Article I. Contents

ABSTRACT ............................................................................................................................................ 2
LIMITATIONS ........................................................................................................................................ 2
INTRODUCTION .................................................................................................................................... 2
SITE LOCATION ..................................................................................................................................... 3
FIGURE 1: SITE LOCATION..................................................................................................................... 3
SITE DESCRIPTION .................................................................................................................................. 4
   PLATTING DETERMINATION & PHYSICAL BOUNDARY ................................................................. 4
   ZONING AND PROPOSED USES ..................................................................................................... 4
FIGURE 2: EXISTING ZONING OF THE SITE ...................................................................................... 4
FIGURE 3: PROPOSED SITE PLAN ....................................................................................................... 5
EXITING CONDITIONS ............................................................................................................................ 5
   PROPERTY TAX INFORMATION AND MILLAGE RATES ............................................................ 5
   DEVELOPMENT ORDINANCES .................................................................................................. 6
   FIRE DEPARTMENT REQUIREMENTS ........................................................................................ 6
   SURVEY ....................................................................................................................................... 6
   UTILITIES ..................................................................................................................................... 6
   FLOOD ZONE ................................................................................................................................ 7
   OFFSITE REQUIREMENTS ............................................................................................................ 7
   ON SITE REQUIREMENTS ............................................................................................................ 7
   INGRESS AND EGRESS REQUIREMENTS .................................................................................... 7
   GEOTECHNICAL REVIEW ............................................................................................................. 7
   DRAINAGE AND DETENTION /RETENTION REQUIREMENTS .................................................... 7
   REQUIRED APPROVALS ............................................................................................................. 8
   OTHER NECESSARY FEES .......................................................................................................... 8
   BUILDING DESIGN CODES AND ORDINANCES .......................................................................... 8
APPENDIX A .................................................................................................................................. 9

Statement of Acknowledgement
Any person signing this Report acknowledges that the Owner may publish the full report on their website, release the report in response to a request for public information and make other use of the report as authorized by law.
Abstract

This report is intended to assist the owner and developer in meeting the 2020 LIHTC requirements for the proposed development. The report assesses the existing conditions of the site as well as the proposed multi-family development.

Limitations

This report has been prepared for the exclusive use of H.E.R.O and Thomas Development Group Inc. and its consultants for evaluation purposes and does not contain information for other parties or other uses.

The results submitted in this report are based on data obtained from the following sources:

1. ALTA Survey from Paso Del Norte: Andy Eby Registered Surveyor
2. City of Socorro
3. Thomas Development Group
4. Field data collected during the study

If the project information described in this report is incorrect or altered, or if new information is available, we should be contacted to review and modify the results of this study.

Introduction

Thomas Development Group and HERO are preparing an application for a Tax Credit Development consisting of 132,899 square feet of land, located along Three Mission Drive in Socorro, Texas. The proposed development will include 40 units with a combination of 1, 2, and 3 bedrooms, and a community center with a manager apartment. There are 8 (1-bedroom) units, 12 (2-bedroom) units, and 20 (3-bedroom) units. In addition to the units, the developer is building a community center consisting of 4,850 square feet. The development requires 62 parking spaces and the developer is providing 88 parking space including 5 handicap accessible stalls. The site does not appear to have any onerous development requirements. It is fronting a residential street, with utilities nearby, the soil condition is acceptable, and access is available and no problematic visible issues. The site geographic identification number is T24900001001A0.
Site Location

The proposed site consists of a parcel of land located in the City of Socorro, El Paso County, Texas. The parcel is shown on the following exhibit.

Figure 1: Site Location

The site is bound by an existing apartment complex on the north and one on the north-east, and single homes on the northwest and agricultural field on the south.
Site Description

Platting Determination & Physical Boundary

The site is already legally subdivided. The subdivision name is Three Missions – Legal Description:

1 Three Mission Replat of Lot 1A, City of Socorro, El Paso County Texas.

Zoning and Proposed Uses:

The site is zoned R-3, High Density Residential with a maximum of 30-unit per acre. The development is allowed in this zoning designation. The site is shown in orange.

Figure 2: Existing Zoning:
https://socorro.maps.arcgis.com/apps/View/index.html?appid=6e730865d6a84510bd07c61fd516bb5

The following exhibit is the proposed site plan showing the proposed layout of the buildings. The plan materially adheres to all applicable zoning, site development, and building code ordinances.
Existing Conditions

Property Tax Information and millage rates

The site Parcel (Property) Identification Number is 240412 with Geographic ID: T24900001001A0 as assigned by the El Paso Central Appraisal District.

As per the Consolidated Tax Office, the proposed site is subject to property-tax levies from a total of seven taxing entities:

1. City of El Socorro: 0.837502
2. El Paso County: 0.488997
4. El Paso Community College: 0.141167
5. EMGCY SRVC DISTR#: 0.100000
6. University Medical Center: 0.267747
7. LWR Valley WTR D: 0.153469

The millage rates provided above are based on 100 percent assessed valuation and are expressed per $100 of value.

Development Ordinances

The site will be developed as per the “City of Socorro – Subdivision Ordinance”.

Fire Department requirements: El Paso County Emergency Services District #2

It appears that there are not any off-site Fire Department requirements. The site will be developed as per “2018 International Fire Code”.

Survey

The ALTA survey prepared by Paso Del Norte shows an access to Three Missions. There are easements associated with the site. The site is 3.0509 acres.

Utilities

Domestic water service will be provided at the public right-of-way off Three Missions Drive. The domestic water services shall be new services that will originate from the existing eight (8) inch diameter main that extends along Three Missions Drive along the access driveway.

Sanitary Sewer Service to the Property:

There is an existing sewer main in Three Mission Drive with a manhole at the drive into the existing site that will be extended with additional manholes to serve the buildings on the site.
**Electrical service**: There is an existing El Paso Electric overhead line located at the northeast corner of the lot. Proposed electric service will be 240V single phase. Site electric service will be dropped from the overhead service and will be underground with pad mounted transformers. Each unit will be individually metered from meter banks on each building served from the pad mounted transformers. Electric Service will be provided by the El Paso Electric Company.

**Gas Service** will be provided by Texas Gas using the existing 2” PE main service line at the turn-around at Three Missions Drive that will provide natural gas for the site.

**Telephone & Internet service** will be provided to the site along with the electric service. The Service is provided by ATT.

**Flood zone**
The site is located in Flood Zone X, areas determined to be outside the 100-year flood as per FIRM.

**Offsite requirements**
There should not be any offsite requirements.

**On site requirements**
The onsite requirements are typical of any similar development.

**Ingress and egress requirements**
There will be a driveway off Three Missions Drive as well as a second driveway to Fuente Street to provide a secondary access and egress to the site.

**Geotechnical review**
No geotechnical study has been performed at the site and one will be performed before structural design is started. We are referring to a geotechnical survey that was performed on the adjacent property for the same owner. All 16 borings of the study show that the existing soil is classified as CL/SP-SM in accordance with the Unified Soil Classification System. This type of soil consists of sandy silty clay and poorly graded sand with silt. Ground water was encountered at 10’ below the existing surface which are cause by seasonal rain and/or irrigation. Recommendation for site preparation includes to over-excavate 2.5 feet below all footings and slabs with engineering soil and compact in accordance with ASTM D-1557. This soil condition and recommendation for site preparation is typical of the conditions in these area.

**Drainage and detention /retention requirements**
The site is already rough graded. All of the storm water runoff is supposed be retained on site. Preliminary Civil engineer drawings attached show that it can be accomplished as designed.
Figure 4: Preliminary Grading and Drainage
**Required approvals**

The site is already a portion of a legal subdivision. There will not be a need to subdivide.

A building permit has to be obtained from the City after their review. This process might take 21-30 working days plus or minus depending on the amount of details needed.

**Other necessary fees**

The City of Socorro Engineering and Construction Department has an established Building Permit process and also has a Customize Plan Review process to expedite the permit in cases where desired.

We have met with the Planning for the Hacienda Santa Barbara, the Building Permit Fee for the standard process will be waived, as the City is supportive of this project.

**Building Design Codes and Ordinances:**

The Hacienda Santa Barbara Complex design will comply with all of the current and adopted building codes and local ordinances. The City of Socorro has adopted and is currently using the following codes and ordinances:

- 2018 International Building Code 2018
- International Plumbing Code 2018
- International Mechanical Code 2018
- International Fire Code 2018
- 2020 National Electric Code
- 2018 International Energy Conservation Code
- Texas Accessibility Code
- Uniform Federal Accessibility Standards
- City of El Paso Ordinance No. 017413
- City of Socorro Subdivision Ordinance
Figure 5: COPY OF ALTA SURVEY
APPRAISAL REPORT

Of
3.05 Acres of Undeveloped Land
Lot 1A, Block 1, Three Missions Subdivision Replat “A”

525 Three Missions Road
Socorro, Texas 79927

Prepared For
Housing and Economic Rural Opportunity, Inc.
Attn: Mr. Sal Estrada
210 E. Idaho Avenue
Las Cruces, NM 88005

Prepared by
ZACOUR AND ASSOCIATES, INC.
Real Estate Valuation Services
128 Thunderbird Drive, Suite E
El Paso, Texas 79912

Date of Appraisal
January 18, 2019

Date of Report
February 4, 2019
February 4, 2019

Housing and Economic Rural Opportunity, Inc.
Mr. Sal Estrada
210 E. Idaho Avenue
Las Cruces, NM 88005

Re: Appraisal Report of 3.05 Acres of Undeveloped Land located at
525 Three Missions Road, Socorro, TX 79927
File Number: CA19-001

Dear Mr. Estrada:

At your request, we have prepared an appraisal for the above referenced property. Please reference page 8 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology. We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date. Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following: there are no hypothetical conditions nor extraordinary assumptions for this appraisal. Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

**Retrospective As Is Market Value:**
The "As Is" market value of the fee simple estate of the property, as of January 18, 2019, is

**Three Hundred Five Thousand Dollars**
($305,000)

Respectfully submitted,
Zacour and Associates, Inc.
Real Estate Valuations Services

[Signature]

Paul G. Zacour, President
State Certified General Real Estate Appraiser
Texas No. TX-1322726-G
TABLE OF CONTENTS

Subject Photographs ........................................................................................................... 4
Summary of Important Facts and Conclusions ................................................................. 5
Appraisal Specifics ............................................................................................................. 6
Scope of Work .................................................................................................................... 8
Limiting Conditions and Assumptions ............................................................................. 8
Site Description ............................................................................................................... 45
Flood Zone ....................................................................................................................... 48
Zoning Analysis ............................................................................................................... 49
Assessment and Taxes ...................................................................................................... 50
Highest and Best Use ....................................................................................................... 51
Valuation Methodology ..................................................................................................... 53
Final Reconciliation .......................................................................................................... 53
Certification Statement ..................................................................................................... 61
Qualifications ................................................................................................................... 62
Addenda .......................................................................................................................... 65
Glossary ............................................................................................................................ 70
Subject Photographs

The subject property
245.38 Acres at Kannermont Road

Parcel Map

Taken from northeastern property line looking southwest

Taken from northwestern property line looking southeast

Taken from northeastern property line looking north

Taken from the southwestern property line looking southeast
Summary of Important Facts and Conclusions

Subject: 3.05 Acres of Undeveloped Land
525 Three Missions Road
Socorro, TX 79927

Owner: Tierra del Sol Housing Corporation

Legal Description: Lot 1A, Block 1, Three Missions Subdivision, Replat “A”, El Paso County, Texas

Date of Inspection: January 18, 2019

Valuation Date: January 18, 2019

2018 Assessment: $373,798

Zoning District: No zoning restrictions

Site Summary: The subject is located at Three Mission Drive approximately .10 of a mile west of North Loop Drive, El Paso, Texas in El Paso County. The subject is irregular in shape and is 3.05 acres or 132,906 square feet with mostly level topography. The surrounding areas include residential/agricultural developments. The current use of the site is as undeveloped land.

Highest and Best Use as Vacant: Commercial/Multi-family development

Sales Comparison Approach: $305,684

Reconciled Value: $305,000
Appraisal Specifics

Intended User(s)
This report is intended for the use only by client, The Housing & Economic Rural Opportunity, Inc., its successors and/or its assigns. Use of this report by others is not intended by the appraiser.

Intended Use
This report is intended only for use in financial decision-making. This report is not intended for any other use.

Real Property Interest Appraised
A Fee Simple interest is defined\(^1\) as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Market Value Definition
Per Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. (Source: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.), market value means 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:

A. Buyer and seller are typically motivated;
B. Both parties are well informed or well advised, and acting in what they consider their own best interests;
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.

Sale History
The owner of the subject property is Tierra del Sol Housing Corporation as recorded on Deed No. 20090046299 in the El Paso County Records on July 2, 2009.

---

\(^1\) Appraisal Institute, The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002).
Current Listing/Pending Contract(s)
The subject is not currently listed for sale, and it is not under contract.

Statement of Financing Terms
The market value estimate is stated in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto.

Identification of Personal Property
Personal property is not endowed with the rights of real property ownership. Items of personal property include furniture and furnishings that are not built into the structure. For the purposes of this appraisal report, personal property is not included in the overall value estimate of the subject property.

Estimated Exposure Period
Based on the marketing periods of sale comparables and an analysis of the local market trends, the estimated exposure period for the subject property is six to twelve months. This assumes that the property is professionally marketed at the estimated value set forth in this report.
Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser’s responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

**SCOPE OF WORK**

**Report Type:** Appraisal Report

**Report Type Definition:** This is an Appraisal Report which was previously defined as a summary appraisal report by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(b) (USPAP 2012-2013). This format provides a summary of the appraisal process, subject and market data that were used to incorporate the opinion of value.

**Property Identification:** The subject has been identified by the legal description and the assessors' parcel number.

**Inspection:** A complete exterior inspection of the subject property has been made, and photographs taken.

**Market Area and Analysis of Market Conditions:** A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

**Highest and Best Use Analysis:** A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

**Type of Value:** Market Value
The Extent of Data Research: The appraiser maintains a current and comprehensive database of commercial sales and listings for the El Paso market area. In addition to market data developed in the course of previous appraisal work and retained in the appraiser’s work files, other sources of information include:

- El Paso County Central Appraisal District
- The City of El Paso’s City Development Department
- El Paso Chamber of Commerce
- F.E.M.A. Flood Insurance Rate Maps
- El Paso County Clerk’s Office
- Local real estate brokers
- Local real estate developers
- Local investors
- Property management firms

Where warranted, market data has been confirmed by a party to the transaction, or other reliable source.
The Type and Extent of Analysis:

Cost Approach: This approach was not applied because the subject property is vacant land. This approach is most useful and relevant when appraising newer properties with improvements that have accrued little or no depreciation. Further, it is not an approach whose value estimate is typically relied upon by investors, underwriters, and other market participants in their financial decision making. There are no improvements on the subject, making it difficult to arrive at a credible value estimate using this approach. Therefore, it has been determined by the appraiser that the use of the Cost Approach is not necessary in this analysis.

Sales Comparison Approach: This approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach: The income approach was not applied as the property is vacant land that does not produce income. This approach is a good value indicator when solid, reliable comparable rental data is available, however, comparable rental data for vacant land is not readily available; therefore this approach would not yield a viable value estimate and has not been developed.
Limiting Conditions and Assumptions

This appraisal is subject to the following conditions and to the other specific and limiting conditions listed in the report:

1. The subject property is appraised free and clear of all liens except as herein described. The appraiser assumes no responsibility for matters of a legal nature involving legal or title considerations, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership and competent management.

2. It is assumed that any easements noted without specific locations will have no material effect on the normal use of any of the subject parcels. It is further assumed that the utilization of the land and improvements is within the boundaries or property lines of the subject and that there is no encroachment or trespass unless otherwise noted in the report.

3. The information in this report has been gathered from sources deemed reliable. No responsibility can be taken by the appraiser for its' accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits used in this report are not guaranteed.

4. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report. The value estimate is considered reliable and valid only as of the date of the appraisal, due to possible changes in external factors that can significantly affect the property value.

5. The appraiser, by reason of this report, is not required to give testimony in court with reference to the property appraised unless notice and proper arrangements have been previously made.

6. It is assumed that the subject is in compliance with all applicable federal, state, and local environmental regulations and laws, and all applicable zoning and use regulations and restrictions, unless noncompliance is stated, defined, and considered in the appraisal report.

7. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, national government or private entity have been or can be obtained or renewed for any use on which the value estimate included in this report is based.

8. The value conclusions in this report are contingent upon completion of the improvements in a workmanlike manner in accordance with the submitted plans and specifications.

9. It is assumed that all customary public utilities for this property type and market are reasonably available to the subject property.

10. The appraiser is not qualified to detect hazardous waste and/or toxic material. Such determination would require investigation by a qualified expert in the field of
environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser’s value estimate is predicated on the assumption that there is no such material on or in the property unless otherwise stated in this report.

11. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover such factors.

12. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property’s value, marketability, or utility.

13. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional real estate organizations with which the appraiser is affiliated.

14. Possession of this report does not carry with it the right of publication. No part of this report, (especially conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional real estate organization, nor the firm with which the appraiser is connected), shall be used for any purpose by anyone but the client specified in the report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, nor other media, without the written consent and approval of the appraiser.

15. Appraisals are based on the data available at the time the assignment is completed. Forecasts or projections contained in this report are the product of analysis of market conditions and assume continuation of such conditions. These factors and contingent forecasts and projections are subject to change. Amendments or modifications to appraisals based on new information made available after the appraisal was completed can be made, as soon as reasonably possible, for an additional fee.

In the production of this appraisal, I have made a thorough inspection of the property. To the best of my knowledge and belief, everything contained in this report is true and no relevant or important fact has been omitted.

Neither my employment as appraiser nor my compensation is contingent upon the valuation reported. I have no past, present, or prospective interest (including that of real estate agent or broker) in the property, the parties involved, or any other interest which conflicts in any way with the services performed in the making of an impartial report.
Paso del Norte Region Overview

The Paso del Norte region is a dynamic bicultural and bilingual region that spans two countries and three states. The region includes Northern México, West Texas (including Brewster, Culberson, El Paso, Hudspeth, Jeff Davis and Presidio counties) and Southern New Mexico (Dona Ana, Eddy, Lincoln, Luna, Otero and Sierra counties). The economic hub of the region is centralized in the three cities of El Paso, Texas, Ciudad Juárez, México, and Las Cruces, New Mexico.

Population: Two key factors, location and population, together with the region’s other essential resources add to the attractiveness of the Paso del Norte as a commercial center and trade area. The largest population centers of the region are Juárez at about 1.3 million people, the City of El Paso at about 620,000 people and Las Cruces at about 100,000 people. Several years ago, Juarez was one of the fastest growing cities in Mexico as a result of strong employment growth in the manufacturing industry. That changed as violence spiked significantly in Juarez. A huge exodus of people have left Juarez, some headed north to El Paso and other American cities. Researchers indicated that Juarez lost approximately 450,000 people between 2009-2013. El Paso is experiencing a spike in its rate of population growth as a result of fast paced growth at Fort Bliss and as a result of people fleeing the insecurity in Juarez.

Geography: The region is strategically located along major north-south and east-west trade routes in proximity to major U.S. markets including Los Angeles, Phoenix, Denver, Dallas-Fort Worth, Houston and San Antonio. The region’s diverse economy, based in manufacturing, retail, service, government and agriculture, is growing steadily. The strategic location of this region promotes a strong trading partnership with Mexico.
Economy: The region’s industries include mineral and timber extraction, metallurgy, high technology associated with the military installations, manufacturing, warehousing and transportation. Higher technologies are present at the federal laboratories of Los Alamos, Sandia National Laboratories, White Sands Missile Range, Fort Bliss and the area’s institutions of higher learning including the University of Texas at El Paso, New Mexico State University, the new Paul L. Foster School of Medicine, Institute de Monterrey in Ciudad Juárez and the Autonomous University in Ciudad Juárez.

Several recent public investments will be significant drivers for the region’s economy. Fort Bliss, located in El Paso, increased its population by 44% from 88,050 in 2008 to just over 170,000 in 2014, as a result of the Base Realignment and Closure (BRAC) proceedings of 2005. These troop gains are estimated to result in $4.4 billion in military construction. Fort Bliss was also selected as the location of the Future Combat System which is the centerpiece of the Army’s modernization program at Fort Bliss and promises to bring with it new capital investment and high-tech job creation from defense contractors. The Fort Bliss expansion was expected to energize El Paso’s economy, but given the national recession, the expansion has mostly served to insulate El Paso from the economic losses facing other large American cities.

The State of Texas authorized and invested in a four year medical school in El Paso, the first new medical school to be built in the United States in 30 years. The school is fully accredited and opened its doors in the fall of 2009. The school opened with an endowment of over $100 million including a gift of $50 million from
Western Refinery’s Paul L. Foster. The Paul L. Foster School of Medicine focuses on cutting edge research related to Hispanic health and medicine. Other significant health care investments include a $42.5 million Soldier Family Care Clinic at Fort Bliss, $154 million expansion of the University Medical Center (formerly Thomason Hospital), $120 million for a publicly-financed children’s hospital and $60 million for a new facility for the UTEP Nursing School. The Texas Tech University Health Science Center Gayle Greve Hunt School of Nursing opened its new facility in October 2014 in the newly appointed area of the Medical Center of the Americas.

Adding to the region’s research and technology capacity, the University of Texas at El Paso (UTEP) has significantly increased its spending for research from $5 million a year to $50 million a year in the last 20 years. UTEP’s annual research expenditure in 2015 was $90 million. As a result of investment in research, community services and graduating students of modest income status, UTEP was ranked as one of the top 10 universities in the National University Rankings as reported in Washington Monthly magazine in 2015.

A more unique segment of the region’s economy is composed of the Maquiladoras – the twin plant facilities that allow U.S. owned companies to operate in Mexico. These companies have played an important role in maintaining the region’s competitive edge. As a region including Juárez, El Paso and Southern New Mexico, this is the fourth largest manufacturing center in North America. The Wadley Donovan Group noted in an assessment of the region’s labor force that the success of the manufacturing sector is due primarily to the fact that the region possesses “the largest bi-lingual and bi-cultural workforce in the Western Hemisphere.”

Over the last four years, there has been a positive trend in business growth due to a reduction in Juarez security concerns among foreign investors. Mexico’s largest industrial border city has experienced a 62% increase in the number of businesses operating within its boundaries over the last four years. In 2010, Ciudad Juarez was home to about 16,500 businesses, while, by the end of 2014, this number had risen to over 26,500 commercial enterprises. Job growth in Ciudad Juarez maquiladores topped its 2008 record during the month of August when it registered an employment figure of 254,051 workers. Most positions have been created through foreign direct investment made in the electronics and automotive industries. During the first half of 2014, the number of manufacturing jobs created in Juarez in these two industries were almost eight and four thousand respectively.

El Paso and Southern New Mexico have reaped important benefits from their maquiladora neighbors. Transportation and customs services have flourished on the U.S. side of the border because of the industry’s large trade flows through border ports of entry. According to the current president of the Ciudad Juarez maquiladora association, Claudia Troitiño, “El Paso’s economy is tied closely to its neighbor’s, and the maquiladora industry is one of the region’s biggest economic engines and one of the largest sources of employment.” Federal Reserve information for 2014 indicates that one of every four jobs in El Paso is dependent on Mexico’s
maquiladora industry, as evidence that job growth in Ciudad Juarez is critical to the health of the economy of its sister city, El Paso.

As more suppliers seek to move closer to their maquiladora customer base, the border stands to benefit. The border’s traditionally high unemployment rate translates into an available labor pool in the region. However, this workforce has to be transformed into the skilled labor that high-tech maquiladora suppliers need. Should this happen, we could see industrialization of the border at a time when the rest of the country is de-industrializing.

The industrial surge that has occurred in 2014, and the prior three years, also augurs well for economic circumstances prevalent in the Southern New Mexico border community of Santa Teresa. Manufacturing and job growth in Ciudad Juarez served as the impetus for a large investment made in the community during 2014 by the Union Pacific Railroad in installing a multi-modal truck and rail hub. It is estimated that new business started in Santa Teresa that have links to Ciudad Juarez industry have the potential to create a total of 1,100 new positions in 2015.

An additional threat to the economy of the region was the escalating violence in Juárez. In 2010, Juárez experienced 3,111 murders. Most of the causalities have been as a result of the drug wars, but many have been caught in the cross fire. The inability of the municipal government and the Mexican military to stem this violence has resulted in higher rates of crime and uncertainty in the region. While much of the violence has been directly related to the drug trade, there have been more and more opportunistic criminal activities such as kidnapping and extortion that increasingly make industrial recruitment problematic. The El Paso Regional Economic Development Corporation, which does industrial recruitment for the region, reports that the escalating crime did not deter investment in the region.

Juarez is now experiencing a gradual return to normalcy. In 2015, there was a considerable reduction in the murder rate by 90% at 300 murders, as compared to the same month in 2010. Many businesses, restaurants, and nightclubs have reopened in Cd. Juarez as a direct result of the reduction in crime. Mexican families that migrated to El Paso in previous years are also returning to their former homes.

Mexico has had a stable peso value for many years until recently where it has spiked upward as a result of global economic forces. The peso has depreciated nearly 17.5% in the past twelve months, discouraging Mexican shoppers from spending in El Paso. In December 2014, the peso was valued at 14.79 to the dollar but traded at 17.38 per dollar in December 2015. The peso devaluation has negatively impacted the retail markets in El Paso that rely on a steady flow of retail dollars from the south. It is estimated by the SABER Research Institute, that El Paso enjoys about $1.6 billion in retail trade from Mexican nationals who come to El Paso to shop. The three major categories for spending include clothing and appliances/furniture, followed by restaurants.
Prior to the national recession and the social destabilization in Juárez, there was strong market optimism punctuated by strong job gains, income appreciation and new investment. El Paso’s economy is somewhat insulated from the significant losses facing other American cities. Although job growth will certainly be influenced by these factors, growth in government created jobs, including jobs created from the billions of dollars in infrastructure projects already underway or financed, will continue to stabilize and buoy the region’s economy.
El Paso Area Analysis

The City of El Paso is located in El Paso County, the westernmost county of Texas. The City shares a border with its sister city of Juárez, Mexico. El Paso was founded over four centuries ago as an outpost for traders and missionaries in the west. The County of El Paso is bounded on the southwest by the Rio Grande and Mexico, on the north and west by the state of New Mexico, and on the east by Hudspeth County, Texas. The City of El Paso is the county seat. El Paso County is approximately 650 miles west of Dallas and 575 miles northwest of San Antonio. Other nearby municipalities and their proximity to El Paso are:

- Las Cruces, New Mexico........................................... 44 miles
- Alamogordo, New Mexico........................................... 86 miles
- Albuquerque, New Mexico........................................ 264 miles
- Chihuahua, Mexico.................................................. 232 miles
- Denver, Colorado ..................................................... 725 miles

El Paso is currently the fifth largest city in the State of Texas and the nineteenth most populous city in the United States. Ciudad Juárez, El Paso’s sister city across the U.S. – Mexico border, is the largest city in the State of Chihuahua and the fifth largest city in Mexico. The region is home to more than 2.7 million residents and comprises one of the largest bi-national metro areas in the world.

Regional Resources

The region is replete with natural resources, including 135,000 acres of irrigated farmland in the Rio Grande Basin. Natural gas and crude oil from the surrounding area are processed in El Paso. To the north and south are substantial pine forests. The area has produced one third of all the silver mined in the world during the past 400 years. Granite, rock and marble quarries and extensive sand, gravel and rock mining operations are conducted in El Paso County.
Economic Overview

Major drivers of the region’s economy include military/defense, international trade and advanced manufacturing—with significant clusters in automotive, high tech consumer electronics, and medical devices. Expansion has continued at Fort Bliss since it quadrupled in troop count as a result of the 2005 BRAC decisions, marking the largest net gains of any military installation in the country. As a major hub for trade and commerce, more than $84 billion, or about 21% of the total trade between the United States and Mexico, passed through El Paso’s ports in 2014.

El Paso, Texas ranked #9 for its 5-year projected wages and salaries growth in the Milken Institute’s Best-Performing Cities index released in 2015, which compared large metropolitan areas across the United States. Milken index ranks cities based on their ability to create and sustain jobs, as well as overall economic performance. Nine factors are considered in compiling the index, including growth in jobs, wages, and technology-based performance over one and five-year periods. El Paso was ranked #121 overall in 2015, moving down from #53 in the 2014 report. Leading cities in the 2015 index are metros that succeeded in high-tech and oil industries.

El Paso's economy, as measured by Gross Metropolitan Product, or economic output, is projected to reach $30.1 billion in 2016, as reported by the Borderplex Economic Outlook to 2016, with per capita income climbing to $34,965. Emblematic of border region economic expansion, total commercial activity in El Paso is projected to exceed $12.5 billion in 2016.

In 2012, the city council unanimously adopted a plan built around the principles of smart growth and green development. Plan El Paso gives priority to reinvestment downtown; transit-supportive infill development; revitalization of older neighborhoods; balanced transportation options; strategic suburban retrofits; sustainable economic development; respect for nature; and much more. It also gives special recognition to the challenges and opportunities presented by El Paso’s location as an international border city and home to a large military installation, Fort Bliss.

Population

Census Bureau estimates place the El Paso County population at 849,715 in 2015, an increase of 1.4% from 2014. The El Paso Metropolitan Planning Organization estimates that the population of the El Paso County is projected to surpass 860,000 in 2016. The forecast is for the metropolitan statistical area population to increase to 945,532 by 2025.

Much of the anticipated growth in the region comes as a result of growth at the city’s military installation, Fort Bliss. Fort Bliss, located in El Paso, increased its population by 44% from 88,050 in 2008 to just over 127,000 in 2012, as a result of the Base
Realignement and Closure (BRAC) proceedings of 2005, allocating five billion to expand military combat teams at Fort Bliss.

Valuations and Construction

The El Paso Central Appraisal District property valuations in 2014 totaled $36.9 billion. Over the last year, the tax base has increased by $1.3 billion dollars, an increase of 2.76% from 2013. The year 2015 experienced a decrease of 6.5% in nonresidential construction with a dollar valuation of $550.67 million. Residential construction increased slightly in 2015 by .90%.

Industrial Real Estate

The Paso del Norte region functions almost as a single urban area when it comes to the manufacturing sector and industrial real estate. The industrial market in El Paso is distinctly tied to and dependent on the industrial sector in Juárez.

The region is the fourth largest manufacturing center in North America when ranked based on the number of employees. Healthy growth in the manufacturing sector in Juárez translates into robust growth in El Paso’s industrial real estate. In the last 20 years, the industrial market in El Paso has seen tremendous growth increasing to 54.56 million square feet in industrial space from only 12 million in 1984.

El Paso’s industrial real estate market stretches from Santa Teresa, New Mexico in the west to Socorro, Texas in the east. The main industrial areas follow Interstate 10 and are clustered around the three main Ports of entry into Cd. Juarez, Mexico, and the El Paso International Airport.

The market is comprised of a 70/30 mix of warehouse and manufacturing operations, most with a direct relationship to the maquiladora industry across the border.
Total industrial inventory in the El Paso market area amounted to 62,098,854 square feet in 2,080 buildings as of the end of the third quarter 2015. The Flex sector consisted of 6,176,479 square feet in 347 projects. The Warehouse sector consisted of 55,922,375 square feet in 1,733 buildings. Within the Industrial market there were 54 owner-occupied buildings accounting for 3,384,584 of Industrial space, as reported in the CoStar Industrial Report and detailed in the following graphic.

The El Paso Industrial market ended the third quarter 2015, with a vacancy rate of 11.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 281,977 square feet in the third quarter. Vacant sublease space remained unchanged in the quarter, ending at 72,400 square feet. Rental rates ended the third quarter at $4.19, a decrease over the previous quarter.

Overall, though the market is not in an upward trend, companies are still planning and many are still growing. New industries are being created as advances in research provide solutions to industrial, technological and medical problems. Growth will come from these solutions. As the credit market loosens and companies are able to borrow, we will begin to see this growth.

The average quoted asking rental rate for available Industrial space was $4.19 per square foot per year at the end of the third quarter 2015 in the El Paso market area. This represented a 1.6% decrease in quoted rental rates from the end of the second quarter 2015. The average quoted rate within the Flex sector was $15.85 per square foot at the end of the third quarter 2015, while Warehouse rates stood at $3.63. At the end of the second quarter 2015, Flex rates were $14.67 per square foot, and Warehouse rates were $3.66.

El Paso’s economy continues to perform well, driven by the growth of Ft. Bliss and the rebound in the manufacturing industry in Cd. Juarez, Mexico, which experienced a decrease in its vacancy rate in 2015 at 9.1%. There are several large infrastructure projects underway in the city including two interstate interchanges on the west and east ends of El Paso, the Guadalupe/Tornillo international Bridge in Fabens, TX and Union Pacific’s intermodal switch yard in Santa Teresa, NM.
Retail

Retail sales experienced a decline in 2013, but have since been improving. Based on data from UTEP’s Borderplex Economic Outlook, 2015-2016, industries in El Paso which are expected to experience better growth than others in 2016 are gas stations, motor vehicles, general merchandise, and food establishments. The Outlook reported growth in retail sales of 1.1% from 2014 to 2015 followed by a projected .3% into 2016. Gross Metropolitan Product (GMP) or the total value of goods and services produced in a metropolitan area, shows improvement as well. Since El Paso’s low in the first half of 2009, GMP has increased 18.1% according to the Brookings Institution’s latest Metro Monitor, July 2015.

El Paso has a formidable base for retail and commercial development because of the population of the entire Paso del Norte region. As with the other economic sectors, local commerce is directly influenced by proximity to Mexico. Nearly 45% of retailers state that 50% or more of their customer-base is Mexican. Over 50% believe these Mexican shoppers account for at least 25% of their sales and profits, as reported in a 2008 study titled, “Cross-Border Retailing Study.” International and extra-regional clientele travel from miles away to visit major shopping centers such as Cielo Vista Mall, Bassett Center Mall, Sunland Park Mall, Las Palmas Marketplace, and The Outlet Shoppes at El Paso.

The latest retail offering, a $70 million, 600,000-square-foot lifestyle center, the Fountains at Farah, opened in October 2013. The site is located at Hawkins Boulevard and Interstate 10, across the street from the 1.2-million-square-foot, 145-store Cielo Vista Mall. The new center will have the capacity of 30 buildings with 60 to 80 tenants, including 15 to 20 restaurants of various sizes and categories, reported West Miller, president of Centergy Retail, a Dallas-based retail shopping developer. Miller is a partner in the project with Paul Foster, Western Refining founder and executive chairman, who owns the site. Currently, there are 44 shops and 13 restaurants that operate at The Fountains at Farah.

The El Paso retail market did not experience much change in market conditions in the third quarter 2015. The vacancy rate has remained at 4.6% for the second and third quarters in 2015. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 4.7% in the fourth quarter 2014, to its current rate of 4.6%. Net absorption rate was negative (31,286) square feet. Quoted rental rates decreased from second quarter 2015 levels, ending at $12.09 per square foot per year. This represents a 2.5% decrease in rental rates in the current quarter, and a 1.74% decrease from four quarters ago.
Gross Retail Sales, as reported by the Texas Comptroller’s Office, have grown steadily to $22.5 billion at the end of the second quarter of 2013, up from approximately $22.2 billion from the second quarter of 2012. This is an average increase of almost 1.2% per year during a period of national economic recession.

**Office Real Estate**

The El Paso Office market ended the fourth quarter 2013 with a vacancy rate of 7.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 71,299 square feet in the fourth quarter. Rental rates ended the fourth quarter at $16.32, an increase over the previous quarter. There was 47,982 square feet still under construction at the end of the quarter.

A historically weak Central Business District market is beginning to see some positive change. Downtown office rents are on the rise and occupancy at the Chase Bank and Wells Fargo building are higher now than in the last five years. The average quoted asking rental rate in this district was $15.76 at the end of the fourth quarter 2013, an increase of $.90 per square foot as compared to the previous quarter.

Western Refining founder and CEO, Paul Foster, has bought and renovated two prominent but long vacant buildings in the city center. As part of the Downtown redevelopment plan, the City of El Paso is offering a host of incentives to encourage new investment Downtown. These incentives will help offset some of the higher
costs associated with renovation, redevelopment and locating in the Central Business District. The City of El Paso reports that property values, according to the Central Appraisal District have increased by 40% in the last four years.

**Hotel**

According to the Texas Department of Economic Development, nearly 40 percent of all travel to the El Paso area is business related. As a result, the El Paso hotel-motel industry caters primarily to this group. The local hotel market conditions and the potential for increased market development are excellent.

The El Paso, TX market has been attracting evermore interest from hotel developers over the last twelve months, thanks to the growing occupancy and ADR (average daily rate) seen in the market since the tail-end of the recession. This growth has been in part due to the city’s investment in improving its overall appeal for both businesses and families, with numerous economic and lifestyle projects launched over the last three years.

With additional income-level growth and ever diminishing unemployment, the growth in performance and demand within the hotel and lodging market is expected to continue apace in this market, and properties already developed, or in the pipeline, have added nearly 1,000 new rooms to meet the demands of the market since summer 2010. El Paso had a hotel construction boom from 2009 to 2011 with ten new hotels being built during that time span.

El Paso’s hotel occupancy rate rose 3.4% and hotel revenues increased 12% in 2014, according to data released by Destination El Paso, the city’s convention and tourism bureau. The local hotel occupancy rate was 67.6%, compared to 64.2% in 2013, according to data from STR, a Nashville company that tracks hotel industry data worldwide. Hotel revenues grew from $153.8 million in 2013 to a record $172.3 million in 2014, an increase of $18.5 million, or up 12%, the data show.

**Housing**

**Multi-Family**

The rapid growth of Fort Bliss with many soldiers housed off base has created new opportunity in the multi-family sector in El Paso. Military personnel have moved into the area with monthly housing allowances that are substantially above market rents. Fort Bliss and the City of El Paso have estimated that the growth at Fort Bliss has required at least 8,000 new multifamily units to be built.
The City of El Paso put tax incentives in place to encourage a rapid escalation of multifamily development. As a result, El Paso has seen healthy growth in the multifamily housing market from local and national developers. New construction includes low income tax credit projects, market rate projects and some high end construction. New multi-family construction is concentrated in the Northeast and on the Eastside. Several infill lots close to Fort Bliss have been purchased for multi-family housing.

Approximately, 390 apartments came online in the El Paso metro area last year. The 290 apartments of the Venue at Montecillo were delivered in early 2013 as well as 184 units of the Villas at Helen of Troy, both of which are in the Northwest Market area. Construction commenced on two projects in the Northeast Market area of El Paso, with approximately 100 units of the 300 total apartments completed by the end of the year.

According to Hendricks & Berkadia MarketData Research, completions in the El Paso metro area have averaged 730 apartments annually during the last five years. Builders are slated to complete more than 540 apartments this year. Approximately, 60% of those deliveries will be located at three large communities in the Northeast Market area of El Paso. The remainder of the inventory will be in Northwest El Paso. Permitting activity rose last year as developers anticipated a rebound in demand in the coming years. In 2013, builders requested permits for 1,690 multifamily units. In 2012, issuance totaled 1,180 apartments.

The local apartment market experienced a 35% gain in average asking rents over the past decade, bringing the average monthly rent to $693 in late 2012. Asking rents decline 1.8% in 2013, with average rent falling to $798 per month in December. Class A asking rents descended 2.4% to $928 per month. Metrowide concessions were 1.3% of asking rents, the same as in December of 2012.

<table>
<thead>
<tr>
<th>El Paso Multi-Family Vacancy &amp; Rent Comparison</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy</td>
<td>7.5%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Average Rent Increase</td>
<td>1.8%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Average Rent</td>
<td>$813</td>
<td>$798</td>
</tr>
</tbody>
</table>

Source: Hendricks & Berkadia ApartmentUpdate and Apartment MarketData Research

Single Family

El Paso’s single family market has maintained stability mostly as a result of anticipated growth of Fort Bliss troops and personnel. Through the last quarter of 2006, this was one of the strongest housing markets El Paso had ever experienced. Housing prices were increasing rapidly as a result of this demand. In the fourth quarter of 2008, the housing market began to cool throughout 2009 and 2010 as a result of the national economic crisis. While there has been an increase in housing
foreclosures, it is not at the striking levels that other cities are suffering under. The Greater El Paso association of Realtors estimates the year-to-date sales of 2013 at 5,755 homes or a 13% increase from sales in 2011.

El Paso
Home Sales and Average Price

![Graph showing home sales and average price from 1979 to 2011.]

Source: Greater El Paso Association of Realtors and Real Estate Center

In response and as a means for managing growth, the City of El Paso has processed six annexation agreements in the last two years bringing 1,923 acres of land into the city limits. The city’s annexation policy is to bring in any voluntary annexations in order to control and manage growth.

El Paso’s housing market is still affordable compared to other markets, but it is becoming less affordable to first time home buyers and to households at the lower end of the market. The Texas Real Estate Center uses a Housing Affordability Index (HAI) to examine affordability in different markets. “The HAI is the ratio of the median family income to the income required to buy the median-priced house using standard mortgage financing at the current interest rate. A HAI of 1.00 indicates that the median family income is exactly equal to the required income to qualify for the standard loan to purchase the median-priced house (El Paso Market Overview 2007).” El Paso has seen its affordability index increase from 1.13 in 2007 to 1.69 in 2012. First time homebuyers are at a significant disadvantage in the current
marketplace because of their low incomes. The HAI for First Time Homebuyers in 2012 is 0.86, a slight increase from 2007 index of .70.

<table>
<thead>
<tr>
<th>Area</th>
<th>Median-Priced Home</th>
<th>Required Income to Qualify</th>
<th>Median Family Income</th>
<th>Housing Affordability Index (HAI)</th>
<th>HAI for First Time Homebuyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Paso</td>
<td>$138,600</td>
<td>$32,399</td>
<td>$41,700</td>
<td>1.69</td>
<td>0.86</td>
</tr>
<tr>
<td>Texas</td>
<td>$177,000</td>
<td>$36,286</td>
<td>$60,300</td>
<td>2.21</td>
<td>1.41</td>
</tr>
<tr>
<td>U.S.</td>
<td>$211,312</td>
<td>$53,138</td>
<td>$65,000</td>
<td>2.06</td>
<td>1.01</td>
</tr>
</tbody>
</table>

Source: Texas Real Estate Center 2012 and Texas Quarterly Housing Report
Coldwell Banker de Wetter Hovious reported in its third quarter 2013 housing report that the average sales price of residential homes in El Paso has increased since the third quarter 2012 by 3.2%. Median prices have been experiencing a mild uptrend for the past several quarters, similar to what is being observed in other Texas and U.S. cities. The following table compares the third quarters in 2012 and 2013:

<table>
<thead>
<tr>
<th>El Paso Residential Homes</th>
<th>3Q 2012</th>
<th>3Q 2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average sales price</td>
<td>$156,743</td>
<td>$161,682</td>
<td>3.2%</td>
</tr>
<tr>
<td>Average $/SF</td>
<td>$84</td>
<td>$85</td>
<td>0.9%</td>
</tr>
<tr>
<td>Median sales price</td>
<td>$140,000</td>
<td>$142,450</td>
<td>1.8%</td>
</tr>
<tr>
<td>DOM</td>
<td>94</td>
<td>104</td>
<td>10.9%</td>
</tr>
<tr>
<td>Sale % of list</td>
<td>97.3%</td>
<td>97.2%</td>
<td>-0.1%</td>
</tr>
<tr>
<td># of sales</td>
<td>1,572</td>
<td>1,667</td>
<td>6.0%</td>
</tr>
<tr>
<td>Listed inventory</td>
<td>3,450</td>
<td>3,955</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

Source: Coldwell Banker de Wetter Hovious

As a result of both public and private efforts to improve the quality of El Paso neighborhoods, several new master planned communities are proposed to be built in El Paso. These master planned communities promise to provide for mixed use town centers within easy walking distance of neighborhoods and more communities amenities such as parks, open space and bike and hike trails.

In April 2007, Hunt Communities, an El Paso-based affiliate of Hunt Building Corporation announced the beginning phase of Cimarron, the largest master-planned community of its kind in the El Paso area. Located in the foothills of the Franklin Mountains on El Paso’s west side, Cimarron is unique in that it was master-planned, from concept to construction, and follows the principles of Smart Growth – including environmental protections and covenants not found in traditional residential developments.

Cimarron is built on 850-plus acres, and features approximately 1,800 residential home sites, 15 parks, over seven miles of jogging/walking/biking trails, one elementary school, and approximately 225 acres of open space. The three core components of Cimarron consist of retail and commercial properties, urban properties, and mountain residential properties. There is capacity to develop 1,200-2,500 more homes on 600 acres of undeveloped land.
The City of El Paso and the El Paso Water Utilities has also master planned significant property holdings in northeast and northwest El Paso in effort to improve the quality of neighborhoods and to better manage public resources for new growth. Approximately, 16,000 acres of land has been master planned in the northeast and 1,850 acres in the northwest. In the summer of 2007, the City of El Paso sold the first portion of land that was master planned in the northeast to Hunt Communities. Hunt Communities is buying 4,832 acres for $27,132 per acre. Hunt will be able to develop 3,845 acres for sale while 852 acres of arroyos will largely be left in their natural state, and 135 acres will go for streets and a regional park and two senior communities.

The City of El Paso has also increased its requirements for park dedication and re-wrote the City’s subdivision code in order to allow more flexibility and more innovation in neighborhood design and development. Additionally, the City of El Paso was the first in Texas to adopt a SmartCode, a form based code that considers land use and land design in one simple code.

In 2012, the city council unanimously adopted a detailed comprehensive plan built around the principles of smart growth and green development. The plan proposes strategies to bring more of the activities of daily living within walking distance and a framework of transportation alternatives including transit and bicycle systems. This plan encourages walk-ability to create healthy life styles and building complete places that enable neighbors to know each other hoping to thus create and retain close-knit communities.

**Governmental**

The Chief Administrative Officer for the County of El Paso is a County Judge who is elected at large. The four Commissioners who serve the County are elected by precincts and serve four-year terms. The Commissioners’ terms are staggered with two elected every two years; elections are held in even-numbered years.

The government of the City of El Paso was chartered in 1873. As a result of a City Charter Election, the City of El Paso just transitioned from a Strong Mayor form of government to a City Manager form of government. The governing body of the City is the Mayor and a City Council consisting of eight district representatives who are elected for four-year staggered terms. City elections are held in odd-numbered years.

Fire and police protection within the city limits are provided by the City of El Paso. Fire protection outside the city limits is provided by independent volunteer fire departments along with the fire departments of La Tuna Federal Correctional Institution and Fort Bliss Military Reservation. Police protection outside the city limits is provided by the El Paso County Sheriff’s Department. There are also large state and federal agencies located within El Paso County. Many of the federal agencies, such as U.S. Customs and Border Patrol, have a large presence in El Paso because of the international ports of entry.
Property Taxes
The Consolidated Tax office managed by the City of El Paso collects property taxes on behalf of all governmental entities that levy taxes within El Paso County. Property taxes are determined by three factors—the appraised value of the property, the adopted tax rates of the various taxing entities units and any applicable tax exemptions. Recent growth in the commercial tax base has allowed taxing entities to keep tax rates steady while still providing necessary services for a growing community. Tax payers within the city limits pay taxes to the City of El Paso, El Paso County, University Medical Center Hospital, El Paso Community College and the applicable school district.

Tax rates are listed below and apply to land and improvements and are levied per $100 of assessed value. The total county tax rate in 2012 was $.408870 with a total market value at just over $40 billion.

<table>
<thead>
<tr>
<th>2014 Property Tax Rates El Paso County</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of El Paso</td>
</tr>
<tr>
<td>El Paso County</td>
</tr>
<tr>
<td>University Medical Center</td>
</tr>
<tr>
<td>El Paso Community College</td>
</tr>
<tr>
<td>El Paso Independent School District</td>
</tr>
<tr>
<td>Ysleta Independent School District</td>
</tr>
<tr>
<td>Socorro Independent School District</td>
</tr>
<tr>
<td>Canutillo Independent School District</td>
</tr>
</tbody>
</table>

Source: City of El Paso Consolidated Tax Office

Zoning
In order to classify, regulate and restrict the location of businesses, trades, industries, residences and other land uses within the City of El Paso, the Corporate Limits is divided into zoning districts. As of November 1, 2007, the new zoning ordinance took place. The City went through an extensive re-write of their zoning codes in order to modernize the standards and to allow for more innovation in development. New zoning categories include mixed use districts, which allow for more flexibility in density and uses. The zoning categories for the City of El Paso are grouped as follows:
Residential Districts.

Light Density Residential Districts
- R-1, R-2, R-2A, R-3, R-3A Residential Districts
- R-4, R-5 Residential Districts
- RMH Residential Mobile Home District

Medium Density Residential Districts
- A-1 Apartment District
- A-2 Apartment District
- A-3 Apartment District
- A-O Apartment/Office District

High Density Residential Districts
- A-4 Planned Apartment District
- A-3/O Apartment/Office High Density District
- A-M Apartment/Mobile Home Park District

Commercial Districts.

Neighborhood Commercial Districts
- C-OP Office Park District
- C-1 Commercial District

Community Commercial Districts
- C-2 Commercial District
- C-3 Commercial District

Regional Commercial Districts
- C-4 Commercial District
- C-5 Central Business District

Industrial and Manufacturing Districts.

Light Industrial Districts
- M-1 Light Manufacturing District

Heavy Industrial Districts
- Q Quarry District
- M-2 Heavy Manufacturing District
- M-3 Unrestricted Manufacturing District

Special Purpose Districts.
- R-F Ranch & Farm District
- PMD Planned Mountain Development District
The City of El Paso recently adopted the first SmartCode in Texas. The SmartCode is an integrated land development ordinance. It folds zoning, subdivision regulations, urban design, public works standards and basic architectural controls into one compact document. It is also a unified ordinance, spanning scales from the region to the community to the building.

Social and Community Characteristics

The median age in El Paso is 31.3 years versus a statewide average of 33.6 years and a national average of 37.2 years. On average, El Paso is comprised of a younger population than other communities with 29.3% in 2012 under the age of seventeen.

According to 2010 Census data, El Paso County had approximately 256,557 households, an increase of from 210,022 in 2000. There is an average of 3.06 persons per household.

El Paso is predominately Hispanic/Latino in ethnicity. According to the American Community Survey Data from 2010, 523,721 persons, or 80.7% of El Paso County residents are Hispanic. Almost 75% of Hispanics are of Mexican origin. Those responding as white alone (non-Hispanic or Latino) totaled 92,426 persons or 14.2 percent of the total population. African Americans (non-Hispanic or Latino) totaled 18,155 persons, approximately 2.8% of the population. The balance of the population comprised of American Indian, Alaska Native, Asian, Native Hawaiian or other Pacific Islander, or other race, totaled 2.3 percent, or 14,819 persons.
Employment and Income

In 2005 and 2006, unemployment rates in El Paso were significantly higher than state and nationwide figures. As the national rate began to increase in 2008 during the recession, unemployment in El Paso dropped below national figures. Since 2010, unemployment in the US and Texas has steadily declined. El Paso, however, continued to experience increases, with rates peaking in 2011. Given sustained growth in private sector employment figures and stable unemployment insurance claims figures at the time, it is possible the growth in unemployment in 2011 may have been the result of an increase in individuals entering the local workforce, which would include newly-arrived military spouses, as opposed to contractions in employment opportunities. As of 2012, unemployment was declining, but continues to remain above state and national figures. In March 2014, the Texas Workforce Commission reports the local unemployment rate to be at 7.6%.
### Labor Force, Employment & Unemployment Rate

<table>
<thead>
<tr>
<th></th>
<th>El Paso MSA</th>
<th>Texas</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Labor Force</td>
<td>Employed</td>
<td>Unemployed</td>
</tr>
<tr>
<td>May 2013</td>
<td>325,500</td>
<td>295,800</td>
<td>29,800</td>
</tr>
<tr>
<td>April 2013</td>
<td>324,100</td>
<td>295,900</td>
<td>28,200</td>
</tr>
<tr>
<td>May 2012</td>
<td>325,700</td>
<td>295,200</td>
<td>30,500</td>
</tr>
</tbody>
</table>

Source: Unemployment (LAUS) for El Paso MSA, Texas, and U.S.; not seasonally adjusted (June, 2013). Texas Workforce Commission’s Texas Labor Market Information:

### Establishments, Employment & Wages by Private Industry Sector in El Paso MSA –2012

<table>
<thead>
<tr>
<th>Industry</th>
<th>Establishments</th>
<th>Employment</th>
<th>Avg. Weekly Wage</th>
<th>Avg. Yearly Wage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resource and Mining</td>
<td>111</td>
<td>1,184</td>
<td>$629</td>
<td>$32,708</td>
</tr>
<tr>
<td>Construction</td>
<td>1,221</td>
<td>12,798</td>
<td>$780</td>
<td>$40,500</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>583</td>
<td>18,080</td>
<td>$815</td>
<td>$42,380</td>
</tr>
<tr>
<td>Trade, Transportation &amp; Utilities</td>
<td>3,918</td>
<td>59,258</td>
<td>$624</td>
<td>$32,448</td>
</tr>
<tr>
<td>Information</td>
<td>167</td>
<td>4,910</td>
<td>$865</td>
<td>$44,980</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>1,544</td>
<td>12,179</td>
<td>$826</td>
<td>$42,952</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>2,025</td>
<td>$29,690</td>
<td>$681</td>
<td>$35,412</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>1,553</td>
<td>37,727</td>
<td>$705</td>
<td>$36,660</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>1,459</td>
<td>30,028</td>
<td>$284</td>
<td>$14,768</td>
</tr>
<tr>
<td>Other Services</td>
<td>1,289</td>
<td>6,746</td>
<td>$403</td>
<td>$22,360</td>
</tr>
</tbody>
</table>

*Avg. Yearly Wage is calculated by multiplying the Avg. Weekly Wage by 52 weeks in a year. Source: Quarterly Employment and Wages (4th Qtr, 2012) for El Paso MSA, Texas Workforce Commission’s Texas Labor Market Information:
With the decrease in unemployment, El Paso is also seeing an increase in per capita income.

Expanding national and regional markets have helped stimulate service sector employment growth in El Paso. Telecommunication call centers have provided some of the most important payroll gains in recent years. The health care industry is another source of high-paying jobs. In-bond manufacturing activities in Ciudad Juárez create numerous requirements on both sides of the border for such services as advertising, overnight delivery and logistics, reproduction, commercial art, photography, data processing, communications, engineering, accounting, research, and personnel management.

Personal income in El Paso County was reported to be close to $25 billion by the Texas Association of Counties in 2012. That figure represents a compound annual growth rate of 5.4% over the next decade. Higher worker productivity as a result of regional labor force improvement efforts will contribute directly to that performance. As a principal hub of the area economy, El Paso will continue to provide jobs that contribute more than $400 million per year to workers from Doña Ana and Otero Counties in New Mexico, as well as to jobholders who cross daily from Ciudad Juarez, Mexico.

The median income was $41,700 in 2012, and 8% increase from 2011. These figures fall below the $60,300 median household figure for the State of Texas in 2012.
The 2012 income study by the El Paso Branch of the Federal Reserve Bank of Dallas noted that per capita disposable income increased from $18,812 in 2000 to $28,686 in 2010. This represents a strong regional income growth rate averaging 4% per year from 2001 to 2010, compared to the national per-capita income growth during that same period of only 2.8%.

El Paso’s incomes have lagged behind regional competitors, Texas and the rest of the nation. The Borderplex Economic Outlook: 2008-2010, produced by Tom Fullerton at UTEP predicts that El Paso’s total economy, as measured by total personal income, will grow 5.7 percent next year. El Paso’s per capita income growth is expected to outstrip national growth in the next two years, the economic forecasts show, though the city will continue to lag well behind the nation and state in total per capita income.

The poverty estimate for El Paso County is 24% of individuals, a decrease from the area’s high of 26% in 2006. The percent of population under the age of 18 and classified as living in poverty is 33.2%. Approximately 14.2% of Texas families and 16.9% of individuals fell below the poverty line, compared to 9.8% of households and 13.3% of individuals in the United States as a whole.

**Education**

El Paso’s population consists of a large number of young people, and school districts have been challenged with limited funds and resources. However, recent state funding reforms have allowed public schools to better confront the challenge of educating El Paso’s youth. In the past several years, many schools in El Paso districts have received federal and state recognition for student performance and innovative programs.

The El Paso public school system, with approximately 229 schools, comes under the supervision of nine districts. Total enrollment for Region 19 for 2010-2011 was 183,430. El Paso Independent School District and Socorro Independent School District will experience rapid growth as a result of troop increases at Fort Bliss. Both districts have prepared by asking the voters to approve large bond issuances for the construction of new schools and the rehabilitation of older schools. Approximately 73.3% of the population has attained a high school degree or higher and 20.3% hold a Bachelor’s degree or higher, as reported in 2012.

Upper level education is provided by the University of Texas at El Paso, with approximately 23,000 students. The El Paso Community College, now with six campuses, serves over 29,000 students. The Texas Tech University School of Medicine is located in El Paso and New Mexico State University is 43 miles to the north in Las Cruces, New Mexico. Other universities located in the city include: Howard Payne University, Park University, Webster University, and the University of Phoenix.
Community Services and Recreation

El Paso is the leading provider of medical services for a geographic region that spans far west Texas, southern New Mexico, and northern Mexico. The city’s healthcare facilities include nine private hospitals, one public hospital, one children’s hospital, and the William Beaumont Army Medical Center. Total educational and health services employment was 37,500 in 2012 according to the Texas Workforce Commission.

El Paso continues to grow as a regional healthcare research and an education center. The State of Texas recently funded and approved a four year medical school for Texas Tech that opened in 2009. The school has benefited from large private endowments, including a $50 million endowment from Paul Foster, owner of Western Refining. Texas Tech is partnered with the local public hospital, University Medical Center (UMC), both of which are located in the Central Market area. The Gayle Greve Hunt School of Nursing officially opened on February 3, 2015 which includes a 34,000 square foot facility across from the Paul L. Foster School of Medicine.

UMC gained approval of a $120 million renovation and expansion project in 2007 from the voters for a fully accredited, stand alone children’s hospital. The El Paso Children’s Hospital was opened in 2012 and is the largest expansion of pediatric services in West Texas with approximately 225,000 square feet. In April 2013, County Commissioners approved a $152 million bond to expand and renovate UMC in South Central El Paso and also to include satellite clinics throughout the city, which will be operating by 2015.

These medical assets in South Central El Paso form the corpus of an economic engine known as the Medical Center of the Americas. Currently, through a public/private partnership, the area is being master planned to induce additional health related investment in the area.

Approximately 530 churches represent more than 60 denominations and cultural activities include the El Paso Symphony Orchestra, the Chamizal National Memorial, the El Paso del Norte Outdoor Drama Amphitheater and the El Paso Museum of Art. The city provides 1,800 acres of public parks and recreational areas. The City of El Paso recently adopted a Parks Master Plan and an Open Space Master Plan in order to increase the amount of available and accessible park and open space in El Paso. In the center of El Paso is the Franklin Mountain State Park, the largest urban park in the United States.

El Paso, in combination with Ciudad Juárez, Mexico, offers a wide diversity of entertainment and recreational activities. Among the entertainment options there are walking tours of Downtown, outdoor concerts at the Chamizal National Memorial, a wide variety of museums, the El Paso Zoo, and nature hikes through the Franklin Mountains and Hueco Tanks State Parks. There is dog racing, bullfighting and ice skating in Ciudad Juarez, as well as horse racing in nearby Sunland Park, New Mexico and independent league baseball, soccer and hockey teams in El Paso.
The traditional Sun Bowl football game is played in El Paso each New Year's day and is broadcast nationally via television. The climate encourages many popular sports such as golf, tennis and hiking throughout most of the year. Nearby New Mexico provides excellent winter sports facilities, as well as trout fishing in the mountains and bass fishing at Elephant Butte Reservoir.

**Crime Rate**

El Paso's crime rate has dropped to the lowest it has been in more than 20 years. The city's reduction in crime has been attributed to the task forces that target gang activity, domestic violence, auto theft and drug /trafficking organizations. In 2012, the National Crime Prevention Council in Washington, D.C. named El Paso one of the “Six Safer Cities in the United States.” El Paso was ranked number one as the city with populations exceeding 500,000 with the lowest crime rate, utilizing the FBI Uniform Crime reports by CQ Press.

This accomplishment is attributed to the effort and partnerships that the El Paso Police Department has developed with citizens through its philosophy of Community Policing. In addition to the 16 community action groups that employ a proactive approach to preventing crime in El Paso, technological advances have improved the ability of officers to achieve the department’s mission and goals. The table below details the incidents of various crime in the area, as well as the percentage increase and or decreasing rates:

<table>
<thead>
<tr>
<th>2010 Annual Crime Report by the El Paso Police Department</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part 1 Crimes</strong></td>
</tr>
<tr>
<td>Murder</td>
</tr>
<tr>
<td>Manslaughter</td>
</tr>
<tr>
<td>Sexual Assault</td>
</tr>
<tr>
<td>Assault</td>
</tr>
<tr>
<td>Robbery</td>
</tr>
<tr>
<td>Burglary</td>
</tr>
<tr>
<td>Larceny / Theft</td>
</tr>
<tr>
<td>Motor Veh. Theft</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
</tr>
</tbody>
</table>

| % Increase or Decrease | -8.5% | -7.5% | -5.3% | -6.7% | 3.0% | -2.3% | -1.5% | -4.2% | -1.3% |
Environmental

The sun shines over 300 days a year in El Paso, 83% of daylight hours, according to the El Paso Weather Bureau. The climate includes high, although not extreme, daytime summer temperatures, low humidity, scant rainfall, and a relatively cool winter season, which is typical of arid areas. The mean January temperature is 44.1 degrees and the mean July temperature is 82.5 degrees.

**El Paso Average Temperatures**

<table>
<thead>
<tr>
<th></th>
<th>Spring</th>
<th>Summer</th>
<th>Fall</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Low Temperature</td>
<td>56° F</td>
<td>68° F</td>
<td>49° F</td>
<td>39° F</td>
</tr>
<tr>
<td>Average High Temperature</td>
<td>87° F</td>
<td>95° F</td>
<td>80° F</td>
<td>60° F</td>
</tr>
</tbody>
</table>

Rainfall in El Paso County averages 8.8 inches per year as compared to the Texas average of 28.1 inches per year. Dust and sandstorms are the most unpleasant features of El Paso weather. While wind velocities are not excessively high, the soil surface is dry and loose and natural vegetation is sparse, so moderately strong winds raise considerable dust and sand. Dust storms are most frequent in March and April. Prevailing winds are from the north in the winter and from the south in the summer.

The soils of El Paso County vary from rough desert up-land to fertile irrigated bottom-land. Drainage is to the south and west into the Rio Grande from both the upper and lower valleys. The Franklin Mountains begin within the El Paso city limits and extend northward for approximately 16 miles; the peaks of the mountains range from 4,687 feet to 7,167 feet (the highest point in the county) above sea level.

Utilities

All usual utilities are available in the City of El Paso, and, for the most part, in the unincorporated areas of the county. The El Paso Electric Company area of service includes El Paso, Las Cruces and Hatch, New Mexico and Van Horn, Texas to the east. Telephone service is supplied by AT&T, natural gas service is furnished by Texas Gas Services, and cable television service is provided, for the most part, by Time Warner Communications of El Paso.

Water and sewer service is the responsibility of the El Paso Water Utilities. These services are available, generally, only within the incorporated limits of the City. A few areas outside the city, because of special circumstances, are served with either water or sewer, or both.
Transportation

El Paso enjoys excellent transportation facilities. Its principal thoroughfare is Interstate Highway 10 which traverses the city in a northwest to southeast direction and provides a connection to the entire country via the interstate systems. Other interstate routes include I-25 in Las Cruces and I-110, which runs from Interstate 10 to the Mexican border. Transcontinental highways through El Paso are U. S. Highway 54 to Chicago, U. S. Highway 62 to Niagara Falls, U. S. Highway 85 to Canadian Highway 35, and Mexico 45 from Juarez to Mexico City and Guadalajara. El Paso is connected to Juarez through four international bridges, two downtown, one in Central El Paso and the other in far east El Paso.

El Paso Roads

Truck transportation is provided by twenty-five regular route motor freight common carriers with both interstate and intrastate services. The firms maintain terminals in El Paso and provide direct-line service to most major cities throughout the United States. Freight railroads serving the area are the Santa Fe, Southern Pacific, Missouri Pacific, National Railways of Mexico, and Chihuahua Pacific Railroad. The total expenditures for road and bridge construction, maintenance, and rehabilitation in El Paso county exceeded $10 million in 2012.

Intercity bus transportation is provided by Greyhound Bus Lines and Texas and New Mexico Coaches, Inc., each of which also has an express package service. Intra-city bus service is provided by Sun Metro, which links most areas of the city.

The City of El Paso, the Texas Department of Transportation and the recently
created Camino Real Regional Mobility Authority have recently adopted an aggressive one billion dollar comprehensive mobility plan which will complete the city’s transportation highway loop, beautify the I-10 and invest in the first leg of the rapid transit system. There are several large infrastructure projects underway in the city including two interstate interchanges on the west and east ends of El Paso, the Guadalupe/Tornillo international Bridge in Fabens, TX and Union Pacific’s intermodal switch yard in Santa Teresa, NM.

Conclusion

The El Paso region is in the midst of a successful transition to an information-age economy. That transition carries with it a large number of challenges and opportunities that result from economic globalization. The new technologies and more efficient business practices associated with process are helping to revitalize the El Paso/Ciudad Juárez regional economy.

International trade has long been a staple of regional commerce. NAFTA and the Mexican maquiladora program helped stimulate even greater development of that sector during the late 1990s. El Paso service sector companies are continuing this tradition into the 21st century by identifying new opportunities and creating new products for those markets.

Of the various challenges posed by this structural shift in the economic fortunes of El Paso, none is more important than the need for improved workforce quality. Greater educational attainment will not only attract new business investment, it will raise labor productivity and metropolitan income performance. Public sector infrastructure investment will complement that process, further improving business productivity and, by extension, private sector profitability.
Socorro, Texas Neighborhood Market Area
Site Description

The subject is located at Three Mission Drive approximately .10 of a mile west of North Loop Drive, El Paso, Texas in El Paso County. The subject is irregular in shape and is 3.05 acres or 132,906 square feet with mostly level topography. This is an area of residential/agricultural development. The current use of the site is undeveloped land.

Plat Map
AERIAL PHOTO
Site Size: 3.05 acres; 132,906 square feet

Shape: Irregular

Frontage/Access: Access includes Three Missions Road which is mostly paved. A dirt access road exists that runs along approximately 86’ of northeastern portion of subject property. The subject property has limited access with approximated frontage as follows:

- 86’ feet on Three Missions Road

The site has an average depth of 340 feet.

Visibility: Average

Topography: Level

Soil Conditions: The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

Utilities: There are no utilities serving the subject property but has access to water and electricity. Surrounding lots have city water and sewer.

Site Improvements: There are no site improvements

Environmental Issues: There are no known adverse environmental conditions on the subject site.

Encumbrance / Easements: There are no known adverse easements or encroachments.
Flood Zone
The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.

FEMA Map Number: 4802120250B
FEMA Map Date: September 4, 1991

The subject is not in a flood zone.
Zoning Analysis
The subject property is zoned C-2, General Commercial
The intent of the General Commercial zoning districts is to facilitate commercial activities that serve the general community.

The subject property is a conforming use.
Assessment and Taxes

Tax Parcel ID#: T249000001001A0
Assessment Year: 2018
Assessed Value Land: $373,798
Assessed Value Improvements: --
Total Assessed Value: $373,798
Tax Rate: $3.22511
Real Estate Taxes: $12,055.41

Taxes
The subject property is under the jurisdiction of six different taxing authorities, each of which taxes at 100 percent of the assessed value. The following table identifies each of the local taxing entities, the certified 2018 tax rates and the estimated taxes for the subject property based on the land value set forth in this appraisal report.

<table>
<thead>
<tr>
<th>Name of Taxing Authority</th>
<th>Tax Rates</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of El Paso</td>
<td>$0.752457</td>
<td>$2,812.67</td>
</tr>
<tr>
<td>County of El Paso</td>
<td>$0.447819</td>
<td>$1,673.94</td>
</tr>
<tr>
<td>Socorro Independent School District</td>
<td>$1.380594</td>
<td>$5,160.63</td>
</tr>
<tr>
<td>University Medical Center of El Paso</td>
<td>$0.251943</td>
<td>$941.76</td>
</tr>
<tr>
<td>El Paso Community College</td>
<td>$0.140273</td>
<td>$524.34</td>
</tr>
<tr>
<td>Lower Valley Water District</td>
<td>$0.161167</td>
<td>$602.44</td>
</tr>
<tr>
<td>Emergency Service District #2</td>
<td>$0.090858</td>
<td>$339.63</td>
</tr>
<tr>
<td>Total taxes based on assessment of</td>
<td>$373,798</td>
<td>$12,055.41</td>
</tr>
</tbody>
</table>

The El Paso Tax Office reports that taxes for the year 2017 have not been paid, and there are no known overdue taxes on the subject property as of the date of appraisal. The 2018 taxes have not been billed.
Highest and Best Use

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.\(^2\)

Highest and Best Use As Vacant

Legally Permissible

Legal restrictions on the highest and best use of a property may include private deed restrictions, zoning, building codes, historic district controls, and environmental regulations. Any of these restrictions may preclude many of the possible uses.

A review of the most recent deed recorded on this property failed to reveal any atypical restrictions or easements that would adversely affect the development of the subject. The subject is not located in a historic district and therefore, no historic district controls have been imposed. There are no known adverse environmental conditions on the subject site.

The subject property is located within Socorro, Texas city limits and is subject to its zoning and subdivision ordinances. The purpose of C-2, General Commercial district is to provide commercial activities that serve the general community. This district should be applied to areas served by water and sewer and with access to major streets, shopping facilities and center of enjoyment.

There are no known legal restrictions that would adversely affect the development potential of the site. Therefore, the legally permissible use of the subject property is limited only by the uses allowed by the C-2 General Commercial designation. There are no known legal restrictions that would adversely affect the development potential of the site.

Physically Possible

The physical features of the site itself dictate the physically possible criterion imposed on the subject property. The physical characteristics of the site were discussed, in detail, under the Site Description section of this report. These characteristics are now analyzed to determine their conduciveness to the development of the subject site.

The subject property is 132,906 square feet, or 3.05 acres and rectangular in shape. The subject is not in a flood zone.

The size, shape, frontage, topography, access to utilities and the lack of flood hazard area are all conducive to the potential development of the tract. The tract has adequate size for a variety of residential and commercial developments.

**Financially Feasible**
Only those uses which are physically possible and legally permissible need to be considered and analyzed to determine which are likely to produce an income, or return, greater than the combined income needed to satisfy operating expenses, financial expenses and capital amortization. All uses considered to produce a positive return and satisfactory equity yield are regarded as financially feasible. The subject property is located in a residential/agricultural area of the county, approximately .10 of a mile southeast of North Loop Road with minimal frontage on Three Missions Road. Multifamily developments exist adjacent to the subject property along Three Missions Road.

**Maximally Productive**
In the analysis of the financially feasible uses of the subject property, commercial/industrial development was examined. Having considered the legal and physical constraints and the financially feasible alternatives, the use that reflects the highest rate of return constitutes the maximally productive and highest and best use. Thus, the highest and best use is to hold for land speculation and future development and expansion of multifamily residential uses.
Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

This appraisal includes the following:

Cost Approach: This approach is most useful and relevant when appraising newer properties that have accrued little or no depreciation. Further, it is not an approach whose value estimate is typically relied upon by investors, underwriters, and other market participants in their financial decision making. There are no improvements on the subject, making it difficult to arrive at a credible value estimate using this approach. Therefore, it has been determined by the appraiser that the use of the Cost Approach is not necessary in this analysis.

Sales Comparison Approach: This approach is most applicable. The data used in this approach is the best and most recent available in the subject area, and results in a credible value estimate for the subject property. Use if this approach is necessary, has been fully developed and is determined sufficient to arrive at a credible value estimate for the subject property.

Income Approach: The income approach was not applied as the property is undeveloped land that does not produce income. This approach is a good value indicator when solid, reliable comparable rental data is available, however, comparable rental data for vacant land is not readily available; therefore this approach would not yield a viable value estimate and has not been developed.
Sales Comparison Approach – Land Valuation
The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.

- The most pertinent data is further analyzed and the quality of the transaction is determined.

- The most meaningful unit of value for the subject property is determined.

- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.

- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables
We have researched various comparables for this analysis; four are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.
<table>
<thead>
<tr>
<th>Comp</th>
<th>Address City</th>
<th>Date Price</th>
<th>Land SF Acres</th>
<th>Price per Land SF</th>
<th>Price Acres</th>
<th>Price per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject</td>
<td>525 Three Missions Drive</td>
<td>1/18/2019</td>
<td>132,906</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Socorro</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>10400 Socorro Road</td>
<td>9/11/2018</td>
<td>108,464</td>
<td>$2.30</td>
<td>3.05</td>
<td>$100,402</td>
</tr>
<tr>
<td>San Elizario</td>
<td></td>
<td></td>
<td></td>
<td>$250,000</td>
<td>2.49</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1286 Nancy Drive</td>
<td>12/26/2017</td>
<td>60,984</td>
<td>$2.94</td>
<td>1.40</td>
<td>$127,857</td>
</tr>
<tr>
<td>Socorro</td>
<td></td>
<td></td>
<td></td>
<td>$179,000</td>
<td>1.40</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1740 Horizon Blvd</td>
<td>4/3/2017</td>
<td>195,584</td>
<td>$1.79</td>
<td>4.49</td>
<td>$77,951</td>
</tr>
<tr>
<td>Horizon</td>
<td></td>
<td></td>
<td></td>
<td>$350,000</td>
<td>4.49</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1521 Joe Battle Boulevard</td>
<td>8/15/2012</td>
<td>917,374</td>
<td>$2.46</td>
<td>21.06</td>
<td>$107,038</td>
</tr>
<tr>
<td>El Paso</td>
<td></td>
<td></td>
<td></td>
<td>$2,254,230</td>
<td>21.06</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>151 Cameldale Drive</td>
<td>1/18/2012</td>
<td>205,603</td>
<td>$2.43</td>
<td>4.72</td>
<td>$105,932</td>
</tr>
<tr>
<td>Horizon</td>
<td></td>
<td></td>
<td></td>
<td>$500,000</td>
<td>4.72</td>
<td></td>
</tr>
</tbody>
</table>
Comparables Map

Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.
## Land Sales Analysis Grid

<table>
<thead>
<tr>
<th>Address</th>
<th>525 Three Missions</th>
<th>10400 Socorro Road</th>
<th>1286 Nancy Drive</th>
<th>1740 Horizon Blvd</th>
<th>1521 Joe Battle</th>
<th>151 Camellia</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>Socorro</td>
<td>San Elizario</td>
<td>Socorro</td>
<td>Horizon</td>
<td>El Paso</td>
<td>Horizon</td>
</tr>
<tr>
<td>State</td>
<td>TX</td>
<td>TX</td>
<td>TX</td>
<td>TX</td>
<td>TX</td>
<td>TX</td>
</tr>
<tr>
<td>Price</td>
<td>$250,000</td>
<td>$175,000</td>
<td>$360,000</td>
<td>$2,254,230</td>
<td>$500,000</td>
<td>$2,254,230</td>
</tr>
<tr>
<td>Land SF</td>
<td>132,906</td>
<td>108,464</td>
<td>60,964</td>
<td>195,584</td>
<td>917,374</td>
<td>205,603</td>
</tr>
<tr>
<td>Land SF Unit Price</td>
<td>$2.30</td>
<td>$2.94</td>
<td>$1.79</td>
<td>$2.46</td>
<td>$2.43</td>
<td>$2.43</td>
</tr>
</tbody>
</table>

### Transaction Adjustments

- **Property Rights**: Fee Simple
- **Financing**: Conventional
- **Conditions of Sale**: Cash

<table>
<thead>
<tr>
<th>Adjusted Land SF Unit Price</th>
<th>Comp 1</th>
<th>Comp 2</th>
<th>Comp 3</th>
<th>Comp 4</th>
<th>Comp 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2.30</td>
<td>$2.94</td>
<td>$1.79</td>
<td>$2.46</td>
<td>$2.43</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Average</th>
<th>Average</th>
<th>Average</th>
<th>Superior</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Adjustment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>-30%</td>
<td>0%</td>
</tr>
<tr>
<td>S Adjustment</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>-$0.74</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land SF</th>
<th>132,906</th>
<th>108,464</th>
<th>60,964</th>
<th>195,584</th>
<th>917,374</th>
<th>205,603</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Adjustment</td>
<td>0%</td>
<td>-20%</td>
<td>0%</td>
<td>35%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>S Adjustment</td>
<td>$0.00</td>
<td>-$0.59</td>
<td>$0.00</td>
<td>$0.86</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Road Frontage</th>
<th>67'</th>
<th>172</th>
<th>108'</th>
<th>274</th>
<th>1490</th>
<th>52'</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Adjustment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>S Adjustment</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topography</th>
<th>Rolling/Pits</th>
<th>Level</th>
<th>Level</th>
<th>Level</th>
<th>Level</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Adjustment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>S Adjustment</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shape</th>
<th>Irregular</th>
<th>Rectangular</th>
<th>Rectangular</th>
<th>Rectangular</th>
<th>Irregular</th>
<th>Rectangular</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Adjustment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>S Adjustment</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Depth</th>
<th>98'</th>
<th>1165</th>
<th>550'</th>
<th>720'</th>
<th>844</th>
<th>71'</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Adjustment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>S Adjustment</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposed Use</th>
<th>Multifamily</th>
<th>Industrial</th>
<th>Industrial</th>
<th>Commercial</th>
<th>Medical</th>
<th>Multifamily</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Adjustment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>S Adjustment</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted Land SF Unit Price</th>
<th>Comp 1</th>
<th>Comp 2</th>
<th>Comp 3</th>
<th>Comp 4</th>
<th>Comp 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2.30</td>
<td>$2.35</td>
<td>$1.79</td>
<td>$2.58</td>
<td>$2.43</td>
</tr>
</tbody>
</table>

### Ranges & Reconciled Values

- **Number of Comps**: 5
- **Low**: $1.79
- **High**: $2.58
- **Average**: $2.29
- **Reconciled Value/Unit Value**: $2.30
- **Subject Size**: 132,906
- **Type of Unit Value**: square foot
- **Indicated Value**: $305,684
- **Reconciled Final Value**: $305,000
Comparable Land Sale Adjustments

Financing
The subject property is being valued on a cash equivalent basis. Therefore, the comparable sales may need to be adjusted for the impact of financing terms. Downward adjustments for financing terms are generally indicated whenever there is seller financing at below-market interest rates or when they include any other type of favorable financing terms. No adjustments were made for financing.

Economic Trends
Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject property. Changing market conditions often result from various causes such as inflation, deflation, changing demand, and changing supply. Time itself is not the cause for the adjustment; it is the change in economic conditions over this period of time that justifies an adjustment. No adjustments were made for economic trends.

Financing
The subject property is being valued on a cash equivalent basis; therefore, the comparable sales may need to be adjusted for the impact of financing terms. Downward adjustments for financing terms are generally indicated whenever there is seller financing at below-market interest rates. No adjustments were based on financing.

Location
An adjustment for location is required if the location of a comparable property is significantly different from that of the subject property. Factors included in such an evaluation are access, desirability, and traffic patterns. While one factor may be superior in a comparable property, the other factors may skew the character of the location, which would result in an overall inferiority. Thus, the appraiser considered all factors when judging one location against another.

The subject is located along Three Missions Road in Socorro, Texas in a residential/agricultural area just west of North Loop Road. Land Sale Comparable No. 4 was adjusted downward by 30% due to its superior location along Joe Battle Boulevard in Far East El Paso, Texas.

Land Area / Size
An estimated adjustment is typically made for size when a distinguishable premium, or discount, is paid for a tract due to its size. Typically, the smaller the site the higher the unit cost, and the larger the site the lower the unit cost. As in all adjustments, the market tends to set the adjustment. The subject property is 132,906 square feet. The sales comparables range in size from 60,984 to 917,374 square feet. It was necessary to apply a downward adjustment to Land Sale Comparable No. 2 due to...
its superior land size of 60,984 square feet. Land Sale Comparable No. 4 was adjusted upward by 35% due to its inferior land size of 917,374 square feet.

**Road Frontage**
The visibility and access of good frontage, particularly a corner location, can improve the value of property. This is more relative with primary/retail commercial uses, and less of a factor with residential or industrial properties. It was not necessary to apply adjustments based on frontage.

**Topography**
The topography of a property can affect the costs of developing a site making it more expensive to develop and therefore less valuable. The subject and its sales comparables all have similar topography. Adjustments were not necessary due to topography.

**Shape**
The shape of a property can affect visibility, access and land-to-building ratios which can increase or decrease the value of improvements on a parcel. It was not necessary to apply adjustments due to shape.

**Depth**
The depth of a property can impact the value of a property if it limits or expands the size of the building or buildings that can be developed on the parcel. Adjustments were not applied due to depth.

**Sales Comparison Approach Conclusion – Land Valuation**
The adjusted values of the comparable properties range from $1.79 to $2.58 per square foot; the average is $2.29. All of the value indications have been considered, and in the final analysis, the comparables were weighed evenly in arriving at our final estimated per square foot value of $2.30

<table>
<thead>
<tr>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated Value per Square Foot:</td>
</tr>
<tr>
<td>Subject Size:</td>
</tr>
<tr>
<td>Indicated Value:</td>
</tr>
<tr>
<td>Reconciled Value:</td>
</tr>
<tr>
<td>Three Hundred Five Thousand Dollars</td>
</tr>
</tbody>
</table>
Final Reconciliation
The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

<table>
<thead>
<tr>
<th>Approach</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Approach</td>
<td>NA</td>
</tr>
<tr>
<td>Sales Comparison Approach</td>
<td>$305,000</td>
</tr>
<tr>
<td>Income Approach</td>
<td>NA</td>
</tr>
</tbody>
</table>

Sales Comparison Approach
In estimating the market value via the Sales Comparison Approach, the Sales Price per Acre technique was utilized. The Sales Price per Square Foot analysis resulted in an estimated value of $2.30 per square foot or $305,000.

Value Conclusion
Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of January 18, 2019, subject to the Limiting Conditions and Assumptions of this appraisal.

<table>
<thead>
<tr>
<th>Reconciled Value(s):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Premise: As Is</td>
<td></td>
</tr>
<tr>
<td>Interest: Fee Simple</td>
<td></td>
</tr>
<tr>
<td>Value Conclusion:</td>
<td>$305,000</td>
</tr>
<tr>
<td>Three Hundred Five Thousand Dollars</td>
<td></td>
</tr>
</tbody>
</table>
Certification Statement
We certify that, to the best of our knowledge and belief:

• The statements of fact contained in this report are true and correct.

• The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.

• We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.

• We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.

• Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

• Our 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

• Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

• No one provided significant real property appraisal assistance to the person(s) signing this certification.

• We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.

• The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
• Paul G. Zacour has made an inspection of the subject property.

Paul G. Zacour
State Certified General Real Estate Appraiser
Texas No. TX-1322726-G
Qualifications
Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

Number: TX 1322726 G
Issued: 04/26/2018, Expires: 04/30/2020
Appraiser: PAUL GEORGE ZACOUR

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

Douglas E. Oldmixon
Commissioner
Qualifications of Paul G. Zacour

Zacour and Associates, Inc., El Paso, TX

Zacour & Associates, Inc. is a full service appraisal firm established in 1992. The firm performs both residential and commercial appraisals as well as valuations on all types of commercial projects.

Designations and Licenses
State Certified General Real Estate Appraiser No. TX-1322726-G
New Mexico State Certified General Real Estate Appraiser No. 001163-G
Senior Ad Valorem Tax Consultant Texas License No. 155
Texas Real Estate Broker License No. 285738-06
Approved Analyst Texas Department of Housing and Community Affairs
MAI Candidate No. M930959, Appraisal Institute, Chicago, IL

Formal and Continuing Education
University of Texas at El Paso, Texas; Bachelor of Business Administration, 1984
Double Major: Real Estate and Marketing
Nat’l USPAP Update & Sales Verification – McKissock - March 2010
Mortgage Fraud – Protect Yourself – New Mexico State University – February 2008
Nat’l USPAP Update – New Mexico State University – February 2008
Residential Site Valuation and Cost Approach – Appraisal Institute Course – Nov. 2007
PTCE Appraisal Update IX + PTC Legal Issues – June 2006
Residential Case Study – Appraisal Institute Course – April 2006
PT-100 – Principles of Property Tax – July 2005
HBU and Market Analysis – Appraisal Institute Course – April 2005
TP-100 – The Property Tax System – July 2004
Online Analyzing of Operating Expenses – Appraisal Institute Course – April 2004
Uniform Standard of Professional Appraisal Practice - May 2003
Basic Real Estate Development – Urban Land Institute – Oct 2002
Effective Appraisal Writing – Appraisal Institute – Oct 2002
The Road Less Traveled: Special Purpose Properties – Appraisal Institute - Oct 2001
Pre-Investment Concerns and Considerations – Appraisal Institute – Sept 2001
General Demonstration Appraisal Report Writing- Appraisal Institute - Sept 2000
Preapring/Presenting-Ethical Ad Valorem Valuation - August 2000
Advanced Applications - Appraisal Institute Course 550 - Oct 1999
Internet Search Strategies for Real Estate Appraising - Appraisal Inst - Jan 1999
Eminent Domain and Condemnation Appraising – Appraisal Institute - June 1998
An Introduction to Oil & Gas Valuation – TAPTP - Feb 1996
Survey of Texas Property Tax Law – TAPTP-Instructor-Jan 1996
Principles of Property Tax Consulting – TAPTP Jan 1994
Real Estate Appraisal Principles - Appraisal Institute Exam 1A1 - March 1991
Basic Valuation Procedures - Appraisal Institute Exam 1A2 - Sept 1986

Professional and Civic Memberships
National Council of Affordable Housing Market Analysts – Associate Member
Texas Association of Property Tax Professionals
Texas Association of Realtors and the Greater El Paso Association of Realtors
Building and Zoning Advisory Committee, City of El Paso
Building and Standards Committee, City of El Paso

128 Thunderbird Drive, Suite E • El Paso, Texas 79912 • Phone 915 581-1141 • Fax 915 581-1168
e-mail: paul@zacour.com
Addenda
### Land Comparable 1

<table>
<thead>
<tr>
<th>Transaction</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
<td>655</td>
</tr>
<tr>
<td>Date</td>
<td>9/11/2018</td>
</tr>
<tr>
<td>Address</td>
<td>10400 Socorro Road</td>
</tr>
<tr>
<td>City</td>
<td>San Elizario</td>
</tr>
<tr>
<td>State</td>
<td>TX</td>
</tr>
<tr>
<td>Tax ID</td>
<td>116847</td>
</tr>
<tr>
<td>Grantor</td>
<td>Lily &amp; Ramon Mendoza</td>
</tr>
<tr>
<td>Grantee</td>
<td>Listing</td>
</tr>
<tr>
<td>Legal Description</td>
<td>Tract 27, Block 27, San Elizario Trail</td>
</tr>
<tr>
<td>Verification Source</td>
<td>MLS 754433a</td>
</tr>
<tr>
<td>Price</td>
<td>$250,000</td>
</tr>
<tr>
<td>Price per Acre</td>
<td>$100,402</td>
</tr>
<tr>
<td>Price Per Land SF</td>
<td>$2.30</td>
</tr>
<tr>
<td>Listing Price</td>
<td>250000</td>
</tr>
<tr>
<td>List to Sales Price</td>
<td>1</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash to Seller</td>
</tr>
<tr>
<td>Days on Market</td>
<td>85</td>
</tr>
</tbody>
</table>

#### Site

<table>
<thead>
<tr>
<th>Site</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres</td>
<td>2.5</td>
</tr>
<tr>
<td>Land SF</td>
<td>108,464</td>
</tr>
<tr>
<td>Road Frontage</td>
<td>250</td>
</tr>
<tr>
<td>Shape</td>
<td>Rectangular</td>
</tr>
<tr>
<td>Topography</td>
<td>Level</td>
</tr>
<tr>
<td>Zoning</td>
<td>--</td>
</tr>
<tr>
<td>Flood Zone</td>
<td>Not in a flood zone</td>
</tr>
<tr>
<td>Encumbrance or Easement</td>
<td>No encumbrances noted. Usual</td>
</tr>
<tr>
<td>Utilities</td>
<td>City water, site sewer</td>
</tr>
<tr>
<td>Environmental Issues</td>
<td>None noted.</td>
</tr>
</tbody>
</table>

### Comments

--
### Transaction

<table>
<thead>
<tr>
<th>ID</th>
<th>590</th>
<th>Date</th>
<th>12/26/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>1286 Nancy Drive</td>
<td>Price</td>
<td>$179,000</td>
</tr>
<tr>
<td>City</td>
<td>Socorro</td>
<td>Price per Acre</td>
<td>$127,857</td>
</tr>
<tr>
<td>State</td>
<td>TX</td>
<td>Price Per Land SF</td>
<td>$2.94</td>
</tr>
<tr>
<td>Tax ID</td>
<td>67226</td>
<td>Listing Price</td>
<td>$179,000</td>
</tr>
<tr>
<td>Grantor</td>
<td>Matmar Leasing LLC</td>
<td>List to Sales Price</td>
<td>1</td>
</tr>
<tr>
<td>Grantee</td>
<td>Manuel Z. Ramirez</td>
<td>Financing</td>
<td>Cash to Seller</td>
</tr>
<tr>
<td>Legal Description</td>
<td>Tract 5-A, Leigh Clark</td>
<td>Days on Market</td>
<td>330</td>
</tr>
<tr>
<td>Verification Source</td>
<td>Broker, J. Uribe</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Site

<table>
<thead>
<tr>
<th>Acres</th>
<th>1.4</th>
<th>Topography</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land SF</td>
<td>60,984</td>
<td>Zoning</td>
<td>--</td>
</tr>
<tr>
<td>Road Frontage</td>
<td>108'</td>
<td>Flood Zone</td>
<td>Not in a flood zone</td>
</tr>
<tr>
<td>Shape</td>
<td>Rectangular</td>
<td>Encumbrance or</td>
<td>No encumbrances</td>
</tr>
<tr>
<td>Utilities</td>
<td>City water, site sewer</td>
<td>Environmental Issues</td>
<td>None noted.</td>
</tr>
</tbody>
</table>

### Comments

--
# Land Comparable 3

<table>
<thead>
<tr>
<th>Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>City</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>Tax ID</td>
</tr>
<tr>
<td>Grantor</td>
</tr>
<tr>
<td>Grantee</td>
</tr>
<tr>
<td>Legal Description</td>
</tr>
<tr>
<td>Verification Source</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres</td>
</tr>
<tr>
<td>Land SF</td>
</tr>
<tr>
<td>Road Frontage</td>
</tr>
<tr>
<td>Shape</td>
</tr>
<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Topography</td>
</tr>
<tr>
<td>Zoning</td>
</tr>
<tr>
<td>Flood Zone</td>
</tr>
<tr>
<td>Encumbrance or</td>
</tr>
<tr>
<td>Environmental Issues</td>
</tr>
</tbody>
</table>

## Comments

--
## Land Comparable 4

<table>
<thead>
<tr>
<th>ID</th>
<th>529</th>
<th>Date</th>
<th>8/15/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>1521 Joe Battle</td>
<td>Price</td>
<td>$2,254,230</td>
</tr>
<tr>
<td>City</td>
<td>El Paso</td>
<td>Price per Acre</td>
<td>$107,038</td>
</tr>
<tr>
<td>State</td>
<td>TX</td>
<td>Price Per Land SF</td>
<td>$2.46</td>
</tr>
<tr>
<td>Tax ID</td>
<td>V89399950400200</td>
<td>Listing Price</td>
<td>--</td>
</tr>
<tr>
<td>Grantor</td>
<td>Medco Properties VII</td>
<td>List to Sales Price</td>
<td>--</td>
</tr>
<tr>
<td>Grantee</td>
<td>Vista Hope Properties</td>
<td>Financing</td>
<td>Cash to Seller</td>
</tr>
<tr>
<td>Legal Description</td>
<td>--</td>
<td>Days on Market</td>
<td>--</td>
</tr>
<tr>
<td>Verification Source</td>
<td>Public Record</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Site

<table>
<thead>
<tr>
<th>Acres</th>
<th>21.1</th>
<th>Topography</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land SF</td>
<td>917,374</td>
<td>Zoning</td>
<td>C-3, Commercial</td>
</tr>
<tr>
<td>Road Frontage</td>
<td>1,490</td>
<td>Flood Zone</td>
<td>Not in a flood zone</td>
</tr>
<tr>
<td>Shape</td>
<td>Irregular</td>
<td>Encumbrance or</td>
<td>No encumbrances</td>
</tr>
<tr>
<td>Utilities</td>
<td>City water &amp; sewer</td>
<td>Environmental Issues</td>
<td>None noted.</td>
</tr>
</tbody>
</table>

### Comments

This is the future site of UMC Clinic Far East
### Land Comparable 5

#### Transaction

<table>
<thead>
<tr>
<th>ID</th>
<th>288</th>
<th>Date</th>
<th>1/18/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>151 Cameldale Drive</td>
<td>Price</td>
<td>$500,000</td>
</tr>
<tr>
<td>City</td>
<td>Horizon</td>
<td>Price per Acre</td>
<td>$105,932</td>
</tr>
<tr>
<td>State</td>
<td>TX</td>
<td>Price Per Land SF</td>
<td>$2.43</td>
</tr>
<tr>
<td>Tax ID</td>
<td>58818</td>
<td>Listing Price</td>
<td>$500,000</td>
</tr>
<tr>
<td>Grantor</td>
<td>Rosie Acosta</td>
<td>List to Sales Price</td>
<td>1</td>
</tr>
<tr>
<td>Grantee</td>
<td>Mountain Vista</td>
<td>Financing</td>
<td>Cash to seller</td>
</tr>
<tr>
<td>Legal Description</td>
<td>8 Horizon Hills Lot 20</td>
<td>Days on Market</td>
<td>372</td>
</tr>
<tr>
<td>#REF!</td>
<td></td>
<td>Verification Source</td>
<td>Broker</td>
</tr>
</tbody>
</table>

#### Site

<table>
<thead>
<tr>
<th>Acres</th>
<th>4.7</th>
<th>Topography</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land SF</td>
<td>205,603</td>
<td>Zoning</td>
<td>--</td>
</tr>
<tr>
<td>Road Frontage</td>
<td>525'</td>
<td>Flood Zone</td>
<td>Not in a flood zone</td>
</tr>
<tr>
<td>Shape</td>
<td>Rectangular</td>
<td>Encumbrance or</td>
<td>No encumbrances</td>
</tr>
<tr>
<td>Utilities</td>
<td>City water, site sewer</td>
<td>Environmental Issues</td>
<td>--</td>
</tr>
</tbody>
</table>

#### Comments

Ms. Rosie Acosta is the listed owner since February 15, 2006 until the time of sale.
Deed Records
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER AND DRIVER'S LICENSE NUMBER

SPECIAL WARRANTY DEED

STATE OF TEXAS §

COUNTY OF EL PASO §

HACIENDA SANTA BARBARA APARTMENTS LIMITED PARTNERSHIP, a New Mexico limited partnership ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, has Granted, Sold, and Conveyed, and by these presents does Grant, Sell, and Convey, unto TIERRA DEL SOL HOUSING CORPORATION, a New Mexico corporation, ("Grantee") having an address of 880 Anthony Drive, Suite 3 C & D, Anthony, Doña Ana County, New Mexico, 88021 all that real property situated in the County of El Paso, State of Texas, and more particularly described on Exhibit A attached hereto and made a part hereof for all purposes (the "Property").

This Deed is made and accepted expressly subject to any and all restrictions and easements of record to the extent the same are valid and still in force and effect (the "Reservations From and Exceptions to Conveyance and Warranty").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances belonging in any way to the Property, unto the said Grantee, its successors and assigns forever, and Grantor binds itself and its successors and assigns to warrant and forever defend all and singular the Property to Grantee, its successors and assigns against every person lawfully claiming or to claim all or any part of the Property, by, through, or under Grantor, but not otherwise, and subject to the Reservations From and Exceptions to Conveyance and Warranty.

Signatures contained on the following page
IN WITNESS WHEREOF, GRANTOR has executed this Deed, to be effective as of this 2 day of July, 2009.

GRANTOR

HACIENDA SANTA BARBARA
APARTMENTS LIMITED PARTNERSHIP,
a New Mexico limited partnership

By: Housing and Economic Rural
   Opportunity, Inc.
   Its: General Partner

By: ____________________________
   Alberto H. Davalos
   Its: President

STATE OF New Mexico $

COUNTY OF Dona Ana $

This instrument was acknowledged before me this 2 day of June, 2009, by Alberto H. Davalos, President of Housing and Economic Rural Opportunity, Inc., a New Mexico nonprofit corporation, the general partner of Hacienda Santa Barbara Apartments Limited Partnership, a New Mexico limited partnership on behalf of said corporation and for the benefit of the limited partnership.

Notary's Official Seal: ____________________________

Notary Public in and for
The State of New Mexico

2/11/2009
EXHIBIT A
To Special Warranty Deed
LEGAL DESCRIPTION

Lot 1A, Block 1, THREE MISSIONS SUBDIVISION REPLAT "A", El Paso County, Texas, according to the plat thereof recorded in Volume 76, Page 90, Plat Records of El Paso County, Texas.