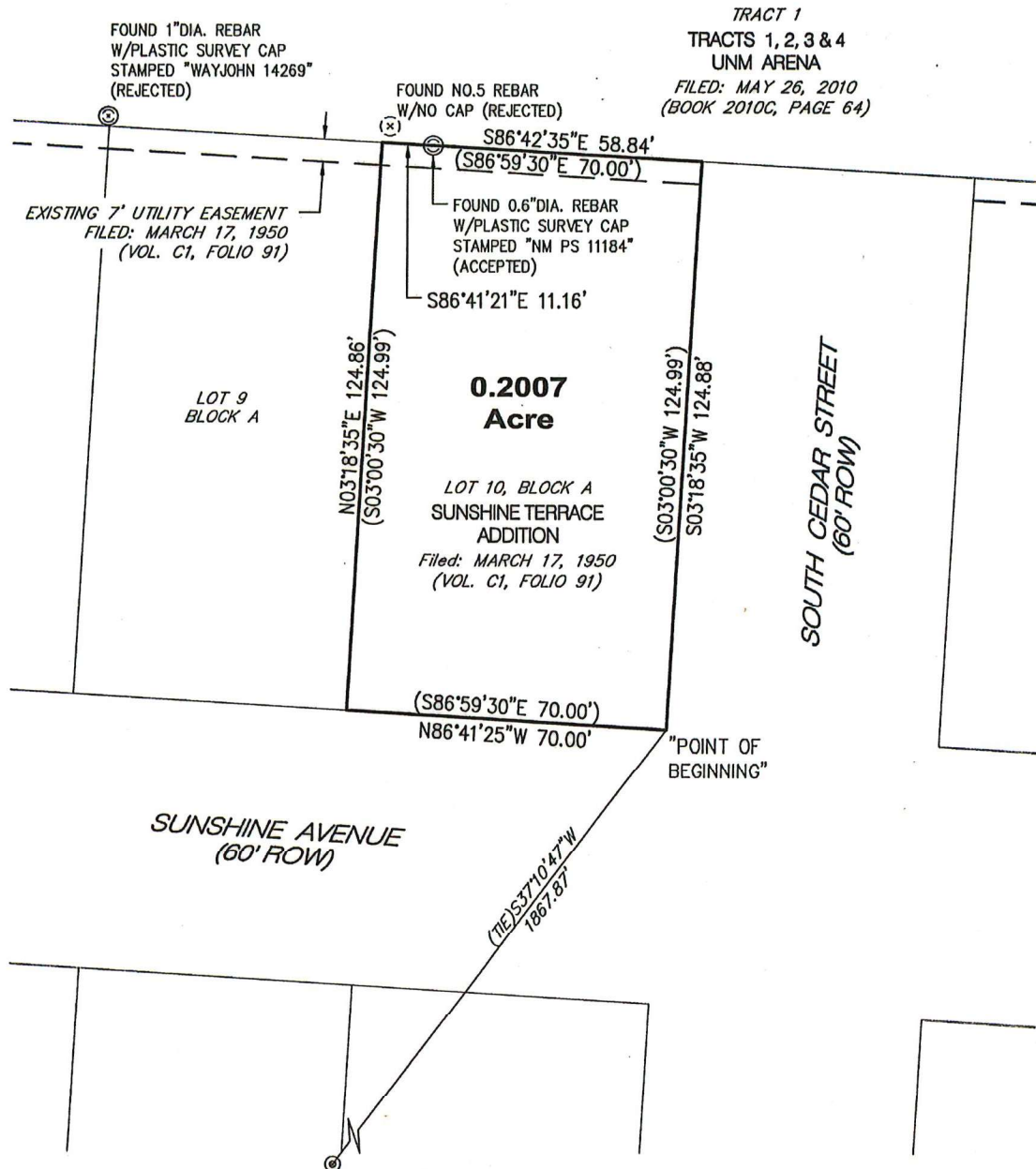
Alan R. Benham

Alan R. Benham
NM Professional Surveyor No. 15700

09/20/2010
Date



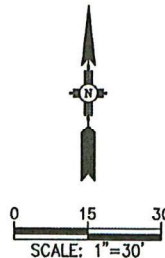
EXHIBIT



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

NOTES

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



SUNSHINE TERRACE LOT 10, BLOCK A

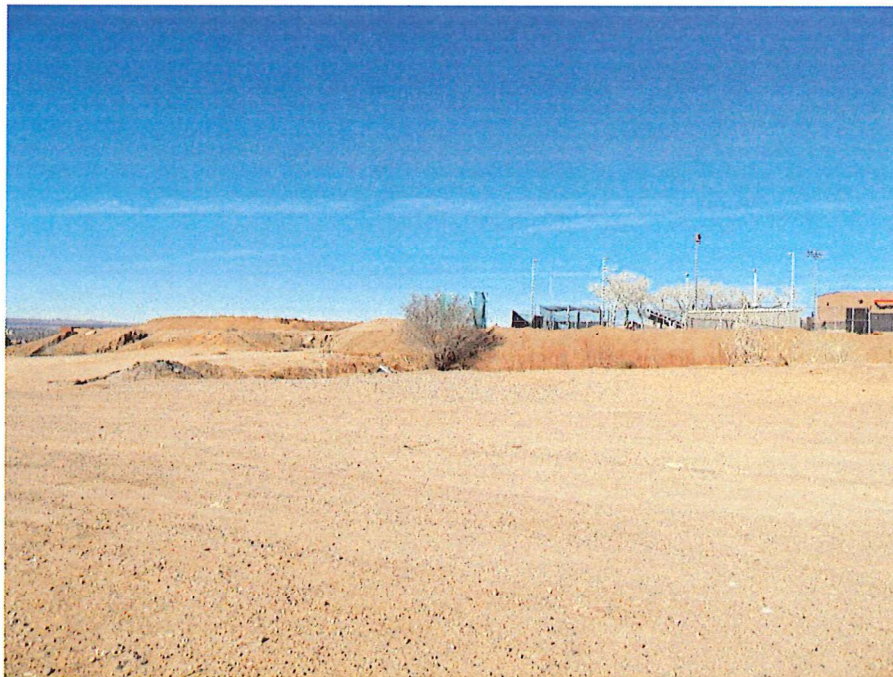
INDEX ID:	SHEET 2 OF 2
BHI #: 20110111.003.01	DATE: 2010/09/20

Bohannon & Huston

Property Photographs on February 17, 2014
Sunshine Terrace Addition
Albuquerque, New Mexico



View west on Sunshine Terrace Avenue. Lot 10, Block A is on the right. The majority of the lot lies approximately five to eight feet below the grade of the road.



View northwest from Sunshine Terrace Avenue toward Lot 10, Block A, which is marked by the below-grade terrain.

Property Photographs on February 17, 2014
Sunshine Terrace Addition
Albuquerque, New Mexico



View southeast across Lot 10, Block A. The elevated Sunshine Terrace Avenue is in the background.



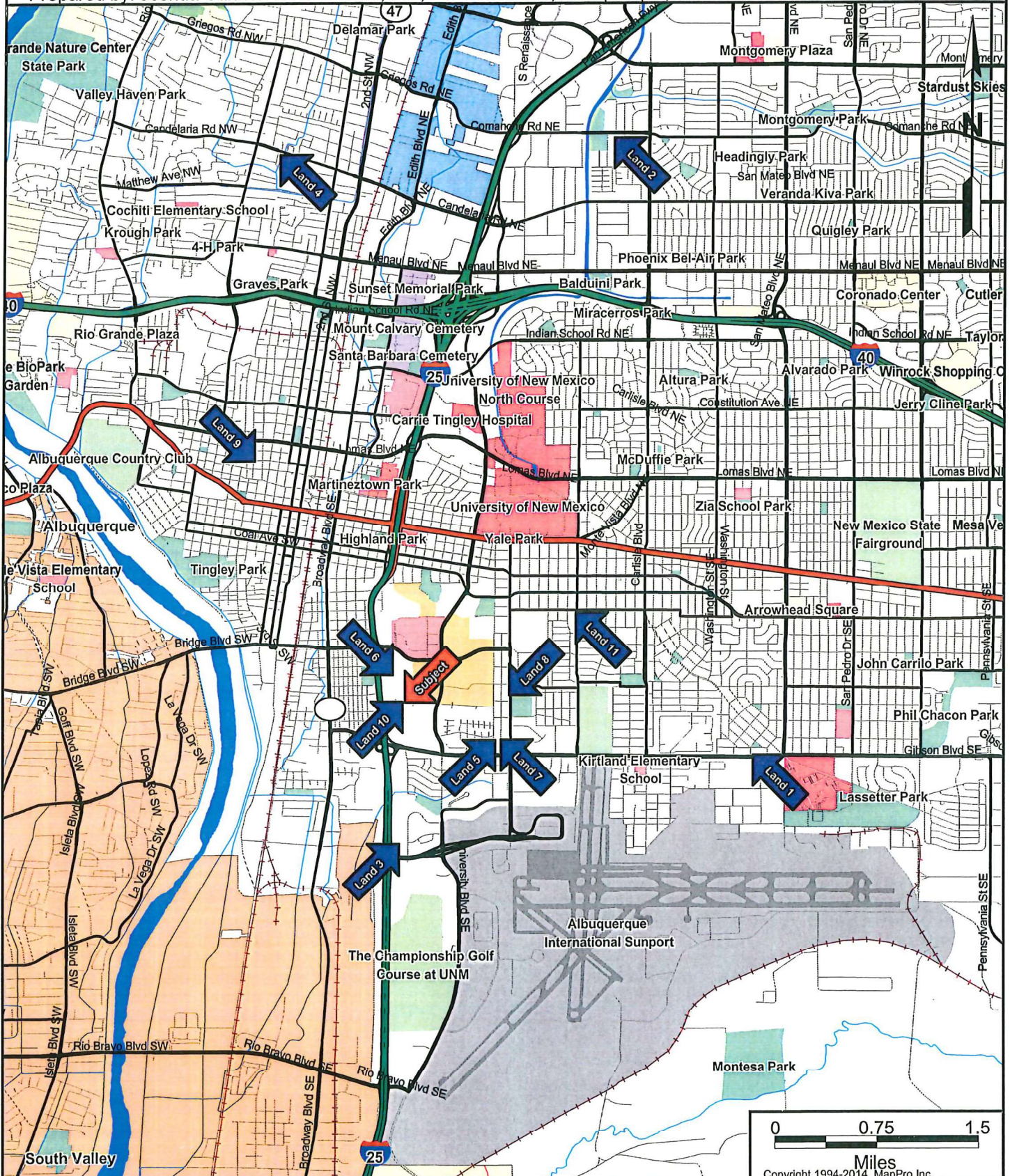
View east along the rear (north) boundary of Lot 10, Block A.

LOCATION MAP

Description: LAND SALES MAP

Subject Address: Sunshine Terrace Avenue SE, Albuquerque, NM 87106

Prepared by: Joshua Cannon & Associates, Inc., PO Box 20088, Albuquerque, NM 87154



CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

Prepared by Joshua Cannon & Associates, Inc. using MapPro Service. MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.

Land Comparable 1

Comp # 12307

Multi-family
Land Sale

Project Name	Vacant Land		Sale Price	\$160,300	
Location	NE/c Gibson Blvd & Jackson St SE W/o San Mateo		Date of Sale	22 Aug 2011	
Street Address	4801 Gibson Blvd	SE	Acres	0.9200	
City, County, State	Albuquerque	Bernalillo	New Mexico	Net Acres	
Legal Description	Ridgecrest, Block 39, Lots 19 - 24		Price/Acre (Net)	\$174,239	
			Square Feet	40,075	
			Net SF		
			Price /SF (Net)	\$4.00	
			Number Lots/DUs	30	
			Sale Price/DU	\$5,343	
Market Area	Airport Area	Map Page L-17	Zoning	R-3	
Arterial Location	Major				
Grantor	Morse, Larry (Whitehouse Station, NJ)				
Grantee	Paiz, Ronald J/ Paiz, Bernadine E/ Paiz, Jason D				
Terms	\$50,000 cash and real estate contract for the balance at 6%, \$661.30 per month and balance due in 5 years				
Document Number	11-076905		Document Type	Real Estate Contract	
Plat	D-82		Utilities	All available	
Tax ID Number	1-017-056-424-010-4-03-01		Topography	Level	
Development Timing	Immediate				
Intended Use	Apartment project				
Off-site Infrastructure	Complete				

Comments

This site was previously improved as an apartment complex that was destroyed by a fire in February 2011. This sale is of the vacant site, although the parking lot was still in-place. The buyer plans to construct a 30-unit apartment complex (32.6 units per acre).



Land Comparable 2Multi-family
Land Sale

Comp # 12357

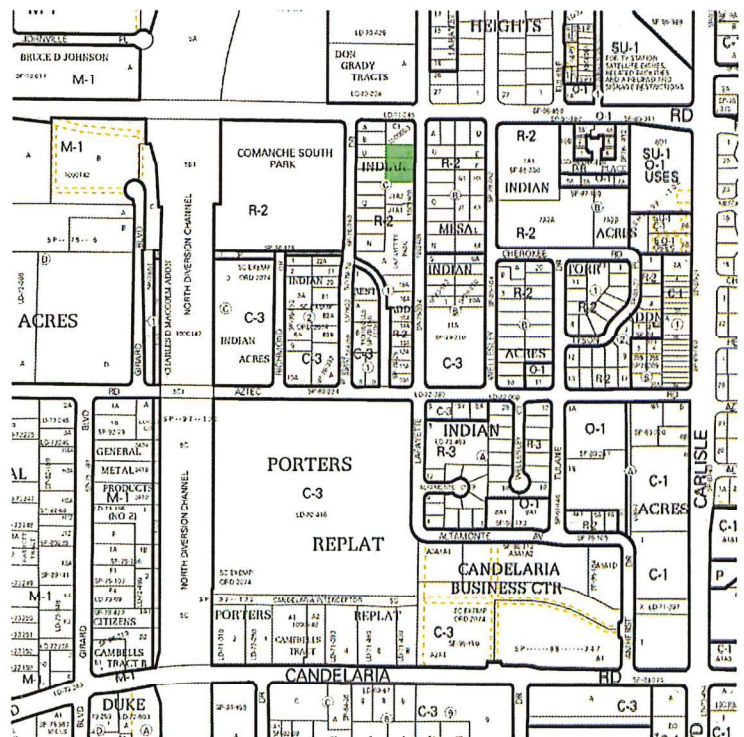
Project Name	Apartment Land	Sale Price	\$93,000
Location	W/s Lafayette Dr NE just S/o Comanche W/o Carlisle E/o I-25	Date of Sale	4 Apr 2013
		Acres	0.5682
Street Address	3705 Lafayette NE	Net Acres	
City, County, State	Albuquerque Bernalillo New Mexico	Price/Acre (Net)	\$163,680
Legal Description	Indian Mesa, Lots E, F, G	Square Feet	24,750
		Net SF	
		Price /SF (Net)	\$3.76
		Number Lots/DUs	8
		Sale Price/DU	\$11,625
Market Area	North I-25	Zoning	R-2
Arterial Location	Local		
	Map Page G-16		

Grantor	Herman, Eshita		
Grantee	Chreist, Bill A and Cindy G		
Terms	Cash to seller		
Document Number	13-038690	Document Type	Warranty Deed

Plat	B3-57	Utilities	All available
Tax ID Number	1-016-060-384-245-4-07-21*	Topography	Moderate downward slope to the rear
Development Timing	Immediate		
Intended Use	Apartments		
Off-site Infrastructure	All available		

Comments

Recessed vacant tract in an area of average quality apartments. The buyer will construct eight apartment units in two 2-story four-plexes. The units will be 950 SF and rent for \$850 per month. The land has a moderate slope but the buyer said this did not significantly impact the price. The buyer had to pay for a water meter. The sale was confirmed with the buyer.



Land Comparable 3

Comp # 12329

Multi-family
Land Sale

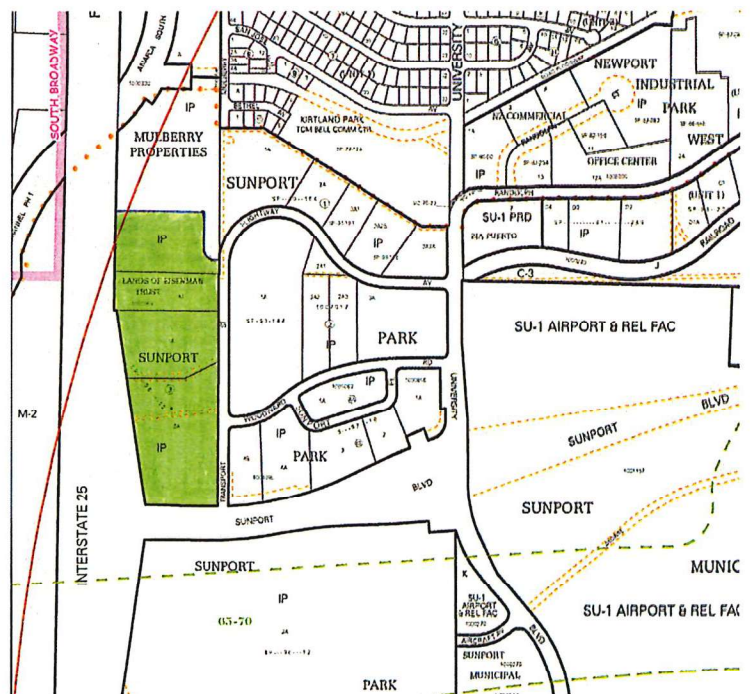
Project Name	Future Cottages of New Mexico		Sale Price	\$4,450,000
Location	NEC I-25 and Sunport Boulevard. Specific access is from Transport Street via University Boulevard		Date of Sale	31 Jul 2013
Street Address	NW		Acres	21.0123
City, County, State	Albuquerque	Bernalillo	New Mexico	Net Acres
Legal Description	Tract 1, Capstone Subdivision		Price/Acre (Net)	\$211,781
			Square Feet	915,296
			Net SF	
			Price /SF (Net)	\$4.86
			Number Lots/DUs	786
			Sale Price/DU	\$5,662
Market Area	Airport Area	Map Page	M-15	Zoning
Arterial Location	Local			IP

Grantor	Albuquerque Airpark Partners & Mast Voyager		
Grantee	CCC-New Mexico LLC (Capstone Collegiate Communities)		
Terms	Cash to seller		
Document Number	13-085863 & 13-085864	Document Type	Special Warranty Deed

Plat	2013C-88	Utilities	All available
Tax ID Number		Topography	Moderate and undulating slopes. See comments.
Development Timing	Immediate		
Intended Use	Apartment complex		
Off-site Infrastructure	Complete		

Comments

This sale represents the assemblage of two adjoining ownerships to one buyer. Mast Voyager sold the southern 12.6799 acres for \$2,750,000 (\$4.98/SF) and Albuquerque Airpark Partners sold the north 8.3344 acres for \$1,700,000 (\$4.68/SF). The land was also replatted into one tract simultaneous to closing. The buyer intends to construct a multifamily project that consists of four- and five-bedroom cottages that will be rented on a per bedroom basis. The total bedroom count is reported to be 786. The buyer has an additional 8.355 acres adjoining on the north under option for a future phase at an unknown price. There are billboards on the property that did not transfer in the sale. The land has undulating terrain and some uncontrolled fill was present. The cost of remediating the fill is estimated at \$1.00 per square foot.



Land Comparable 4

Comp # 12231

Multi-family
Land Sale

Project Name	Future Townhouses	Sale Price	\$260,000
Location	SE/c Candelaria Rd & 10th St NW	Date of Sale	13 May 2011
		Acres	0.8690
Street Address	NW	Net Acres	
City, County, State	Albuquerque Bernalillo New Mexico	Price/Acre (Net)	\$299,189
Legal Description	Davidson, Block C, Lot 10, Ely 60' of Lot 11	Square Feet	37,854
		Net SF	
		Price /SF (Net)	\$6.87
		Number Lots/DUs	16
		Sale Price/DU	\$16,250
Market Area	North Valley	Zoning	SU-2/
Arterial Location	Major		R-T

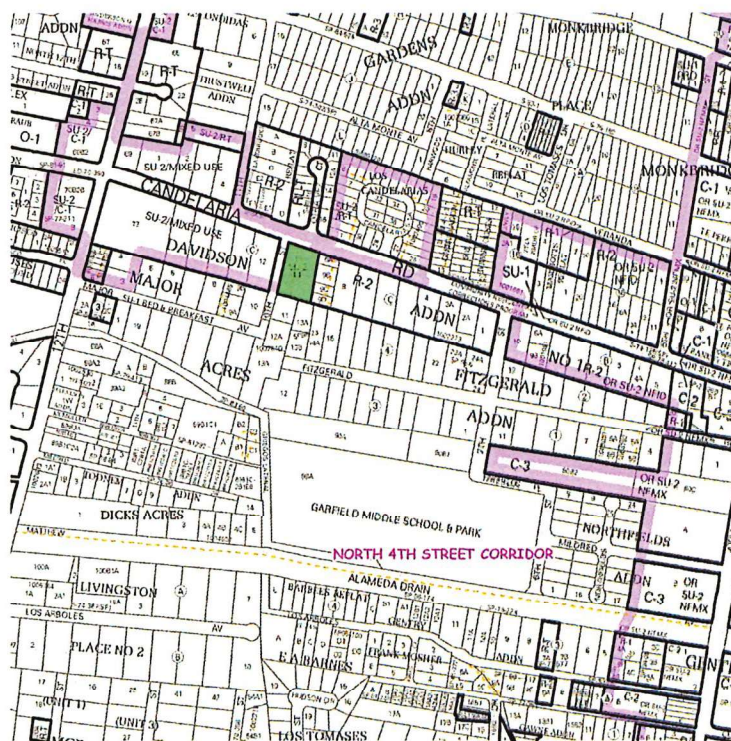
Grantor	Irving Partners L L C (David Soule)/ Kraemer, William L and Marylou		
Grantee	McKinley, Rob and Banu (50%)/ Buchanan, Jason M and Colleen (50%)		
Terms	Cash to seller		
Document Number	11-046441	Document Type	Warranty Deed

Plat	D1-38/ 2001S-2	Utilities	Typical
Tax ID Number	1-014-060-144-179-3-06-54*		
Development Timing		Topography	Level
Intended Use	16 townhouses		
Off-site Infrastructure	Typical		

Comments

This is a corner site on Candelaria Road in a middle-income area of the North Valley. The buyer developed a 16-lot townhouse project. The two-story units are 1,150 square feet and rent for \$1,100 per month, plus utilities.

This site previously sold on March 3, 2009 for \$250,000.



© Joshua Cannon & Associates, Inc.

Land Comparable 5Multi-family
Land Sale

Comp # 11999

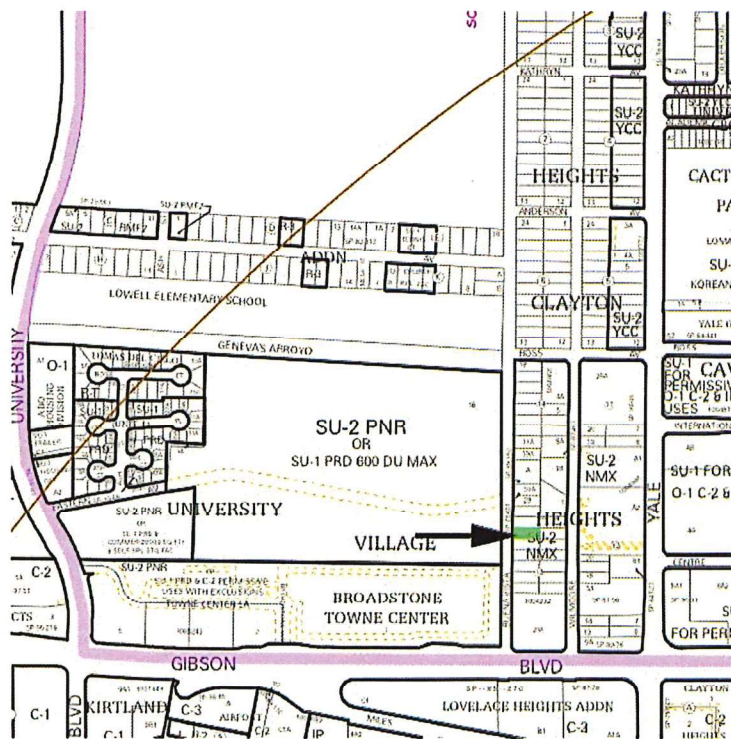
Project Name	One Vacant R-2 Lot	Sale Price	\$38,000
Location	East side of Buena Vista Drive, north of Gibson Boulevard SE	Date of Sale	19 Dec 2007
		Acres	0.1435
Street Address		Net Acres	
City, County, State	Albuquerque Bernalillo New Mexico	Price/Acre (Net)	\$264,845
Legal Description	Lot 26, Block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

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		
Intended Use	Investment	Topography	Above grade with slope at front
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.



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Land Comparable 6Multi-family
Land Lease

Comp # 12003

Project Name	UNM Student Housing Project	Sale Price	\$3,336,430
Location	South side of Avenida Cesar Chavez, east of I-25 and west of University Boulevard. Immediately west of The Pit	Date of Sale	28 May 2010
Street Address		Acres	18.4976
City, County, State	Albuquerque Bernalillo New Mexico	Net Acres	
Legal Description	Tract 3, Plat of Tracts 1,2, 3 & 4, UNM Arena	Price/Acre (Net)	\$180,371
		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
Arterial Location	Major		plus O-1, O-2, IP

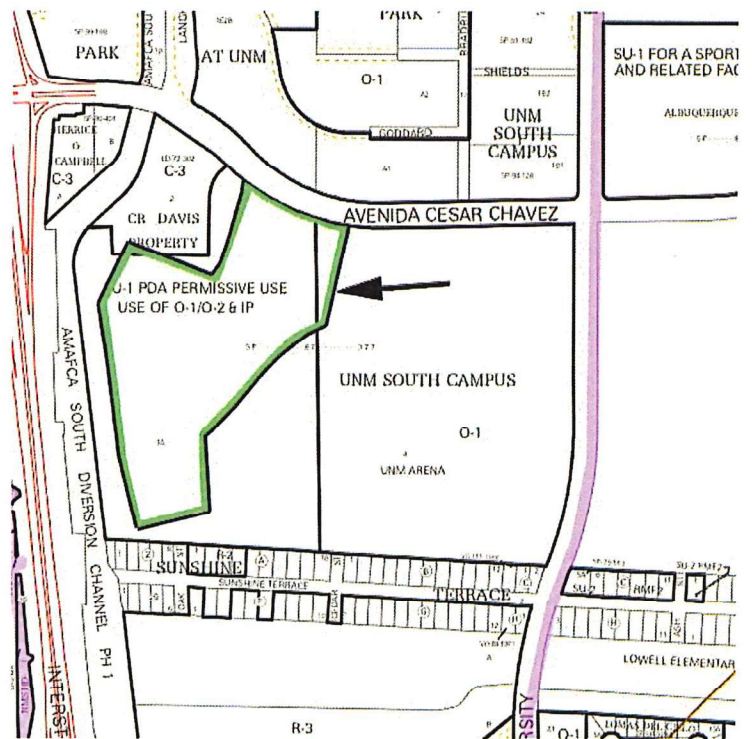
Grantor	Regents of the University of New Mexico
Grantee	ACC OP LLC (American Campus Communities)
Terms	40-year land lease starting at \$333,643 per year and increasing 3% annually through Year 5. Thereafter, rent is 5.7% of gross revenues from the UNM housing project, with a starting minimum of \$350,000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

Plat	2010C-64	Utilities	At boundary
Tax ID Number		Topography	Sloping with approximately 40-foot elevation difference from high to low point. Most of slope is in the northeast portion of the site.
Development Timing	Immediate		
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 plan 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 7

Comp # 12002

Multi-family
Land Sale

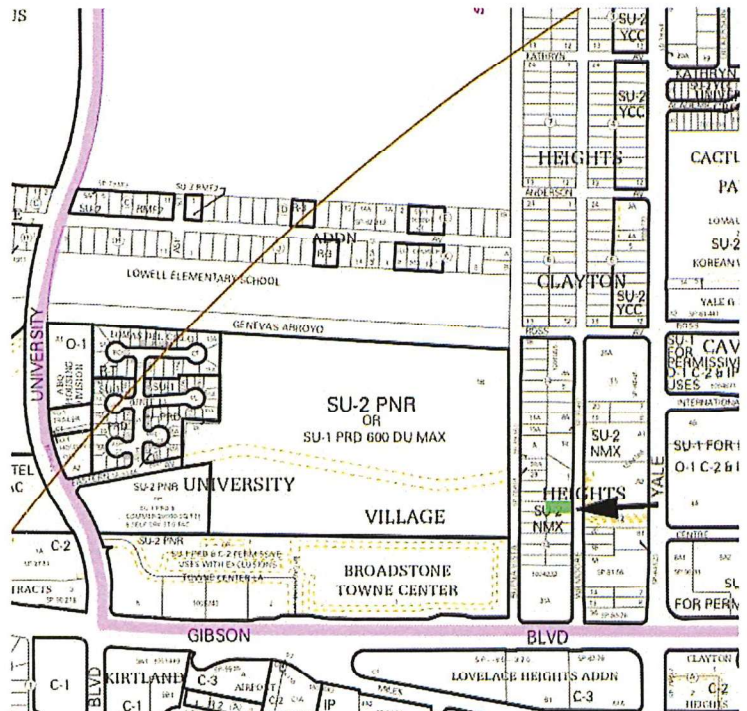
Project Name	One Vacant R-2 Lot	Sale Price	\$50,000
Location	West of Yale Blvd., north of Gibson Blvd., on the west side of Wilmoore Drive	Date of Sale	22 Jun 2007
		Acres	0.1435
Street Address	1909 Wilmoore Drive SE	Net Acres	
City, County, State	Albuquerque Bernalillo New Mexico	Price/Acre (Net)	\$348,481
Legal Description	Lot 3, Block 13, Clayton Heights	Square Feet	6,250
		Net SF	
		Price /SF (Net)	\$8.00
		Number Lots/DUs	
		Sale Price/DU	
Market Area	Airport Area	Zoning	R-2
Arterial Location	Local		
	Map Page L-15		

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	Utilities	All available
Tax ID Number	1 015 056 511 070 40113		
Development Timing	Immediate	Topography	Level
Intended Use	Apartments		
Off-site Infrastructure	Typical		

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 8

Commercial

Comp # 12235

Project Name**Location**

W/s Yale Blvd SE S/o Cesar Chavez N/o Gibson

Street Address

1505 Yale Blvd

SE

City, County, State

Albuquerque

Bernalillo

New Mexico

Legal Description

Clayton Heights, Block 4, Lots 7 - 9

Sale Price

\$180,000

Date of Sale

17 Nov 2011

Acres

0.5510

Net Acres**Price/Acre (Net)**

\$326,702

Square Feet

24,000

Net SF**Price /SF (Net)**

\$7.50

Number Lots/DUs**Sale Price/DU****Zoning**

SU-2

YCC

Market Area

Airport Area

Map Page L-15

Arterial Location

Minor/Collector

Grantor

Awad, Sam

Grantee

Hill, Peter and Huan

Terms

\$35,000 cash, five-year real estate contract at 5.0%

Document Number

11-105456

Document Type

Real Estate Contract

Plat

C1-170

Tax ID Number

1-015-056-539-246-4-16-07*

Development Timing**Intended Use**

Investment

Off-site Infrastructure

Typical

Utilities

All available

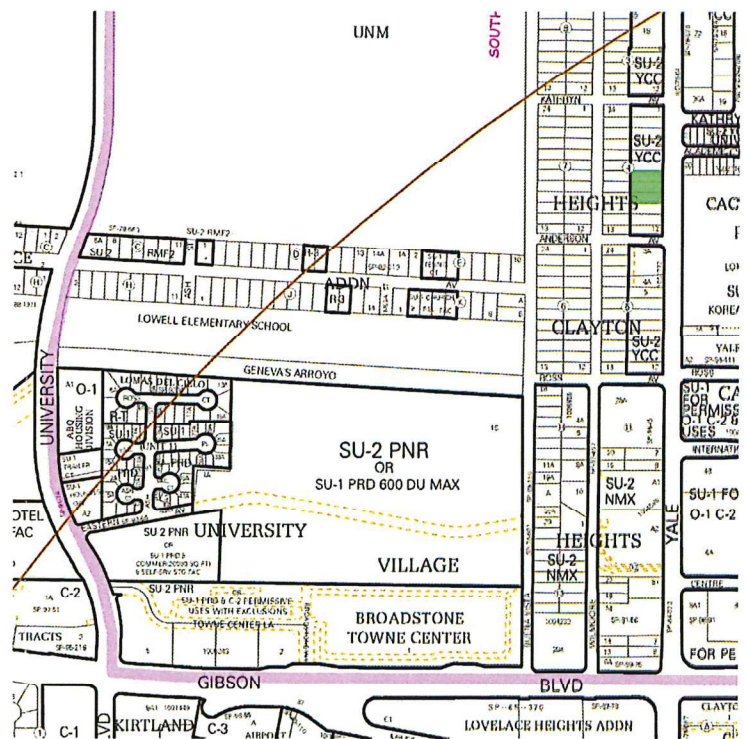
Topography

Slopes downward from frontage

Comments

This is a midblock site in an area of apartments and lower cost commercial. According to the broker, the buyer purchased the land as an investment, with future potential development of multifamily or commercial. The land slopes down from the frontage with a total drop of approximately six feet.

The land is in the South Yale Sector Development Plan and the zoning allows commercial and multifamily development in accordance with the R-2 & C-2 zoning districts; however, prohibited uses included drive-up windows, gas stations, auto sales and auto repair.



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Comp # 12308

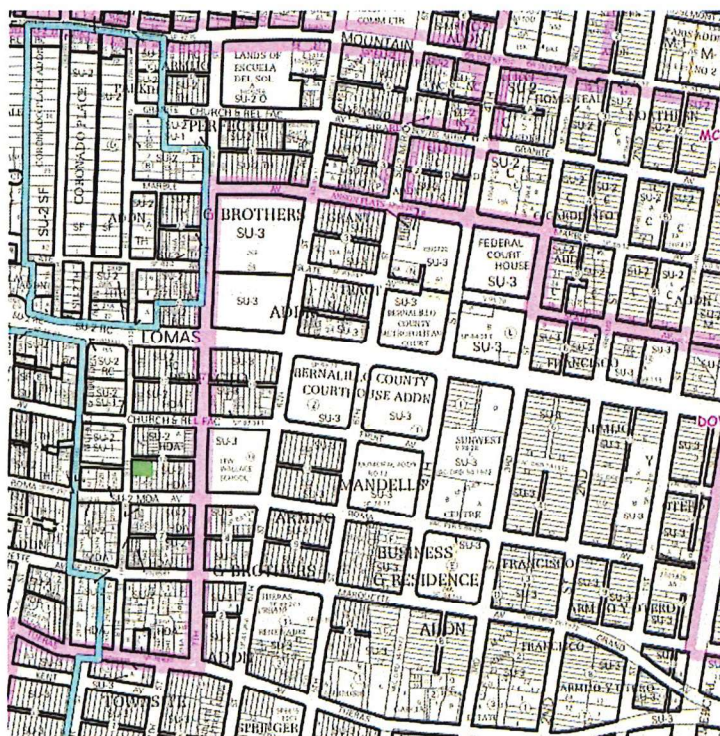
Sale Price	\$55,000
Date of Sale	16 Apr 2013
Acres	0.1630
Net Acres	
Price/Acre (Net)	\$337,423
Square Feet	7,100
Net SF	
Price /SF (Net)	\$7.75
Number Lots/DUs	2
Sale Price/DU	\$27,500
Zoning	SU-2 DNA-MR

Grantor	Herman O. Tafoya, Jr. Trust
Grantee	Eric Antonio Espat Trust (50%) and GAL, LLC (50%)
Terms	Cash to seller
Document Number	13-041867

Utilities	All available
Topography	Level

This site is located west of the downtown business district in a pocket of mostly older lower-cost single and multifamily buildings. The zoning allows apartment development under the R-2 district with a maximum density of 50 units per acre. The broker reports the buyers plan to construct a two-story four-plex.

The broker reports this site has two conditions that impact its value. The buyer will be required to pave the alley that adjoins this site on the north as a condition of development. This is estimated to cost \$10,000. Second, the site is within the Downtown Neighborhood Area Sector, which has a time-intensive development approval requirement that negatively impacts value.



Land Comparable 10Single Family
Land Sale

Comp # 12358

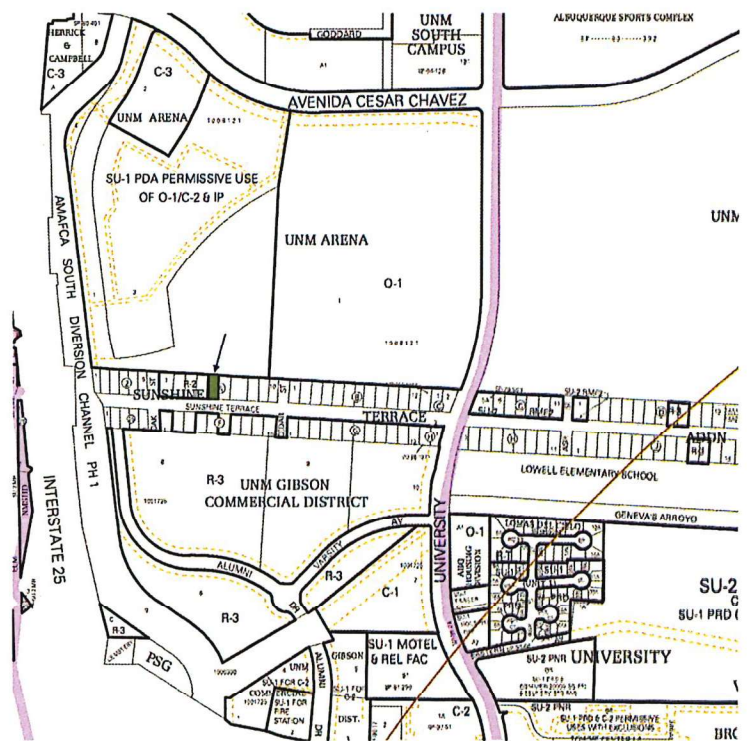
Project Name	Vacant Land	Sale Price	\$40,000
Location	North side of platted Sunshine Terrace Avenue, west of University Boulevard NE	Date of Sale	17 Mar 2011
Street Address		Acres	0.1720
City, County, State	Albuquerque Bernalillo New Mexico	Net Acres	
Legal Description	Lot 5, Block A, Sunshine Terrace Addition	Price/Acre (Net)	\$232,568
		Square Feet	7,492
		Net SF	
		Price /SF (Net)	\$5.34
		Number Lots/DUs	
		Sale Price/DU	
Market Area	Airport Area	Zoning	R-1
Arterial Location	Local		
	Map Page L-15		

Grantor	Samuel, Josie, John & Helen Montoya		
Grantee	Steven & Gina DeBlassie		
Terms	Cash to seller		
Document Number	11-026619as	Document Type	Warranty deed

Plat	C1-91	Utilities	Sewer line only
Tax ID Number	101505613721131805		
Development Timing	Future	Topography	See comments
Intended Use	Investment		
Off-site Infrastructure	No paved street		

Comments

This is a platted lot in a 59-lot subdivision that was never developed with infrastructure. The land is located immediately south of UNM athletic facilities and UNM owned 26 of the 59 lots as of the date of sale. The land is also impacted by uncontrolled fill and an engineering study commissioned by UNM reports the depth of the fill on this lot is ± 17.8 feet. This fill would require remediating prior to developing a building. The buyer is part of another family ownership that holds three noncontiguous lots in the subdivision. UNM would like to purchase all of the lots in the subdivision to expand their athletic fields and have made offers to purchase in the past. This sale was confirmed with Samuel Montoya, John Montoya and Steven DeBlassie. The Montoyas report the land was not listed for sale and they were contacted by Mr. DeBlassie with an unsolicited offer.



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Land Comparable 11

Comp # 12232

Multi-family
Land Sale

Project Name Vacant Land
Location SW/c Girard Blvd. & Garfield Ave SE S/o Coal N/o Gibson
Street Address 501, 503, 505 Girard Blvd. SE
City, County, State Albuquerque Bernalillo New Mexico
Legal Description University Heights, Block 64, Lots 8 - 10
Market Area Airport Area **Map Page** K-16
Arterial Location Minor/Collector

Sale Price \$275,000
Date of Sale 28 Sep 2011
Acres 0.4865
Net Acres
Price/Acre (Net) \$565,312
Square Feet 21,190
Net SF
Price /SF (Net) \$12.98
Number Lots/DUs 14
Sale Price/DU \$19,643
Zoning R-3

Grantor Attaway, Greg
Grantee Hall Home Rentals One L L C
Terms Cash to seller
Document Number 11-087492

Document Type Warranty Deed

Plat D-27
Tax ID Number 1-016-057-247-020-3-04-03
Development Timing Immediate
Intended Use Apartments
Off-site Infrastructure Typical

Utilities All available**Topography** Level**Comments**

This vacant site is located in a mixed-density residential area to the north of UNM. The buyer plans to develop a 14-unit apartment complex in a two-story townhouse style design. The units will be 700 square feet with a target rental rate of \$700 per month plus utilities. The site had a marketing period of 120 days in MLS with an initial asking price of \$375,000.



January 3, 2014

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

Dear Tom:

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).

We have prepared an estimate to substantially recognize the existing platting of the property. This property is zoned for residential development and this study reflects the current zoning. Accordingly, a 32 foot wide public roadway (face-of-curb to face-of-curb) was estimated for the existing platted right of way (Sunshine Terrace Ave.). As you are aware, an existing sanitary sewer is located within the 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 (880 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 and Utility Expansion Charges (UEC's) will be applied at the time of development. Impact fees are shown based on information received from the City of Albuquerque Impact Fee Coordinator. UEC's were determined based on the current ABCWUA water and sewer rate ordinance. All impact fees and charges are subject to change each year and shall be checked periodically against the current Impact Fee and UEC Ordinances.

	Single Family Fees per Lot (34 Lots)	*Multi-Family Fees per unit on each lot	*Commercial Development assuming a 2" meter
ABCWUA Utility Expansion Charges (UEC)	\$4,960	\$2,480/unit	\$25,530
APS School Facility Fees	\$2,975	\$1,785/unit	\$0
COA Impact Fees	\$1,196	\$604/unit	\$3,976/1,000SF
TOTAL:	\$9,131	\$4,869/unit	
* Multi-Family and Commercial fees could be reassessed depending on development.			

Engineering ▲

Spatial Data ▲

Advanced Technologies ▲

A geotechnical investigation provided by X8eVinyard (Project No. 13-1-087, dated August 30, 2013) provided information that helped to identify areas of uncontrolled fill and debris on the property. There were a total of 20 boreholes and 23 test pits completed on Blocks A, B, F, and G for this report. The results indicated a significant amount of uncontrolled fill present across the majority of the lots. It was noted on average there were approximately 17.8 ft of fill present on Blocks A and F while the lots closest to University (Blocks B and G) were found to have on average 27.5 ft of uncontrolled fill. Nevertheless, as with any geotechnical report, there are only a limited number of soil borings to assist in understanding the subsurface conditions of a property. Accordingly, the estimate provided is our best approximation of earthwork costs and infrastructure that might be encountered on the project.

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

1. Impact Fees and Utility Expansion Charges (UEC) associated with new construction are not included in the final development estimate but noted above for information purposes.
2. The majority of the infrastructure costs were divided equally between all 59 lots since the lots are very similar in size with the exception of the water and sewer services. The size of the domestic water meter and sanitary sewer service was determined based on the zoning and the highest and best use of each lot. This resulted in the following meter sizes and sanitary service sizes.
 - a. All lots zoned R1 will have one (1) $\frac{3}{4}$ inch meter, and one (1) 4 inch sanitary sewer service. The cost associated with this has been applied to the infrastructure costs (Cost per service = \$3,159 including soft costs/fees).
 - i. This includes a total of 35 lots. All lots within Blocks 2, 25 and B, Lots 6-10 of Block A and Lots 2, 3 & 6 of Block F
 - b. The service sizes associated with the remaining Lots was determined based on the current zoning (R2/R3), the current ownership and the best and highest use for these lots. This resulted in combining various lots together and providing them with larger services based on denser development. The service size was determined based on the amount of lots combined.
 - i. Combining 1-3 lots together resulted in one (1), 1.5 inch water meter and one (1) 4 inch sanitary sewer service, cost to be divided equal between each lot. This includes Lots 1, 2 and 3 & 4 of Block A, Lots 1, 4 & 5 and 7-9 of Block F and Lot 1 of Block G (Cost per service = \$4,488 including soft costs/fees divided equally between combined lots).
 - ii. Combining 4 plus lots together resulted in one (1) 2 inch water meter and one (1) 6 inch sanitary sewer service, cost to be divided equally between each lot. This includes Lots 2-7 and the 7 lots along University of Block G (Cost per service = \$6,756 including soft costs/fees divided equally between combined lots).

3. Earthwork costs were assumed under two different options.
 - a. Option 1, as recommended in the geotechnical report under section 6.0 *FOUNDATIONS and SLABS*, we have assumed that ALL existing fill material will be excavated and screened to remove all deleterious materials and material over 4 inches in maximum size in order to construct a conventional foundation system. The screened material, to the extent it is stone or concrete, can be crushed and reused on the property as part of the site fill. All unsalvageable fill will be hauled off site to a proper landfill. All material to remain shall be compacted per geotechnical recommendations. The results of Option 1 can be found on Exhibit B1.
 - b. Option 2, as recommended in the geotechnical report under section 6.1 *Light Structures* and 6.2 *Medium Structures*, we have assumed that heavily reinforced raft slabs will be used for single family residences (Lots zoned R-1) and will bear on a minimum of 7 ft of engineered fill extending a minimum of 5 ft outside the building foundation perimeter. Post Tension concrete slab foundations will be used for multifamily residences or single-story light commercial (Lots zoned R-2/R-3) and will bear on a minimum of 6 ft of engineered fill extending a minimum of 5 ft outside the building foundation perimeter. The screened material, to the extent it is stone or concrete, can be crushed and reused on the property as part of the site fill. All unsalvageable fill will be hauled off site to a proper landfill. All material to remain shall be compacted per geotechnical recommendation. An additional line item was added to the total cost (TC); the Reinforced Foundation Allowance (RFA), that accounted for the difference in cost between a conventional foundation system verses a foundation system recommended within the geotechnical report assuming a FAR of 0.35. The results of Option 2 can be found on Exhibit B2
4. Earthwork costs were determined using the borehole and test pit logs associated with the 2013 X8eVinyard geotechnical report. The borehole logs were used to determine an average total depth of uncontrolled fill to be used within Option 1, and the test pit logs were used to determine a percentage of the amount of unsuitable material to be hauled off for both options. The entire site was divided into three separate sections categorized as follows.
 - a. Blocks 2 & 25 – The geotech report did not include these blocks and as a result no boring information was obtained. It was assumed that approximately 6 ft of uncontrolled fill is present in some areas on these lots based on the elevation difference between these blocks and Blocks A & F. No Highly Reinforced foundations were used on these blocks based on this assumption. The following treatment of the existing fill was assumed as follows.
 - i. 100 percent of the material was assumed acceptable and will be removed and compacted at a rate of \$2.00/CY.
 - b. Blocks A & F – An average depth of uncontrolled fill of 17.8 ft was assumed over all these blocks based on the borehole logs. In addition, it

was determined that the average amount of unsuitable material present over Blocks A and F, to be hauled off, was approximately 10 percent of the total uncontrolled fill amount.

- i. 70 percent of the material was assumed acceptable and will be removed and compacted at a rate of \$2.00/CY.
- ii. 30 percent needs to be screened at a rate of \$4.00/CY.
- iii. Of the 30 percent, 33 percent shall be hauled off to a landfill at a rate of \$17.50/CY.

NOTE: The geotechnical report pit location showed that there was a significant amount of uncontrolled fill and debris encountered along the southern slope of Block F. During a meeting between Mr. John Guitierrez and Mr. Thomas Neale on November 19, 2013, the remediation of this slope was excluded from this report.

- c. Blocks B & G – An average depth of uncontrolled fill of 27.5 ft was assumed over these blocks based on the borehole logs. In addition, it was determined that the average amount of unsuitable material present over Blocks B & G, to be hauled off, was approximately 8 percent of the total uncontrolled fill amount.
 - i. 76 percent of the material was assumed acceptable and will be removed and compacted at a rate of \$2.00/CY.
 - ii. 24 percent needs to be screened at a rate of \$4.00/CY.
 - iii. Of the 24 percent, 33 percent shall be hauled off to a landfill at a rate of \$17.50/CY.

5. Earthwork for uncontrolled fill assumes no import or export.
6. Roadway earthwork and pavement section was determined by following the recommendations from X8eVinayard's addendum to the 2013 geotechnical report (dated September 30, 2013) and divided the cost equally between all lots.
7. Roadway pavement sections consist of the following: Residential asphalt concrete, Type C, 3" (2 lifts), 6 inch Aggregate Base Course, 12 inch Sub-grade Preparation and 2 ft of over excavation.
8. Paving assumes 32 ft F-F as required for Local Streets within the DPM.
9. We have assumed City of Albuquerque review and approval processes, including acceptance requirements (i.e. inspection, close out procedures, etc.).
10. Unit Prices are based on COA Public Works Department Estimated Unit Prices for 2009.
11. 8 inch Sanitary Sewer line and manholes are for stubs to the north and south in Oak St. (city policy requirement).
12. This estimate does not include costs for traffic control, walls or landscaping.

Mr. Thomas Neale
University of New Mexico
January 3, 2014
Page 5

13. Drainage Estimate does not include off-site flow management (i.e., assume there is no applicable offsite flows).
14. See Exhibit C: PRELIMINARY ENGINEER'S OPINION OF COST FOR SUNSHINE TERRACE (Infrastructure) for infrastructure quantities and prices.

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

Exhibit A – Sunshine Terrace Lot Exhibit (1 of 1)

Exhibit B1 – Infrastructure & Earthwork Cost per Lot (OPTION 1) (2 of 2)

Exhibit B2 – Infrastructure & Earthwork Cost per Lot (OPTION 2) (2 of 2)

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

Exhibit D – Structural foundation cost analysis for Conventional and Highly Reinforced Slab Foundations (9 of 9)

Conclusion

Based on the associated costs for each lot presented in this report, it was determined that the pricing associated with Option 1 (remediation of the entire fill associated with the site) has proved to be the least costly solution to develop these lots as intended. It is our recommendation that the cost per lot, shown on Exhibit B1, be used for the valuation efforts associated with this subdivision.

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

Sincerely,

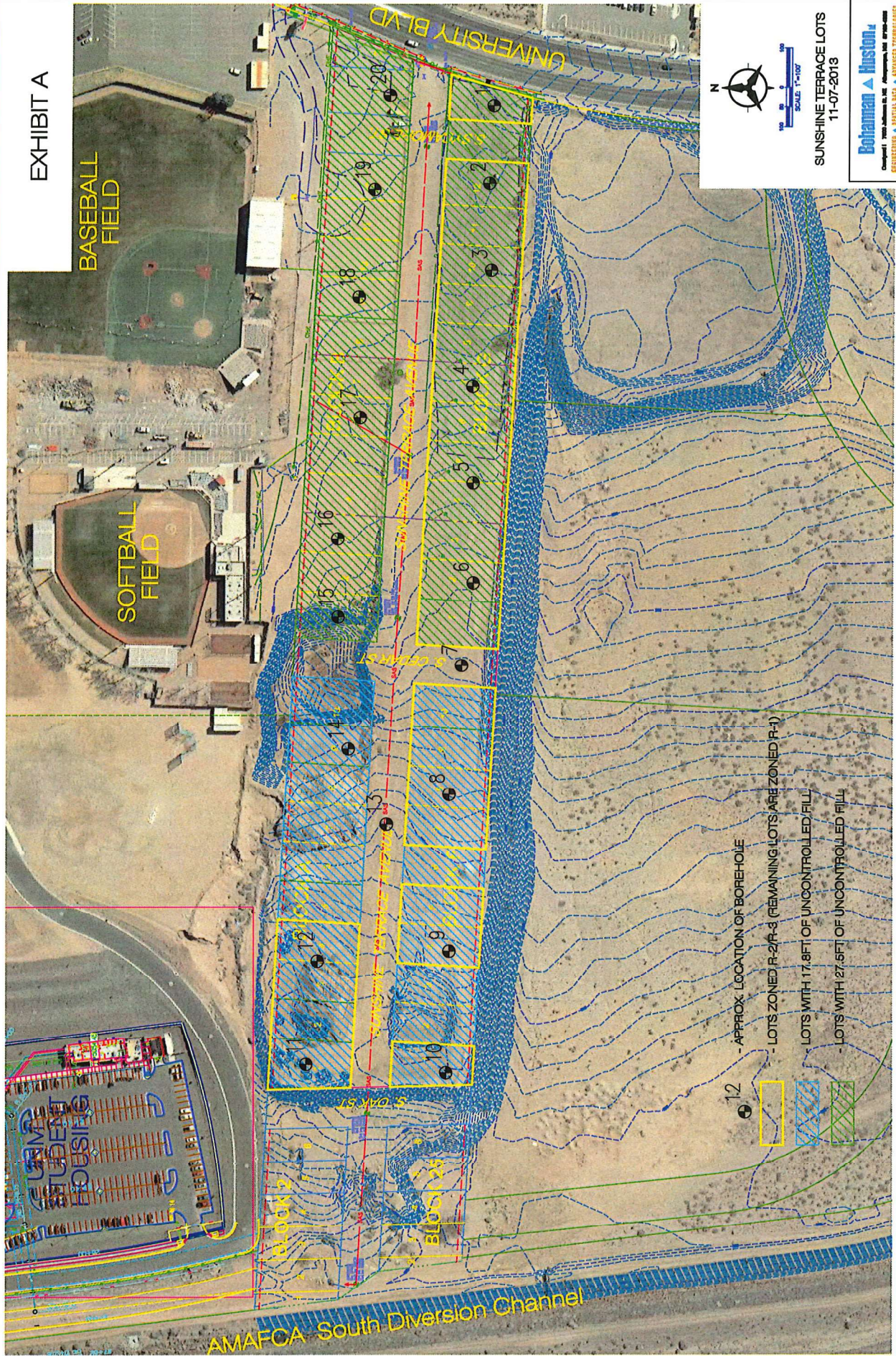


Michael Balaskovits, P.E.
Project Manager
Community Development and Planning

MB/le
Enclosures

cc: John Salazar, Rodey, Dickson, Sloan

BASEBALL FIELD



SUNSHINE TERRACE LOTS
11-07-2013

Bohannon ▲ Huston ▲

Completed! **YES** **NO** **ADVANCED TECH** **ADVANCED TECH**

EXHIBIT B1 - CONVENTINAL FOUNDATION
OPTION 1 - INFRASTRUCTURE & EARTHWORK COST PER LOT

*3/6/2014

LOT #	Area (ft²)	Volume (yd³)	Lot Earthwork Cost (LEC)	FAR .35 Area (ft²)	Residential Slab Cost	Infrastructure Cost (IC)	Total Cost (TC)
							LEC + IC = TC
Block 2							
1	2443.6	543.0	\$1,214	855.27	\$3,738	\$18,549	\$19,763
2	6243.9	1387.5	\$3,102	2185.36	\$9,550	\$18,549	\$21,651
3	6243.9	1387.5	\$3,102	2185.35	\$9,550	\$18,549	\$21,651
4	6243.8	1387.5	\$3,102	2185.33	\$9,550	\$18,549	\$21,651
5	6243.8	1387.5	\$3,102	2185.32	\$9,550	\$18,549	\$21,651
6	6243.7	1387.5	\$3,102	2185.30	\$9,550	\$18,549	\$21,651
Block 25							
2	1822.8	405.1	\$905	637.96	\$2,788	\$18,549	\$19,454
3	6245.6	1387.9	\$3,103	2185.96	\$9,553	\$18,549	\$21,652
4	6246.6	1388.1	\$3,103	2186.31	\$9,554	\$18,549	\$21,652
5	6245.3	1387.9	\$3,102	2185.86	\$9,552	\$18,549	\$21,651
6	6245.2	1387.8	\$3,102	2185.82	\$9,552	\$18,549	\$21,651
Block A							
1	9114.6	6013.1	\$29,118	3190.10	\$13,941	\$19,877	\$48,995
2	7493.2	4943.4	\$23,938	2622.63	\$11,461	\$19,877	\$43,815
3	7492.2	4942.8	\$23,935	2622.26	\$11,459	\$17,633	\$41,568
4	7495.3	4944.8	\$23,945	2623.36	\$11,464	\$17,633	\$41,578
5	7492.0	4942.7	\$23,935	2622.22	\$11,459	\$18,549	\$42,484
6	7496.9	4945.8	\$23,950	2623.90	\$11,466	\$18,549	\$42,499
*7	7495.0	1665.6	\$3,723	2623.24	\$11,464	\$18,549	\$22,272
*8	7491.8	1664.9	\$3,722	2622.15	\$11,459	\$18,549	\$22,271
9	7495.7	4945.1	\$23,946	2623.49	\$11,465	\$18,549	\$42,495
*10	8750.0	1944.4	\$4,347	3062.50	\$13,383	\$18,549	\$22,896
Block F							
1	7862.4	5187.0	\$25,118	2751.83	\$12,026	\$19,877	\$44,995
2	7494.0	4944.0	\$23,941	2622.90	\$11,462	\$18,549	\$42,490
3	7493.5	4943.6	\$23,939	2622.71	\$11,461	\$18,549	\$42,488
4	7493.7	4943.8	\$23,940	2622.79	\$11,462	\$17,633	\$41,573
5	7492.6	4943.0	\$23,936	2622.42	\$11,460	\$17,633	\$41,569
6	7492.9	4943.2	\$23,937	2622.50	\$11,460	\$18,549	\$42,486
7	7493.0	4943.3	\$23,938	2622.55	\$11,461	\$16,885	\$40,823
8	7492.5	4942.9	\$23,936	2622.36	\$11,460	\$16,885	\$40,821
9	7492.2	4942.8	\$23,935	2622.29	\$11,459	\$16,885	\$40,820
10	8116.4	5354.6	\$25,929	2840.73	\$12,414	\$18,549	\$44,478
Block B							
1	8747.8	8909.8	\$38,625	3061.73	\$13,380	\$18,549	\$57,174
2	7499.3	7638.1	\$33,112	2624.74	\$11,470	\$18,549	\$51,661
3	7500.5	7639.4	\$33,118	2625.17	\$11,472	\$18,549	\$51,667
4	7501.5	7640.4	\$33,122	2625.52	\$11,474	\$18,549	\$51,671
5	7504.8	7643.8	\$33,137	2626.69	\$11,479	\$18,549	\$51,686
6	7505.6	7644.6	\$33,140	2626.96	\$11,480	\$18,549	\$51,689
7	7502.1	7641.0	\$33,125	2625.74	\$11,474	\$18,549	\$51,674
8	7505.3	7644.2	\$33,139	2626.84	\$11,479	\$18,549	\$51,688
9	7507.9	7647.0	\$33,150	2627.77	\$11,483	\$18,549	\$51,699
10	7509.0	7648.0	\$33,155	2628.14	\$11,485	\$18,549	\$51,704
11	7509.1	7648.1	\$33,156	2628.18	\$11,485	\$18,549	\$51,705
12	12516.3	12748.0	\$55,264	4380.69	\$19,144	\$18,549	\$73,813
S. Sycamore N.							
1	12520.0	2782.2	\$12,061	4381.99	\$19,149	\$18,549	\$30,610
2	4790.2	1064.5	\$4,615	1676.56	\$7,327	\$18,549	\$23,164

EXHIBIT B1 - CONVENTINAL FOUNDATION

OPTION 1 - INFRASTRUCTURE & EARTHWORK COST PER LOT

*3/6/2014

LOT #	Area (ft²)	Volume (yd³)	Lot Earthwork Cost (LEC)	FAR .35 Area (ft²)	Residential Slab Cost	Infrastructure Cost (IC)	Total Cost (TC)
LEC + IC = TC							
Block G							
1	8740.2	8902.1	\$38,591	3059.08	\$13,368	\$19,877	\$58,468
2	7491.8	7630.6	\$33,079	2622.14	\$11,459	\$16,516	\$49,595
3	7489.4	7628.1	\$33,069	2621.28	\$11,455	\$16,516	\$49,585
4	7491.0	7629.7	\$33,076	2621.85	\$11,457	\$16,516	\$49,592
5	7490.4	7629.1	\$33,073	2621.63	\$11,457	\$16,516	\$49,589
6	7490.8	7629.5	\$33,075	2621.78	\$11,457	\$16,516	\$49,591
7	7488.9	7627.6	\$33,066	2621.12	\$11,454	\$16,516	\$49,582
8	7489.7	7628.4	\$33,070	2621.38	\$11,455	\$16,355	\$49,425
9	7488.9	7627.6	\$33,067	2621.12	\$11,454	\$16,355	\$49,422
10	7490.3	7629.0	\$33,073	2621.62	\$11,456	\$16,355	\$49,428
11	7490.1	7628.8	\$33,072	2621.55	\$11,456	\$16,355	\$49,427
12	8727.8	8889.5	\$38,537	3054.75	\$13,349	\$16,355	\$54,892
S. Sycamore S.							
1	6706.5	1490.3	\$6,461	2347.29	\$10,258	\$16,355	\$22,816
Vacant Lot	7497.8	1666.2	\$7,223	2624.23	\$11,468	\$16,355	\$23,578

Avg Depth of Uncontrolled Fill for entire block= 17.8'

Avg Depth of Uncontrolled Fill for entire block = 27.5'

Lots zoned R-2/R-3

(1) one 3/4" water meter and (1) 4" sanitary sewer service line (\$3,159/lot)

(1) one 1 1/2" water meter and (1) 4" sanitary sewer service line (\$4,488 divided among each lot)

(1) one 2" water meter and (1) 6" sanitary sewer service line (\$6,756 divided among each lot)

NOTES AND ASSUMPTIONS

1. LEC INCLUDES SOFT COSTS AS FOLLOWS

ENGINEERING DESIGN 6%

TESTING 2%

SURVEY STAKING 3%

TAX 7%

*Lot number These lots were adjusted based on review of historic aerial imagery and discussions with Mr. Joshua Cannon.

Lots 7, 8 and 10 of Block A are now analyzed as Blocks 2 and 25

EXHIBIT B2 - OVER-EXCAVATION PER GEOTECH REPORT RECOMMENDATION SECTION 6.1 AND 6.2

OPTION 2 - INFRASTRUCTURE & EARTHWORK COST PER LOT

*3/6/2014

LOT #	Area (ft²)	Volume (yd³)	Lot Earthwork Cost (LEC)	FAR .35 Area (ft²)	Mat Foundation Cost	Reinforced Foundation Allowance (RFA)	Infrastructure Cost (IC)	Total Cost (TC)
LEC + RFA + IC = TC								
Block 2 No Mat foundation required for Block 2 & 25								
1	2443.6	543.0	\$1,214	855.27	\$0	\$0	\$18,549	\$19,763
2	6243.9	1387.5	\$3,102	2185.36	\$0	\$0	\$18,549	\$21,651
3	6243.9	1387.5	\$3,102	2185.35	\$0	\$0	\$18,549	\$21,651
4	6243.8	1387.5	\$3,102	2185.33	\$0	\$0	\$18,549	\$21,651
5	6243.8	1387.5	\$3,102	2185.32	\$0	\$0	\$18,549	\$21,651
6	6243.7	1387.5	\$3,102	2185.30	\$0	\$0	\$18,549	\$21,651
Block 25								
2	1822.8	405.1	\$905	637.96	\$0	\$0	\$18,549	\$19,454
3	6245.6	1387.9	\$3,103	2185.96	\$0	\$0	\$18,549	\$21,652
4	6246.6	1388.1	\$3,103	2186.31	\$0	\$0	\$18,549	\$21,652
5	6245.3	1387.9	\$3,102	2185.86	\$0	\$0	\$18,549	\$21,651
6	6245.2	1387.8	\$3,102	2185.82	\$0	\$0	\$18,549	\$21,651
Block A								
1	9114.6	2025.5	\$9,847	3190.10	\$57,741	\$43,800	\$19,877	\$73,525
2	7493.2	1665.2	\$8,096	2622.63	\$47,470	\$36,009	\$19,877	\$63,981
3	7492.2	1664.9	\$8,095	2622.26	\$47,463	\$36,004	\$17,633	\$61,731
4	7495.3	1665.6	\$8,098	2623.36	\$47,483	\$36,019	\$17,633	\$61,750
5	7492.0	1942.4	\$9,443	2622.22	\$47,462	\$36,003	\$18,549	\$63,996
6	7496.9	1943.6	\$9,450	2623.90	\$47,493	\$36,026	\$18,549	\$64,025
*7	7495.0	1665.6	\$3,723	2623.24	\$0	\$0	\$18,549	\$22,272
*8	7491.8	1664.9	\$3,722	2622.15	\$0	\$0	\$18,549	\$22,271
9	7495.7	1943.3	\$9,448	2623.49	\$47,485	\$36,021	\$18,549	\$64,018
*10	8750.0	1944.4	\$4,347	3062.50	\$0	\$0	\$18,549	\$22,896
Block F								
1	7862.4	1747.2	\$8,495	2751.83	\$49,808	\$37,783	\$19,877	\$66,154
2	7494.0	1942.9	\$9,446	2622.90	\$47,474	\$36,012	\$18,549	\$64,007
3	7493.5	1942.7	\$9,445	2622.71	\$47,471	\$36,010	\$18,549	\$64,004
4	7493.7	1665.3	\$8,096	2622.79	\$47,473	\$36,011	\$17,633	\$61,740
5	7492.6	1665.0	\$8,095	2622.42	\$47,466	\$36,006	\$17,633	\$61,734
6	7492.9	1942.6	\$9,444	2622.50	\$47,467	\$36,007	\$18,549	\$64,000
7	7493.0	1665.1	\$8,095	2622.55	\$47,468	\$36,008	\$16,885	\$60,988
8	7492.5	1665.0	\$8,095	2622.36	\$47,465	\$36,005	\$16,885	\$60,985
9	7492.2	1664.9	\$8,095	2622.29	\$47,463	\$36,004	\$16,885	\$60,984
10	8116.4	1803.6	\$8,769	2840.73	\$51,417	\$39,003	\$18,549	\$66,321
Block B								
1	8747.8	2267.9	\$9,832	3061.73	\$55,417	\$42,038	\$18,549	\$70,418
2	7499.3	1944.3	\$8,429	2624.74	\$47,508	\$36,038	\$18,549	\$63,015
3	7500.5	1944.6	\$8,430	2625.17	\$47,516	\$36,044	\$18,549	\$63,022
4	7501.5	1944.8	\$8,431	2625.52	\$47,522	\$36,048	\$18,549	\$63,028
5	7504.8	1945.7	\$8,435	2626.69	\$47,543	\$36,064	\$18,549	\$63,048
6	7505.6	1945.9	\$8,436	2626.96	\$47,548	\$36,068	\$18,549	\$63,053
7	7502.1	1945.0	\$8,432	2625.74	\$47,526	\$36,051	\$18,549	\$63,032
8	7505.3	1945.8	\$8,435	2626.84	\$47,546	\$36,066	\$18,549	\$63,051
9	7507.9	1946.5	\$8,438	2627.77	\$47,563	\$36,079	\$18,549	\$63,067
10	7509.0	1946.8	\$8,439	2628.14	\$47,569	\$36,084	\$18,549	\$63,073
11	7509.1	1946.8	\$8,440	2628.18	\$47,570	\$36,085	\$18,549	\$63,073
12	12516.3	3245.0	\$14,067	4380.69	\$79,290	\$60,147	\$18,549	\$92,763
S. Sycamore N.								
1	12520.0	3245.9	\$14,071	4381.99	\$79,314	\$67,855	\$18,549	\$100,475
2	4790.2	1241.9	\$5,384	1676.56	\$30,346	\$17,932	\$18,549	\$41,865

EXHIBIT B2 - OVER-EXCAVATION PER GEOTECH REPORT RECOMMENDATION SECTION 6.1 AND 6.2

OPTION 2 - INFRASTRUCTURE & EARTHWORK COST PER LOT

*3/6/2014

LOT #	Area (ft²)	Volume (yd³)	Lot Earthwork Cost (LEC)	FAR .35 Area (ft²)	Mat Foundation Cost	Reinforced Foundation Allowance (RFA)	Infrastructure Cost (IC)	Total Cost (TC)
LEC + RFA + IC = TC								
Block G								
1	8740.2	1942.3	\$8,420	3059.08	\$55,369	\$42,001	\$19,877	\$70,298
2	7491.8	1664.9	\$7,217	2622.14	\$47,461	\$36,002	\$16,516	\$59,735
3	7489.4	1664.3	\$7,215	2621.28	\$47,445	\$35,990	\$16,516	\$59,721
4	7491.0	1664.7	\$7,217	2621.85	\$47,455	\$35,998	\$16,516	\$59,731
5	7490.4	1664.5	\$7,216	2621.63	\$47,451	\$35,995	\$16,516	\$59,727
6	7490.8	1664.6	\$7,216	2621.78	\$47,454	\$35,997	\$16,516	\$59,729
7	7488.9	1664.2	\$7,214	2621.12	\$47,442	\$35,988	\$16,516	\$59,718
8	7489.7	1664.4	\$7,215	2621.38	\$47,447	\$35,992	\$16,355	\$59,562
9	7488.9	1664.2	\$7,215	2621.12	\$47,442	\$35,988	\$16,355	\$59,558
10	7490.3	1664.5	\$7,216	2621.62	\$47,451	\$35,995	\$16,355	\$59,566
11	7490.1	1664.5	\$7,216	2621.55	\$47,450	\$35,994	\$16,355	\$59,565
12	8727.8	1939.5	\$8,408	3054.75	\$55,291	\$41,942	\$16,355	\$66,705
S. Sycamore S.								
1	6706.5	1490.3	\$6,461	2347.29	\$42,486	\$32,228	\$16,355	\$55,044
Vacant Lot	7497.8	1666.2	\$7,223	2624.23	\$47,499	\$36,031	\$16,355	\$59,609

Lots zoned R-2/R-3 will have 6' of over-excauation all others will be 7' of over-excauation

(1) one 3/4" water meter and (1) 4" sanitary sewer service line (\$3,159/lot)

(1) one 1 1/2" water meter and (1) 4" sanitary sewer service line (\$4,488 divided among each lot)

(1) one 2" water meter and (1) 6" sanitary sewer service line (\$6,756 divided among each lot)

NOTES AND ASSUMPTIONS

1. LEC INCLUDES SOFT COSTS AS FOLLOWS

ENGINEERING DESIGN	6%
TESTING	2%
SURVEY STAKING	3%
TAX	7%

2. THE LEC INCLUDES OVER-EXCAVATION OF THE ENTIRE LOT AND NOT JUST UNDER THE FOUNDATION

3. RFA IS EQUAL TO THE PRICE OF A REINFORCED SLAB FOUNDATION MINUS THE COST OF THE CONVENTIONAL FOUNDATION SYSTEM

*Lot number These lots were adjusted based on review of historic aerial imagery and discussions with Mr. Joshua Cannon.
 Lots 7, 8 and 10 of Block A are now analyzed as Blocks 2 and 25

EXHIBIT C

PRELIMINARY ENGINEER'S OPINION OF COST FOR SUNSHINE TERRACE (Infrastructure)

(59 LOTS)

December 31, 2013

Spec No.	Short Description	Unit	Quantity	Unit Price	Amount
PAVING					
XXX.XXX	ROADWAY EARTHWORK PER GEOTECH REPORT	CY	10415	\$ 4.18	\$ 43,484
301.020	SUBGRADE PREP, 12"	SY	5756	\$ 2.00	\$ 11,511
302.010	ABS, 6"	SY	5756	\$ 6.93	\$ 39,886
336.022	RES ASP CONC, TYPE C, 1-1/2", M	SY	11511	\$ 8.85	\$ 101,873
336.120	TK CT	SY	5756	\$ 0.37	\$ 2,130
340.010	SDWK, 4", PCC	SY	1644	\$ 40.09	\$ 65,926
340.030	VLV GUT & CURB, PCC	SY	164	\$ 58.79	\$ 9,642
340.035	VLV GUT, PCC, REM, DISP & REP	SY	82	\$ 61.24	\$ 5,022
340.050	C & G, STD, PCC	LF	3620	\$ 20.31	\$ 73,522
340.025	WLCHR ACC RAMP, 4" PCC	EA	6	\$ 1,222.53	\$ 7,335
	SUBTOTAL PAVING			\$	360,331
WATER					
801.003	8" WL PIPE, w/o FIT	LF	880	\$ 22.24	\$ 19,571
801.004	10" WL PIPE, w/o FIT	LF	990	\$ 26.66	\$ 26,393
801.150	MJ REST GLND, 4"-8"	EA	15	\$ 75.86	\$ 1,138
801.151	MJ REST GLND, 10"-12"	EA	7	\$ 111.35	\$ 779
801.155	JNT REST HRNSS, 4"-8"	EA	6	\$ 78.79	\$ 473
801.157	JNT REST HRNSS, 10"-12"	EA	3	\$ 85.08	\$ 255
801.059	NON PRESS CONN, w/FIT, WL	EA	1	\$ 1,027.77	\$ 1,028
801.065	DI FIT, MJ, 4"-14", WL	LB	1120	\$ 3.30	\$ 3,696
801.082	8" GATE VLV	EA	3	\$ 875.06	\$ 2,625
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	\$ 2,227.02	\$ 4,454
	SUBTOTAL WATER			\$	66,931
SANITARY SEWER					
920.070	MH, 4' DIA, C or E	EA	2	\$ 2,797.04	\$ 5,594
901.030	8" SAS PIPE	LF	320	\$ 13.61	\$ 4,355
901.610	WET CONN, 8"-10" SAS	EA	2	\$ 111.35	\$ 223
901.630	PUMP SEWAGE, SAS	HR	59	\$ 184.85	\$ 10,906
	SUBTOTAL SANITARY SEWER			\$	21,078
DRAINAGE					
701.100	TRCHG BF, 18-36" SWR, <8'	LF	250	\$ 24.02	\$ 6,005
910.009	24" RCP, III	LF	250	\$ 48.19	\$ 12,048
915.01X	CTH BSN, A, DG, DW	EA	1	\$ 4,329.49	\$ 4,329
920.010	MH, 4' DIA, C, <6' D	EA	1	\$ 1,805.23	\$ 1,805
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 DRAINAGE			\$	37,687

EXHIBIT C

PRELIMINARY ENGINEER'S OPINION OF COST FOR SUNSHINE TERRACE (Infrastructure) (59 LOTS)

December 31, 2013

Spec No.	Short Description	Unit	Quantity	Unit Price	Amount
XXXX.XX	DRY UTILITIES - ELECTRIC, GAS, PHONE & CABLE INSTALLATION OF LINES TRANSFORMERS & PULL BOXES, TRCHG, BF & COMP, 5'	LOT	59	\$ 2,000.00	\$ 118,000
	SUBTOTAL DRY UTILITIES				\$ 118,000
422.032	STREET LIGHTING STREET LIGHTING, INCL FNDTN. AND CONDUIT, CIP	EA	3	\$ 1,851.03	\$ 5,553
	SUBTOTAL LIGHTING				\$ 5,553
	SUBTOTAL ITEMS				\$ 609,580
	SUBTOTAL W/CONTINGENCIES @ 15%				\$ 701,017
	FEES				
	ENGINEERING @ 6%				\$ 42,061
	CITY REVIEW @ 3.3%				\$ 23,134
	CONSTRUCTION SURVEY @ 3%				\$ 21,031
	CONSTRUCTION INSPECTION @ 5%				\$ 35,051
	TESTING @ 2%				\$ 14,020
	BOND/LETTER OF CREDIT/MISC. FEES @ 1.75%				\$ 12,268
	SUBTOTAL FEES				\$ 147,564
	SUBTOTAL W/FEES				\$ 848,581
	NMGRT @ 7.0%				\$ 59,401
	TOTAL				\$ 907,982

Base cost per lot excluding water and sanitary sewer services (59 lots) see NOTE #3 = \$ 15,389.53

- NOTES: 1. See cover letter for assumptions used in determining unit prices and quantities.
2. Earthwork for the roadway was based on the recommendations provided by the geotechnical report/addendum requiring 2' of over-excavation
3. Water Meters and Sanitary Sewer Services for each site were assessed based on the site use and maximum potential of being developed as one lot v
- Lots Zoned R1 shall have one 3/4" water Meter and one 4" Sanitary Sewer Service (\$3,159/Lot)
- Lots Zoned R2/R3 where 1-3 lots are adjoining and in common ownership shall have a single 1 1/2" water Meter and one 4" Sanitary Sewer Service to be shared among the lots. (\$4,488/# of lots)
- Lots Zoned R2/R3 where 4+ lots are adjoining and in common ownership shall have a single 2" water Meter and one 6" Sanitary Sewer Service to be shared among the lots. (\$6,756/# of lots)

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
Business Practices and Ethics, 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)
Appraisal Curriculum Overview, Appraisal Institute
The Discounted Cash Flow Model: Concepts, Issues and Applications, Appraisal Institute
Real Estate Industry Perspectives on Lease Accounting, Appraisal Institute
Tenant Credit Analysis, Appraisal Institute
Introduction to Valuing Commercial Green Buildings, Appraisal Institute

Experience

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

Associated with Brooks, Lomax & Fletcher, Inc., October 1983 to June 2007.

Expert Witness

District Court – New Mexico
District Court – Utah

Sample Clients & Appraisal Assignments

Archdiocese of Santa Fe	Church facility, Albuquerque, NM
Argus Development Company	Mixed use tract at I-25 interchange, Albuquerque, NM
Bank of Albuquerque	Private school campus, Albuquerque, NM
BBVA Compass Bank	Residential subdivision, Bernalillo County, NM
BOK Financial Corporation	Proposed shopping center, Sandoval County, NM
CB Richard Ellis Mortgage	Shopping center and pad sites, Albuquerque, NM
Central NM Community College	Land adjoining the CNM campus, Albuquerque, NM
Century Bank	Shopping center, Rio Rancho, NM
Charter Bank	Office & retail complex in Mesa del Sol, Albuquerque, NM
Citizens Bank of Las Cruces	Proposed commercial subdivision, Las Cruces, NM
City Centre LLC	City Centre Master Plan, Sandoval County, NM
Comerica Bank	Multiple automobile dealerships in New Mexico
Community Bank	Hospitality property, Espanola, NM
Farm Credit of New Mexico	Land improved with dairy, Bernalillo County, NM
Forest City Covington, NM	Phase 1 of Mesa del Sol Master Plan, Albuquerque, NM
Imperial Capital Bank	Partially completed shopping center, Albuquerque, NM
IP Commercial Properties	Warehouse occupied by International Paper, Albuquerque, NM
Ironstone Bank	Proposed office building, Albuquerque, NM
KeyBank National Association	Shopping center, Albuquerque, NM
Los Alamos National Bank	Shopping center pad sites, Sandoval County, NM
Merrill Lynch & Company	Vacant land in City Centre Master Plan, Sandoval County, NM
National City Bank	Vacant land in Mesa del Sol Master Plan, Albuquerque, NM
New Mexico Dept. of Trans.	Planned right-of-way acquisition, Albuquerque, NM
New Mexico Prop. Control Div.	Former Bernalillo County Metro Court, Albuquerque, NM
New Mexico State Land Office	Land under a business planning lease, Albuquerque, NM
NM Educators Federal CU	Proposed shopping center, Albuquerque, NM
NM Land Conservancy	Conservation easement on rural land, Corrales, NM
NOVA Corporation	Land proposed for a data center, Albuquerque, NM
Paseo Gateway LLC	Paseo Gateway Master Plan, Sandoval County, NM
PNC Bank	Residential, commercial & industrial land in Mesa del Sol MP
Sandia Automotive Corporation	Automobile dealership, Albuquerque, NM
Sandia Foundation	Market rent estimate for commercial land, Albuquerque, NM
Santa Fe Conservation Trust	Land with a conservation easement, Santa Fe County, NM
Sparton Organization	All land holdings of Amrep Corporation, Sandoval County, NM
Sunrise Mortgage & Investment	Multi-tenant office building, Albuquerque, NM
Timberline Bank	Land under long-term ground lease, Albuquerque, NM
Titan City Center LLC	Hewlett Packard Customer Service Center, Sandoval County, NM
Trust for Public Land	Land with senior water rights, Santa Fe County, NM
University of New Mexico	Real estate adjoining the UNM campus, Albuquerque, NM
US Bank	Proposed indoor shooting range, Albuquerque, NM
United States GSA	Office building, Gallup, NM
US Dept. of Interior – BIA	Office building leased to the BIA, Albuquerque, NM
US Dept. of Interior – BLM	Vacant land with natural gas wells, San Juan County, NM
US Forest Service	Inholding tract in the Cibola Nat. Forest, Socorro County, NM
USDA – NRCS	Rural land along the Rio Grande, Socorro County, NM
Village of Los Ranchos	Multiple vacant and improved tracts, Bernalillo County, NM
Walmart Realty	Consulting services on vacated real estate in New Mexico
Washington Federal Savings	Residential subdivision, Bernalillo County, NM
Wells Fargo Bank	Manufacturing facility, Valencia County, NM
Zions First National Bank	Hospitality property, Santa Fe, NM