

LAND APPRAISAL REPORT

File No. C-2021-32 D

SUBJECT

Borrower

Not Applicable

Census Tract

9622.00

Map Reference

3-021-078-400-386

Property Address

612 E 2nd Ave

City

Truth Or Consequences

County

Sierra

State

NM

Zip Code

87901

Legal Description

See attached Legal Description.

Sale Price \$

Not Applicable

Date of Sale

N/A

Loan Term

N/A

yrs.

Property Rights Appraised

☒ Fee

☐ Leasehold

☐ De Minimis PUD

Actual Real Estate Taxes \$

Exempt

(yr)

Loan charges to be paid by seller \$

N/A

Other sales concessions

Not Applicable

Lender/Client

City of Truth or Consequences - Client

Address

505 Sims Street, Truth or Consequences, NM 87901

Occupant

Vacant

Appraiser

Karen I. Mundy, MAI

Instructions to Appraiser

See attached Addenda for Scope of Work.

NEIGHBORHOOD

Location

☒ Urban

☐ Suburban

☐ Rural

Built Up

☒ Over 75%

☐ 25% to 75%

☐ Under 25%

Growth Rate

☐ Fully Dev.

☐ Rapid

☒ Steady

☐ Slow

Property Values

☒ Increasing

☐ Stable

☐ Declining

Demand/Supply

☐ Shortage

☒ In Balance

☐ Oversupply

Marketing Time

☐ Under 3 Mos.

☒ 4-6 Mos.

☐ Over 6 Mos.

Present

60 % One-Unit

10 % 2-4 Unit

% Apts.

% Condo

30 % Commercial

Land Use

% Industrial

% Vacant

%

Change in Present

☒ Not Likely

☐ Likely (*)

☐ Taking Place (*)

Land Use

(*) From

To

Predominant Occupancy

☒ Owner

☐ Tenant

5 % Vacant

One-Unit Price Range

\$

23,000

to \$

475,000

Predominant Value \$

110,000

One-Unit Age Range

5 yrs. to

80 yrs.

Predominant Age

25 yrs.

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise)

See attached addenda.

SITE

Dimensions

Slightly Irregular

=

8,100 SF

☐ Corner Lot

Zoning Classification

C-1, Commercial Zone

Present Improvements

☒ Do

☐ Do Not

Conform to Zoning Regulations

Highest and Best Use

☐ Present Use

☒ Other (specify)

See attached addenda.

Elec.

☒

Gas

☒

Water

☒

San. Sewer

☒

☐ Underground Elect. & Tel.

OFF SITE IMPROVEMENTS

Street Access

☒ Public

☐ Private

Surface

Paved

Maintenance

☒ Public

☐ Private

☐ Storm Sewer

☒ Curb/Gutter

☐ Sidewalk

☐ Street Lights

Topo

Level

Size

8,100 SF

Shape

Slightly Irregular

View

Typical Residential

Drainage

Appears Adequate

Is the property located in a FEMA Special Flood Hazard Area?

☐ Yes

☒ No

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions)

I was not provided with a survey for the subject lot and as such I am not aware of any adverse easements or encroachments. The lot is slightly irregular in shape with 60 feet of frontage on the north side of E. 2nd Avenue, a paved publicly maintained road with all utilities available for extension to the subject lot. The lot is level and cleared, and suitable for immediate single-family residential development.

MARKET DATA ANALYSIS

The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	
Address	612 E 2nd Ave Truth Or Consequences, NM 879	924 Camino Del Mesa Dr Truth or Consequences, NM 879	911 N Caballo Rd Truth Or Consequences, NM 8790	508 Kopra St Truth Or Consequences, NM 8790	
Proximity to Subject		1.29 miles SW	1.06 miles NE	0.89 miles W	
Sales Price	\$ Not Applicable	\$ 20,000	\$ 22,000	\$ 20,000	
Price \$/Sq. Ft.	\$	\$ 1.54	\$ 1.50	\$ 2.38	
Data Source(s)		MLS # 20215516 - 30 DOM	MLS # 20213121 - 72 DOM	MLS # 20212096 - 45 DOM	
ITEM	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Date of Sale/Time Adj.	N/A	11/12/2021		08/19/2021	
Location	Urban	Urban		Urban	
Site/View	8,100 SF	13,000 SF	No Adj.	14,700 SF	-2,000
Sales or Financing Concessions	N/A Not Applicable	Cash to Seller		Cash to Seller	
Net Adj. (Total)		<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -2,000	<input type="checkbox"/> + <input type="checkbox"/> - \$	
Indicated Value of Subject		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Comments on Market Data	See attached addenda.				

RECONCILIATION

Comments and Conditions of Appraisal

See attached addenda for the Scope of Work.

Final Reconciliation

The Sales Comparison Approach was the only applicable approach in the valuation of the subject lot. Based on the foregoing, I have reconciled an opinion of market value of \$20,000 for the subject lot.

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF

January 6, 2022

TO BE \$

20,000

Appraiser

Karen I. Mundy, MAI

Supervisory Appraiser (if applicable)

Date of Signature and Report

01/18/2022

Date of Signature

Title

Owner/Appraiser

Title

State Certification #

1219-G

ST

NM

State Certification #

ST

Or State License #

ST

Or State License #

ST

Expiration Date of State Certification or License

04/30/2023

Expiration Date of State Certification or License

Date of Inspection (if applicable)

January 6, 2022

☐ Did ☐ Did Not Inspect Property

Date of Inspection

ADDITIONAL COMPARABLE SALES

File No. C-2021-32 D

[illegible]

Subject Land Photo Page

Borrower	Not Applicable					
Property Address	612 E 2nd Ave					
City	Truth Or Consequences	County	Sierra	State	NM	Zip Code 87901
Lender/Client	City of Truth or Consequences					

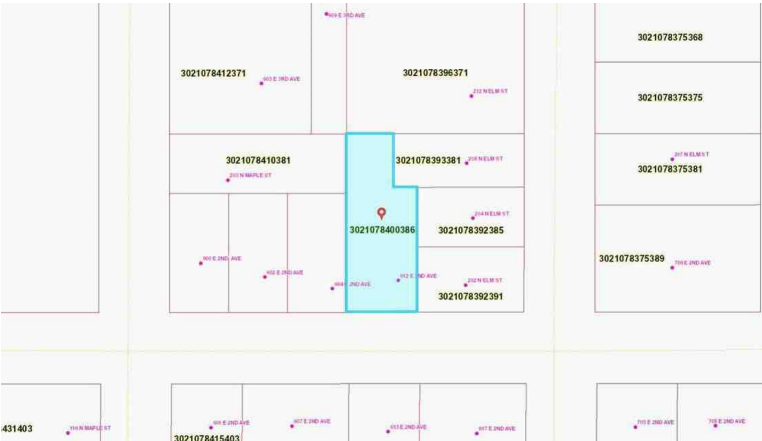


View of Subject Facing North

612 E 2nd Ave	
Sales Price	Not Applicable
Date of Sale	N/A
Site Area	8,400 SF
Location	Urban



2nd Street Facing East



Subject Assessor Map

Supplemental Addendum

File No. C-2021-32 D

Borrower	Not Applicable					
Property Address	612 E 2nd Ave					
City	Truth Or Consequences	County	Sierra	State	NM	Zip Code 87901
Lender/Client	City of Truth or Consequences					

Scope of Work

The client requested an opinion of market value as of the date of property inspection on January 6, 2022, which coincides with the effective date of appraisal. The intended use of the report is to assist in the potential disposition of the property. The intended user of the report and client is the City of Truth or Consequences.

Site size was based on information obtained from the Sierra County Assessor. In as much as the subject property reflects a vacant residential lot, only the Sales Comparison Approach to value was applicable. Land sales were obtained from the New Mexico Multiple Listing Service and were verified and inspected by the appraiser.

• Neighborhood Comments

The subject lot is located in the central portion of the City of Truth or Consequences, which had a population of 6,052 residents as per the 2020 Census, a decrease of 6.5% from the 2010 population. The area is known for its naturally occurring hot springs and Elephant Butte Reservoir. Visitors to Elephant Butte Reservoir cause the population to increase to over 100,000 on summer holiday weekends.

Regarding market conditions for residential property, 108 homes sold in 2021 at an average price of \$120,701 and 100 days on the market. This reflects a 21.7% increase from average home price in 2020 of \$99,214.

Highest and Best Use

The subject lot is zoned C-1, Commercial Zone, by the City of Truth or Consequences. However, given its location on a secondary collector road and the surrounding residential development, the highest and best use of the lot is single-family residential development.

• Market Data Comments

The four sales selected for comparison to the subject property were the best available in the Truth or Consequences market area. All four sales had water, sewer and gas available for extension with level topography located on paved, publicly maintained roads similar to the subject site. Based on a comparison of the sales, Sales 2 and 4 required downward and upward adjustment for site size, respectively, based on a paired sale analysis with Sales 1 and 3. No other adjustments were required.

Estimated Exposure Period

Based on the average marketing time for the four sales of 52 days, or just under 3 months, an appropriate exposure period for the subject lot is 6 months or less.

3-Year Property History

The City of Truth or Consequences has owned the subject lot since May 2, 2018. As per Ms. Traci Alvarez with the City of Truth or Consequences, the subject lot has not been listed for sale in the past three year period.

Extraordinary Assumptions and Hypothetical Conditions

No extraordinary assumptions or hypothetical conditions were required in the valuation of the subject lot.

Legal Description

SIERRA COUNTY, NM
SHELLY K. TRUJILLO, COUNTY CLERK
201801127
Book 138 Page 71
1 of 1
05/29/2018 09:19:18 AM
BY DEBBY

QUITCLAIM DEED

WARREN G. HARDIN and ANNETTE M. HARDIN, Husband and Wife, as Joint Tenants, whose address is 1812 Standpipe, Carlsbad, New Mexico, 88220 for consideration paid, grants to **THE CITY OF TRUTH OR CONSEQUENCES**, a Municipal Entity whose address is 505 Sims Street, Truth or Consequences, New Mexico 87901 the following described real property located in Sierra County, New Mexico:

A certain tract of land located on the West side of the Southeast Quarter of Block Three (3), of the La Vista Addition to Hot Springs (Now Truth or Consequences), New Mexico, according to the official Plat and the Original Survey thereof, and more particularly described as follows:

BEGINNING at the Southwest Corner of the Southeast Quarter of Block Three (3);

THENCE North 150 Feet;
THENCE East 40 Feet;
THENCE South 45 Feet;
THENCE East 20 Feet;
THENCE South 105 Feet;
THENCE West 60 feet to the Place of Beginning,

OTHERWISE KNOWN AS 612 East Second Street, Truth or Consequences, New Mexico.

WITNESS our hand and seals this 2nd day of May, 2018.

Warren G. Hardin
WARREN G. HARDIN – Grantor

Annette M. Hardin
ANNETTE M. HARDIN – Grantor

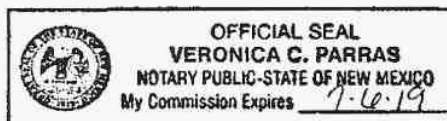
ACKNOWLEDGMENTS

STATE OF New Mexico |
COUNTY OF Eddy | :ss.

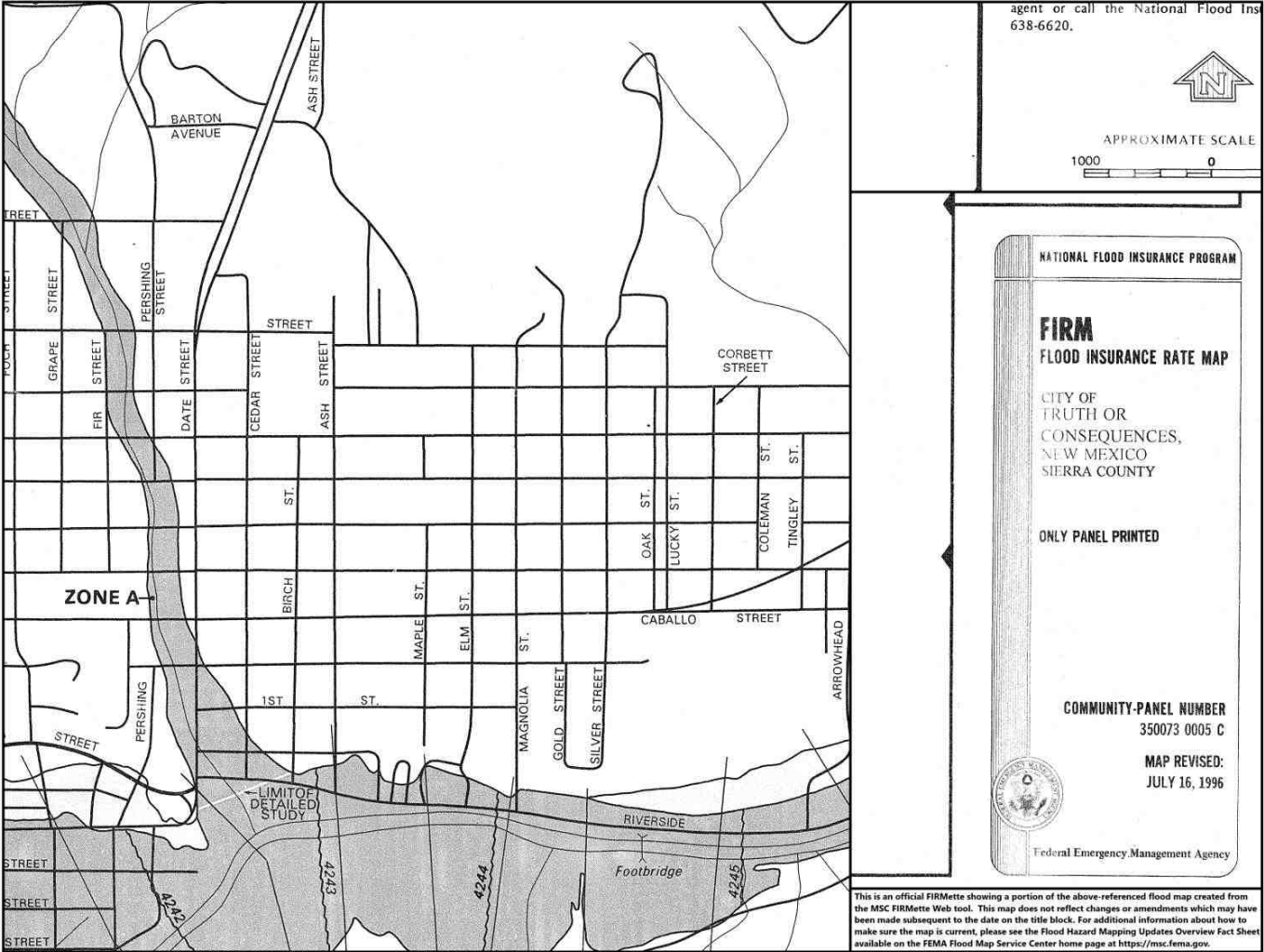
The foregoing instrument was acknowledged before me this 2nd day of May 2018, by WARREN G. HARDIN and ANNETTE M. HARDIN, Husband and Wife.

Veronica C. Parras
Notary Public

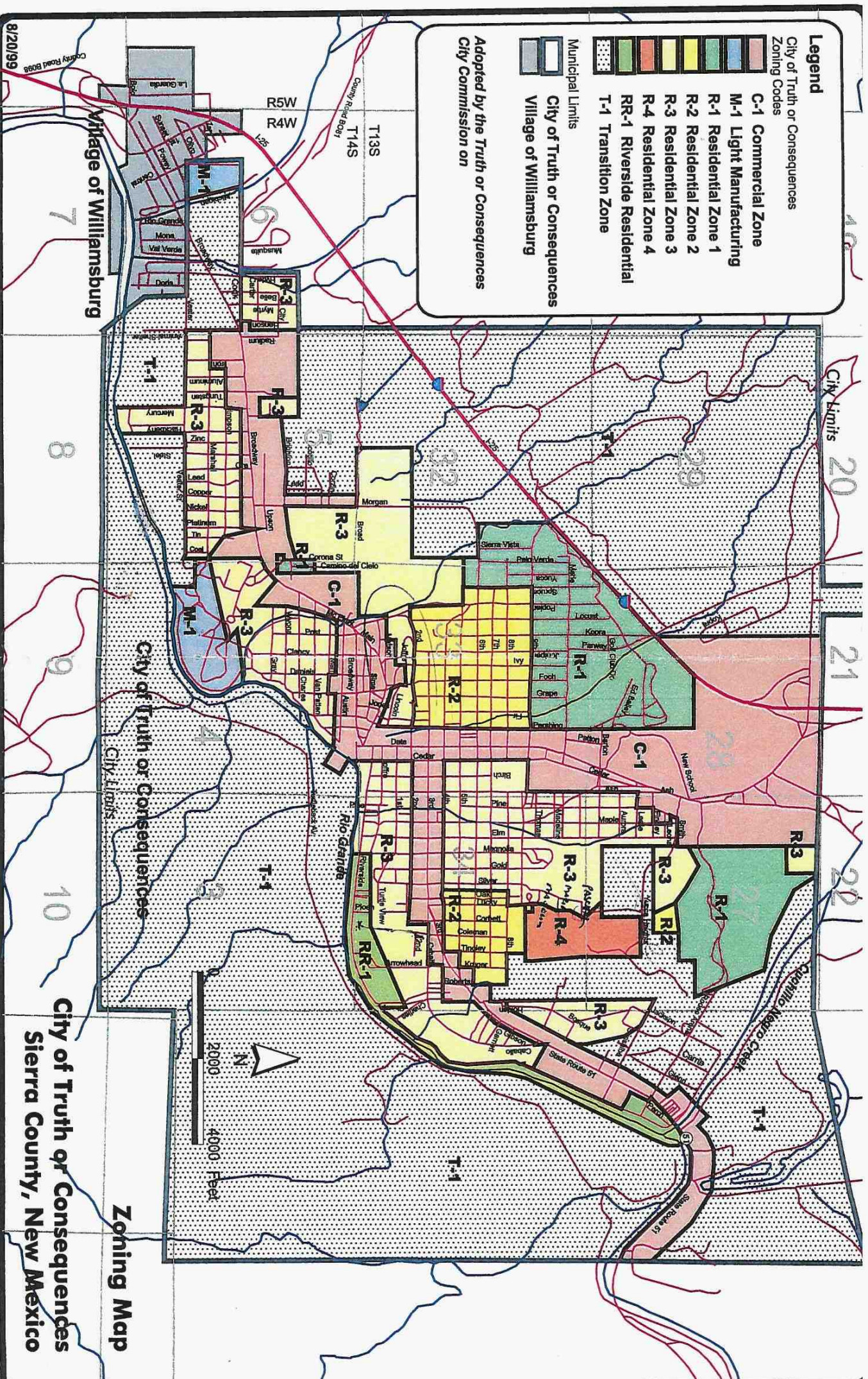
My Commission Expires:
(Seal) 7-6-19



Flood Zone Map



Zoning Map



Location Map

Borrower	Not Applicable					
Property Address	612 E 2nd Ave					
City	Truth Or Consequences	County	Sierra	State	NM	Zip Code 87901
Lender/Client	City of Truth or Consequences					



MUNDY APPRAISAL SERVICES
Real Estate Appraisers and Consultants

October 30, 2021

Ms. Traci ~~Burnette~~ ^{Alvarez}
Assistant City Manager
City of Truth or Consequences
505 Sims Street
Truth or Consequences, NM 87901

Re: Five City-Owned Properties
Truth or Consequences, Sierra County, New Mexico.

Dear Ms. ~~Burnette~~ ^{Alvarez},

Thank you for the opportunity to provide appraisal services. Pursuant to your request, the following represents a proposal to prepare appraisal reports for the above referenced properties. The purpose of the appraisal reports will be to provide an opinion of market value of the fee simple estate as of the date of property inspection. The intended use of the reports is to assist in portfolio analysis for the potential disposition of the properties. The City of Truth or Consequences will be the client and intended user of the reports.

The reports will be performed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Ethics of the Appraisal Institute. The appraiser reserves the right to terminate the appraisal assignment at any time if instructions from the client conflict with USPAP or the Code of Ethics of the Appraisal Institute. Please note the Certification that will be included in the appraisal reports, which can be found immediately following the engagement letter.

The reports are intended to comply with the reporting requirements set forth under Standards Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for appraisal reports. Please see the chart below for the appraisal fee. The appraisals will be completed by January 15, 2022.

Property:	Appraisal Fee:
2.97 Acre Tract on 3rd Street	\$1,200.00
5.616 Acre Tract on W. 2nd Avenue	\$1,200.00
309 Birch Street	\$500.00
612 2nd Street	\$500.00
1308 Tin Street	\$550.00
Sub Total	\$3,950.00
Plus GRT @ 8.1875%	\$323.41
Total Fee	\$4,273.41

1360 Snow Road, Las Cruces, NM 88005
(575)644-4117

MUNDY APPRAISAL SERVICES
Real Estate Appraisers and Consultants

Ms. Traci ~~Burnette~~ ^{Alvarez}
October 30, 2021
Page 2

Please also note that the fee is for the appraisal reports only, and any additional time incurred, such as court testimony, depositions or additional consultation will be billed at a minimum of \$150 per hour, plus tax, and must be agreed to by the appraiser prior to being performed.

Once again, thank you for the opportunity to provide appraisal services, and please do not hesitate to call with any questions or comments, or if I can ever be of further assistance.

Respectfully submitted,

Karen I Mundy

Karen I. Mundy, MAI
State Certified General Appraiser NM-1219-G

Accepted by:

Traci Alvarez 11-1-2021
Name Date

1360 Snow Road, Las Cruces, NM 88005
(575)644-4117

Client:	City of Truth or Consequences	Client File #:	
Subject Property:	612 E 2nd Ave, Truth Or Consequences, NM 87901	Appraisal File #:	C-2021-32 D

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraisers written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains 13 pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

VALUE DEFINITION

☒ Market Value Definition (below)

☐ Alternate Value Definition (attached)

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Appraisal Institute Dictionary of Real Estate Appraisal

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Client:	City of Truth or Consequences	Client File #:	
Subject Property:	612 E 2nd Ave, Truth Or Consequences, NM 87901	Appraisal File #:	C-2021-32 D

APPRAISER CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☒ None ☐ Name(s) _____

As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Appraiser ☐ None ☐ Interior ☒ Exterior

Co-Appraiser ☐ None ☐ Interior ☐ Exterior

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS

Appraisal Institute Member Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☒ have / ☐ have not completed the continuing education program of the Appraisal Institute.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

APPRAISER:

Signature

Name Karen I. Mundy, MAI

Report Date 01/18/2022

State Certification # 1219-G

ST NM

or License #

ST

Expiration Date 04/30/2023

CO-APPRAISER:

Signature

Name

Report Date

State Certification #

ST

or License #

ST

Expiration Date

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Appraiser's License

State of New Mexico

REAL ESTATE APPRAISERS BOARD

PO Box 25101 Santa Fe, NM 87505 (505) 476-4622



This is to certify that
Karen I. Mundy #1219-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: 10/19/1995 Date Expires: 04/30/2023

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS