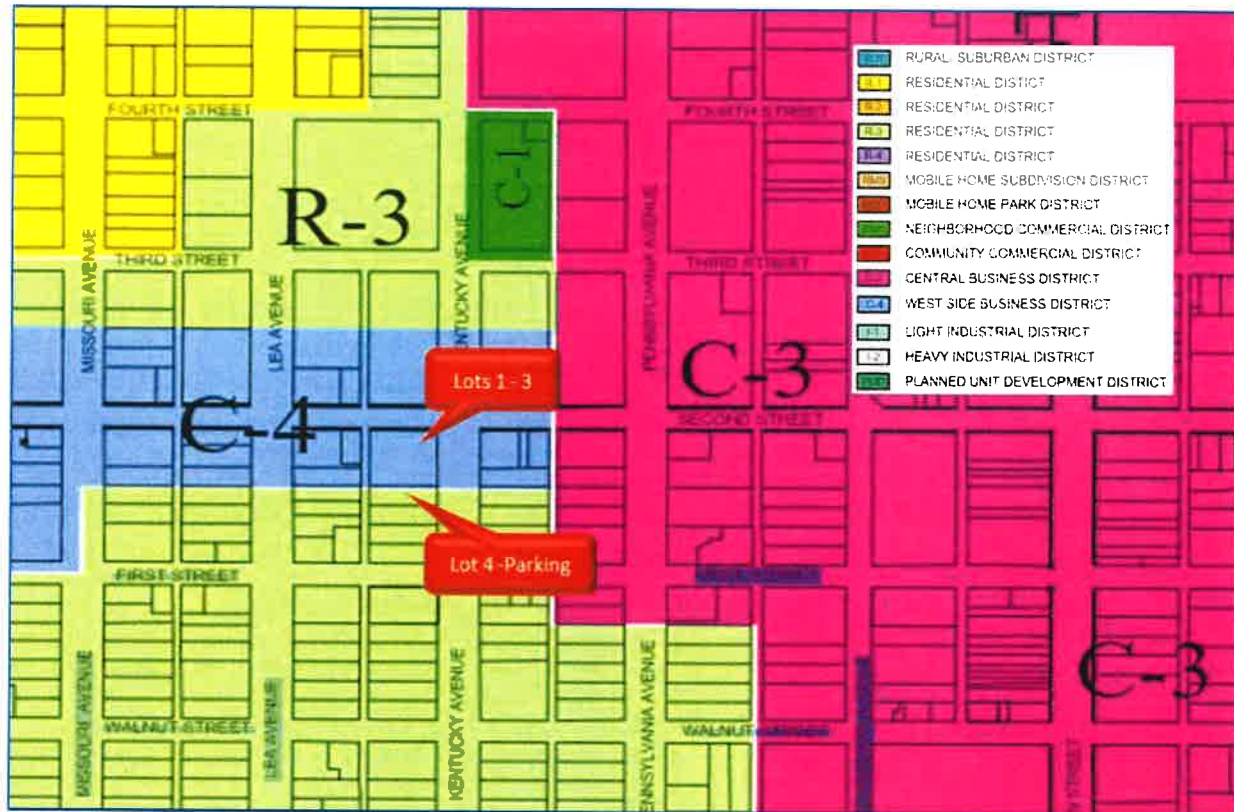


Zoning Map:



Details of the Subject Site:

Location: 400 – 404 W. Second Street, Roswell, New Mexico (improved property)
106 N. Kentucky Avenue, Roswell, New Mexico (graveled parking lot)

This is the southwest corner of W. Second Street and Kentucky Avenue, a non-signalized intersection centrally located within the city.

Size & Shape: Per Chaves County records, the site is rectangular in shape with a land area of 32,000 SF. Please see the included exhibits for visual reference.

Frontage, Access & Traffic Flow: The Subject site is bound by two city streets and an alley. It has 160' of frontage on W. Second Street along the north property line, 200' of frontage on N. Kentucky Avenue along the east line, 160' of along the south property line, and 200' along the alley on the west property line. West Second Street, also US 70/380, is the primary east-west arterial through the city. As such, it is a heavily developed commercial corridor. In front of the Subject property, it has two driving lanes in each direction, a center turn lane, curb, gutter, sidewalks and street lights. The Subject site has good access and visibility from both streets and the alley.

Topography & Terrain: The site is level and at street grade. The topography and terrain are typical for the area and the site is entirely usable.

Soils: The site appears to consist of native soils. Soils are typical and assumed to be adequate for reasonable development.

Environmental: I am unaware of any environmental assessments of the Subject property. No obvious environmental contamination or potential hazards for contamination were noted during the appraisal inspection. The Subject property is assumed to be free and clear of environmental contamination and the concluded market value is predicated on this assumption. If environmental contamination is of concern, I advise an environment study by a qualified professional. Please refer to the Assumptions & Limiting Conditions included in this report for further information regarding this matter.

Easements & Encumbrances: No easements, encumbrances or encroachments were noted during the property inspection but without the benefit of a survey. It is an assumption of this assignment that there are no encumbrances or restrictions that would adversely affect the Subject property.

Utilities & Services: The Subject is within the City of Roswell and has access to all standard services and utilities. These services include water/sewer/garbage from the City of Roswell, natural gas from NM Gas, electricity from Xcel Energy and telecommunications from CenturyLink and/or Cable One. All services are currently in use at the property.

Police protection is provided by the Roswell Police Department and the Chaves County Sherriff's Department. Fire protection is provided by the Roswell Fire Department. The public infrastructure is maintained by the City of Roswell.

Flood Hazard: The Subject property is shown on FEMA Flood Insurance Rate Map #35005C1370D effective September 25, 2009. Per the map, the property falls within Zone X, an area of minimal flood hazard from the principal source of flood in the area and determined to be outside the 0.2 percent annual chance floodplain. A flood map identifying the Subject property was presented on the previous page.

Zoning & Restrictions: The Subject property is located in the city limits of Roswell and Lots 1 – 3 are zoned for C-4 West Side Business District use. This district is "intended to provide for a wide variety of retail, personal service, wholesale office, and other general service types of uses for the consumer population of the entire community and to accommodate for the typically heavy traffic generating characteristics and potentially detrimental appearance and performance of the uses in this district" Uses allowed in this district include, but are not limited to, offices, financial institutions, restaurants, parking lots, places of worship, and retail stores.

The Subject's Lot 4 is zoned R-3 Residential District, a purpose that allows "other non-residential uses that are compatible with the surrounding area and which uphold and maintain the medium density residential district".

The Subject's current use as a multitenant office property is an allowable use in the C-4 West Side Business District, and it's adjoining lot in the R-3 Residential District

is a compatible use to the C-4 zone. A copy of the ordinance is available upon request.

Site Improvements: Site improvements outside of the Subject building include the asphalt paved and graveled parking lots accessed from N. Kentucky Avenue, concrete parking along N. Kentucky Avenue, concrete walkways, two courtyards, and covered entries. The site improvements range from average to good condition.

Analysis & Conclusions: The Subject site is a 32,000 SF commercial lot bound by W. Second Street to the north, N. Kentucky Avenue to the east, and an alley to the west. The site is well-located central to the city. It has good access and visibility from the two bounding streets as well as the alley. It is level, at street grade and entirely usable. The land is mostly zoned for C-4 West Side Business which is a broad classification that allows for most typical commercial development. The site is large enough to be developed while meeting setback and parking requirements. There are no notable elements or characteristics that have a negative effect on the land. Considering the physical characteristics of the site along with development in the neighborhood, I conclude that the Subject site is well-suited for commercial development.

Details of the Subject Buildings:

Following are construction details of the Subject buildings as observed during the property inspection:

- Building Type: Multitenant office building
- Year Built: 1980
- Construction Quality: Average – frame construction, typical design and components
- Gross Building Area: 8,368 SF, per field measurements
- Gross Leasable Area: 8,368 SF
- Structural Components:
 - Foundation: Split level, combination of concrete slab and elevated wood sub-floor
 - Exterior Walls: Wood frame with stucco exterior, refinished in 2018
 - Roof Structure: Flat roof with membrane cover, clay tiles over covered porches (new roof installed in 2018)
- Finishes:
 - Doors & Windows: Solid core wood double entry doors with decorative glass insets; several glass panel entry doors in aluminum frame; solid core

wood interior doors. Windows are mostly double pane glass in aluminum frame; some older single pane windows in wood frame on second level and in 404 W. Second Street. New windows installed in the conference room in 2018.

- Interior Partitions: Wood frame with textured and painted drywall or wallpaper cover
- Ceiling: Combination of suspended ceiling with lay-in acoustical tiles and painted and textured drywall
- Floors: Resurfaced Saltillo tile, short-weave commercial carpet, parquet wood tiles, plush carpet. In unit 402 W. Second Street the flooring is a mix of laminate, berber carpet, and unfinished concrete. In unit 404 W. Second Street is plush carpeting.
- Lighting: Recessed and suspended florescent fixtures, track lights, incandescent fixtures, natural light by some skylights
- Porches/Decks/Canopies: Several small covered porch entries; ramp to rear entry
- HVAC: Refrigerated air conditioning in three package units for real estate office; three additional refrigerated air conditioning units and gas central forced heat in tenant suites; decorative fireplace in conference room
- Restrooms & Plumbing: Real estate office has three restrooms on the main level and one restroom on the second floor. A bar sink in the breakroom and second level. In Unit 402 W. Second Street is a restroom. In Unit 404 W. Second Street there is a restroom and bar sink.
- Building Design & Layout: This is a large multitenant office building under one single lease, divided into three leasable suites that are 1,280 SF, 1,604 SF, and 5,484 SF. It is of irregular shape with multiple entries from W. Second Street, N. Kentucky Avenue, the south side parking lot, and a single entry off the alley. Each unit has a private exterior entrance.

The building's exterior (roof, stucco) was renovated by the owner in 2018. In addition, numerous updates and repairs were made to the primary space that is occupied by Century 21 real estate office prior to their occupancy in January 2019.

Although Century 21 holds the lease for the entire property, there are two leasable units that are currently vacant that could be subleased. The interior of those two units have not been recently updated and are overall average condition. Some flooring is