

VALUATION ANALYSIS

FOR

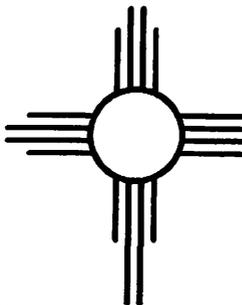
**WELLSITES 5 AND 6 AND RIGHT-OF-WAY
WEST OF RIO RANCHO, NM**

BY

IAN R. VALENZUELA

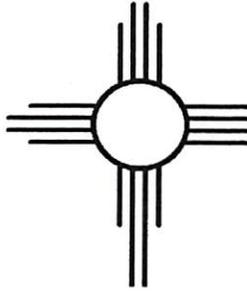
AND

JOSEPH H. ROOS, SRA



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July 24, 2009

Sandoval County
Development Department
711 Camino del Pueblo
Bernalillo, NM 87004
Attn: Juan Vigil, Sandoval County Manager

RE: Valuation for De-Salinization Project, Wellsites 5 and 6 and Right-of-way

Dear Mr. Vigil:

In accordance with your request, we have personally inspected and prepared the following appraisal report of the aforementioned property located in the Rio Puerco Basin, west of the City of Rio Rancho in Sandoval County, New Mexico. The purpose of this appraisal is to estimate the fair market value or market value of the land in fee simple title for acquisition of the property, potentially through condemnation. Market value, fair market value, and fee simple are defined on Page 8 of this report. Based on the following report, and subject to the underlying assumptions and limiting conditions in the report consisting of 28 printed pages, qualifications and addenda, it is our opinion that fair market value is the proper definition of value for this purpose, and the fair value of the subject property, as of the date of inspection, **is \$5,000 per acre, as-is.**

This information is presented with the understanding that appraisals and reporting formats vary greatly depending on the client's individual needs, time constraints, the size and complexity of the property, and the intended use of the report. This is a complete appraisal, communicated through a self-contained report, per the Uniform Standards of Professional Appraisal Practice Rule 2-2(a), with no departures.

Both the appraiser and supervisory appraiser hereby certify that we have no present or contemplated future interest in the real estate that is the subject of this study, nor any personal interest or bias regarding any parties with an interest in said real estate or the outcome of this study; that our employment and compensation for making this study were not contingent upon the results or an action or event resulting therefrom; that we have inspected the property that was the subject of this study; that to the best of our knowledge and belief, the statements of fact upon which our analysis, opinions and conclusions were based are true and correct; that all the assumptions and limiting

conditions affecting our analysis, opinions and conclusions are set forth herein; that we are currently certified under the continuing education program of the New Mexico Real Estate Appraisers Board; that Joseph H. Roos, SRA has not completed the requirements under the voluntary continuing education program of the Appraisal Institute; that no one other than the undersigned prepared the analysis, opinions and conclusions set forth herein; and that the study has been made in conformance with and is subject to the Uniform Standards of Professional Appraisal Practice and the standards and code of ethics of the Appraisal Institute.

If we can be of further assistance to you in this or any other matter, please do not hesitate to call upon us.

Respectfully submitted,



Joseph H. Roos, SRA, #00341-G
CEO and President



Ian R. Valenzuela, #01734-G
Associate

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable, and if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.

2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report, and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.

3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinion, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.

4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraisal value of the property.

6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.

7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

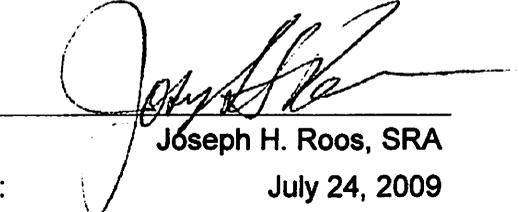
8. I have personally inspected the subject property and the sites of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report, therefore, if any unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: I have personally inspected the property and directly supervised the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the Appraiser's Certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

APPRAISER:

SUPERVISORY APPRAISER:

Signature:		Signature:	
Name:	Ian R. Valenzuela	Name:	Joseph H. Roos, SRA
Date Signed:	July 24, 2009	Date Signed:	July 24, 2009
State Certification No.:	01734-G	State Certification No.:	00341-G
State:	New Mexico	State:	New Mexico
Expiration Date of Certification:	04/30/11	Expiration Date of Certification:	04/30/11

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Location

The subject property is in an unincorporated portion of Sandoval County, NM, west of the City of Rio Rancho, east of the Rio Puerco. The larger parcel is made up of two well sites, and approximately 5.7 miles of right-of-way which is currently a graded Ranch Road.

Legal Description

The legal description of the property is lengthy, mostly described only by metes and bounds. The exhibits provided by the client refer to the area in map form. Surveys and/or detailed maps are included within this report; the initial Request for Proposal, including project description, is included in the addenda. The Well Sites are in Township 12N, Range 1W, Sections 10 and 11. The Right-of-way is in these sections, as well as Sections 1 and 2, and also Township 12N, Range 1E, Sections 5 and 6.

Land Size

The land size is not finalized, and the value is subject to completion of the survey.

Zoning

The land is unincorporated, zoned RRA, Rural Residential/Agricultural District, by the County Zoning Authority.

Flood Zone

This is undeveloped land, with uncontrolled drainage, primarily following natural arroyos. In undeveloped areas, the washes can be between 25 and 150 feet wide, up to 50 feet in depth, usually dry but subject to flash flooding and washouts. The subject lies in FEMA flood maps 35043C 1850D and 1875D. FEMA does not publish detailed flood surveys in this part of the county, so none of the land is in defined flood areas, but it is likely that a portion of the land would be considered flood-affected.

Interest Appraised

Fee simple interest.

GENERAL LIMITING CONDITIONS

1. The appraisers 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 appraisers and in any event only with proper written qualification and only in its entirety.
3. Any allocation of the total value estimated in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any appraisal and are invalid if so used.
4. Neither all nor any part of the contents of this report or copy thereof (especially any conclusions as to value, the identity of the appraisers, firm or professional organization with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraisers.
5. We are unaware of any easements, covenants, conditions or restrictions impacting the subject property unless otherwise stated in the report. We assume adequate ingress and egress to the property, and we assume any reasonable sale of the property would not be inhibited by any easements, covenants, and conditions.

GENERAL UNDERLYING ASSUMPTIONS

1. The legal description provided is assumed to be correct.
2. No survey of the property has been made by the appraisers; no responsibility is assumed in connection with such matters.
3. No responsibility is assumed for the accuracy of diagrams, sketches, or maps included in this report. These are provided solely for the purpose of assisting the reader in visualizing the property being appraised.
4. 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.

5. 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 appraisers.
6. 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.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover such factors.
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 the property conforms to all applicable zoning and use regulations and restrictions, unless a non-conformity has been identified, described, and considered in the appraisal report.
10. It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. Unless otherwise stated in this report, the existence of hazardous materials or environmental conditions, which may or may not be present on the property, was not observed by the appraiser. The appraisers have no knowledge of the existence of such materials or conditions on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, ureaformaldehyde foam insulation, radon gas or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

GENERAL DATA

Purpose of The Appraisal

The purpose of the appraisal is to estimate the value of the land controlled by the County, consisting of Well Sites 5 and 6, and right of way for access roads to these sites.

Effective Date of Appraisal and Date of The Report

The estimate of value contained in this report is as of July 10, 2009, the date of the last visual inspection of the property. The date of the report is July 24, 2009.

Property Rights Appraised

The valuation stated in this report relates to an easement of the property owners' rights as "fee simple." All of the subject sites are considered to be held in fee simple title. For purposes of this appraisal, fee simple title assumes:

- a. No merchantable mineral or royalty interest;
- b. Typical financing for the area; and
- c. No abnormal or value detracting encumbrances.

Definition of Value

Market value is defined as "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, 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:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised and acting in what they consider their best interest;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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: OCC 12CFR Part 34

For land which may be subject to condemnation, an alternate definition of value is "Fair Market Value", which is defined as:

the highest amount of cash which the land would bring if exposed for sale in the open market with a reasonable time allowed in which to find a purchaser buying with knowledge of all the uses to which the property was adaptable and for which it is capable, the seller not being required to sell nor the purchaser required to purchase. (Source: Board of County Commissioners of Doña Ana County v. Gardner, 57 NM 478, 260P. 2d 682 1952).

This definition of market value is different than defined by USPAP; however, this departure is permitted for this type of valuation. Fair market value is typically, but not always, higher than market value as market value refers to "most probable price" as compared to fair value, which hinges on the "highest amount" the property would be likely to sell for on the open market. Because at least some of the land under consideration here may need to be condemned for acquisition, Fair Market Value is the definition of value employed in this analysis.

Ownership

The ownership of the land was not supplied to the appraiser, and the valuation is subject to title search.

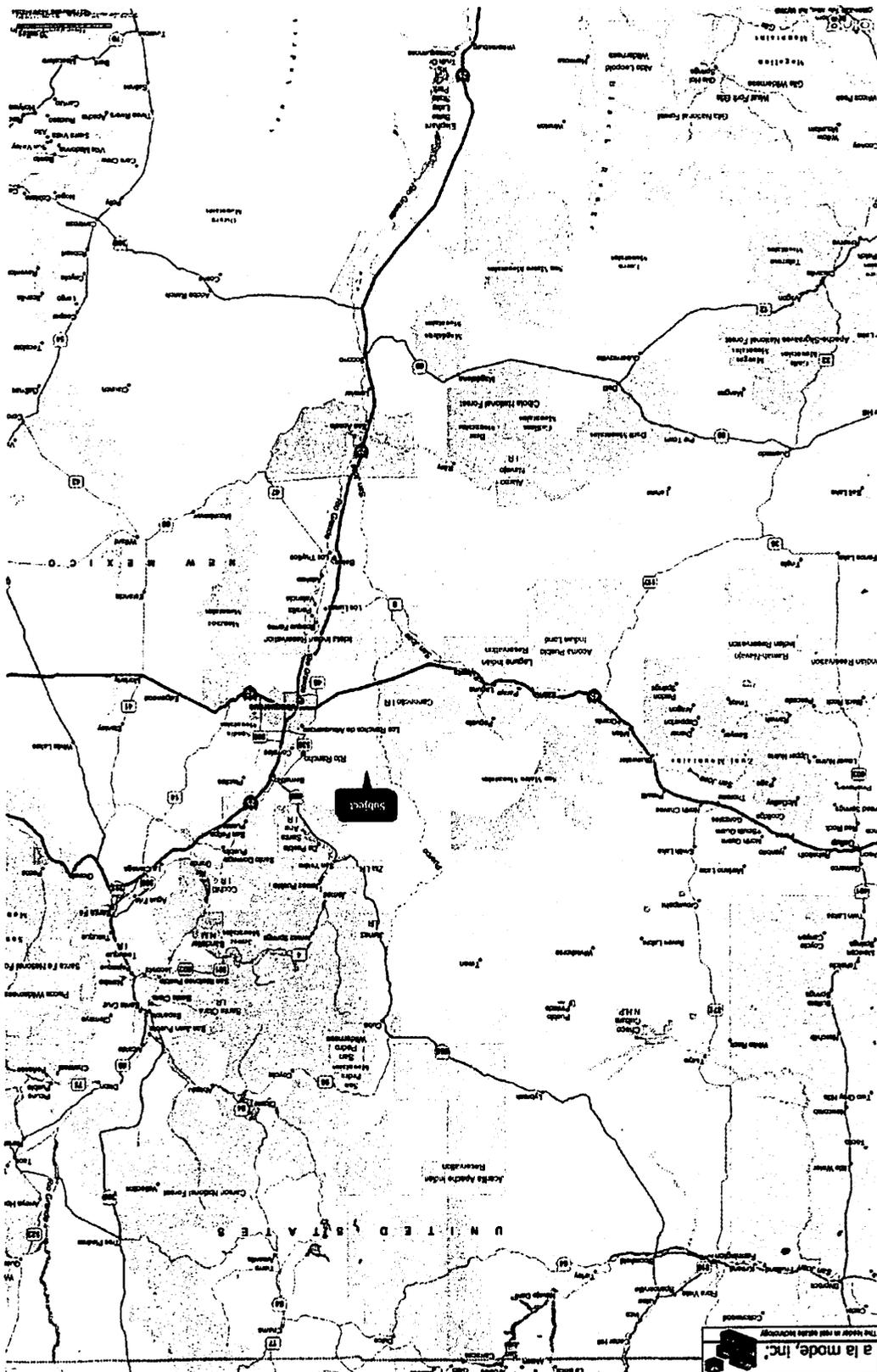
Scope of The Appraisal

Per the client's request, the appraisal is a self-contained report. In accordance with the aforementioned purpose of the report, the scope of the appraisal includes data collection, research and analysis to reach the most supportable estimate of the current market value as of the effective date of the appraisal and subject to the general and special assumptions and limiting conditions contained herein.

We have personally inspected and analyzed the subject property and the surrounding neighborhood. We have collected and analyzed various community, district and neighborhood data as well as land sales data and general characteristics of general market area of the property in order to analyze and conclude the highest and best use of the property. We have gathered and analyzed comparable market data relative to land value and to the absorption of land with similar highest and best usages and, based on these analysis, have reached a conclusion regarding the value of the land.

Intended Use of The Appraisal

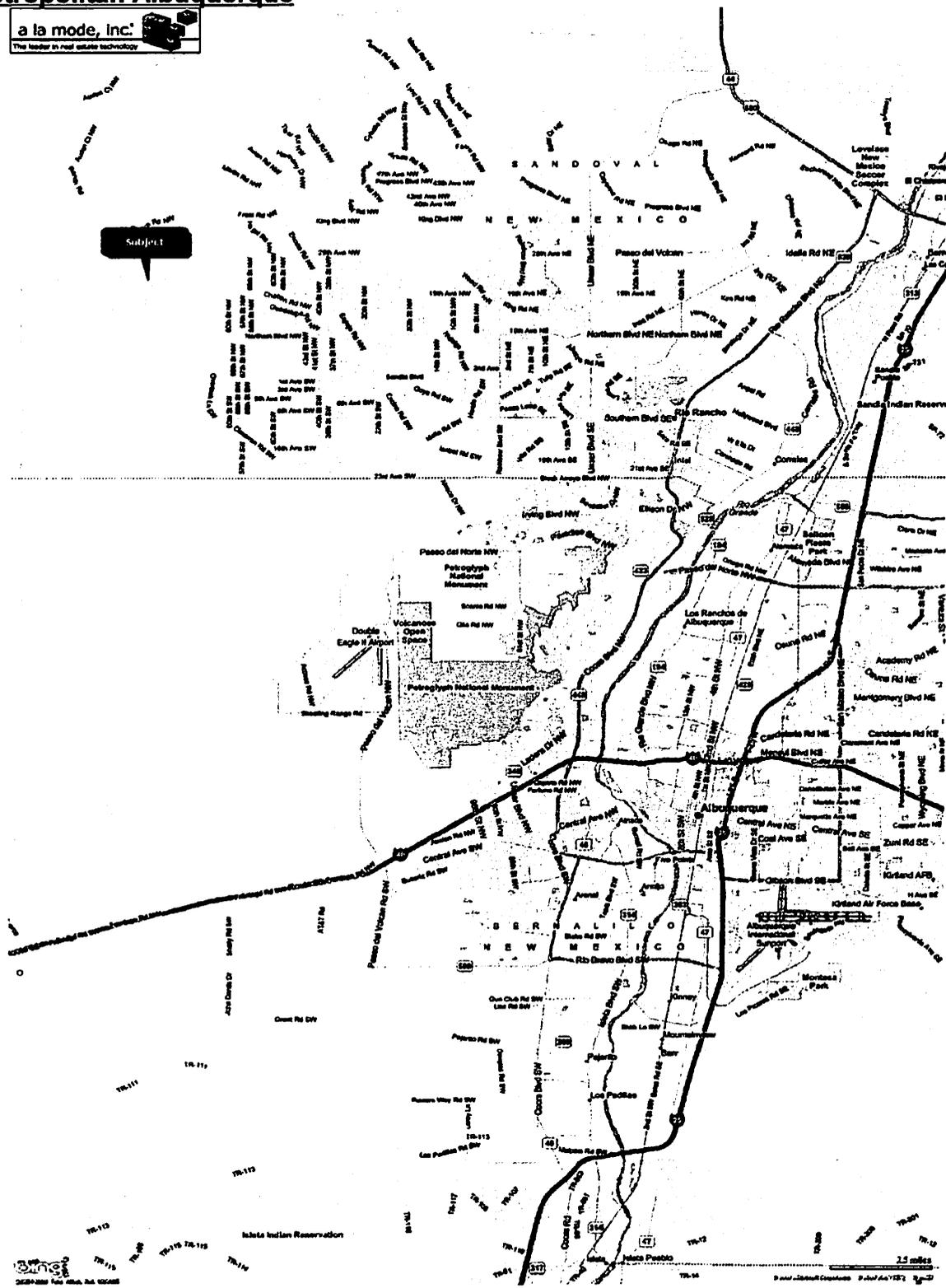
Intended users of the appraisal are Sandoval County, and its successors or assignees.



General Location Map - Central New Mexico

AREA ANALYSIS

Metropolitan Albuquerque



Location and History

Albuquerque is the largest city in New Mexico and is situated within the central portion of the state along the Rio Grande River.

Albuquerque's history and heritage date back to the 16th century when Coronado and his expedition reportedly passed through the area now known as Albuquerque. Since that time, the city has remained an important crossroads for traffic traveling north-south as well as east-west.

Historically, Albuquerque has been an important transportation and distribution center. It is almost equidistant from Dallas and Los Angeles, and from Denver and El Paso. The advantages of Albuquerque's geographic relationship to other cities cannot be overemphasized as a factor both in the growth of population and in its relation to travel habits and patterns of residents of the southwestern United States.

Traditionally, Albuquerque existed because of the rich agricultural lands along the Rio Grande Valley. Presently the largest employers are government and retail trades. Many state and local government agencies are headquartered in Albuquerque. Some of the additional large employers are research and development corporations.

Population

The population of metropolitan Albuquerque is approximately 800,000 and is continuing to increase. Development and location of more and more modern industry is helped by an industrial fund. This fund is made of contributions from citizens of Albuquerque for the purpose of encouraging industrial development.

Regional Market Analysis

The real estate market has remained very active within the Albuquerque region. The economy of the city remains viable as indicated by sales of residential, industrial, and commercial property as well as new construction. Interim financing is readily available for new construction at affordable rates.

The residential market for the Albuquerque region at present remains very stable. The important sales data for the past several years, as provided by the Albuquerque Metro Board of Realtors, is outlined here:

<i>Year</i>	<i># Units Sold</i>	<i>Total \$ Volume*</i>	<i>Avg Sale Price**</i>
1996	7,090	978.6	138.0
1997	6,644	962.5	144.5
1998	6,960	1,028.1	147.7
1999	7,021	1,055.0	150.2
2000	6,925	1,038.9	150.0
2001	8,117	1,237.0	152.4
2002	8,897	1,412.1	158.7
2003	9,909	1,650.4	166.7
2004	11,000	1,983.7	180.3
2005	12,943	2,646.0	204.5
2006	12,344	2,812.3	227.8
2007	9,866	2,398.3	243.1
2008	7,309	1,700.2	232.6

*In Millions

**In Thousands

The data indicates a significant decrease in market activity, beginning in 2006, most notably in 2008, which has led to the first decline in average sales price since 2000. Overall data indicates that the greater Albuquerque market remains viable and, while prices are not expected to increase in the near future, the 5% drop in average sales price is driven by decreases primarily in the top of the market, and values in most price ranges are stable and not dropping significantly. Albuquerque is experiencing a cooling trend along with the national market, but in this market, values are mostly leveling rather than declining, and some submarkets continue to see a slight appreciation.

No major plant relocations, closings or production slowdowns are known or expected. Albuquerque's response to governmental attempts to close Kirtland Air Force Base resulted in the base being saved, with no anticipated cutbacks in the future. The Albuquerque region's location in the southwestern Sun Belt continues to be an attraction for business and industry to relocate and originate. Approximately 2 million people reside in New Mexico; of that number, about 40% make their home in metropolitan Albuquerque. This metropolitan area has grown at a rate very similar to the statewide rate, and many of its satellite communities have a growth rate surpassing the state rate. Since no economic reasons for slowdown are noted, the outlook for continued growth is good. The demand for homes, jobs, and resources is expected to continue.

Growth Pattern

Despite the region's clearly expanding population, Albuquerque is limited in its potential direction for growth. On the northeast, it is bounded by the Sandia Reservation, and development has reached this political boundary, with only infill lots remaining. On the east, the Sandia and Manzano Foothills limit physical development. On the south, there is still some available space in the Mesa del Sol area, newly annexed south of Kirtland Air Force Base, but even this area is not expected to provide sufficient space to accommodate more than a decade's worth of growth. Further expansion south past Mesa del Sol is restricted by the Isleta Reservation.

For all of these reasons, the city's growth is almost exclusively to the west and northwest. On the west, the city is bounded somewhat by Petroglyph National Monument; however, roads through and around this Monument are already completed, and the area does not represent a physical growth boundary, only a political one, with the first homes and public improvements west of the Petroglyphs already completed. The northwest quadrant is the area of the most rapid growth within the city. The Paradise Hills area is home to many small new developments, as well as the largest master-planned community in the area, Ventana Ranch. Residential development has dominated the area to date, with commercial and multi-family use following in order to meet the community needs of new residents. Most roads on the west side are north-south for principal commuting, with east-west collectors to provide connections between residential subdivisions and the traffic grid. Paseo del Norte, the principal east-west commuter arterial north of the Interstate, was recently extended. Formerly Paseo dead-ended at Golf Course Road, but an extension to the west, through the Petroglyph Monument, has been completed for access to the Ventana Ranch neighborhood, and it has quickly become the principal access to the City grid for most of that neighborhood.

Conclusion

In response to the economic status of the community, analysis tends to indicate a healthy growth trend. The underlying economy appears to be sound in most sectors of the city. After consideration of the various conditions affecting the demand for and absorption of residential property available in Albuquerque, it becomes clear that there is a need for such properties. As the city continues to grow and develop, that need for those types of properties should continue.

Employment

Through March, 2009, the New Mexico unemployment rate was 5.2%, fifth in the nation, compared to a national average of 8.1%. With a population of more than 840,000 and a seasonally adjusted working population of more than 410,000, Albuquerque's employment accounts for nearly 47% of the State of New Mexico's total employment.

Metropolitan Area Occupational Employment and Wage Estimates

General Labor / Foundation Skills

Labor Force (November 08)	411,000
Unemployment Rate (November 08)	4.4%
Median Age (2008 Estimate)	36.7
Median Household Income (2008 Estimate)	\$46,582

Major Occupational Category	2008	2009	2010
Food Preparation & Serving	\$7.96	\$7.16	\$14,897
Farming, Fishing, Forestry	\$8.67	\$7.13	\$14,835
Personal Care & Service	\$9.46	\$8.67	\$18,040
Building & Grounds Maintenance	\$9.59	\$8.78	\$18,257
Healthcare Support	\$11.72	\$11.02	\$22,922
Office & Administrative Support	\$13.52	\$12.77	\$26,569
Transportation & Material Moving	\$14.08	\$11.95	\$24,861
Sales & Related	\$14.27	\$10.63	\$22,115
Protective Services	\$14.72	\$13.60	\$28,295
Production	\$15.81	\$13.88	\$28,875
Construction & Extraction	\$15.64	\$14.24	\$29,611
Community & Social Service	\$17.82	\$15.91	\$33,098
Installation, Maintenance, Repair	\$17.61	\$16.26	\$33,823
Arts, Design, Entertainment, Sports, Media	\$20.76	\$17.43	\$36,262
Education, Training & Library	\$21.30	\$20.31	\$42,245
Business & Financial Operations	\$27.89	\$25.05	\$52,102
Healthcare Practitioners & Technical	\$31.82	\$26.25	\$54,601
Life, Physical & Social Science	\$32.70	\$29.09	\$60,516
Legal	\$31.63	\$27.71	\$57,630
Computer & Mathematical	\$34.88	\$32.27	\$67,127
Architecture & Engineering	\$35.00	\$32.96	\$68,557
Management	\$40.05	\$35.18	\$73,167

Source: New Mexico Department of Labor Economic Research & Analysis, Occupational Employment Statistics, June 2009

Multifamily Development

According to recent statistics from Grubb and Ellis, roughly 1,200 new apartment units are needed per year in order to meet the area's growing demand. In 2008, construction introduced approximately 420 new multifamily units to the market. With a lack of multifamily-zoned land, developers are unable to produce enough apartments to meet demand, putting upward pressure on occupancy and rents. In fact, the market's vacancy rate declined to 4.7% in 2008 and is expected to be below 4.5% in 2009. Meanwhile, rent growth remains solid, ranging between 4.3% and 6.3% in 2008 and 2009. The reason for this solid forecast is that, unlike in previous years, there is not likely to be a surplus of new single-family units for sale on the market, so "the shortage of new units will not be offset as much by tenants buying homes."

Lender Attitudes and Interest Rates

Lenders in the region remain willing to process loans in the Albuquerque market. Residential V.A. and F.H.A. loans dominate the market because price and income ranges fit well into those guidelines. Conventional residential loans are also available in the market, primarily used in the upper end of the range. The new home market is only slightly impacted by interest buy downs. Multifamily investors are still eager to join the market, and lenders are still active, albeit with somewhat more stringent requirements for loan-to-value ratios and income requirements.

Conclusion

Continued growth is expected as is the demand for housing and services. Although the strong value appreciation levels of 2002-2005 has slowed, a more level rate is anticipated in the long term. No major economic downturns are expected, and indications are that growth will continue at a healthy pace. Although a major portion of Albuquerque's economy comes from Sandia Labs and other U.S. governmental agencies, it is projected that such concerns will be able to exist and even prosper in a more civil world with less national defense needed.

Rio Rancho and Sandoval County

Location and History

Rio Rancho is a satellite community located north and west of Albuquerque with common city limits on Rio Rancho's southern boundary.

Rio Rancho was created out of two cattle ranches purchased by Amrep Southwest beginning in the early 1960s. By the early 1970s Amrep controlled a total of approximately 90,000 acres. At present the land is approximately 25% developed and land ownership is in the hands of many thousand owners.

At first Amrep Southwest sold only land and did no building, but by the late '60s they were building homes. In 2000, the corporation halted its construction operation and reverted to land development only. The bulk of existing homes in Rio Rancho were built by Amrep, and it remains the largest landowner, selling principally now to large-scale developers rather than individuals.

Population and Growth Expectations

Rio Rancho is one of the newest and fastest growing cities in New Mexico. The 1980 census placed the population of Rio Rancho at just over 10,000 persons. The 1990 census figures estimate population of slightly over 32,000 people. In 2000 the reported population of Rio Rancho was 51,765. The Rio Rancho Economic Development Corp. estimated the population of Rio Rancho at more than 72,000 by the end of 2007. Rio Rancho is by far the largest City in Sandoval County.

The primary reason for the drastic growth rate has been affordable housing. Even after Amrep's dissolution of its construction operations, Rio Rancho home prices are approximately 20% lower than in neighboring Albuquerque. The historic reason for this is the abundance of land. Amrep Southwest has had near total land control in the areas where they build, and developers and builders taking over for them have taken advantage of their past practices. It is estimated that the cost, to the developer, for an improved vacant site ranges from \$35,000 - \$75,000 per site. This compares to sites in Albuquerque beginning at \$60,000 per site and the median greater than \$100,000. Affordable housing and the presence of new base employment make Rio Rancho an attractive location for homes and businesses.

The present and anticipated major growth pattern for single family housing is north along New Mexico Highway 528. River's Edge, a large residential area consisting of 3,000 - 4,000 single family units was completed in about 1999. It was primarily developed by Amrep Southwest; the project took approximately 6 years. Almost all the homes are sold before construction is complete. Enchanted Hills, which has been under construction for nearly nine years, is

located at the southwest corner of State Highways 528 and 550. Until 1999, development was by Amrep, and since then, other builders have taken over residential development at the same pace as before. Portions of the neighborhood are also set aside for commercial and high-tech industries.

The exception to this development along 528 north is the Cabezon neighborhood, assembled in 2004 via blighting and condemnation, readied for development beginning in 2005. This is a large section of land, almost completely vacant until the beginning of development, selected for blighting and redevelopment due to its central location and good access, bordered by Unser Boulevard, Southern Boulevard, and Golf Course Road, three of the most highly traveled city arterials. This is the first example of the City's desire to counter its previous unidirectional development with infill, in order to ease road maintenance problems, longer commutes, traffic congestion, higher utility extension costs, and strain on the city's facilities such as fire and police protection, with infill. Indicators lean toward continued development of the Rio Rancho community with continued single family development and high-tech industries bringing along the commercial and retail facilities necessary for support.

Non-tract development is taking place along similar lines, with Units 10 and 13, along Unser Boulevard north and south of Southern Boulevard, the principal area of custom building in the area. Sites here range from 0.50 acres to 10+ acres, with infrastructural improvements slowly coming along as development increases. Homes are principally built off dirt roads, with access to phone and power, but little access to water and none to public sewers, making private wells and septic systems the typical and accepted utilities in the area. There are some 1,500 existing homes in Unit 10, with thousands more potentially, as this area continues to have the fastest non-commercially developed growth in the area. The city is targeting this area for redevelopment along the lines of Cabezon, intending to condemn and replat most of the vacant tracts in order to facilitate higher density development.

City Government

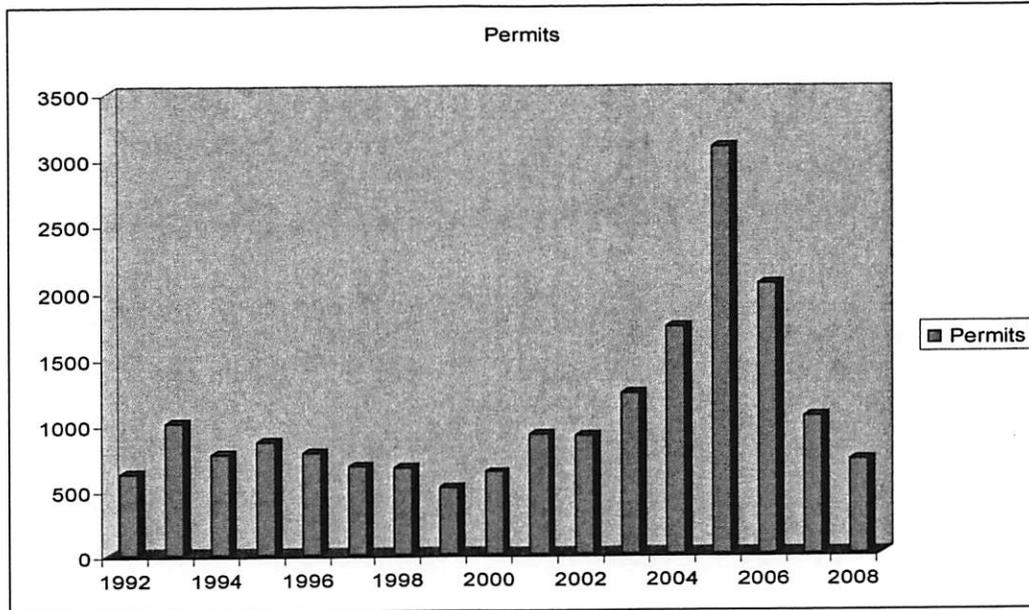
Rio Rancho was incorporated in 1981 and is experiencing many of the common problems of infant communities. Many situations are solved by trial and error, but it appears that the community is beginning to be pro- rather than reactive. There is a Mayor/City Council type of government with a full contingent of boards and committees. The planning and zoning committee is particularly strong. Good attention is given to proper development techniques and spot zoning is rarely permitted.

During 1993 the citizens of Rio Rancho voted for creation of an independent school district breaking from the Albuquerque Public Schools system. The new school system inherited a deficit in the number of schools. The high school

students still attended Cibola High School in Albuquerque until Rio Rancho High School was completed in 1997. There is a mid high consisting of only grades 8 and 9 that opened fall 2002. Rio Rancho has a total school enrollment for the 2007-2008 school year of 14,860 students, the third largest district in the state. The overcrowding which was the norm in Rio Rancho for several years after the district was created has subsided with recent school construction. There are currently 8 elementary schools, 3 middle schools, a mid high, a full-enrollment high school, an alternative high school, and a Cyber Academy. Two new elementary schools opened 2008, and a new high school will begin enrollment in 2009.

Residential Development and Sales Activities

Although experiencing some decline in the number of housing starts in 2000 and 2001, the new home market appears to have rebounded with several new developments. Until recently, Amrep built approximately 80% of the single family homes built in Rio Rancho. It was able to sell its housing for less because of near total land control. Amrep owned the land for many years and purchased it for much less than competing builders are able to at today's prices. Despite removing itself from the new home market, it still remains a major force in residential homes in the area as it sells its inventory of both raw land and ready-to-be-built sites to existing developers. The combination of Amrep's presence and the competition spurred by new builders eager to make headway into the Rio Rancho market prevailed to keep residential prices in Rio Rancho low compared to the rest of the Albuquerque metro area, until 2007 when Rio Rancho's rapid appreciation rate reached that of the Albuquerque market, and at the same time slowed development considerably. 2005 was the most rapid year for growth in Rio Rancho, with a slowing in 2006, a further slowing in 2007-2008.



Resales have followed the same pattern as housing starts, increasing both in volume and average price annually until 2006, with a leveling of price and a rapid diminution of sales volume since that time. The following data is from the Albuquerque MLS and sales of existing and new single family detached homes from the Rio Rancho market.

<i>Year</i>	<i># Units Sold</i>	<i>Total \$ Volume*</i>	<i>Avg Sale Price**</i>
1996	956	104.8	109.3
1997	877	100.4	114.5
1998	758	89.0	117.4
1999	874	102.3	117.0
2000	849	101.2	119.2
2001	977	114.4	117.0
2002	1,086	137.4	126.5
2003	1,227	163.9	133.8
2004	1,533	216.8	139.6
2005	1,907	328.6	172.3
2006	1,981	405.5	204.7
2007	1,573	331.2	210.5
2008	1,144	229.8	200.9

*in millions

** in thousands

As in the overall Albuquerque market, the sales trend has continued in 2008, with a leveling in average sales price, and a decrease in number of sales. An important consideration at this time is unwanted builder inventory; builders who completed homes in 2007 are typically offering considerable incentives to sell vacant homes in order to defray their holding costs, and this standing stock is competing with homeowner and investor resales. As this stock is absorbed, it is likely that values will rebound and appreciation will restart due to rising demand from Rio Rancho's continuing rapid population growth rate.

The vacant land submarket is one area where there has been a noticeable decline in values. The reason for this is that Rio Rancho is abundant in vacant land. In 2004-2007, when development was rapid, sales surrounding ongoing developments were plentiful, and speculation drove the price upward. In this market where development has essentially halted, vacant land sales have dwindled in number, with no decrease in listings, and the resulting high supply combined with low demand has led to a drop in prices.

Slums Or Other Housing Problems

Rio Rancho is a very young city. Even the oldest structures are just 35 years old. No areas of slums exist in Rio Rancho and typically the maintenance levels are high and considerable pride in ownership is indicated. Rio Rancho is typically an owner-occupied area, and it is estimated that rentals comprise less than 10% of the total occupancy.

Office and Retail Development

There is presently a great demand for office and retail space in the city. The retail vacancy rate is presently estimated at 10%. The office space vacancy rate is somewhat lower and estimated at approximately 5-10%. There was historically a commercial over supply as the result of over building in 1986-88; however, the demand for commercial space has caught up with the supply since the completion of the Coors Bypass connection with Rio Rancho Boulevard, and the completion of the Cottonwood Shopping Mall less than one mile south of Rio Rancho on the Coors Bypass Road. There is abundant support to conclude that there is still acceptable demand for owner user space. The completion of a Wal-Mart supercenter at the intersection of Southern and Unser has led to a spark in adjacent retail and office development, greatly increasing demand for commercially zoned land on these two arterials. In addition, the City Centre has recently been completed on Unser north of Northern Boulevard, a development which will be the future location of all of Rio Rancho's public administration facilities, as well as a focus for commercial development with a large Events Center to house sports teams and host performance events. Surrounding these public facilities will be many acres of private commercial and office use, already slated for franchise retail and fast food outlets.

Environmental Hazards

Because of its age primarily, Rio Rancho has no known environmental hazards. Before the land was developed, it was two cattle ranches, without any oil, gas or mining developments. There are no Rio Rancho sites listed by the E.P.A. on its list of environmental hazardous sites.

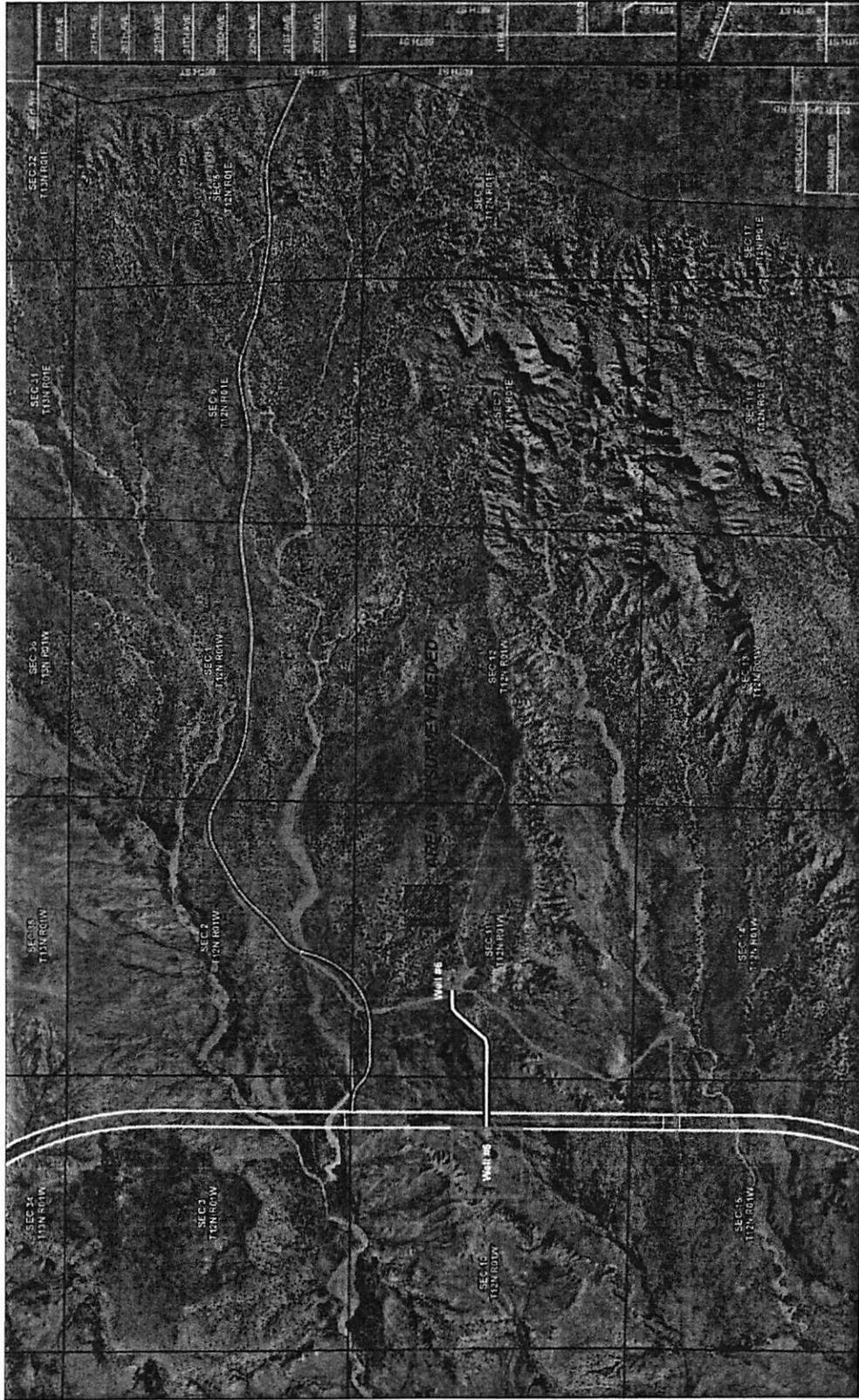
Traffic

Although somewhat limited by one principal and one secondary entry from Albuquerque, Rio Rancho is serviced by adequately maintained and numerous residential streets and arterials with adequate signage and signals. A recent southern entry to the city at Unser Boulevard was completed approximately 5 years ago but within Bernalillo County portions of the road remain single-lane, and congestion is growing. Golf Course Road, a north south arterial in the middle south portion of the city has just undergone widening and drainage improvements which will aid traffic flow to that portion of the city, but some of the same problems concerning alignment to those arterials in Bernalillo County exist here also. Golf Course Road has been expanded to two lanes each way with a center turn median for its entire length. State Highway 528 has recently been widened. Two lanes have been added each direction from Coors Bypass in adjoining Albuquerque to Sara Road and one lane has been added between Sara Road and Southern Boulevard. This has helped relieve traffic congestion but not eliminate the problem. This traffic problem is typical of growing suburban areas, and Rio Rancho is expected to grow with the population.

Conclusion

Continued growth is expected as is the demand for housing and services. Although the strong value appreciation levels of 2004-2007 have slowed, a more level rate is anticipated in the long term. No major economic downturns are expected and indications are that growth will continue at a healthy pace. Although a major portion of Albuquerque's economy comes from Sandia Labs and other U.S. governmental agencies, it is projected that such concerns will be able to exist and even prosper in a more civil world with less national defense needed. Intel will continue as a major employment force in Rio Rancho driving more industry, jobs and commerce. The growth has been constrained by the platting of the City, with tens of thousands of acres in the hands of individuals, with no possibility of development without assemblage. For that reason, the County has looked into development of the area west of Rio Rancho, to the Rio Puerco.

SUBJECT PROPERTY DESCRIPTION



Location

The Right-of-way generally follows the path of an existing Ranch Road, which begins at a gate just west of 60th Street in northwest Rio Rancho, 1.3 miles north of Northern Boulevard. The Ranch Road follows a mostly east-west path for approximately three miles, curving to the southwest for another mile, and then ½ mile south to Well Site #5. The Right-of-way extends to the west north of Well #5, along a currently impassable path, where it will intersect the future Northwest Loop Road. There is an additional path from Well #5 to Well #6, also currently impassable.

Shape & Size

The subject consists of approximately 4 miles of roadway, 100' in width, plus well sites which are rectangular in shape, size to be determined by survey.

Topography and Drainage

There is a general slope downward to the Rio Puerco four miles to the west, with large arroyos and several tributaries draining the neighborhood. These are seasonal washes, dry for up to 95% of the year, but with flash floods occasionally breaking the bounds of the arroyos, sometimes seeking the dirt roads. The right-of-way will likely involve controlling drainage through grading and/or paving streets, creating culverts and bridges, potentially adding storm drains, and creating concrete channels for portions of the arroyos.

Utilities

The area has some power to the ranch and the well sites, with no other utilities available. Many rural properties dig private wells to develop, but this has proved unfeasible in the subject area, as the water is brackish and non-potable. For this reason, the County has undertaken the desalination project which is the subject of this valuation.

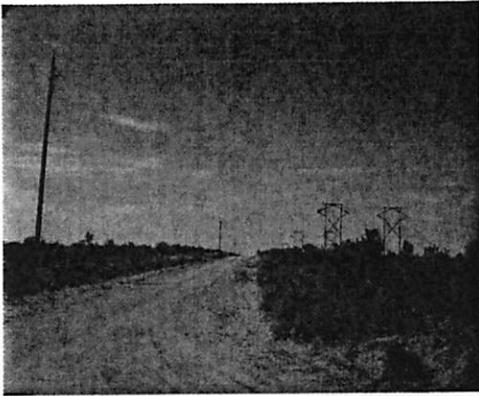
Access

The current Ranch Road is private, but has clearly undergone clearing and grading beyond the ability of private ranchers, in order to provide access to the wells.

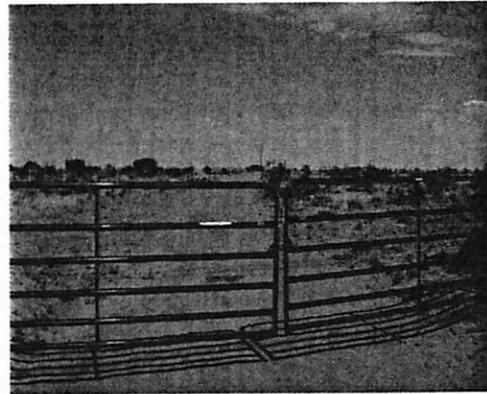
Environmental Considerations

While the appraisers neither noted nor suspect any specific environmental hazards on the property, if the reader has concerns about such matters, a study should be conducted by an environmental engineer.

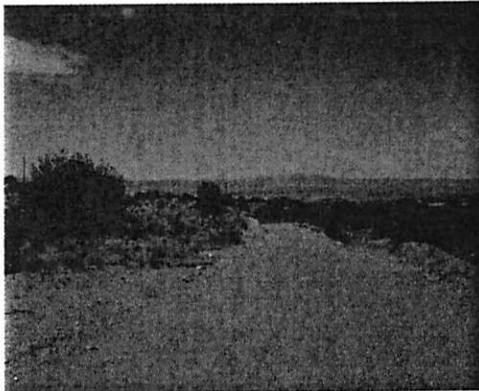
Subject Photos



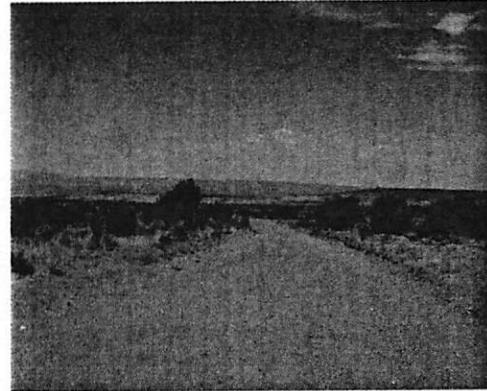
60th Street S from Ranch Entrance



Sec. 5 Entrance from 60th St.



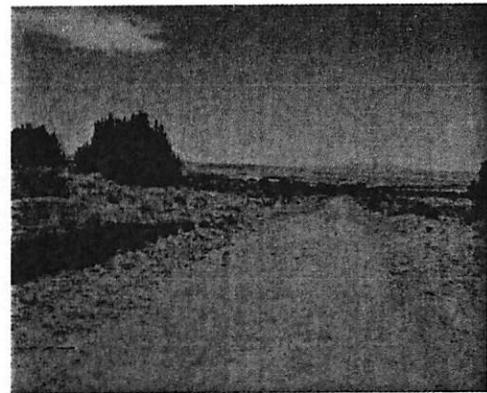
Section 5 W. from middle



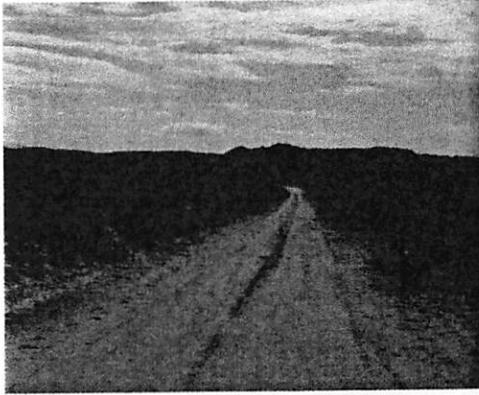
Section 6 W. from Section 5



Section 6 E. from Section 1



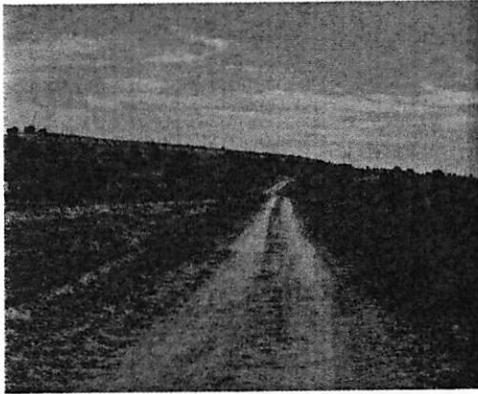
Section 1 W. from Section 6



Section 1 E. from Section 2



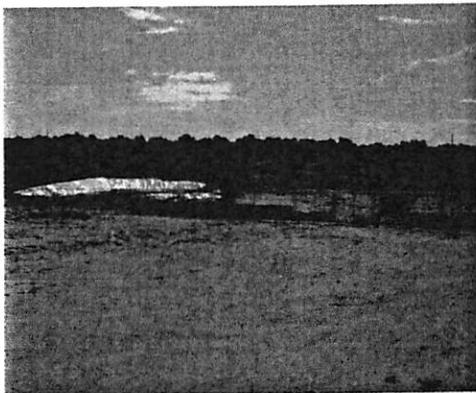
Section 2 W. from Section 1



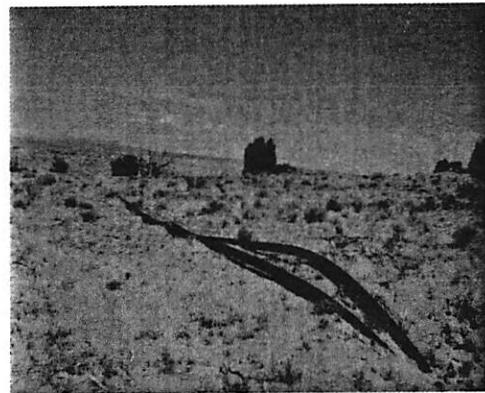
Section 2 N. from Section 11



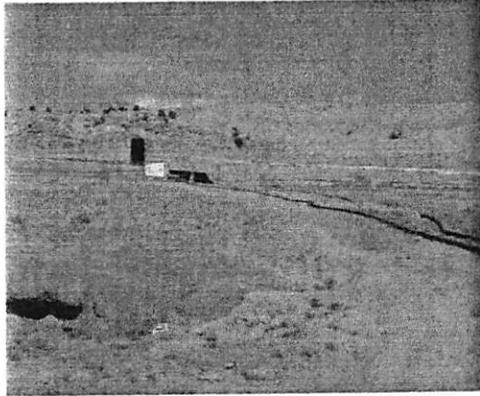
Section 11 S. from Section 2



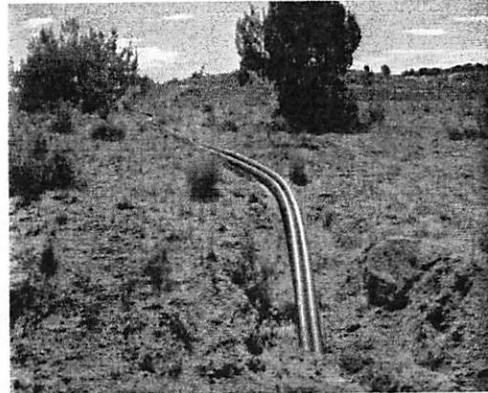
Well Site 6



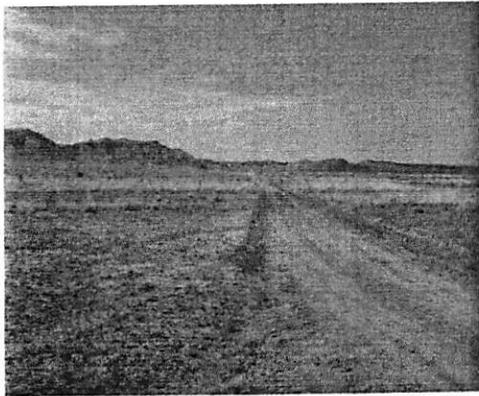
Approximate Location of ROW
W. of Well 6



Well Site 5



Approximate Location of ROW
E. from Well Site 5



Approximate Location of NW Loop

Conclusions Regarding the Subject Property

The subject property is currently used as grazing land, but its location within the path of development, and the existence of a large amount of assembled land under one ownership, makes it very likely to grow and thrive rapidly in future years, given linkages and infrastructure, if the efforts to obtain potable water make development feasible.

HIGHEST AND BEST USE

As the most fundamental process of all valuation steps, real estate is valued in terms of its highest and best use. The eleventh edition of The Appraisal of Real Estate, 1997 edition by the Appraisal Institute defines highest and best use as:

"the reasonable, probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

The third edition of the Dictionary of Real Estate Appraisal defines highest and best use as:

"that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in highest land value."

This definition applies specifically to highest and best use of land. This can be different from an existing use.

First, the sites must be considered as if vacant and ready to be put to their highest and best use. In order to determine the highest and best use of the sites, the appraiser must consider the following:

1. What kinds of uses are legally permissible or reasonably possible?
2. What uses are physically possible on the site?
3. What uses are economically and financially feasible under existing and projected market conditions?
4. What use is estimated to be the most profitable among the alternatives that meet all the requirements of 1, 2 and 3?

Since the sites are being considered as if vacant, the highest and best use as improved and as vacant are identical. At present, the zoning in the area is designated rural residential/agricultural. The current use as grazing land is feasible, but it is clear that a more maximally productive use is to develop when the City's growth reaches this far, which seems likely. The highest and best use is to hold for future development.

THE APPRAISAL PROCESS

Overview

As the subject is valued as vacant land, the Direct Sales Comparison is considered the most reliable method of valuation. This is a reasonable, straightforward procedure. In the description of the subject property in a previous section of this report, specific and unique conditions have been identified that must be directly measured in this approach. The Sales Comparison Approach is predicated on the knowledge that there is a viable market for properties such as the subject. Sales used are chosen for their similarities to the subject. These sales must be arm's length transactions or sales prices must be adjusted and non-monetary considerations discussed.

Once comparable sales have been identified and described, adjustments in sales prices are made for major differences between comparables and the subject. Since no two parcels of real estate, whether improved or unimproved, possess identical characteristics, the appraiser must employ a good degree of analytical judgment in making comparisons between the individual features of the comparable transactions and those inherent in the subject property itself. Ideally, comparable sales are selected for their similarities to the subject and their characteristics that are "typical" of the market. This is so adjustments can be based on extractions from the market and the indicated value will actually be representative of that market. Adjustments, based on market evidence and experiences, may be made for variations concerned with differences in time of sale and price differentials due to locational factors. Other variations taken into consideration may be total land area, shape and topographical characteristics, terms of sale and any other dissimilar aspects of the comparables that might affect the comparability of the data to the subject. All comparable data is adjusted to the subject and the main objective of this process is to arrive at an indication of what other properties would have sold for had they possessed characteristics essentially similar to the subject. From these adjusted sales prices, an estimate of value for the subject can be derived.

Market data is selected from transactions of similar properties which have recently occurred. These transactions must be bona fide, arm's length transactions. If not, any non-monetary considerations must be adjusted. The direct sales comparison approach is typically the best supported and most applicable approach to value. In selecting transactions to be used as comparable data, it must be kept in mind that a valid and reliable sales comparison approach considers that a prudent, informed buyer will pay no more for a property than the cost would be to acquire a substitute property with the same utility.

Various Approaches

The Income Approach is the process by which current income of a property plus anticipated income are converted into an indication of value. In order to complete this process, it is necessary to know the net income of the property and an appropriate rate at which to capitalize that net income. There are no known examples of market land leases in the area at this time, with the exception of grazing leases, which are not the highest and best use of the property. Consequently, the value based on income capitalization is not applicable and is not used in this valuation.

The Cost Approach is a method of estimating the cost of building a replacement for existing improvements, typically utilizing cost estimating services which take into account all factors of construction. Since there are no building improvements, and all well sites are valued as if there are no improvements to the land, this approach is not utilized.

Sales Comparison Approach

In order to determine the current market value of the subject site, a study of recent land sales within the competitive market area of the subject has been made. Market data is selected from transactions of similar properties which have recently occurred. These transactions must be bona fide, arm's length transactions. If not, any non-monetary considerations must be adjusted. The direct sales comparison approach is typically the best supported and most applicable approach to value. In selecting transactions to be used as comparable data, it must be kept in mind that a valid and reliable sales comparison approach considers that a prudent, well-informed purchaser will pay no more for a property than the cost would be to acquire a substitute property with the same utility. If there are two properties with identical utility a well-informed purchaser will purchase the cheaper one.

Market Data

In order to estimate the value increase of the subject improvements, we have searched for sales of similar parcels. Lacking any sales in the immediate area, different sets of data are analyzed to compare unique characteristics of the subject. The market search focused on similar properties, with power onsite or nearby, with some access, lacking potable water, and within a similar distance to development. Above all, the sales had a similar highest and best use, not for immediate use, but as investment land to hold for potential future development. The first data set consists of grazing land sales. Next, sales with large acreage near the Rio Puerco are analyzed. The third set consists of sales from the Pajarito area of Albuquerque are examined. The final set consists of sales from the westernmost portion of Rio Rancho. Finally, a synthesis of all of these data sets is used to derive a final land value.

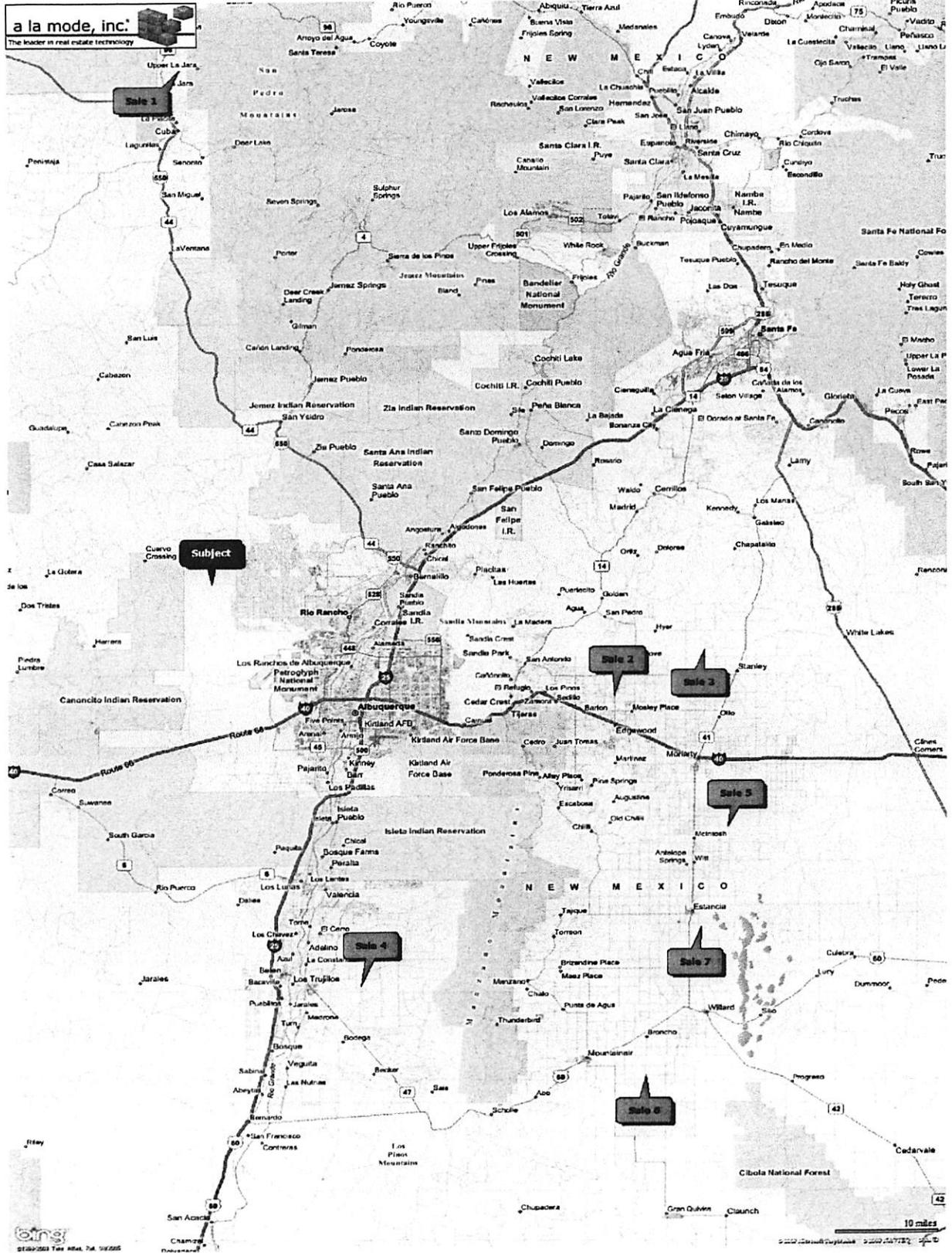
Comparable Sales – Grazing Land

The following sales are all within the last 12 months, grazing or forested land from communities surrounding Albuquerque.

#	Location	Access	Features	Date	Price	Acres	\$/Acre
1	Lot 5A Lands of Trujillo, Cuba	Easements	Wooded	5/09	\$70,000	34.0	\$2,059
2	T10N R7E, Edgewood	Rough Rd	Backs to BLM	5/09	\$107,000	40.0	\$2,675
3	Sec 34 T12N R8E, Stanley	Graded Rd	Well on Prop	5/09	\$45,000	40.33	\$1,116
4	B3 L4 Tierra Grande Est., Belen	Graded Rd	Livestock Restrict.	4/09	\$32,000	11.99	\$2,669
5	Sec 6 T7N R9E, McIntosh	Graded Rd	Elec Pole on Prop	4/09	\$35,000	30.00	\$1,167
6	Sec 34 T4N R7E, Mountainair	Rough Rd	Wooded	3/09	\$55,000	62.11	\$886
7	Sec 26 T6N R8E, Estancia	Graded Rd	Elec Pole on Prop	2/09	\$25,000	14.9	\$1,678

With the lack of sales in the immediate area, it is necessary to extend the search geographically. All of these sales are within 100 miles of Albuquerque, however, none are as close as the subject. Sale 2, in the Edgewood area, and Sale 4, some miles outside of Belen, are closest to the metro area, but still more distant than the subject. Sale 1 is the most recent, and the only sale from Sandoval County, but is the most distant from Albuquerque. The subject, with graded access and powerlines on the property, is superior to all of these sales, consistent with the conclusion that grazing land is not the highest and best use of the subject property.

Location Map – Grazing Land Sales



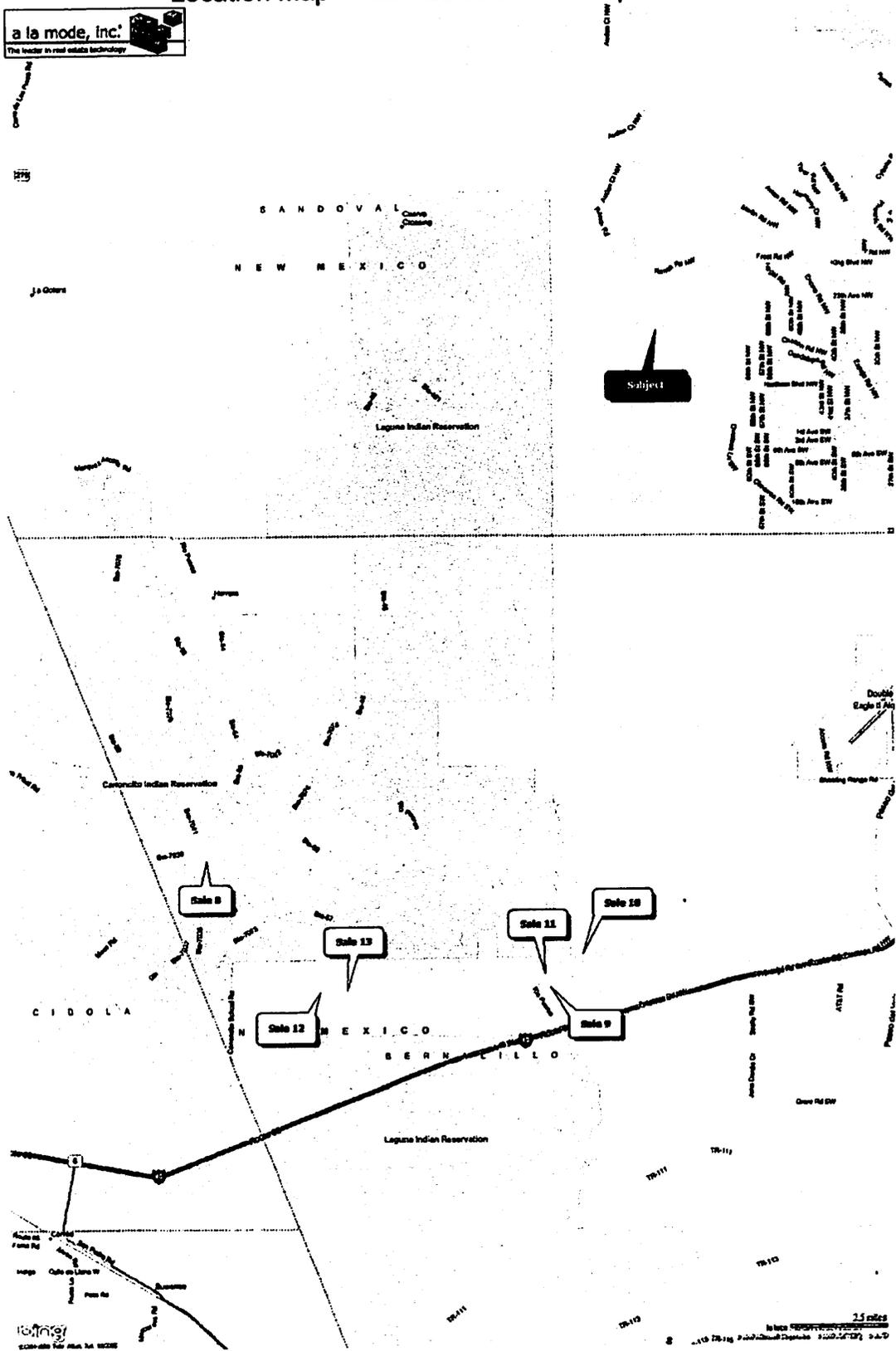
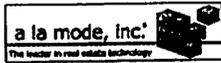
Comparable Sales – Rio Puerco Area

These lots are all sales in the Rio Puerco area west of Albuquerque, in unincorporated rural areas north of Interstate 40. Canoncito lots have been developed as ranchettes, while Rio Puerco Estates land is primarily being bought as it may be in the path of future development, particularly the Northwest Loop.

#	Location	Access	Features	Date	Price	Acres	\$/Acre
8	Sec 13 T10N R3W, Canoncito	Paved	Utilities to Site	5/08	\$64,750	12.95	\$5,000
9	Tr 13D, Rio Puerco Estates	Graded Rd	Backs to River	9/07	\$80,000	10.08	\$7,937
10	Tr 9, Rio Puerco Estates	Graded Rd	Arroyo thru Prop	11/06	\$492,498	54.00	\$9,120
11	Tr 16, Rio Puerco Estates	Graded Rd	Backs to River.	9/06	\$212,500	40.00	\$5,313
12	Sec 5 T9N R2W, Canoncito	Graded Rd	Sloping Topography	7/05	\$120,000	40.00	\$3,000
13	Tr 8, Apache Canyon, Canoncito	Graded Rd	Sloping Topography	6/05	\$120,000	40.00	\$3,000

These sales are all large tracts, in the same general location as the subject. Sale 8 is in the unincorporated town of To'Hajilee, sold to the school board. Sales 9-11 are from Roberson's Rio Puerco Estates, north of the small town of Rio Puerco. Sales 12-13 are from the Apache Canyon area of Canoncito, large tracts with no utilities to site. Sale 8 is in a small town but is not a market transaction, but a purchase involving the School Board. Sales 9-11 are within ½ mile of Interstate 40 and existing development, considered superior in location to the subject, while the remaining sales are considered inferior. Sales from 2005-2007 are adjusted for market conditions as the market was showing appreciation during that time.

Location Map – Rio Puerco Area Comparable Sales



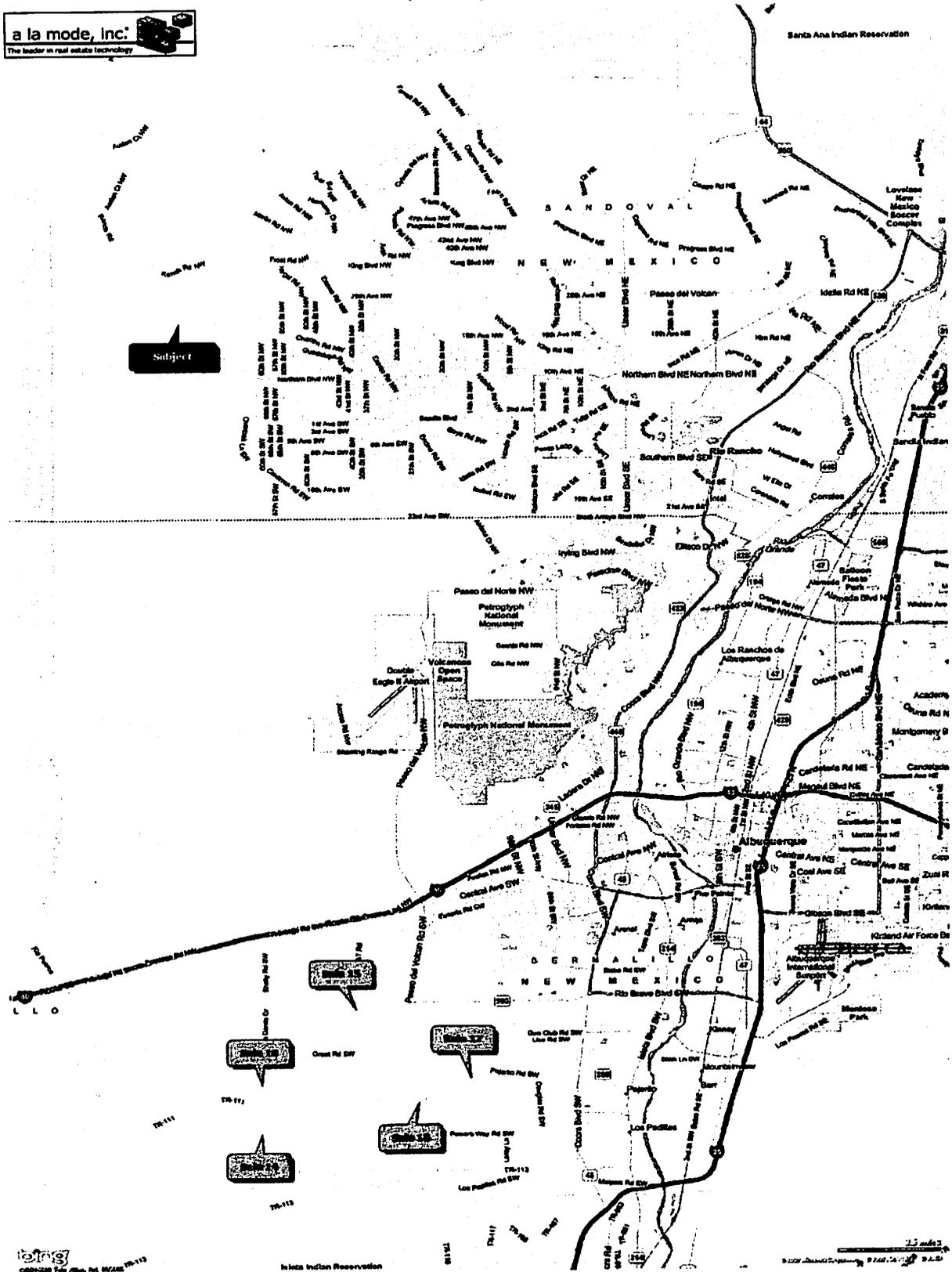
Comparable Sales – Pajarito Area

These lots are all sales in the Pajarito Land Grant southwest of Albuquerque, somewhat close to existing development, potentially in the path of future development, similar to the subject. There is some homesteading in the area, some land is owned as pastoral weekend getaway sites, but most is owned by investors holding for future development.

#	Location	Distance to Development	Access	Date	Price	Acres	\$/Acre
14	Sec 32 T9N R1E Pajarito	8 Miles	Landlocked	4/09	\$13,000	10.00	\$1,300
15	Sec 15 T9N R1E Pajarito	6 Miles	Public Road	3/09	\$21,296	10.00	\$2,130
16	Sec 29 T9N R1E Pajarito	6 Miles	Landlocked	3/09	\$18,500	10.00	\$1,850
17	Sec 24 T9N R2E Pajarito	2 Miles	Pajarito Road	10/08	\$80,000	10.00	\$8,000
18	Sec 19 T9N R2E Pajarito	3 Miles	Landlocked	8/08	\$45,000	10.00	\$4,500

Pajarito consists primarily of 10-acre tracts on the mesa west of Albuquerque, south of Interstate 40. It is off the electrical grid, and while most tracts have no roads to them, it could be argued that prescriptive easements in the form of the existing dirt trails constitute legal access. Nonetheless, parcels with legal access clearly demonstrate market superiority to landlocked parcels, and those closer to existing development are considered superior in location. Sale 17, on Pajarito Road, is a likely candidate for non-residential use in the near future, considered superior in location to the subject, while Sales 14-16 are more remote and considered inferior to the subject.

Location Map – Pajarito Comparable Sales



Tring
 505.258.7800, Fax: 505.258.7810

Isleta Indian Reservation

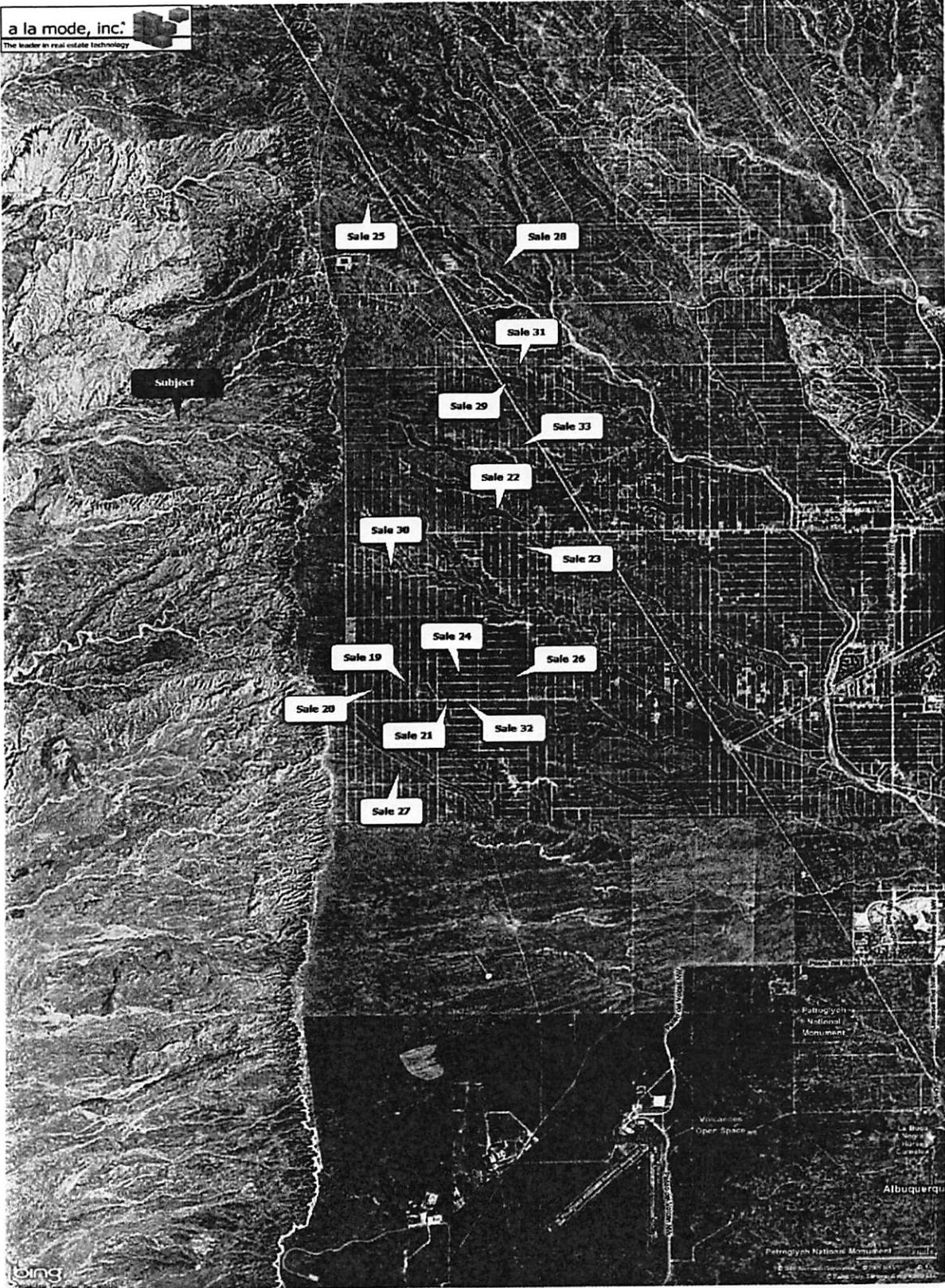
Comparable Sales – Rio Rancho

These lots are all sales in western Rio Rancho, platted land in the hands of private owners, within the path of future development, but with sporadic, unpredictable growth with a history of bypassing orderly, radial growth in favor of development wherever developers can assemble sufficient land.

#	Legal	Location	Power	Date	Price	Acres	\$/Acre
19	Unit 2, B 25, L 29.	53 rd St. N of Southern	1,000'	6/09	\$5,000	1.00	\$5,000
20	Unit 2, B 27, L 10	56 th St. N of Southern	1,500'	5/09	\$3,800	1.00	\$3,800
21	Unit 2, B 21, L 18	Southern W. of 50 th St.	800'	5/09	\$5,500	1.00	\$5,500
22	Unit 1, B 64, L 96	Guapo Rd. S. of Northern	1,500'	3/09	\$3,500	1.10	\$3,182
23	Unit 2, B 59, L 28	41 st St. S of Northern	500'	3/09	\$7,400	1.00	\$7,400
24	Unit 2, B 12, L 18	8 th Ave N. of Southern	1,000'	2/09	\$3,200	0.50	\$6,400
25	Unit 24, B 44, L 56	Nash Ct. N. of Progress	1.5 Mi	2/09	\$2,000	0.50	\$4,000
26	Unit 2, B 8, L 38-40	8 th Ave N. of Southern	1,000'	2/09	\$6,800	1.50	\$4,533
27	Unit 3, B 27, L 20	54 th St. S. of Southern	2,500'	12/08	\$3,500	1.00	\$3,500
28	Unit 24, B 6, L 8	Harmony Rd. N. of Northern	1.5 Mi	12/08	\$3,000	3.00	\$1,000
29	Unit 1, B 35, L 37	Feliz Rd. N of Northern	2.0 Mi	11/08	\$3,250	1.10	\$2,955
30	Unit 2, B 70, L 12-13	55 th St. S. of Sandia	1,000'	11/08	\$8,000	2.00	\$4,000
31	Unit 1, B 38, L 2	41 st St. N. of Northern	1,500'	11/08	\$3,250	1.00	\$3,250
32	Unit 2, B 21, L 10	Southern W. of 50 th St	800'	9/08	\$12,500	1.40	\$8,928
33	Unit 1, B 98, L 24-25	19 th Ave. W. of Encino	1.5 Mi	9/08	\$6,500	2.00	\$3,250

All of these Rio Rancho sales were purchased for investment, expecting to hold for future development. All are distant from power; there is one planned development near Unit 2 that increased the value of surrounding lots somewhat. There is something of a diminishing return, as smaller lots seem to sell for more per acre than larger lots of comparable location. The subject is most similar to those lots in this group closest to power, superior to those lots ½ mile or more from power, although as a large tract should be adjusted for the aforementioned diminishing returns when compared to smaller lots.

Location Map – Rio Rancho Comparable Sales



RECONCILIATION AND FINAL VALUE ESTIMATE

The data for sales comparison is well supported and has a well-defined range with supportable, minimal adjustments. There is insufficient data in the market to pair sales and derive numerical adjustments, so a qualitative analysis is the most relevant method of deriving a value from the indicated data. Here are qualitative adjustment grids, grouped as previously presented.

#	\$/Acre	Access	Adjustment	Features	Adjustment	Distance to Devel	Adjustment	Indicated
1	\$2,059	Easements	++	Wooded	0	40 Mi	+++	\$2,059+++++
2	\$2,675	Rough Rd	+	Backs to BLM	0	15 Mi	+	\$2,675+++
3	\$1,116	Graded Rd	0	Well on Prop	0	20 Mi	++	\$1,116++
4	\$2,669	Graded Rd	0	Livestock Restrict.	+	5 Mi	0	\$2,669+
5	\$1,167	Graded Rd	0	Elec Pole on Prop	0	20 Mi	++	\$1,167++
6	\$886	Rough Rd	+	Wooded	0	30 Mi	+++	\$886++++
7	\$1,678	Graded Rd	0	Elec Pole on Prop	0	20 Mi	++	\$1,678++

The grazing land sales are, as noted, least similar, as the most significant adjustment is distance to development, and grazing lands tend to be more rural. Also, all of these sales are inferior in aggregate to the subject, with no bracketing. Finally, highest and best use analysis indicates that this use is not economically maximally productive. These sales indicate a value greater than \$3,000 per acre, but no more information can be gleaned from the data as there is no upper boundary to the range.

#	\$/Acre	Access	Adjustment	Distance to Devel	Adjustment	Date	Adjustment	Indicated
8	\$5,000	Paved	-	5 Mi	0	5/08	0	\$5,000-
9	\$7,937	Graded Rd	0	1 Mi	--	9/07	0	\$7,937--
10	\$9,120	Graded Rd	0	1 Mi	--	11/06	++	\$9,120-
11	\$5,313	Graded Rd	0	1 Mi	--	9/06	++	\$5,313-
12	\$3,000	Graded Rd	0	10 Mi	+	7/05	+++	\$3,000++++
13	\$3,000	Graded Rd	0	10 Mi	+	6/05	+++	\$3,000++++

The Rio Puerco sales are perhaps closest in character to the subject, which is in the Rio Puerco drainage basin west of Nine-Mile Hill. Unfortunately, the rural nature of these sites, combined with the lack of activity in speculative use lots, as well as the presence of Indian Reservation, which cannot be bought and sold on the open market, limits the number of sales, making the use of less recent sales necessary. However, there is a definable range, again significantly greater than \$3,000 per acre, clearly less than \$8,000 per acre, with the most recent sale indicating slightly less than \$5,000 per acre, with low adjustment.

#	\$/Acre	Distance to Devel	Adjustment	Access	Adjustment	Indicated
14	\$1,300	8 Miles	++++	Landlocked	++	\$1,300++++++
15	\$2,130	6 Miles	+++	Public Road	0	\$2,130+++
16	\$1,850	6 Miles	+++	Landlocked	++	\$1,850+++++
17	\$8,000	2 Miles	0	Pajarito Road	-	\$8,000-
18	\$4,500	2 Miles	0	Landlocked	++	\$4,500++

The Pajarito sales are all recent, similar in character to the subject, large tracts. They differ only in access and distance to development, albeit significantly so in some cases. The range does have an upper bracket, indicating a value less than \$8,000 per acre, greater than \$4,500 per acre, and significantly greater than sales in the range of \$1,500 to \$2,000 per acre.

#	\$/Acre	Access	Adjustment	Indicated
19	\$5,000	1,000'	0	\$5,000
20	\$3,800	1,500'	+	\$3,800+
21	\$5,500	800'	-	\$5,500-
22	\$3,182	1,500'	+	\$3,182+
23	\$7,400	500'	-	\$7,400-
24	\$6,400	1,000'	0	\$6,400
25	\$4,000	1.5 Mi	+++	\$4,000+++
26	\$4,533	1,000'	0	\$4,533
27	\$3,500	2,500'	++	\$3,500++
28	\$1,000	1.5 Mi	+++	\$1,000+++
29	\$2,955	2.0 Mi	++++	\$2,955++++
30	\$4,000	1,000	0	\$4,000
31	\$3,250	1,500'	+	\$3,250+
32	\$8,928	800'	-	\$8,928-
33	\$3,250	1.5 Mi	+++	\$3,250+++

The Rio Rancho sales are most abundant, and geographically closest to the subject. They are all smaller sales, from 0.5 to 3.0 acres, which should sell for more per acre than larger tracts, but they are mitigated by the diverse ownership of Rio Rancho lots, and the necessity to assemble lots for development, which means that buyers do not pay more per acre than the predominant market price of large tracts. Consequently, the only adjustment made is for proximity to development, in this case available power. The data again forms a range; the superior sales are from \$5,500 to \$8,928 per acre, the most similar sales are from \$4,000 to \$6,400 per acre, and inferior sales range from \$1,000 to \$3,500 per acre.

The analysis of all the pertinent facts and data which were considered to influence the value of the subject led to the following value range estimates:

<i>Data Set</i>	<i>Inferior Sales</i>	<i>Most Similar Sales</i>	<i>Superior Sales</i>
Grazing Land	\$900 - \$2,700	None	None
Rio Puerco	\$3,000	\$5,000 - \$5,300	\$8,000 - \$9,100
Pajarito	\$1,300 - \$2,100	\$4,500	\$8,000
Rio Rancho	\$1,000 - \$3,500	\$4,000 - \$6,400	\$5,500 - \$8,900

The data is not perfect, and some ranges intersect, where a superior sale sold for less than a similar one. Nonetheless, the range is clear, that the subject land is consistently adjusted higher than \$3,500 per acre, lower than \$5,500 per acre, and most similar to sales sold at or around \$5,000 per acre. It is our opinion that the value of the subject, based on the "Fair Market Value" definition of value, is \$5,000 per acre. This value is as of the last date of inspection, July 10, 2009, and the date of the report is July 24, 2009.

ADDENDA

Ian R. Valenzuela

4020 Peggy Rd SE, Ste M-4 Rio Rancho, NM 87109
Ph (505) 892-2668 Fax (505) 891-8764
roosowens@aol.com

EMPLOYMENT

General Appraiser 1991-Present
ROOS AND OWENS APPRAISAL SERVICE
RIO RANCHO, NM

Valuation of residential and commercial property for purposes of financing, selling, insuring, or marketing. Responsible for all phases of the appraisal process including market research, property inspection, and final valuation. Composed all data for form and narrative appraisal.

EDUCATION

Bachelor of University Studies 1991-1995
UNIVERSITY OF NEW MEXICO ALBUQUERQUE, NM

Major: Personalized B.U.S. course of studies with emphasis on curriculum useful in the fields of residential and commercial appraisal, including Mathematics and Statistics, Art and Architecture, Economics, and Real Estate Financing through UNM's Anderson School of Management

National Appraisal Courses (within the past seven years)

<i>Courses:</i>	THE APPRAISAL INSTITUTE 320 GENERAL APPLICATIONS	39 Hours BOULDER, CO 1999
	THE APPRAISAL INSTITUTE 330 APARTMENT APPRAISAL	16 Hours LAS VEGAS, NV 2000
	THE APPRAISAL INSTITUTE 510 ADVANCED INCOME CAPITALIZATION	40 Hours DENVER, CO 2001
	THE APPRAISAL INSTITUTE 540 REPORT WRITING & VALUATION ANALYSIS	40 Hours OVERLAND PARK, KS 2004
	THE APPRAISAL INSTITUTE 530 ADVANCED SALES COMPARISON AND COST APPROACHES	40 HOURS SAN ANTONIO, TX 2005
	THE APPRAISAL INSTITUTE 520 HIGHEST AND BEST USE & MARKET ANALYSIS	40 Hours ARCADIA, CA 2006
	THE APPRAISAL INSTITUTE 550 ADVANCED APPLICATIONS	40 Hours HOUSTON, TX 2007

QUALIFICATIONS

New Mexico Real Estate Appraisers Board #01734-G (State Certified General)
Member of the FHA fee panel of appraisers, 1996-present

PARTIAL CLIENT LIST

City of Rio Rancho
County of Sandoval
Town of Bernalillo
Navajo Nation
US Small Business Admin.

Los Alamos National Bank
Bank of America
First Community Bank of NM
Wells Fargo Bank
Sandia Labs FCU

National Real Estate
Main Bank
First Federal Lending
NM Educators FCU
Bank First



REAL ESTATE APPRAISERS BOARD

PO Box 25101 Santa Fe, NM 87504 (505) 476-4611

This is to certify that
Ian R Valenzuela #01734-G

Having complied with the provisions of the New Mexico Real Estate Appraisers Act is hereby granted a license to practice as a

GENERAL CERTIFIED APPRAISER

This appraiser is eligible to perform in Federally Related Transactions

Issue Date: 12/19/2000 Date Expires: 04/30/2011

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS

Joseph H. Roos, SRA
ROOS & OWENS APPRAISAL SERVICE, INC.
4020 Peggy Road, SE #M-4 Rio Rancho, NM 87124
P (505)892-2668 F (505)891-8764 Email: roosowens@aol.com

APPRAISAL EXPERIENCE

President and CEO of Roos & Owens Appraisal Services, Inc. Full time residential and commercial appraiser with Roos Appraisal Service since January 1983. URAR residential and narrative type apartment, vacant land and commercial appraisals are typical assignments. I have also completed several assignments for governmental agencies. Although I have worked the entire region, I specialize in the North Valley, West Mesa and Sandoval County.

New Mexico Real Estate Appraisers Board #00341-G (State Certified General)
SRA member of The Appraisal Institute since 1987

EDUCATION

B.S. Public Personnel Administration 1970 - 74
EAST TEXAS STATE UNIVERSITY COMMERCE, TX

CONTINUING EDUCATION (last three years only)

Business Practices and Ethics THE APPRAISAL INSTITUTE ALBUQUERQUE, NM	May, 2003- 7 hours
Appraising Manufactured Housing THE APPRAISAL INSTITUTE ALBUQUERQUE, NM	January, 2004 - 7 hours
USPAP NORRIS SCHOOLS INC. ALBUQUERQUE, NM	March, 2004 - 15 hours
NAR Code of Ethics for Appraisers ALB METROPOLITAN BOARD OF REALTORS ALBUQUERQUE, NM	October, 2004 - 3 hours
Regional Economic Forecast THE APPRAISAL INSTITUTE ALBUQUERQUE, NM	February, 2005 - 2 hours
What Clients Would Like Their Appraisers To Know THE APPRAISAL INSTITUTE ALBUQUERQUE, NM	October, 2005 - 7 hours

SPECIAL ASSIGNMENTS

FHA Fee Appraiser 1985 - 1989, 1994 - present/FHA Fee Review Appraiser - present

Projects for Indian Pueblos, including Head Start facilities in NM, AZ and UT

Qualified Expert Witness for District Court



REAL ESTATE APPRAISERS BOARD

PO Box 25101 Santa Fe, NM 87504 (505) 476-4611

This is to certify that

Joseph H Roos #341-G

Having complied with the provisions of the New Mexico Real Estate Appraisers Act is hereby granted a license to practice as a

GENERAL CERTIFIED APPRAISER

This appraiser is eligible to perform in Federally Related Transactions

Issue Date: 12/01/1990 Date Expires: 04/30/2011

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS

NOTICE TO PROCEED

TO: Contractor: Roos & Owens

FROM: Sandoval County

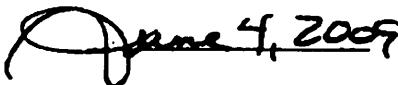
In accordance with the proposal dated June 3, 2009 for Appraisal Services, you are hereby notified to commence work on well sites 5, and 6 and right of way.

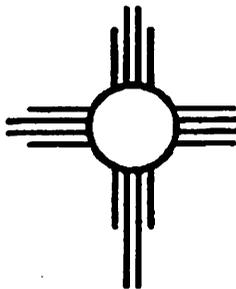
PROJECT NAME: Appraisal Services for Sandoval County De-Salinization Project
Rio Puerco Area, Sandoval County

Completion Date (on or before) July 31, 2009

Name Juan Vigil
Title Sandoval County Manager

Signature 

Date 



**ROOS & OWENS
APPRAISAL SERVICE, INC.**

4020 Peggy Rd., SE Suite #M-4 Rio Rancho, NM 87124
phone (505) 892-2668 fax (505) 891-8764

June 3, 2009

Sandoval County
Development Department
711 Camino del Pueblo
Bernalillo, NM 87004
Attn: Dianne Ross, Deputy Director

RE: APPRAISAL SERVICES, well sites 5, 6, and 7, T 12N, R 1W, Sec 10, 11, and 12

Dear Ms. Ross:

Thank you for providing our firm with the opportunity to bid on the appraisal for the above referenced property. For a complete appraisal, reported through a self-contained appraisal report, completed within eight weeks' time, our bid is \$18,000 plus tax, not to exceed \$19,248.75. The appraisal should be completed within approximately eight weeks of the acceptance of our bid. For completion within six weeks, the total including "rush fee" would be \$22,000 plus tax, not to exceed \$23,526.25. With a job of this size, we will require a 25% retainer, billable as soon as the project is engaged. The following information is provided per instructions in the RFP.

SPECIALIZED TECHNICAL COMPETENCE

Roos & Owens Appraisal Service, Inc. has been appraising real estate since 1982. Currently our company consists of four appraisers (two partners and two staff appraisers), one business manager, and one office manager. We are properly licensed with the appropriate federal, state and local government agencies.

Appraisers' Qualifications

Joseph H. Roos - SRA designation from The Appraisal Institute - 1987
NM General Certification #0341-G

Rick Owens - SRA designation from The Appraisal Institute - 1994
NM Residential Certification #0342-R

Ian Valenzuela - NM General Certification #01734-G

Lynda Campbell - NM Registration #01322-A

Joe Roos has 23 years experience as an appraiser, specializing in residential and commercial valuation and consulting, and qualified as an Expert Witness for District Court.

Rick Owens has 20 years experience, and specializes in residential valuation throughout Sandoval County, particularly the rural areas including Jemez, La Cueva, Cuba, and Pena Blanca.

Ian Valenzuela has 15 years experience, specializing in commercial and complex valuation throughout the Albuquerque metro area and Sandoval County.

Lynda Campbell has 13 years experience, specializing in research and valuation of residential properties, and is a former Mortgage Loan Underwriter and Loan Originator.

Our clients in the past have included numerous banks and mortgage companies, HUD, VA, and other government agencies including Sandoval County, Bernalillo County, Southern Sandoval County Flood Control Authority (SSCAFCA), City and Town agencies including Rio Rancho, Bernalillo, Placitas, Corrales, Jemez Springs, and San Ysidro, and Indian Agencies including Jemez Pueblo, Sandia Pueblo, and the Navajo Nation.

CAPACITY AND CAPABILITY OF THE BUSINESS

We have four experienced and qualified appraisers, along with trained office staff, and general and specialized appraisal equipment. Our office has been located in Sandoval County for 23 years, first in Bernalillo, moving to Rio Rancho in 1987.

Generally, we utilize consultants only for information, and typically receive no significant professional assistance from outside sources, although for large projects for which we lack specified knowledge, we have formed Limited Joint Ventures with other appraisal firms who have the knowledge necessary to complete these assignments.

Informational consultants are highly valuable in Sandoval County, parts of which lack the informational infrastructure of urban or metropolitan areas. We are well known by the County Assessor's and Treasurer's Offices, as well as Mapping and Planning. We consult with officials in numerous government offices, including Rio Rancho Planning and Zoning, Village of Corrales Zoning Authority, Town of Bernalillo Planning Department, Jemez Pueblo Manager's Office, and SSCAFCA's Director. Private consultants include local Realtors, surveyors, lenders, engineers, attorneys, and other appraisers.

Data sources used include county records, Albuquerque and Los Alamos MLS database, the CARNM (Commercial Realtors of NM) property database, LoopNet, County Plat Microfiche records, and extensive company files.

Our office is equipped and qualified to provide valuation or consulting services for real property ranging from vacant land and single family housing to land subdivisions, commercial or public buildings, tribal land, and many other types of specialty properties.

PAST RECORD OF PERFORMANCE

Our company specializes in Sandoval County and has been performing appraisals in cities and town such as Cuba, Jemez Springs, La Jara, Ponderosa, Bernalillo, Algodones, Llanito, Placitas, Corrales and Rio Rancho for more than 20 years. We have worked with Sandoval County, the Town of Bernalillo, the City of Rio Rancho, SSCAFCA, and other government or quasi-governmental agencies. We are members of Rio Rancho's Chamber of Commerce. Most of our employees live in Rio Rancho and are familiar with the history and growth of this city. We are confident that we will be able to continue to serve your appraisal needs. Specific assignments have included:

- Sandoval County Judicial Complex – Land and Courthouse Building
- SSCAFCA Land – several miles of arroyos through Rio Rancho and Corrales
- Unit 16 West – large scale condemnation of multiple properties for redevelopment
- Servants of the Paraclete – large complex of buildings and land in Jemez Springs
- Archaeological Survey Land – Private land with conservational easement in Placitas
- PNM Easement – five miles of power line easement through the Jemez Pueblo
- Navajo Nation Head Start – all Head Start Facilities in the Navajo Nation throughout New Mexico, Arizona, and Utah, including properties in Sandoval County
- Unser Boulevard and Golf Course Rd Widening – Condemnation in Rio Rancho

In addition to these governmental assignments, we do a large amount of work for private institutions such as banks, mortgage companies, attorneys, and individuals for various uses including sales, financing, construction, development, estate planning, and taxation. We have a reputation for producing quality work, and for completing work in a timely fashion. For residential assignments and single vacant lots, we are typically able to complete appraisals in 2-3 weeks, depending on workload. For commercial properties or other complex appraisals, longer turnarounds may be needed, but estimated turnaround times are always included in our appraisal bid, and we make a point to always notify clients of any changes or extensions made necessary by unforeseen circumstances. Appraisal assignments are by bid only, and no fee or cost increases are submitted without prior negotiation and approval by our clients.

PROXIMITY AND FAMILIARITY WITH SANDOVAL COUNTY

Our office has been located in Sandoval County for 23 years, previously in the Town of Bernalillo, moved to Rio Rancho in 1987. Almost all of our appraisers and office staff live in Rio Rancho, and the majority of our work is done on properties in Sandoval County. There are areas of Sandoval County for which our office is the sole appraisal office able to work due to our extensive background and in-house data, and appraisers throughout the state regularly refer work in Cuba, Jemez, Ponderosa, La Cueva, and Algodones to our office as the experts in these areas.

DESIGN WORK PRODUCED BY NEW MEXICO BUSINESSES

All of our design work is produced by New Mexico businesses. For those projects we do not design in-house, we utilize surveyors and architects from Sandoval and Bernalillo counties, and photo processing and printing is done exclusively by Rio Rancho Printing.

APPRAISAL FEES

Residential appraisals and individual vacant land parcels have standard fees on our fee schedule, which vary according to appraisal complexity and drive-time. Narrative appraisals are bid on a per-job basis. Consulting and review fees are as follows:

Appraisal & analysis (professional) - \$125/hour*

Research and staff time - \$25/hour*

Court fees (includes preparation) - \$600/day (minimum ½ day fee of \$300)

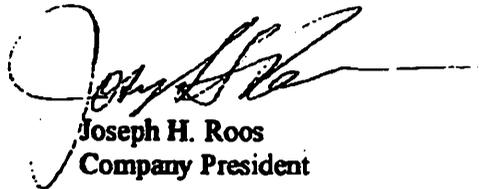
*plus applicable gross receipts tax

Thank you for the opportunity to submit this proposal. We look forward to the opportunity to provide you with professional appraisal services. If there is any other information we can provide in this matter, please do not hesitate to contact us.

Sincerely,



Ian Valenzuela
Staff Appraiser



Joseph H. Roos
Company President


Juan Vigil, Sandoval County Manager

**REQUEST FOR PROPOSALS
FOR
APPRAISAL SERVICES**

Project Name: County Development Appraisal Services

Sandoval County: Sandoval County

Address: 711 Camino Del Pueblo, Bernalillo, NM 87004

P.O. Box 40, Bernalillo, NM 87004

Telephone: 505-867-7500

Date: December 8, 2008

1. PROJECT DESCRIPTION

Sandoval County is requesting services to have a professional Appraisal firm available to Perform an appraisal of property in the vicinity of three well site locations and enter into condemnation proceedings of property located within the Rio Puerco area, approximately 12 miles west of Rio Rancho.

The location of the wells is generally described as:

Well 6: Township 12 N, Range 1W, Section 11

Well 5: Township 12 N, Range 1W, Section 10

Well 7: Township 12N, Range 1W, Section 12 (was never drilled)

2. SCOPE OF WORK

Sandoval County is requesting services for the appraisal of three (3) well site locations as well as access right of way. The road access will include the survey of road alignment to well sites approximately, and not limited to 100 feet in width the length of approximately of four miles. The purpose of the appraisal services is to begin entering condemnation proceedings of property located within the Rio Puerco area approximately 12 miles west of Rio Rancho. The appraiser must hold and furnish proof of all licenses required by the state of New Mexico to appraise real property. The bidder must be familiar with all or any portions of Sandoval County.

A Sandoval County Development Director may negotiate (1) a firm fixed (not to exceed) fee proposed for the project, (2) a proposed budget for the appraisal services with a plus or minus limit; or (3) decide to utilize the previously determined hourly compensation rates for various categories or service to include printing, travel and administrative services.

INSTRUCTIONS TO OFFERORS

1. DEFINITIONS AND TERMS

- 1.1 **Addendum:** a written or graphic instrument issued prior to the opening of Proposals, which clarifies, corrects, or changes the Request for Proposals. Plural: addenda.
- 1.2 **Consultant:** means the Successful Offeror awarded the agreement or contract.
- 1.3 **Determination:** means the written documentation of a decision of the procurement officer including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains (13-1-52 NMSA 1978).
- 1.4 **Offeror:** any person, corporation, or partnership legally licensed to provide design professional services in this state, which chooses to submit a proposal in response to this Request for Proposals.
- 1.5 **Procurement Manager:** means the person or designee authorized by Sandoval County to manage or administer a procurement requiring the evaluation of proposals.
- 1.6 **Request for Proposals:** or "RFP" means all documents, including those attached or incorporated by reference, used for soliciting proposals (13-1-81 NMSA 1978).
- 1.7 **Responsible Offeror or Proposer:** means an offeror or proposer who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service

reputation and experience are adequate to make satisfactory delivery of the services described in the proposal (13-1-83 NMSA 1978).

- 1.8 **Responsive Offer or Proposal:** means an offer or proposal which conforms in all material respects to the requirements set forth in the request for proposals. Material respects of a request for proposals include, but are not limited to, price, quality, quantity or delivery requirements (13-1-85 NMSA 1978).
- 1.9 The terms **must, shall, will, is required, or are required,** identify a mandatory item or factor. Failure to comply with a mandatory item or factor will result in the rejection of the offeror's proposal.
- 1.10 The terms **can, may, should, preferably, or prefers** identify a desirable or discretionary item or factor.

2. REQUEST FOR PROPOSAL DOCUMENTS

2.1 COPIES OF REQUEST FOR PROPOSALS

- A. A complete set of the Request for Proposals may be obtained from Sandoval County (unless another issuing office is designated in the RFP).
- B. A complete set of the Request for Proposals shall be used in preparing proposals; Sandoval County assumes no responsibility for errors or misinterpretations resulting from the use of an incomplete set of the Request for Proposals.

Subj: **FW: RFP for appraisal services**
Date: 12/8/2008 11:00:31 A.M. Mountain Standard Time
From: DRoss@sandovalcountynm.gov
To: roosowens@aol.com

<<RFPAppraisal.pdf>>

Dear Sir or Madam:

This is the 2nd time we are running this add. We did not receive any bids last time. The add ran yesterday for the first time this round with the 18th as the opening date. Just wanted to make you aware of this request for proposals.

Thank you.

Dianne Ross, Deputy Director
Sandoval County Development Department
505-867-7551
505-771-7184 - fax

- C. Sandoval County in making copies of Request for Proposals available on the above terms, does so only for the purpose of obtaining proposals on the Project and does not confer a license or grant for any other use.
- D. A copy of the RFP shall be made available for public inspection and may be viewed at the Administration Building of Sandoval County.

2.2 INTERPRETATIONS

- A. All questions about the meaning or intent of the Request for Proposals shall be submitted to the Procurement Manager of the Sandoval County in writing. Replies will be issued by Addenda mailed or delivered to all parties recorded by the Sandoval County as having received the Request for Proposals. Questions received less than five days prior to the date for opening of proposals will not be answered. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.
- B. Offerors should promptly notify Sandoval County of any ambiguity, inconsistency, or error, which they may discover upon examination of the Request for Proposals.

2.3 ADDENDA

- A. Addenda will be mailed by certified mail with return receipt requested, by facsimile or hand delivered to all who are known by Sandoval County to have received a complete set of Request for Proposals.
- B. Copies of Addenda will be made available for inspection wherever Request for Proposals are on file for that purpose.

- C. No Addenda will be issued later than 5 days prior to the date for receipt of Proposals, except an Addendum withdrawing the Request for Proposals or one that includes postponement of the date for receipt of Proposals.
- D. Each Offeror shall ascertain, prior to submitting the Proposal, that the Offeror has received all Addenda issued, and shall acknowledge their receipt in the Proposal transmittal letter.

3. PROPOSAL SUBMITTAL PROCEDURES

3.1 NUMBER, FORM AND STYLE OF PROPOSALS

- A. Offerors shall provide 4 copies of their proposal to the location specified on the cover page on or before the closing date and time for receipt of proposals.
- B. All proposals must be typewritten on standard 8 1/2" x 11" paper and bound on the left-hand margin;
- C. A maximum of 10 pages, including title, index, etc., not including front and back covers.
- D. The proposal must be organized and indexed in the following format and must contain, as a minimum, all listed items in the sequence indicated:
 1. Specialized Technical Competence.
 2. Capacity and Capability
 3. Past Record of performance
 4. Proximity and familiarity with Sandoval
 5. Amount of design work that will be produced by New Mexico businesses.
- E. Any proposal that does not adhere to this format, and which does not address each specification and requirement within the RFP may be deemed non-responsive and rejected on that basis.

F. Offerors may request in writing nondisclosure of confidential data. Such data should accompany the proposal and should be readily separable from the proposal in order to facilitate eventual public inspection of the nonconfidential portion of the proposal. A request that states that the entire proposal be kept confidential will not be acceptable. Only matters which clearly are of a confidential nature will be considered.

G. Any cost incurred by the Offeror in preparation, transmittal, presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror.

3.2 SUBCONSULTANTS

A. The Offeror shall list and state the qualifications for each Subconsultant the Offeror proposes to use for all subcontracted Work.

B. The Offeror is specifically advised that any person or other party to whom it is proposed to award a subcontract under this proposal, must be acceptable to Sandoval County after verification by Sandoval County of the current eligibility status, including but not limited to suspension or debarment by Sandoval County.

3.3 PREQUALIFICATION PROCESS

A business may be prequalified by the Purchasing Agent as an Offeror for particular types of service. Mailing lists of potential Offerors shall include but shall not be limited to such prequalified businesses (13-1-134 NMSA 1978). For purposes of this RFP, if prequalification is utilized, special instructions will be attached as an exhibit to this RFP.

3.4 DEBARRED OR SUSPENDED CONTRACTORS

A business (contractor, subcontractor or supplier) that has either been debarred or suspended pursuant to the requirements of 13-1-177 through 13-1-180, and 13-4-11 through 13-4-17 NMSA 1978 as amended, shall not be permitted to do business with Sandoval County and shall not be considered for award of the contract during the period for which it is debarred or suspended with Sandoval County.

3.5 SUBMITTAL OF PROPOSALS

A. Proposals shall be submitted at the time and place indicated in the Notice of Request for Proposals and shall be included in an opaque sealed envelope marked with the Project title and name and address of the Offeror and accompanied by the documents listed in the Request for Proposals.

B. The envelope shall be addressed to the Purchasing Agent/Procurement Officer of Sandoval County. The following information shall be provided on the front lower left corner of the Bid envelope: Project Title, date of opening, and time of opening. If the Proposal is sent by mail, the sealed envelope shall have the notation "**SEALED PROPOSAL ENCLOSED**" on the face thereof.

C. Proposals received after the date and time for receipt of Proposals will be returned unopened.

D. The Offeror shall assume full responsibility for timely delivery of proposals at the Purchasing Agent's office, including those proposals submitted by mail. Hand-delivered proposals shall be submitted to the Purchasing Agent or his designee and will be clocked in/time stamped at the time received, which must be prior to

the time specified.

E. After the date established for receipt of proposals, a register of proposals will be prepared which includes the name of each Offeror, a description sufficient to identify the service, the names and addresses of the required witnesses, and such other information as may be specified by the Purchasing Agent.

F. Oral, telephonic, or telegraphic proposals are invalid and will not receive consideration.

3.6 CORRECTION OR WITHDRAWAL OF PROPOSALS

A. A Proposal containing a mistake discovered before proposal opening may be modified or withdrawn by an Offeror prior to the time set for proposal opening by delivering written or telegraphic notice to the location designated in the Request for Proposals as the place where Proposals are to be received.

B. Withdrawn Proposals may be resubmitted up to the time and date designated for the receipt of Proposals, provided they are then fully in conformance with the Request for Proposals.

3.7 NOTICE OF CONTRACT REQUIREMENTS BINDING ON OFFEROR

A. In submitting this proposal, the Offeror represents that the Offeror has familiarized himself with the nature and extent of the Request for Proposals dealing with federal, state and local requirements, which are a part of these Request for Proposals.

B. Laws and Regulations: The Offeror's attention is directed to all applicable federal and state laws, local ordinances

and regulations and the rules and regulations of all authorities having jurisdiction over the services of the Project.

3.8 REJECTION OR CANCELLATION OF PROPOSALS

This Request for Proposals may be canceled, or any or all proposals may be rejected in whole or in part, when it is in the best interest of Sandoval County. A determination containing the reasons therefore shall be made part of the project file (13-1-131 NMSA 1978).

4. CONSIDERATION OF PROPOSALS

4.1 RECEIPT, OPENING AND RECORDING

A. Proposals received on time will be opened publicly or in the presence of one or more witnesses and the name of the Offeror and address will be read aloud.

B. The names of all businesses submitting proposals and the names of all businesses, if any, selected for interview shall be public information. After an award has been made, final ranking and evaluation scores for all proposals shall become public information. (13-1-120 NMSA 1978). The contents of any proposal shall not be disclosed so as to be available to competing Offerors during the negotiation process (13-1-116 NMSA 1978).

4.2 PROPOSAL EVALUATION

A. Proposals shall be evaluated on the basis of demonstrated competence and qualification for the type of service required, and shall be based on the evaluation factors set forth in this RFP. For the purpose of conducting discussions, proposals may initially be

classified as:

- 1) acceptable,
- 2) potentially acceptable, that is, reasonably assured of being made acceptable, or
- 3) unacceptable (Offerors whose proposals are unacceptable shall be notified promptly).

B. Sandoval County shall have the right to waive **technical irregularities** in the form of the Proposal of the Offeror, which do not alter the quality or quantity of the services (13-1-132 NMSA 1978).

C. If an Offeror who otherwise would have been awarded a contract is found not to be a responsible Offeror, a determination that the Offeror is not a responsible Offeror, setting forth the basis of the finding, shall be prepared by the Purchasing Agent/Procurement Manager. The unreasonable failure of the Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a responsible Offeror (13-1-133 NMSA 1978). Businesses which have not been selected shall be so notified in writing within twenty-one days after an award is made (13-1-120 NMSA 1978).

D. Selection Process: (13-1-120 NMSA 1978)

- 1) An evaluation committee composed of representatives from Sandoval County will review proposals. The committee shall evaluate statements of qualifications and performance data submitted by at least three businesses.
- 2) If fewer than three businesses have submitted a statement of qualifications the committee may:
 - a) Rank in order of qualifications and submit to the local governing body

for award those businesses which have submitted a statement of qualifications; or

b) Recommend termination of the selection process and sending out of new notices of the proposed procurement pursuant to 13-1-104 NMSA 1978.

4.3 NEGOTIATIONS (13-1-122 NMSA 1978)

A. Sandoval County's designee shall negotiate a contract with the highest qualified businesses for the services contemplated under this RFP at compensation determined in writing to be fair and reasonable. In making this decision, the designee shall take into account the estimated value of the services to be rendered and the scope, complexity and professional nature of the services.

B. Should the designee be unable to negotiate a satisfactory contract with the business, negotiations with that business shall be formally terminated.

C. Sandoval County shall publicly announce the businesses selected for award.

4.4 NOTICE OF AWARD

After award by the local governing body, a written notice of award shall be issued by Sandoval County after review and approval of the Proposal and related documents by Sandoval County with reasonable promptness (13-1-100 and 13-1-108 NMSA 1978).

5. POST-PROPOSAL INFORMATION

5.1 PROTESTS

A. Any Offeror who is aggrieved in connection with a solicitation or award

NOTICE OF REQUEST FOR PROPOSALS

Qualifications-based competitive sealed proposals for Appraisal Services will be received by the Sandoval County Development Office.

Proposals will be received at the Sandoval County Finance Department until 2:00 p.m. December 18, 2008. Copies of the Request for Proposals can be obtained in person at the office of Sandoval County Development Division between the hours of 8:00 am. and 12:00 noon, and 1:00 pm and 5:00pm., 711 Camino Del Pueblo, 1st Floor, Bernalillo, NM 87004 or will be mailed upon written or telephone request to Dianne Ross at (505) 867-7551. A Pre-Proposal Conference [] will [X] will not be held.

[for Sandoval County's Use Only]

Newspaper: Albuquerque Journal
P.O. No. 99077612

Publish: 12/07/08

Newspaper: _____
No. _____

Publish: _____ P.O.

Newspaper: _____

Publish: _____ P.O. No.

[Note: This Notice is issued pursuant to the requirements of 13-1-104 NMSA 1978 and must be published not less than 10 calendar days prior to the date set for the receipt of proposals (13-1-113) and published in a newspaper of general circulation in the area.]

of a Agreement may protest to the Sandoval County's Purchasing Agent in accordance with the requirements of the Sandoval County's Procurement Regulations and the state Procurement Code. The protest should be made in writing within 24 hours after the facts or occurrences giving rise thereto, but in no case later than 15 calendar days after the facts or occurrences giving rise thereto (13-1-172 NMSA 1978).

B. In the event of a timely protest under this section, the Purchasing Agent and Sandoval County shall not proceed further with the procurement unless the Purchasing Agent makes a determination that the award of Agreement is necessary to protect substantial interests of Sandoval County (13-1-173 NMSA 1978).

C. The Purchasing Agent or his designee shall have the authority to take any action reasonably necessary to resolve a protest of an aggrieved Offeror concerning a procurement. This authority shall be exercised in accordance with adopted regulations, but shall not include the authority to award money damages or attorneys' fees (13-1-174 NMSA 1978).

D. The Purchasing Agent or his designee shall promptly issue a determination relating to the protest. The determination shall:

1) state the reasons for the action taken; and

2) inform the protestant of the right to judicial review of the determination pursuant to 13-1-183 NMSA 1978.

E. A copy of the determination issued under 13-1-175 NMSA 1978 shall immediately be mailed to the protestant and other Offerors involved in the procurement (13-1-176 NMSA 1978).

5.2 EXECUTION AND APPROVAL OF AGREEMENT

The Agreement shall be signed by the Successful Offeror and returned within an agreed upon time frame after the date of the Notice of Award. No Agreement shall be effective until it has been fully executed by all of the parties thereto.

5.3 OFFEROR'S QUALIFICATION STATEMENT

Offeror to whom award of an Agreement is under consideration shall submit, upon request, information and data to prove that their financial resources, production or service facilities, personnel, and service reputation and experience are adequate to make satisfactory delivery of the services described in the Request for Proposals (13-1-82 NMSA 1978)

6. **OTHER INSTRUCTIONS TO OFFERORS**
Offerors shall include an hourly rate sheet for services.

GENERAL TERMS AND CONDITIONS

1. GOVERNING LAW

The Agreement shall be governed exclusively by the laws of the State of New Mexico as the same from time to time exist.

2. INDEPENDENT CONTRACTORS

The Consultant (Appraiser) and his agents and employees are independent Contractors and are not employees of Sandoval County. The Consultant and his agents and employees shall not accrue leave, retirement, insurance, bonding, use of Sandoval County vehicles, or any other benefits afforded to employees of Sandoval County as a result of the Agreement.

3. BRIBES, GRATUITIES AND KICK-BACKS

Pursuant to 13-1-191 NMSA 1978, reference is hereby made to the criminal laws of New Mexico (including 30-14-1, 30-24-2, and 30-41-1 through 30-41-3 NMSA 1978) which prohibit bribes, kickbacks, and gratuities, violation of which constitutes a felony. Further, the Procurement Code (13-1-28 through 13-1-199 NMSA 1978) imposes civil and criminal penalties for its violation.

4. STANDARD FORM OF AGREEMENT BETWEEN SANDOVAL COUNTY AND CONSULTANT.

The form of agreement required by the funding agency or issued by the Sandoval County will be used for this project. Copies are available and may be reviewed upon request.

5. FEES

A Sandoval County Director may negotiate (1) a firm fixed (not to exceed) fee proposed for the project, (2) a proposed budget for the engineering services with a plus or minus limit; or (3) decide to utilize the previously determined hourly compensation rates for various categories or service to include printing, travel and administrative services.

6. FUNDING

This solicitation is subject to the availability of funds to accomplish the work.

7. PROFESSIONAL REGISTRATION

All work shall be under the direction of the applicable professional legally licensed and registered by the state.

8. PROFESSIONAL LIABILITY INSURANCE

The Offeror [X] will [] will not be required to carry professional liability (errors and omissions) insurance. If required to carry such insurance, the amount of coverage will be \$1,000,000.

9. POLITICAL CONTRIBUTIONS

New Mexico law requires that any political contributions made to any elected official of Sandoval County be disclosed when submitting this bid.

Political contributions may not be the basis for the disqualification of any bidder. This provision applies to contributions to elected county officials only.

EVALUATION CRITERIA

Proposals must address each of the following criteria. Each proposal may be awarded points up to the amount listed.

- | | | |
|---|--------|-------|
| 1. Specialized Technical Competence of the business, including joint venture or association, regarding the type of services required. | [20] | _____ |
| 2. Capacity and Capability of the business, including any consultants, their representatives, qualifications and locations, to perform the work, including any specialized services, within time limitations. | [35] | _____ |
| 3. Past Record of performance on contracts with government agencies Or private industry with respect to such factors as control of costs, Quality of work and ability to meet schedules. | [10] | _____ |
| 4. Proximity to and familiarity with Sandoval County in which the projects are located. | [25] | _____ |
| 5. The amount of work that will be produced by New Mexico businesses within the state. | [10] | _____ |
| 0-20% = 1 point, 21%-40% = 2 points, 41%-60% = 3 points, 61%-80%=4 points, 81%-100%=5 points. | [] | _____ |
| | TOTAL | _____ |