

The University of New Mexico

Director of Real Estate
Scholes Hall 252
Albuquerque, NM 87131-3181
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COPY

December 12, 2001

Mr. Tom Garcia, Jr.
Director, Property Tax Division
NM Taxation and Revenue Department
P. O. Box 25126
Santa Fe, New Mexico 87504-5126

Re: Appraisal Review – 1101 Medical Arts NE, Building 2, Albuquerque, NM

Dear Mr. Garcia:

The University of New Mexico has requested Commission on Higher Education (“CHE”) and State Board of Finance (“SBOF”) approval for the acquisition of property located at 1101 Medical Arts NE, Building 2, in Albuquerque. The subject property is owned by Presbyterian Healthcare Services, and is subject to a long-term ground lease. The lessor under the ground lease is Sandia Foundation.

As you are aware, the CHE and SBOF require that all independent appraisals be reviewed by the Appraisal Bureau. To that end, please find enclosed the following appraisal for your review and comment:

Self-contained Report of a Complete Appraisal
Medical Office Building
1101 Medical Arts Avenue NE, Building 2
Albuquerque, New Mexico

Prepared by BL&F, Inc. Real Estate Appraisers & Consultants,
Joshua Cannon, MAI
Dated: May 12, 2001

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We would appreciate a review of these appraisals as soon as possible. We are scheduling consideration of this matter before the CHE at the January 18, 2002 meeting. Thank you in advance for your consideration.

Respectfully,

A handwritten signature in black ink, reading "Kim D. Murphy". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

Kim D. Murphy
Director of real Estate

cc: Miguel Hidalgo, CHE

Executive Summary

Project: Freestanding One-Story Medical Office Building

Location: 1101 Medical Arts Avenue NE, Building 2, Albuquerque, New Mexico

Client: Kim Murphy, Director of Real Estate
University of New Mexico
Scholes Hall, Room 252
Albuquerque, New Mexico 87131-3181

Project Summary: The subject is a 6,013-square-foot medical office building constructed in 1978. The underlying land is leased through July 31, 2003, with two 15-year renewal options through July 31, 2033. Based upon the data and analysis presented in this appraisal, the land rent is consistent with market rent.

Land Area: 0.7197 acre; 31,350 square feet

Zoning: SU-1 (Special Use) for Office Development

Property Rights Appraised: Leasehold estate

Highest and Best Use

Land as Though Vacant: Medical office development

As Improved: Continued use as medical offices

Estimates of Value

Cost Approach: \$250,000

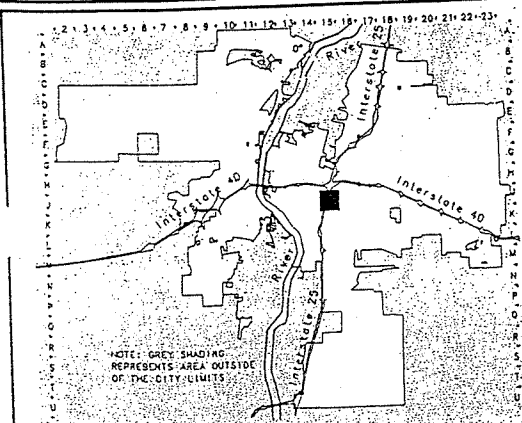
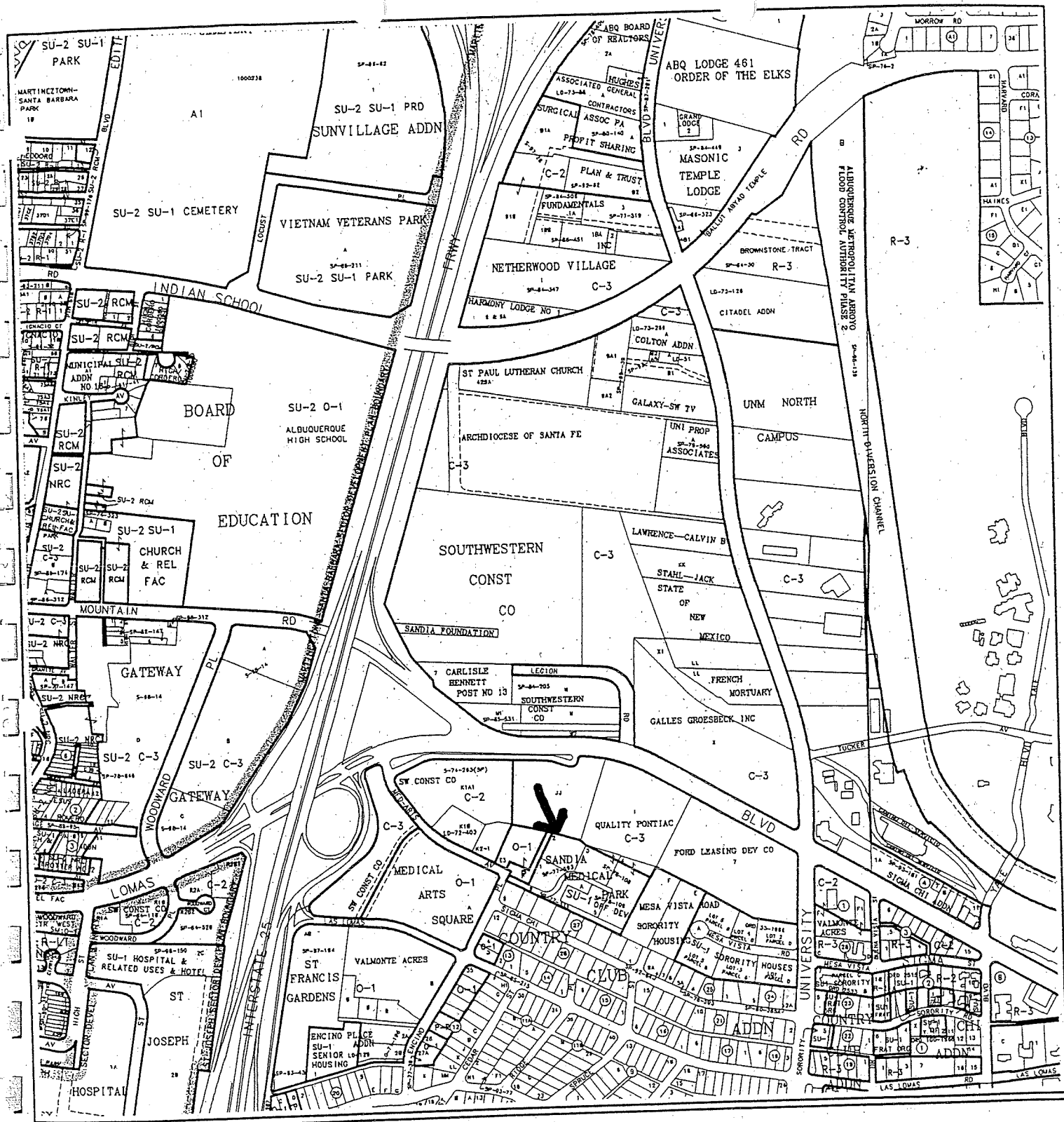
Sales Comparison Approach: \$220,000

Income Approach: \$212,000

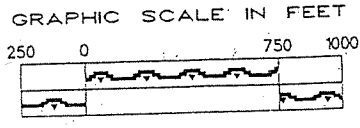
Final Estimate of Market Value: \$220,000

Effective Date of Appraisal: May 12, 2001

Estimated Exposure/Marketing Time: Less than one year



CITY OF
Albuquerque
Geographic Information System
PLANNING DEPARTMENT
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Zone Atlas Page

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Map Amended through March 21, 2001