

MARTIN J. MOLLOY, ASA, CRA
REAL ESTATE APPRAISER & PLANNING CONSULTANT

121 Seventh Street, N.W.
Albuquerque, New Mexico 87102
505-243-6728

KDM
2/13/03

May 22, 1980

Mr. Rue Lazzell
Albuquerque, New Mexico

*should be
Sigma Chi Add,*

Dear Mr. Lazzell:

In accordance with your request I have made an investigation, study, and appraisal of the property located at 801 Yale N. E., Albuquerque, New Mexico, further described as Lot 9, Block 2, Country Club Addition, Bernalillo County, New Mexico.

The appraisal was made with the assumption that ownership was in fee simple and for the purpose of estimating market value. The results of this investigation along with a definition of market value are contained in the accompanying report.

As a result of the appraisal and analysis, it is my opinion that the market value of the above mentioned property, as of May 22, 1980, is One Hundred Thirty Thousand Dollars (\$130,000.00).

Respectfully submitted,



Martin J. Molloy, A. S. A., C. R. A.

MJM/ek

Identification of the Property Appraised

Requested by: Mr. Rue Lazzell

Location: 801 Yale N. E., Albuquerque, New Mexico

Legal Description: Lot 9, Block 2, Country Club Addition, Bernalillo County,
New Mexico

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the subject property under typical financing as of May 22, 1980.

Market Value is understood to be: "The highest price estimated in terms of money which the land would bring if exposed for sale in the open market with reasonable time in which to find a purchaser, buying with knowledge of all the uses and purposes for which it was adapted, and for which it was capable. *Sacramento Southern R. R. Co. v. Heilbron*, (1909), 156, Cal. 408-413, 104 P. 979."

Also, Market Value as defined in Real Estate Appraisal Terminology, page 137, sponsored jointly by the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers: "The highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Purpose of the Appraisal, cont.

Implicit in this definition is the consummating of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash or its equivalent.
5. Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
6. The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction."



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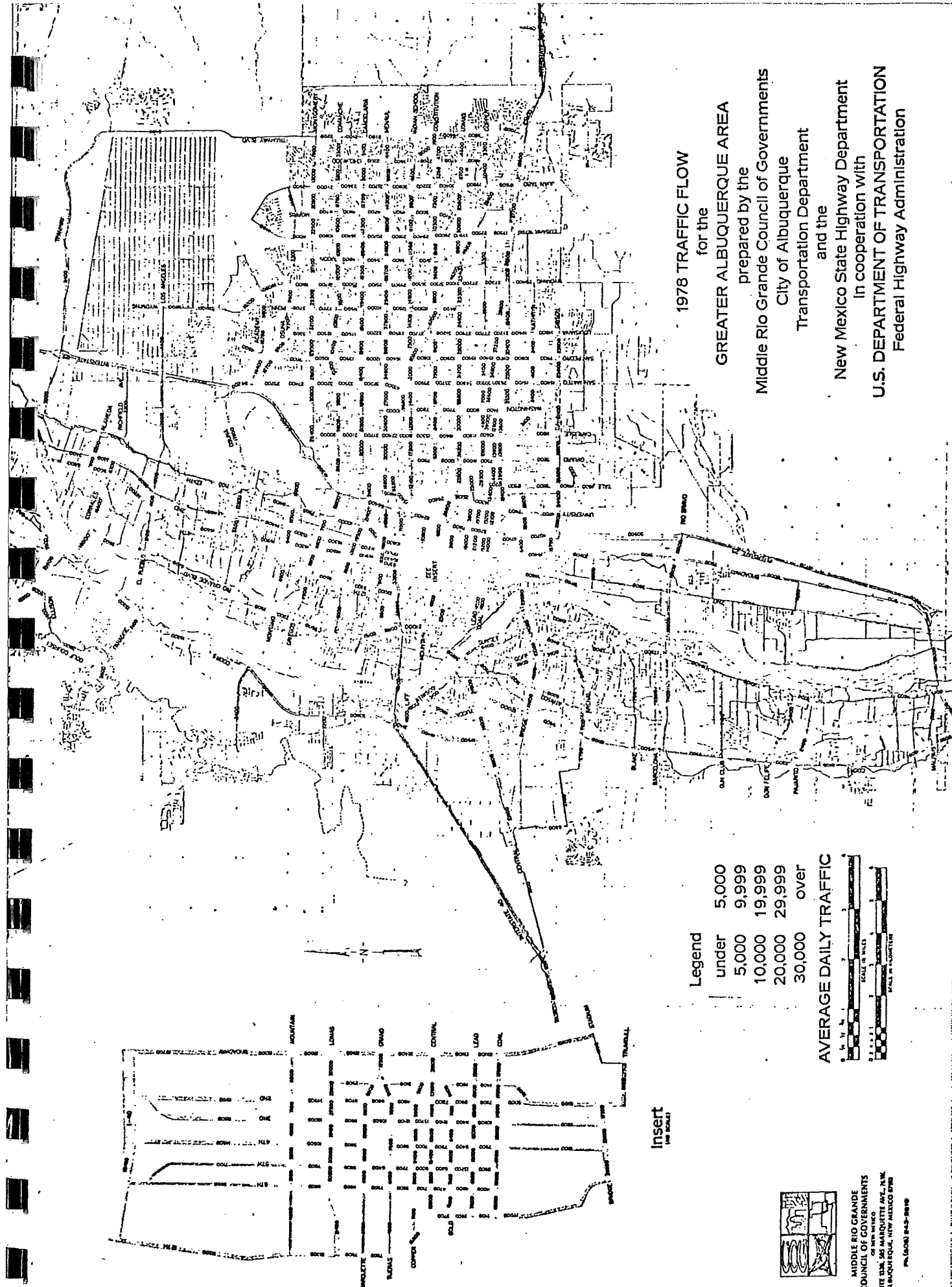
Area Analysis

The subject area is located in the northeast quadrant of the City of Albuquerque approximately one mile from the downtown core area. The boundaries of the area can best be described as Indian School Road to the north, Girard on the east, Central Avenue to the south, and Interstate 25 on the west. The subject area has a wide variety of uses with the major influences being the University of New Mexico, hospitals, a golf course, a concentration of car dealerships, and various retail uses. Residential sections are located on the north side of the area, composed of medium priced housing, and a more exclusive section of custom homes. There is a residential section of older custom homes located between Interstate 25 and the University of New Mexico.

The future of the area appears good with a continuing demand for property in the subject area due to expansion of the university and hospitals.

Zoning

The subject property is zoned SU-1 which is a special use permit. The zone atlas does not indicate the purpose of the permit but it is probably for fraternity house use, similar to that of other properties in the area. For further information refer to the City of Albuquerque Comprehensive Zoning Ordinance.



1978 TRAFFIC FLOW
for the
GREATER ALBUQUERQUE AREA
prepared by the
Middle Rio Grande Council of Governments
City of Albuquerque
Transportation Department
and the
New Mexico State Highway Department
in cooperation with
U.S. DEPARTMENT OF TRANSPORTATION
Federal Highway Administration

Legend

under 5,000
5,000 9,999
10,000 19,999
20,000 29,999
30,000 over

AVERAGE DAILY TRAFFIC



Insert
(see map)



MIDDLE RIO GRANDE
COUNCIL OF GOVERNMENTS
OF NEW MEXICO
SUITE 200, 1000 ALBUQUERQUE AVENUE, N.W.
ALBUQUERQUE, NEW MEXICO 87102
PH (505) 242-8810

Highest and Best Use

The term Highest and Best Use as used in this report is defined as follows: "The most profitable use of a given property is the use to which the property is adapted, and for which it is likely to be in demand in the reasonable future, and the use that will yield the greatest return, either in terms of money or amenities."

The subject property was built for fraternity house use, but due to its size, there are limited accommodations. Due to the location of the property in relationship to the campus, the following uses were felt to be appropriate, either in its present state or with slight alterations: a continuation of use as a fraternity/sorority house, or housing for visiting professors, graduate students, or interns. Other possible uses if zoning were to permit, would be for classroom use or offices.

Site Description

The subject property is located on the northwest corner of Yale Boulevard N. E. and Sigma Chi Road. The property slopes downward to the north and is of an irregular shape. The site has approximately 150 front feet on Yale with a depth of 70 feet. It should be noted that no survey was provided at the time of the appraisal and that lot size is only an estimate. The site is serviced with all city utilities and there are curbs, gutters, sidewalks, and paved public streets. There are no known adverse soil conditions and drainage appears to be adequate.

Site Valuation

There has been a lack of comparable sales within the subject area recently which is primarily due to the fact that the University of New Mexico has vast holdings and as a result there are limited transactions. Therefore, sales from competing areas, in addition to a residual method, have been used to determine the land value. From these methods a value of \$3.50 per square foot has been determined in fee simple ownership.

approximately 8,500 square feet x \$3.50/sq. ft. = \$29,750.00

Description of Improvements

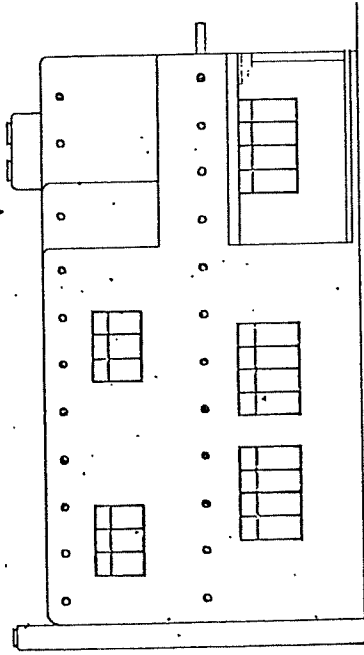
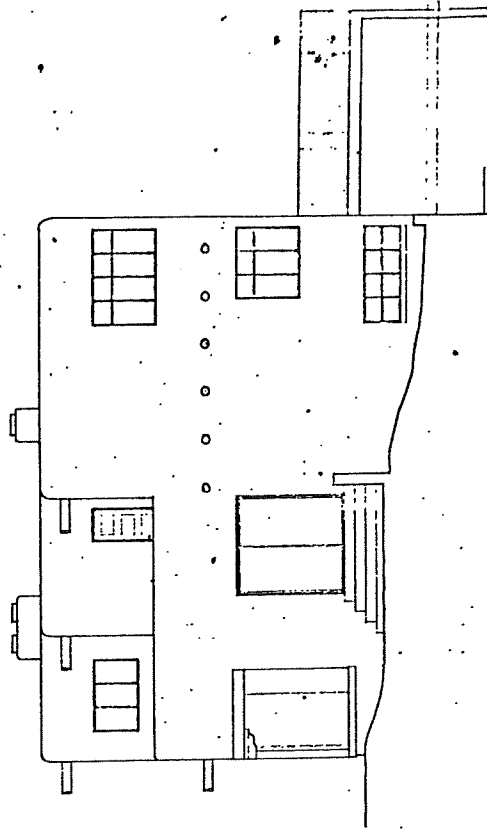
The subject property is improved with a two story, detached, frame stucco, flat roof residence designed as a fraternity house. The effective age of the structure is felt to be between fifteen and twenty years. The unit contains a lower level consisting of two bedrooms and a three-quarter bath. It should be noted that this area is in the process of being finished. The main level consists of three bedrooms, kitchen, dining room, parlour, sitting room, and two and one-half baths with an upper level containing four bedrooms and two full baths. The total living area of the structure is approximately 4,096 square feet. Interior features include hardwood floors, three working fireplaces, built in bookshelves, a skylight, built in oven, carpeting, gas forced warm air heating system, and evaporative air conditioning. Exterior features include average/good landscaping with a sprinkler system, concrete basketball court, stone barbeque, block fencing,

Description of Improvements, cont.

and a detached, single car garage which has been partially converted.

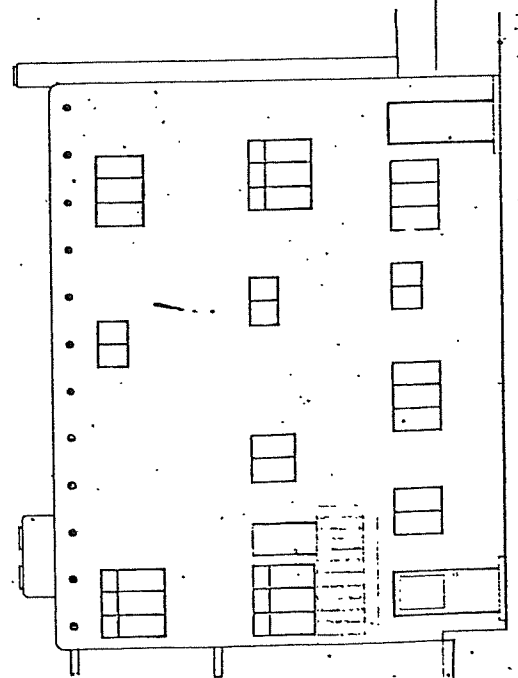
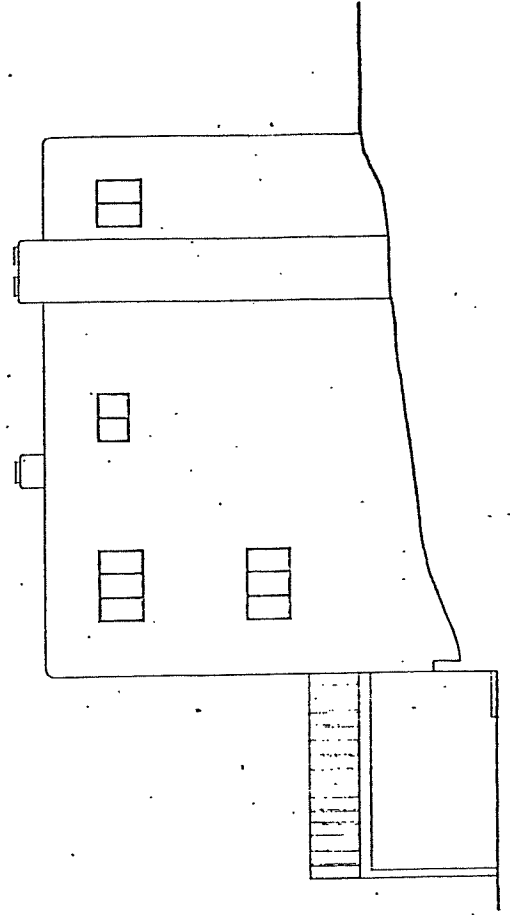
The following deficiencies were noted: all floor coverings exhibit wear, carpeting is badly stained and worn and should be replaced, tile and vinyl floor coverings also exhibit wear and discoloration and should also be replaced, the hardwood floors should be refinished, kitchen cabinets should be refinished, all bathrooms require tile work, all walls and ceiling areas should be repainted and plaster repairs made where necessary, several window panes should be replaced, minor stucco repairs are needed, and exterior trim requires painting. The overall condition of the property is felt to be fair to average.

EXISTING STRUCTURE



EAST ELEVATION
1/4" = 1'-0"

SOUTH ELEVATION
1/4" = 1'-0"



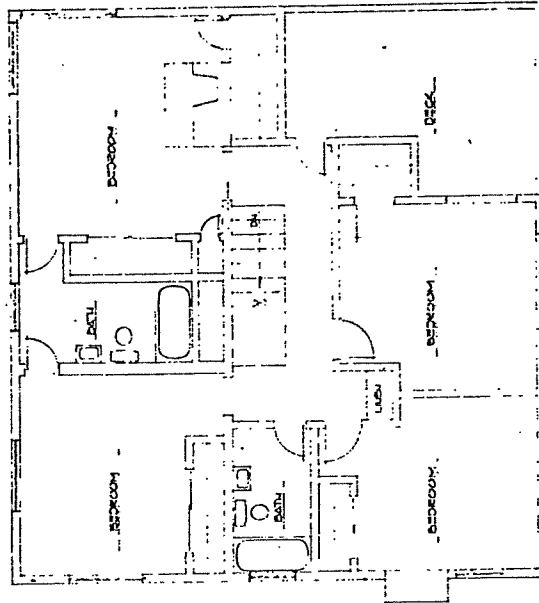
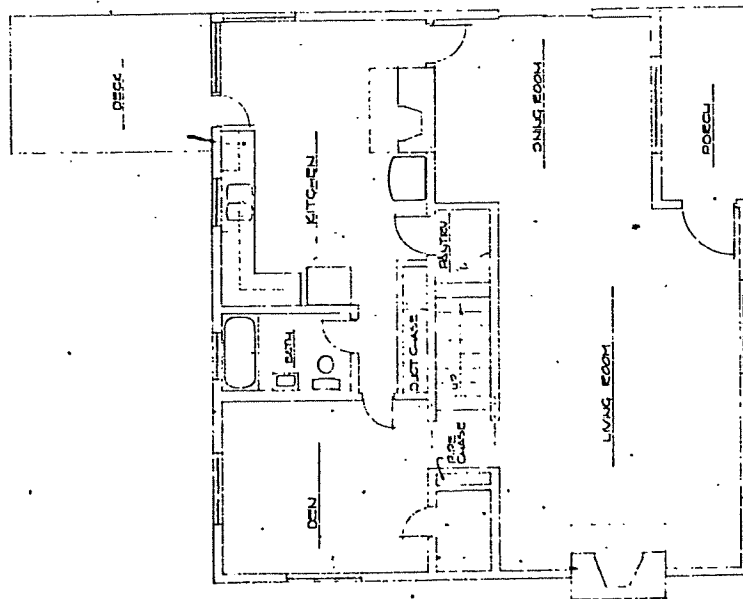
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drawn by	
date	

Sheet title

Project

GEORGE WRIGHT ASSOCIATES
243-0878
2018 Coal Avenue, N.E.



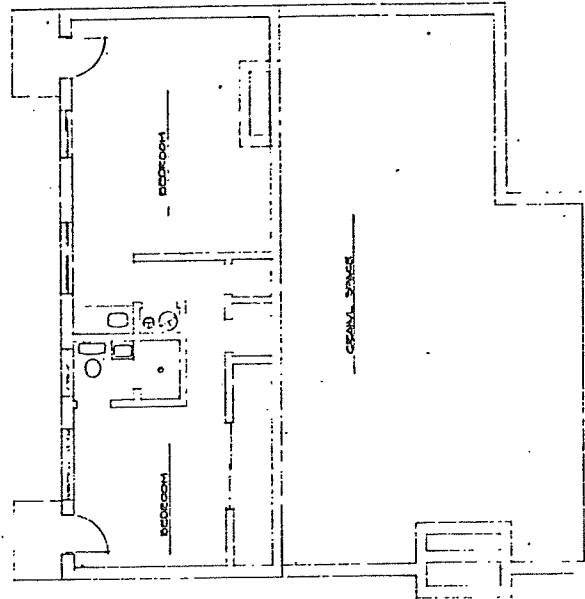
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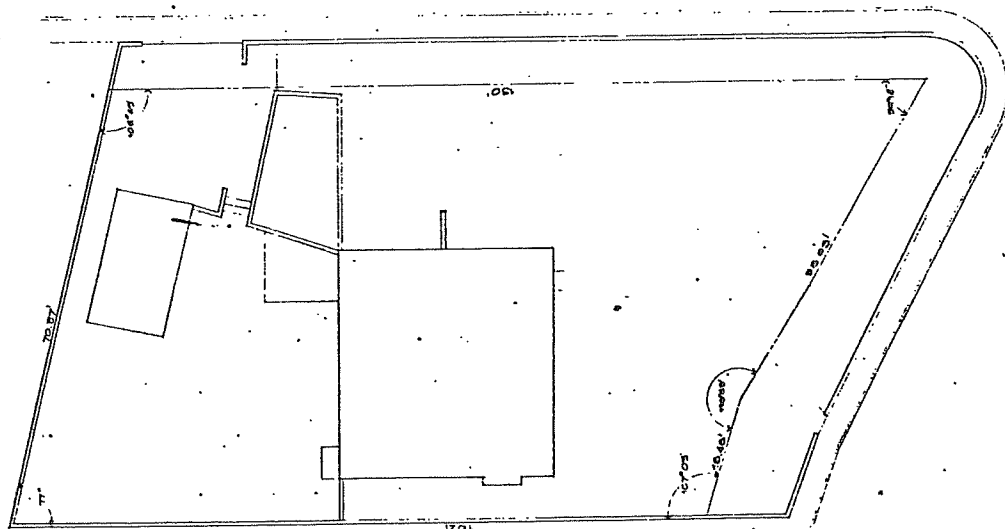
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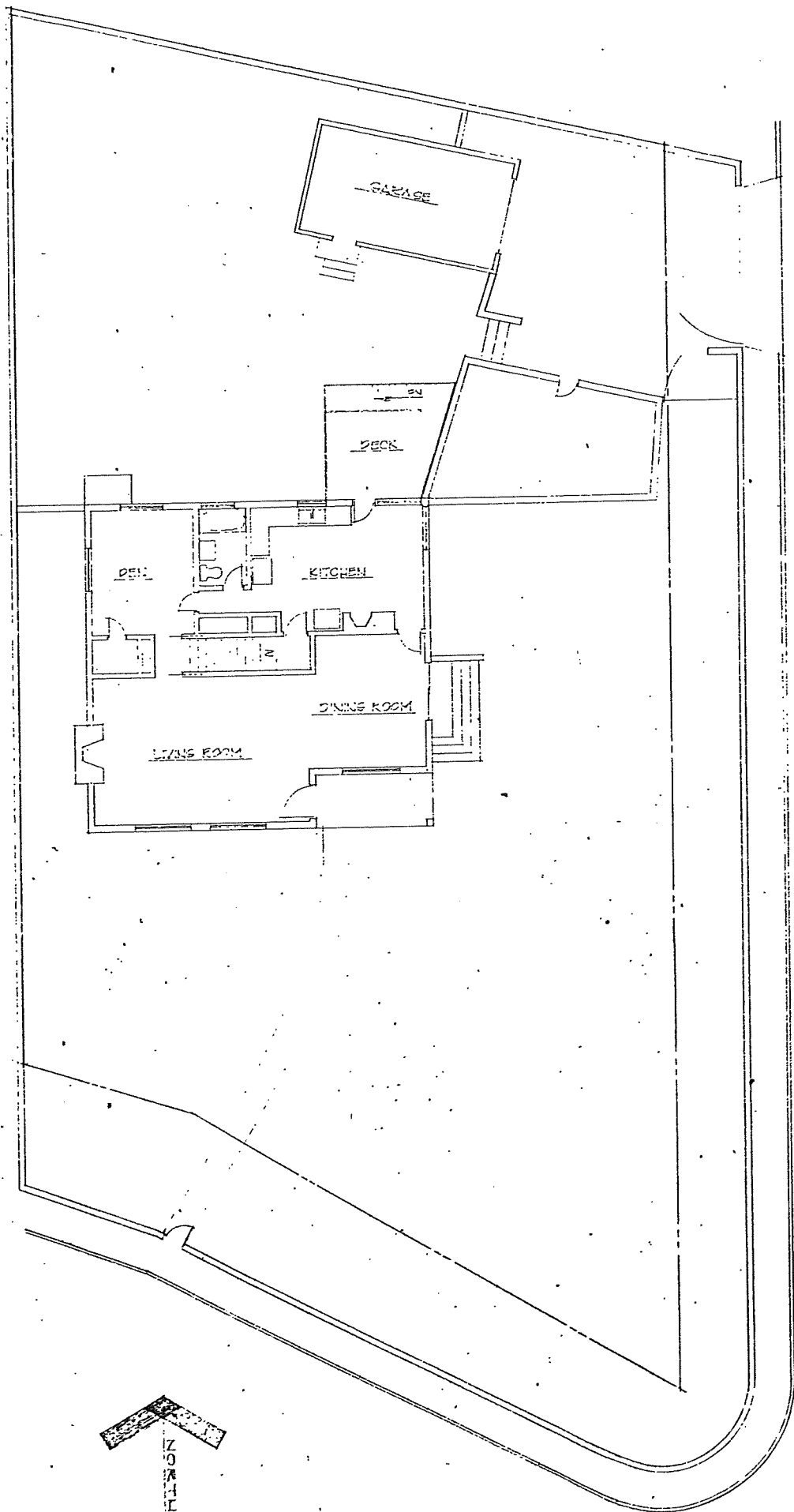
GEORGE WRIGHT ASSOCIATES



BASEMENT PLAN
1/4" = 1'-0"
EXISTING STRUCTURE



SITE PLAN
1"=40'
EXISTING STRUCTURES



NORTH

Not
Authenticated
Page Two

FOUR PLAN 13-10
EXISTING CR. FLOOR PLAN
AND PHASE 1 & 2 RECON PLAN

Cost Approach

The replacement cost figures used are from Marshall Swift Valuation Service, a nationally recognized building cost estimation service. These figures were checked against actual cost in the Albuquerque area.

Building	4,096 square feet x \$32.75/sq. ft.	\$134,144.00
Depreciation		<u>30,122.00</u>
Depreciated Value		\$104,022.00
Other Depreciated Improvements		7,500.00
Land Value		<u>29,750.00</u>
Total Indicated Value		\$141,272.00
Rounded		\$141,250.00

Income Approach

The following is an approach to value using the anticipated fair economic rent which could be generated by the subject property if it were exposed for lease on the open market. It is felt that different uses of the property, such as fraternity house versus office use, would produce a different projected income. The lower end of the scale has been used.

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Income Approach, cont.

Annual Gross Income	\$ 16,800.00
Vacancy and Collection	<u>840.00</u>
Adjusted Gross Income	\$ 15,960.00

Expenses:

Taxes	\$ -0-	(non-profit)	
Insurance	500.00	(estimate)	
Maintenance	1,200.00		
Management	800.00		
Reserve	900.00		
Utilities	600.00	(water & sewer)	
Total	<u>\$4,000.00</u>		<u>4,000.00</u>
			\$ 11,960.00

Income Attributable to Land

$\$29,750.00 \times .10$	<u>2,975.00</u>
	\$ 8,985.00

Income Attributable to Improvements

.025 recapture rate	
.100 interest rate	
.125 capitalization rate	
$\$8,985.00 \div .125$	\$ 71,880.00

Land Value	<u>29,750.00</u>
Total Indicated Value	\$101,630.00
Rounded	\$101,500.00

It should be noted that if the subject property were subject to taxes it would lower the indicated value from this approach.

Correlation of Values

Two approaches to value have been used in this appraisal, these being a Cost Approach and an Income Approach which reflect the following values:

Cost	---	\$141,250.00
Income	---	\$101,500.00

No Market Approach has been used due to the limited number of sales of such properties in the area recently. The Cost Approach sets the upper limit of value since no prudent purchaser, under normal market conditions, will pay more than the depreciated replacement value of the property. The Income Approach is generally the better indicator of value since it does reflect the income of the property. However, there appears to be currently a lag time in the market place between construction cost and leasing cost of such property which appears to have a negative affect on the value of the property using the income generated. It is felt that the true value of the subject property lies between the Cost and Income Approaches in this particular instance, and therefore, a value of \$130,000.00 has been determined.

Final Estimate of Value

Therefore, it is my opinion that the market value of the subject property, as of May 22, 1980, is One Hundred Thirty Thousand Dollars (\$130,000.00).



Martin J. Molloy, A. S. A., C. R. A.

QUALIFICATIONS

Education: C. W. Post College Brookville, New York
B. S. Finance
B. A. Economics

University of New Mexico Graduate School
Urban Economics

Dryfus School of Business New York

Society of Real Estate Appraisers
Courses and Tests: 101 and R-2
Seminars: Narrative Report and Income Properties

Experience: Independent Fee Appraiser 1970 - Present
Portfolio Analyst 1966 - 1970

Lecturer at University of New Mexico

Expert Witness: District Court of the State of New Mexico

Professional
Affiliations: American Society of Appraisers Senior Member
(Past President of New Mexico Chapter)
National Association of Review Appraisers Member
American Right of Way Association Member
American Society of Planning Officials Member
Metropolitan Association of Urban
Designers and Environmental Planners Member

Appraisal Projects: New York State Department of Mental Hygiene
United States Health, Education and Welfare
New York State Highway Department

Clients: Federal Housing Administration
Veterans Administration
Safeway
Federal Employees Credit Union
American Petrofina Company of Texas
Plaza Del Sol National Bank
Urban Development Agency of Albuquerque, New Mexico
Mid Atlantic Mortgage Company
Republic Bank
Coronado Savings and Loan
Sandia Laboratories Credit Union
Citicorp
Fidelity National Bank
First Northern Savings and Loan
Bank of New Mexico
Mountain Bell Credit Union

ASSUMPTIONS AND LIMITING CONDITIONS

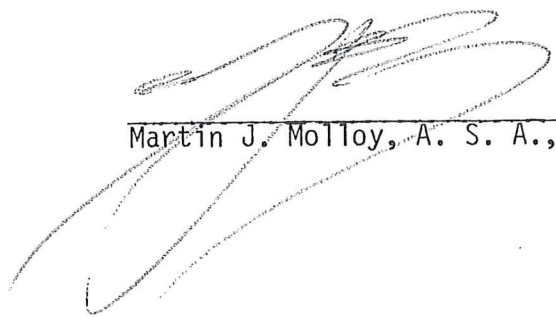
This Appraisal Report, the Letter of Transmittal and the above Certification of Value are made expressly subject to the following assumptions and limiting conditions, and any special limiting conditions contained in the Report which are incorporated herein by reference.

1. The legal description furnished is assumed to be correct. I assume no responsibility for matters legal in character nor do I render any opinion as to the Title, which is assumed to be correct. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
2. The sketch in this report is included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.
3. I believe to be reliable the information which was furnished by others, but I assume no responsibility for its accuracy.
4. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or the applicant and then only with proper qualifications.
5. I am not required to give testimony or to appear in any court or tribunal by reason of this appraisal, with reference to the property in question, unless arrangements have been previously made therefor.
6. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization.
7. The land, and particularly the soil, of the area under appraisement appears firm and solid. Subsidence in the area is unknown or uncommon, but this appraiser does not warrant against this condition or occurrence.
8. Subsurface rights (minerals and oil) were not considered in making this appraisal.
9. This appraiser very carefully inspected the buildings involved in this appraisal report, the damage, if any, by termites, dry rot, wet rot, or other infestations were reported as a matter of information by your appraiser, as I do not guarantee the amount of or the degree of damage, if any.

Certification

I hereby certify that I have personally inspected, and or a representative of mine, the property appraised and all properties which were used as comparisons for the subject property; that to the best of my knowledge and belief the statements and opinions contained herein are correct; that I have no present nor contemplated future interest in the property appraised; that no pertinent information has knowingly been withheld; and that the amount of compensation to be received for making this appraisal or the employment to make the appraisal was not contingent upon the amount of the value estimate or on reporting a predetermined value.

I further certify that this appraisal was made in accordance with the Standards of Professional Practice of the American Society of Appraisers, National Association of Independent Fee Appraisers, and the National Association of Review Appraisers.



Martin J. Molloy, A. S. A., C. R. A.

10. All furnishings and equipment, except those specifically indicated and typically considered as a part of real estate have been disregarded by this appraiser. Only the real estate has been considered.
11. The comparable sales data relied upon in this appraisal is believed to be from reliable sources; however, it was not possible to inspect the comparables completely, and it was necessary to rely on information furnished by others as to said data. Therefore, the value conclusions are subject to the correctness and verification of said data.
12. The appraiser has inspected, as far as possible, by observation, the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made herein as to these matters and unless specifically considered in the report, the value estimate is subject to any such conditions that cause a loss in value. Condition of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
13. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to any appraisal society or appraisal designation in which the appraiser is connected.
14. The appraisal may not be reproduced without the written consent of the appraiser, and then, with permission, must be copied in its entirety.
15. All square footages in the appraisal are only approximations and are not guaranteed to be correct. Any party basing the value of the subject property on the square footage shall rely upon their own measurements and not the square footage indicated in the appraisal since it is only an estimate. Any party using the appraisal in any type of transaction should verify the square footage. If a difference is noted, the appraiser should be notified to correct the difference which may have an affect on the value. Should there be any deviation from this procedure, the appraiser cannot be held responsible.