

APPRAISAL REPORT

SANTA FE UNIVERSITY OF ART & DESIGN
1600 St Michael's Drive
Santa Fe, Santa Fe County, New Mexico 87505
CBRE, Inc. File No. 17-271PH-1125-1
Client Reference No. Item# / 17-0328

Kelley A. Brennan & Matthew O'Reilly, P.E.
City Attorney Director of Asset Development
CITY OF SANTA FE
200 Lincoln Avenue
Santa Fe, New Mexico 87504

www.cbre.com/valuation

CBRE



June 5, 2017

Kelley A. Brennan
City Attorney
CITY OF SANTA FE
200 Lincoln Avenue
Santa Fe, New Mexico 87504-0909

Matthew O'Reilly, P.E.
Director of Asset Development
City of Santa Fe
P.O. Box 909
Santa Fe, New Mexico 87504-0909

RE: Appraisal of Santa Fe University of Art & Design
1600 St Michael's Drive
Santa Fe, Santa Fe County, New Mexico 87505
CBRE, Inc. File No. 17-271PH-1125-1
Client Reference No. Item# / 17-0328

Dear Ms. Brennan and Mr. O'Reilly:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a 498,384-square-foot, college campus located at 1600 St. Michael's Drive in Santa Fe, New Mexico. It was constructed over numerous years ranging from 1945-2005. The entire campus sits on an approximate 64.222-acre site. The property consists of approximately 32 various buildings, which are comprised of dormitories, classrooms, administrative buildings, library, a fitness center, film studio, and a theatre. The subject is well located within the City of Santa Fe and is considered to be a Class C property in this market. The subject has received over \$16,600,000 in renovations, upgrades and repairs between 2009 and 2014. The subject is more fully described, legally and physically, within the enclosed report. It should be noted the property is known as the Santa Fe University of Art and Design. The Campus is owned by the City of Santa Fe and is leased to Santa Fe Higher Education, LLC, a subsidiary of Laureate Education, and operating as Santa Fe University of Art and Design, which will be vacating the property in the summer of 2018. For the purpose of this report, we were asked to provide the fee simple estate value. It should also be noted the tenant has an option to purchase the property under the current lease agreement. The right to purchase will be fully described within the body of this report.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	May 24, 2017	\$36,100,000

Compiled by CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Stephen Wilson
Vice President
New Mexico Certified General Real Estate
Appraiser No. 03364G

Phone: +1 505 837 4935
Fax: +1 505 837 4990
Email: stephen.wilson@cbre.com



Jo Dance, MAI, CCIM
Managing Director
New Mexico Certified General Real Estate
Appraiser No. 03242G

Phone: +1 602 735 5686
Fax: +1 602 735 5613
Email: jo.dance@cbre.com

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. 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.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of New Mexico.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Stephen Wilson and Jo Dance, MAI, CCIM have completed the continuing education program for Designated Members of the Appraisal Institute.
11. Stephen Wilson has and Jo Dance, MAI, CCIM has not made a personal inspection of the property that is the subject of this report.
12. Brittany Umbrage provided significant real property appraisal assistance to the persons signing this report. Brittany assisted in the research and development of this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Stephen Wilson and Jo Dance, MAI, CCIM have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Stephen Wilson
New Mexico Certified General Real Estate
Appraiser No. 03364G

Jo Dance, MAI, CCIM
New Mexico Certified General Real Estate
Appraiser No. 03242G

Subject Photographs



Aerial View

The boundary depicted above is for illustrative purposes only



Forum and Fogelson Library



Administrative Building Front



Administrative Building Interior



The Greer Garson Theater seating



Student Apartments



Typical Dorms (Kennedy Hall)



Hallway of Thaw Art History Center



Exterior of Tipton/Thaw/Tishman/Marion



Interior of Driscoll Fitness Center



Driscoll Fitness Center



Greer Garson Theatre stage



Interior of Library



Cafeteria Elevation



Cafeteria



Benildus Hall



Hallway within Benildus Hall



Mouton Hall



Classroom within Benildus Hall

Executive Summary

Property Name	Santa Fe University of Art & Design		
Location	1600 St Michael's Drive, Santa Fe, Santa Fe County, New Mexico 87505		
Highest and Best Use	Mixed use development, time and circumstances warranted		
As If Vacant	College/University		
As Improved	Fee Simple Estate		
Property Rights Appraised	June 5, 2017		
Date of Report	May 24, 2017		
Date of Inspection	12 Months		
Estimated Exposure Time	12 Months		
Estimated Marketing Time	64.22 AC		
Land Area	2,797,510 SF		
Zoning	R-5 (Residential District)		
Zoning Overlay	Midtown LINC Overlay District		
Improvements	College/University (School)		
Property Type	32		
Number of Buildings	1 to 3		
Number of Stories	498,384 SF		
Gross Building Area	498,384 SF		
Net Rentable Area	1945		
Year Built	Renovated:	2009-2014	
Condition	Average		
Major Tenants	Santa Fe University of Art & Design		
	498,384 SF		
Buyer Profile	Institutional		
Financial Indicators	100.0%		
Current Occupancy	95.0%		
Stabilized Occupancy	8.75%		
Overall Capitalization Rate			
Pro Forma Operating Data	Total	Per SF	
Effective Gross Income	\$3,314,254	\$6.65	
Operating Expenses	\$74,758	\$0.15	
Expense Ratio	2.26%		
Net Operating Income	\$3,239,496	\$6.50	

VALUATION		Total	Per SF
Land Value		\$7,550,000	\$2.70
Market Value As Is On			
	May 24, 2017		
Cost Approach		\$22,050,000	\$44.24
Sales Comparison Approach		\$36,100,000	\$72.43
Income Capitalization Approach		\$36,200,000	\$72.63
CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	May 24, 2017	\$36,100,000
Compiled by CBRE			

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths/ Opportunities

- The subject is a large college campus in the heart of Santa Fe, New Mexico
- The majority of the buildings are generally in good condition
- The subject has an overlay district which allows for high density mixed use development

Weaknesses/ Threats

- The subject's improvements consist of older age improvements
- Santa Fe, New Mexico is a tertiary market

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assumption directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions."¹

- None noted

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis."²

- None noted

¹ The Appraisal Foundation, *USPAP, 2016-2017* ed., 3.

² The Appraisal Foundation, *USPAP, 2016-2017* ed., 3.

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Introduction

OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of City of Santa Fe, who acquired title to the property in September 2009, as improved for \$19,500,000. On July 29, 2009, the Santa Fe City Council approved the purchase of the campus and the lease of college facilities to Laureate Education Inc. On September 15, 2009 the City of Santa Fe purchased the college from the College of Christian Brothers of New Mexico, a Non-Profit Corporation for \$19,500,000 and subsequently leased the property to Santa Fe University of Art and Design, LLC at lease rate of \$2,350,000 annually. The City of Santa Fe purchase in effect took out the existing debt on the campus and does not represent an arm's length transaction. This lease rate is flat over the 27-year term, and payments are made quarterly. It should also be noted that the lease payments cover the debt service the city used to acquire the campus. On April 13, 2016, the lease rate was reduced to \$2,230,000 annually. Since the purchase, the City of Santa Fe reportedly has invested an additional \$16,600,000 in upgrading the property. The Santa Fe University of Art and Design has spent additional money in capital improvements between 2009 to 2014. As part of the current lease agreement, the tenant has a purchase option and the right of first refusal on any purchase agreement. The right to purchase is stated within the lease amendment as follows:

37.03 Right to Purchase.

(a) Landlord does hereby give and grant to Tenant the exclusive right and option to purchase the Purchase Option Property (the Purchase Option). The Purchase Option may be assigned in whole, but not in part, at any time by Tenant to any Affiliate of Tenant, without Landlord's consent. Tenant or any assignee of Tenant with respect to the Purchase Option shall be referred to herein sometimes as the Option Party. The Purchase Option may be exercised by the Option Party, in the Option Party's sole and absolute discretion, at any time during the Term of this Lease, as the same may be extended or renewed from time to time (the Option Period). The purchase price for the Purchase Option Property to be paid by the Option Party to the Landlord (Purchase Price) shall be equal to the fair market value of the Purchase Option Property determined by a written appraisal of the Purchase Option Property made by a qualified appraiser with at least five (5) years of full-time commercial appraisal experience in the geographical area where the Purchase Option Property is located and who is mutually acceptable to Landlord and Tenant, reduced by (i) the aggregate amount of all Purchase Price Credit Payments in accordance with **Schedule 3** attached hereto made by Tenant (i.e., the aggregate of all lease payments made by Tenant) over the Term up to the date of closing (as modified by Schedule "1" (Amended), (ii) the total amount of capital improvements made over the Term up to the date of closing by Tenant to the Premises, but not including any work items funded by the Electrical Fund, the DM Fund or otherwise by Landlord in payment of the Landlord Sewer, Water and Gas Obligations, (iii) any positive balances in escrows and reserves established pursuant to this Lease or in connection with the Transaction Bonds (including, without limitation, any unexpended Debt Service Reserves), (iv) any Economic Development Benefits and (v) any other credits due to Tenant, provided that in no event shall the Purchase Price be less than the amount necessary on the date of closing to pay off Landlord's debt to the NMFA on account of funds advanced by NMFA to Landlord on the Lease Commencement Date, including any penalties or other charges imposed by NMFA for the early refunding and defeasance of the Transaction Bonds or other similar charges, together with Landlord's reasonable costs incurred by Landlord in connection with the payoff of such debt and with closing, including, without limitation, attorneys' and accountants' fees for any legal and accounting services for document review and/or negotiation of any and all documents deemed necessary by Landlord and/or Tenant to effect such payoff of debt and closing.

The buyout option of the lease basically states that The Santa Fe University of Art and Design has the ability to pay the appraised value of the property, minus any money spent by the University on

capital improvements during their lease term, as long as it is no less than what the City of Santa Fe owes on the property.

The Santa Fe University of Art and Design has given notice that they will be vacating the facility in the summer of 2018. The amount of money spent by The Santa Fe University of Art and Design in capital improvements during their lease term was not provided to the appraisers and is unknown.

INTENDED USE OF REPORT

This appraisal is to be used for internal decision making purposes, and no other use is permitted.

INTENDED USER OF REPORT

This appraisal is to be used by the City of Santa Fe, and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.³

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;

³ Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁴

INTEREST APPRAISED

The values estimated represent fee simple estate interest and are defined as follows:

Fee Simple Estate - 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.⁵

SCOPE OF WORK

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. CBRE, Inc. completed the following steps for this assignment:

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

Stephen Wilson, MAI, SRA inspected the subject property and its surrounding environs.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

⁴ Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

⁵ *Dictionary of Real Estate Appraisal*, 78.

Data Resources Utilized in the Analysis

DATA SOURCES

<i>Item:</i>	<i>Source(s):</i>
Site Data	
Size	Santa Fe County Assessor, City of Santa Fe and Lease Document
Improved Data	
Building Area	Lease document and City of Santa Fe
No. Bldgs.	Property inspection
Parking Spaces	Previous appraisal
Year Built/Developed	Previous appraisal/City of Santa Fe
Economic Data	
Deferred Maintenance:	Property Condition Report from AEI Consultants dated April 11, 2016
Building Costs:	Marchall & Swift Cost Handbook
Income Data:	Rent Comparables/Lease Document
Expense Data:	N/Av-NNN Lease

Compiled by CBRE

Area Analysis



Moody's Economy.com provides the following Santa Fe, NM metro area economic summary as of Dec-16.

RECENT PERFORMANCE

Santa Fe took a step back in the second half of 2016, surrendering all of its job gains from the first half of the year. Employment in retail and in local government has trended down over the past four years, resulting in persistent downward pressure on the state capital. Thanks to the

recent job losses and the lack of positive momentum in higher-paying services such as finance and professional services as well as state government, real household income has been flat over the past year. Home sales have grown slowly, and residential construction is still stuck at the bottom. More encouraging is that severance tax revenue in New Mexico is no longer contracting, though the state has to make significant rescissions in order to balance its fiscal 2017 budget.

STATE BUDGET

SFE will go through further pain in the short term due to New Mexico's fiscal retrenchment. The good news is that the recovery of oil prices and the increase in active rigs throughout the state has ended the decline in severance tax revenues. But the rescissions needed to bring the budget in line will do real damage; they include a likely merger of state agency human resource departments that will lead to layoffs, and a reduction in state funds going to public school reserves. The effects on SFE will likely include mild declines in state employment for the next two years and belt-tightening for Santa Fe Community College and other state-funded institutions. Given the shortage of state aid to local governments, the downward effect on local government spending is also likely to persist for another full year, putting more of the onus on private industries to pick up the slack.

HEALTHCARE

SFE's healthcare facilities will have to undergo a radical transformation in order for the industry to contribute positively to growth. Healthcare and social assistance already make up an above-average 15% of employment, and jobs at doctors' offices account for the largest slice of metro area wage income. Given the recent slowdown in SFE population growth, it is likely that the state's ambulatory care facilities have some excess capacity. But what stands out for SFE's healthcare industry are population projections, which peg the metro area as a retiree haven rivaling some Florida metro areas: Thirty years from now, just over one-third of SFE's population is forecast to be age 65 and older, compared with just over one-fifth for the U.S. Residential care facilities will expand substantially in order to meet rising demand.

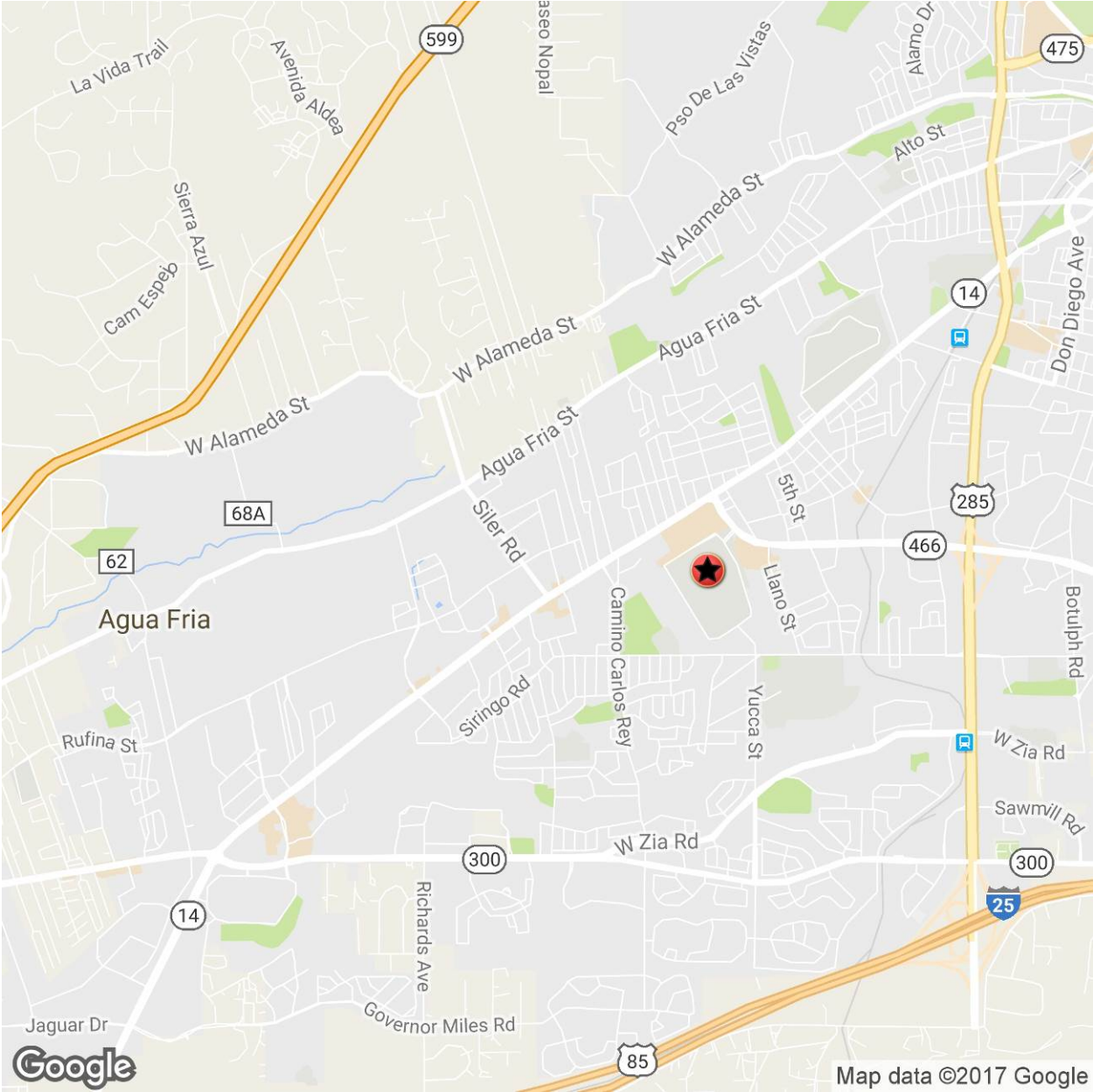
HOUSING

The housing market is slowly regaining its pace from the previous decade and will make a small contribution to the metro area's expansion in coming years. Unlike in other parts of New Mexico, the population in SFE has not contracted, and household formation has been steady over the past five years. Single-family sales are still well below last decade's average but have risen substantially since bottoming in late 2010. With inventory also falling, the conditions are in place for more residential construction, assuming that the rate of household formation picks up with growth in the economy.

CONCLUSION

Despite short-term drag from state and local government, job growth in Santa Fe will resume in 2017 as a combination of improved tourism and stronger demand for housing push up on investment and consumer spending. Thanks to in-migration, population in the state capital will also resume growing. SFE's continued popularity as a tourist destination, combined with multiplier effects from neighboring Los Alamos National Laboratory, will help household income growth edge out the U.S. growth rate over the extended forecast horizon.

Neighborhood Analysis



LOCATION

The subject is in the city of Santa Fe and is considered a suburban location. The city of Santa Fe is situated in Santa Fe County, and the subject is located approximately 2.5 miles southwest of Downtown Santa Fe. The subject is located on the south side of St. Michael's Drive, just west of the intersection with Cerrillos Road.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

- North: Agua Fria Street
- South: West Rodeo Road
- East: Saint Francis Drive
- West: Lopez Lane

LAND USE

Land uses within the subject neighborhood consist of a mixture of commercial, industrial and residential development. Additional land uses include several schools and colleges. The immediate area surrounding the subject is an older area of development, consisting primarily of retail and residential uses with the majority of the development being built in the 1960’s, 1970’s, and 1980’s. The single-family residential development within a one-mile radius of the subject may be described as tract homes in the \$150,000-\$400,000 range.

Part of the neighborhood is located outside the city limits of Santa Fe; specifically, the western portion between Lopez Lane and Siler Road north of Cerrillos Road. This area is part of Agua Fria Traditional Historic Community and is not planned for annexation into the city limits. The aerial below illustrates the character of the neighborhood with the subject indicated by the arrow. The undeveloped area at the western end of the neighborhood is mostly within the Agua Fria Traditional Historic Community.



Santa Fe Place Mall is the only regional mall in northern New Mexico and is located at the southeast corner of Cerrillos Road and West Rodeo Road, just outside the neighborhood boundaries. The mall was built in 1985 and renovated in November of 2005. The mall features 75 stores with Dillard's, Sears, and JC Penny as the major anchor tenants. The mall sits on a 57-acre site and features 571,240 square feet of retail area. Some of the better known retailers include Hollister, Gap, PacSun, Victoria's Secret, Christopher & Banks, Wet Seal, The Children's Place, The Shoe Pavilion, Bath & Body Works, Sports Authority, Zales, and United Artists Theaters.

Additional significant commercial uses in the neighborhood include the Plaza Santa Fe, a 430,000 square foot power center developed between 1999 and 2002 at the northwest corner of West Rodeo Road and Cerrillos Road. The center includes major retailers such as Best Buy, Target, Albertsons and others. Additionally, a Lowe's Home Improvement store, and 14-screen Regal Cinema Theater are located in the area. There are multiple other major commercial developments along Cerrillos Road and St. Michael's Drive including several big-box stores such as Wal-Mart, Home Depot, and Sam's Club. There are also several large neighborhood and community shopping centers, as well as various retail and service uses.

GROWTH PATTERNS

Growth patterns have occurred along primary commercial thoroughfares such as Cerrillos Road and St. Michael's Drive. Cerrillos Road, a primary east-west arterial, is Santa Fe's most densely developed commercial corridor, and is the primary route for travelers and employees commuting within Santa Fe.

Recent development within the neighborhood has been limited due to the scarcity of developable sites. Most growth has occurred around the edges of the city, especially the southwest edge which represents the main path of growth for the city.

The immediate neighborhood is generally in the stable phase of the typical neighborhood life-cycle. Some areas are experiencing redevelopment, particularly along Cerrillos Road where some sites contain improvements that are reaching the end of their economic life. The recent redevelopment of a site at the northwest corner of Cerrillos Road and Siler road for a CVS/pharmacy is an example. Another corner site on Cerrillos Road that housed a restaurant was demolished for construction of a new express car wash that opened in April 2015. Although there is still some vacant land available for development in the neighborhood it is relatively scarce and generally not suitable for commercial development.

ACCESS

Cerrillos Road runs generally southwest to northeast connecting Interstate Highway 25 to St. Francis Drive (Highway 285/84). Paralleling this street to the north is Agua Fria Street. The main north-south arterial in the neighborhood is St. Francis Drive while the main east-west arterials are

St. Michael's Drive and West Rodeo Road. Secondary access roads include Lopez Lane and Siler Road, both of which cross the Santa Fe River just north of the neighborhood.

The City of Santa Fe has recently been reconstructing Cerrillos Road southwest of the subject. The most recent phase ended at Camino Carlos Rey, approximately 0.6 miles southwest of the subject. The current phase which began in 2015, continues the reconstruction northeast to just Llano Street, just past St. Michael's Drive. According to a website for the project, improvements will include: new roadway pavement, curb and gutter, sidewalks, bike lanes, bus stops and bus shelters, median landscaping, storm drains, and street lighting.

Access to and from the subject's neighborhood is considered good by way of state highways that connect with Interstate 25. Major highways serving Santa Fe include Interstate 25 and U.S. Highways 84, 85, 285 and 64. The City of Albuquerque is situated 60 miles to the southwest of Santa Fe along Interstate 25, which is the only north/south interstate highway in the State.

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

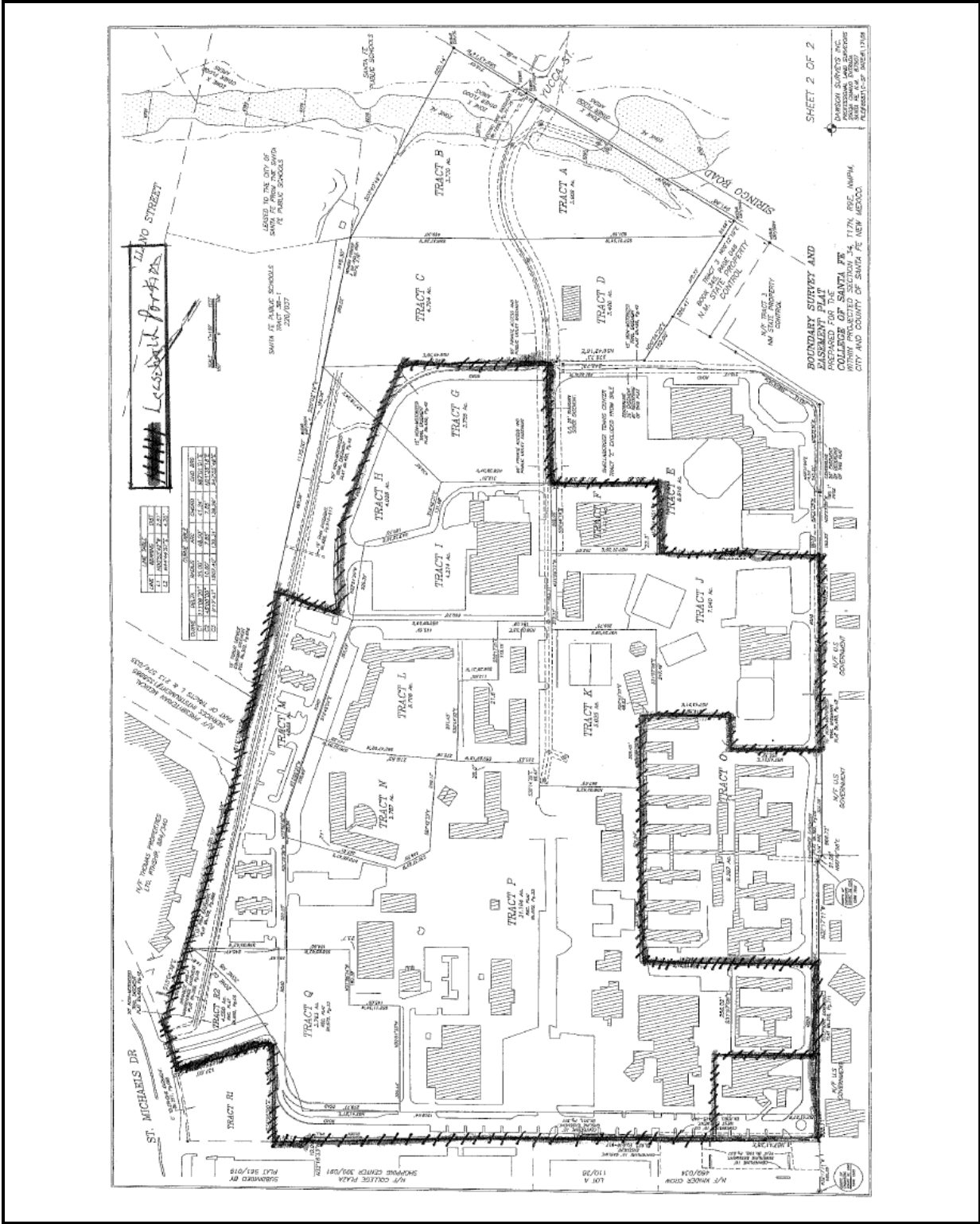
SELECTED NEIGHBORHOOD DEMOGRAPHICS			
1600 St. Michaels Drive Albuquerque, NM	1 Mile	3 Miles	5 Miles
Population			
2021 Total Population	10,696	58,923	92,299
2016 Total Population	10,740	57,103	88,665
2010 Total Population	10,937	54,715	84,498
2000 Total Population	11,873	53,008	78,103
Annual Growth 2016 - 2021	-0.08%	0.63%	0.81%
Annual Growth 2010 - 2016	-0.30%	0.71%	0.81%
Annual Growth 2000 - 2010	-0.82%	0.32%	0.79%
Households			
2021 Total Households	4,515	28,040	41,851
2016 Total Households	4,513	27,070	40,004
2010 Total Households	4,555	25,771	37,925
2000 Total Households	4,447	23,015	33,100
Annual Growth 2016 - 2021	0.01%	0.71%	0.91%
Annual Growth 2010 - 2016	-0.15%	0.82%	0.89%
Annual Growth 2000 - 2010	0.24%	1.14%	1.37%
Income			
2016 Median Household Income	\$40,683	\$45,971	\$48,958
2016 Average Household Income	\$53,717	\$66,802	\$73,271
2016 Per Capita Income	\$23,386	\$31,934	\$33,225
2016 Pop 25+ College Graduates	2,447	17,581	26,519
Age 25+ Percent College Graduates - 2016	32.5%	41.2%	41.2%
Source: ESRI			

CONCLUSION

The neighborhood currently has a middle income demographic profile with a 2016 median household income of \$40,683 within a one-mile radius, increasing to \$45,971 within a three-mile radius.

The neighborhood continues to be an area of moderate growth. Santa Fe continues to grow south and west and the city center is shifting south and west as well. The old city center was downtown Santa Fe near Cerrillos Road and St. Frances Drive, the new city center has shifted towards Cerrillos Road and St. Michael's Drive. The subject is well located at this point along St. Michael's Drive, just east of Cerrillos Road, the main commercial road in the city, and should benefit from the continued growth to the southwest. The subject property should conform well to surrounding neighborhood infrastructure and support services.

PLAT MAP



Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY			
Physical Description			
Net Site Area	64.22 Acres	2,797,510 Sq. Ft.	
Primary Road Frontage	St. Michael's Drive	100 Feet	
Average Depth	Varies		
Shape	Irregular		
Topography	Generally Level		
Zoning District	R-5 (Residential District)		
Flood Map Panel No. & Date	35049C0411E	4-Dec-12	
Flood Zone	Zone X (Shaded)		
Adjacent Land Uses	Commercial, educational and retail uses		
Comparative Analysis		<u>Rating</u>	
Visibility	Average		
Functional Utility	Average		
Traffic Volume	Average		
Adequacy of Utilities	Adequate		
Landscaping	Average		
Drainage	Adequate		
Utilities	<u>Provider</u>	<u>Adequacy</u>	
Water	City of Santa Fe	Yes	
Sewer	City of Santa Fe	Yes	
Natural Gas	PNM	Yes	
Electricity	PNM	Yes	
Telephone	CenturyLink	Yes	
Mass Transit	Santa Fe Trails Transit System	Yes	
Other	<u>Yes</u>	<u>No</u>	<u>Unknown</u>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Source: Various sources compiled by CBRE			

INGRESS/EGRESS

Ingress and egress is available to the site via one road along the southwestern right-of-way of St. Michael's Road and one road along the northern right-of-way of Siringo Road.

St. Michael's Road, at the subject, is a northwest/southeast arterial street that is improved with three marked lanes of traffic in each direction. Street improvements include center median with

turning lanes, asphalt paving and concrete curbs, gutters and sidewalks, and street lighting. Street parking is not permitted.

Siringo Road, at the subject, is an east/west business street. It is improved with one marked lane of traffic in each direction. Additional street improvements include center turning lane, concrete curbs, gutters and sidewalks, and street lighting. Street parking is not permitted.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

ADJACENT PROPERTIES

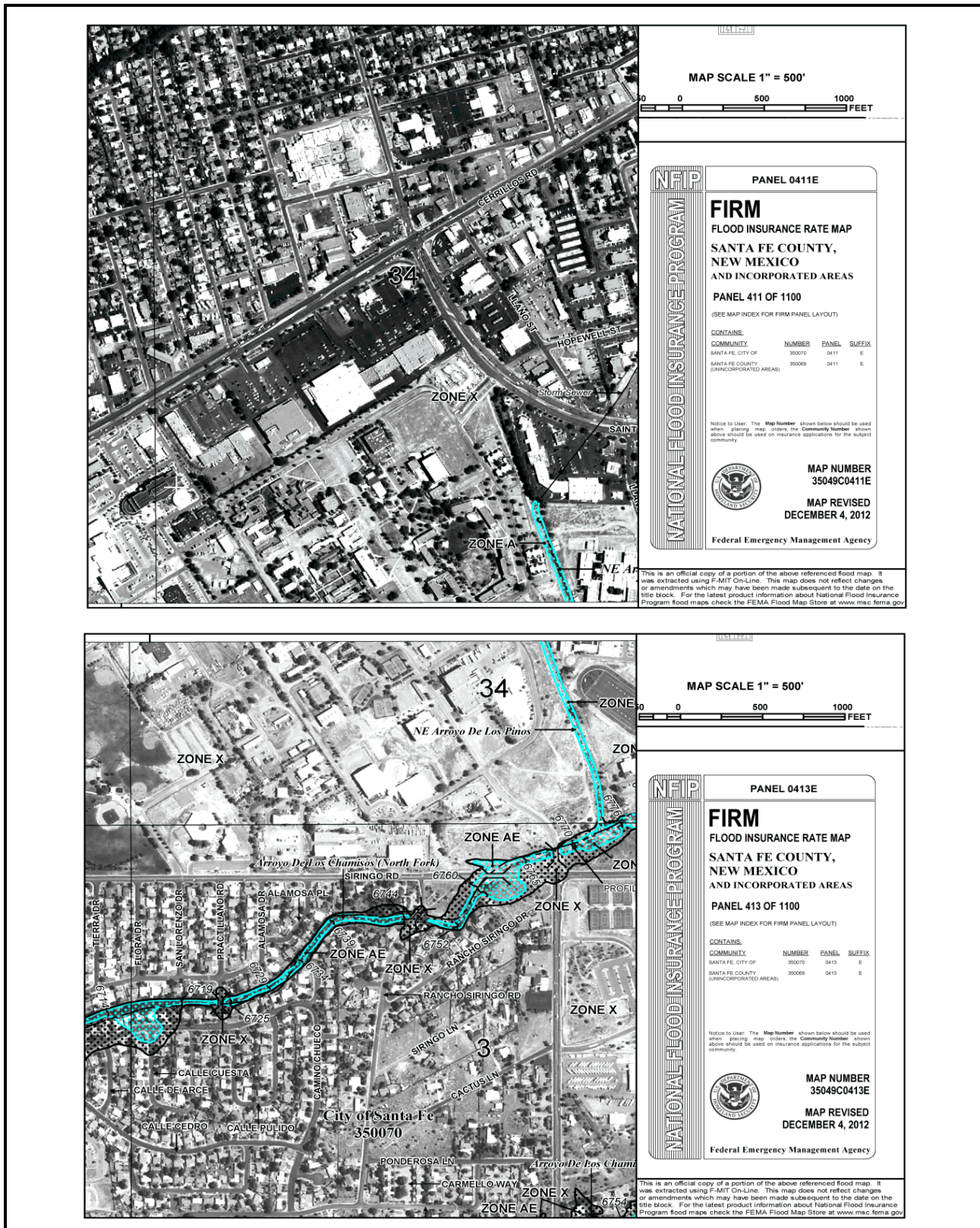
The adjacent land uses are summarized as follows:

North:	Retail
South:	Residential
East:	Retail and Residential
West:	Institutional

CONCLUSION

The site is adequately located and afforded adequate access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. The subject has access to a major arterial and a business street which affords excellent visibility and access. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

FLOOD PLAIN MAP



Improvements Analysis

The following chart shows a summary of the improvements.

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS					
Property Type			Office	(School)	
Number of Buildings			32		
Number of Stories			1, 2, & 3		
Year Built			1945-2005		
Gross Building Area			498,384 SF		
Parking Improvements			Surface		
Parking Spaces:			1,739		
Parking Ratio (per 1,000 SF NRA)			3.49		
Actual Age			12 - 72 Years		
Effective Age			27 Years		
Total Economic Life			50 Years		
Remaining Economic Life			23 Years		
Age/Life Depreciation			53.7%		
Functional Utility			Typical		

Building Number	Building Name	Building Use	Size (SF)	Stories	Year Built/ Renovated
Building 1	Greer Garson Theatre	Classrooms/Performances	32,628	3	1965
Building 2	Administration Building	Business Offices	8,680	1	1962
Building 3	Forum	Classroom/Conferences	7,440	1	1970 / 1996
Building 4	Fogelson Library	Library/Computer Lab/Classrooms	45,573	3	1970
Building 5	Southwest Annex	Meetings/Conferences/Art Gallery	5,444	1	1970
Building 6A	Student Apartments	Residential Hall	15,000	2	1998
Building 6B	Student Apartments	Residential Hall	15,000	2	1998
Buildings 7	St. Michael's Hall	Residential Hall	30,139	2	1964
Building 8	Cafeteria (Connected to St. Michael's Hall)	Cafeteria	9,800	1	2010
Building 10	Bandshell	Stage	1,100	1	1990
Building 11	LaSalle Hall	Offices/Residential Hall	24,764	2	1962
Building 12	King Hall	Residential Hall	46,109	3	1967
Building 13	Kennedy Hall	Residential Hall	25,295	2	1962 / 2002
Buildings 14, 15, & 16	Garson Studio Complex	Theater/Studio/Soundstage	49,200	3	1991
Building 17	Onate Hall	Business Offices	6,550	1	1945
Building 18	Driscoll Fitness Center	Gym/Health Facility	22,200	2	1993
Building 19	Alexis Hall	Offices/Storage	14,844	2	1964
Building 21	Alumni Hall	Special Events/Conference	11,742	2	1968
Building 23	Benildus Hall	Classrooms/Offices	27,757	2	1963 / 2005
Building 24	Mouton Hall	Offices	8,800	1	2010
Building 25	Student Health Services	Exam Rooms/Offices	3,350	1	1981
Building 26	Luke Hall	Classrooms/Offices	26,177	3	1976
Buildings 27-30	Visual Arts Center	Classrooms/Studios/Offices	34,948	2	1998
Building 32	Art Studios	Classroom Studios	17,500	1	1945
Building 33	Storage (was The Den)	Student Union	2,912	1	1994
Building 34	Security Office	Office	1,640	1	1990
Building 35	Maintenance Building	Warehouse	3,000	1	1966
Building 36	Communications Bunker (POP)	Data Room	792	1	1962
Total/Average:			498,384		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#1 Greer Garson Theatre	Classrooms/Performance	(School)
Number of Buildings		1	
Number of Stories		3	
Gross Building Area		32,628 SF	
Year Built		1965	
Actual Age		52 Years	
Effective Age		40 Years	
Total Economic Life		50 Years	
Remaining Economic Life		10 Years	
Age/Life Depreciation		80%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Masonry / concrete		X		
Exterior Walls	Exposed concrete		X		
Interior Walls	Brick / wood / painted drywall &		X		
Roof	Single layer rubber membrane		X		
Ceiling	Acoustical tile / wood / painted		X		
HVAC System	Roof mounted HVAC /			X	
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Surface mounted & hanging		X		
Flooring	Carpet / terrazzo / vinyl tile			X	
Plumbing	Assumed adequate		X		
Elevators/Stairwells	Stairway (1)		X		
Fire Protection	Smoke detectors/sprinklers		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#2 Administration Building	Office	(School)
Number of Buildings		1	
Number of Stories		1	
Gross Building Area		8,680 SF	
Year Built		1962	
Actual Age		55 Years	
Effective Age		40 Years	
Total Economic Life		50 Years	
Remaining Economic Life		10 Years	
Age/Life Depreciation		80.0%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Masonry / precast concrete		X		
Exterior Walls	Brick / painted stucco		X		
Interior Walls	Painted drywall / brick		X		
Roof	Built-up composition		X		
Ceiling	Acoustical tile / painted concrete		X		
HVAC System	Roof mounted HVAC units		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Surface mounted fluorescent		X		
Flooring	Carpet / terrazzo / vinyl tile		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	None		N/A		
Fire Protection	Smoke detectors		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#3 Forum (7,440 SF) #4 Fogelson Library (45,573 SF) #5 Southwest Annex (5,444 SF)	Classrooms / Conferences Library / Computer Lab / Classrooms Art Gallery / Meeting / Conference Rooms	(School)
Number of Buildings		3	
Number of Stories		1 & 3	
Gross Building Area		58,457 SF	
Year Built		1970	Renovated: 1996
Actual Age		47 Years	
Effective Age		30 Years	
Total Economic Life		50 Years	
Remaining Economic Life		20 Years	
Age/Life Depreciation		60.0%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Masonry / concrete		X		
Exterior Walls	Exposed concrete / glass set in		X		
Interior Walls	Brick / wood / painted drywall &		X		
Roof	Built-up composition		X		
Ceiling	Acoustical tile / wood / painted		X		
HVAC System	Heat boiler system / cooling		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Surface mounted & recessed		X		
Flooring	Carpet / concrete / ceramic tile /		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	Stairway (3) / 4000 lb. elevator (1)		X		
Fire Protection	Smoke detectors		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#6A Sangre de Cristo & Ortiz (15,000 SF)	Student Apartments (24 units) (School)
	#6B Jemez & Sandia (15,000 SF)	Student Apartments (24 units)
Number of Buildings		4
Number of Stories		2
Gross Building Area		30,000 SF
Year Built		1998
Actual Age		19 Years
Effective Age		12 Years
Total Economic Life		50 Years
Remaining Economic Life		38 Years
Age/Life Depreciation		24.0%
Functional Utility		Average

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing	X			
Frame	Wood	X			
Exterior Walls	Painted stucco	X			
Interior Walls	Painted drywall	X			
Roof	Built-up composition	X			
Ceiling	Painted drywall	X			
HVAC System	Roof mounted HVAC	X			
Exterior Lighting	Incandescent fixtures	X			
Interior Lighting	Fluorescent & incandescent fixtures	X			
Flooring	Carpet / vinyl tile	X			
Plumbing	Assumed adequate / (1) bathroom per apartment for 2 occupants	X			
Elevators/Stairwells	Exterior stairway (8)	X			
Fire Protection	Smoke detectors	X			
Furnishings	Personal property excluded	N/A			

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#7 St. Michaels' Hall (30,139 SF) #11 La Salle Hall (24,764 SF)	Residential Hall / Lounge Offices / Residential Hall	(School)
Number of Buildings		2	
Number of Stories		2	
Gross Building Area		54,903 SF	
Year Built		4	
Actual Age		55 Years	
Effective Age		40 Years	
Total Economic Life		50 Years	
Remaining Economic Life		10 Years	
Age/Life Depreciation		80.0%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing		X		
Frame	Masonry / concrete		X		
Exterior Walls	Brick / painted concrete		X		
Interior Walls	Brick / painted drywall & block		X		
Roof	Built-up composition		X		
Ceiling	Acoustical tile / wood / painted concrete		X		
HVAC System	Boiler baseboard heat only			X	
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Surface mounted fluorescent / incandescent		X		
Flooring	Carpet / wood / vinyl tile			X	
Plumbing	Assumed adequate / bathrooms 50% single			X	
Elevators/Stairwells	(4) exterior / (4) interior stairways		X		
Fire Protection	Smoke detectors / alarm system / sprinklers		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type #8 Cafeteria (9,800 SF) (School)

Number of Buildings	1
Number of Stories	1
Gross Building Area	9,800 SF
Year Built	2011
Actual Age	6 Years
Effective Age	6 Years
Total Economic Life	50 Years
Remaining Economic Life	44 Years
Age/Life Depreciation	12.0%
Functional Utility	Good

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing	X			
Frame	Masonry / concrete	X			
Exterior Walls	Stucco	X			
Interior Walls	Brick / painted drywall & block	X			
Roof	Built-up composition	X			
Ceiling	Acoustical tile / wood / painted concrete	X			
HVAC System	Boiler baseboard heat only	X			
Exterior Lighting	Incandescent fixtures	X			
Interior Lighting	Surface mounted fluorescent / incandescent	X			
Flooring	Carpet / wood / vinyl tile	X			
Plumbing	Assumed adequate / bathrooms 50% single	X			
Elevators/Stairwells	(4) exterior / (4) interior stairways	X			
Fire Protection	Smoke detectors / alarm system / sprinklers	X			
Furnishings	Personal property excluded	N/A			

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#10 Bandshell	Exterior Stage	(School)
Number of Buildings		1	
Number of Stories		1	
Gross Building Area		1,100 SF	
Year Built (Estimated)		1990	
Actual Age		27 Years	
Effective Age		10 Years	
Total Economic Life		15 Years	
Remaining Economic Life		5 Years	
Age/Life Depreciation		66.7%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing		X		
Frame	Corrugated metal		X		
Exterior Walls	Corrugated metal		X		
Roof	Corrugated metal		X		
Ceiling	Corrugated metal		X		
Exterior Lighting	Stage Lighting		X		
Flooring	Concrete		X		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#12 King Hall	Residential Hall (School)
Number of Buildings		1
Number of Stories		3
Gross Building Area		46,109 SF
Year Built		1967
Actual Age		50 Years
Effective Age		40 Years
Total Economic Life		50 Years
Remaining Economic Life		10 Years
Age/Life Depreciation		80.0%
Functional Utility		Average

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing		X		
Frame	Masonry / concrete		X		
Exterior Walls	Brick / painted concrete		X		
Interior Walls	Brick / painted drywall & block		X		
Roof	Built-up composition		X		
Ceiling	Acoustical tile / painted concrete		X		
HVAC System	Boiler baseboard heat only			X	
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Surface mounted fluorescent / incandescent		X		
Flooring	Carpet / vinyl tile			X	
Plumbing	Assumed adequate / sink in each room / (8) bathrooms per floor w/ (3) sinks, (3) toilets, (1) shower, & (1) tub/shower each			X	
Elevators/Stairwells	(6) interior stairways		X		
Fire Protection	Smoke detectors / alarm system / sprinklers		X		
Amenities	Laundry room (4) washers/ (2) dryers per floor (4) lounge rooms per floor			X	
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#13 Kennedy Hall	Residential Hall	(School)
Number of Buildings		1	
Number of Stories		2	
Gross Building Area		25,295 SF	
Year Built		1962	Renovated: 2002
Actual Age		55 Years	
Effective Age		35 Years	
Total Economic Life		50 Years	
Remaining Economic Life		15 Years	
Age/Life Depreciation		70.0%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing		X		
Frame	Masonry / concrete		X		
Exterior Walls	Painted stucco	X			
Interior Walls	Brick / painted drywall & block	X			
Roof	Built-up composition		X		
Ceiling	Suspended & glue-on acoustical tile / painted		X		
HVAC System	Roof mounted HVAC for community space /			X	
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Surface mounted fluorescent / incandescent		X		
Flooring	Carpet / vinyl tile		X		
Plumbing	Assumed adequate / sink in each room / (4) bathrooms per floor w/ (3) sinks, (5) toilets, & (4) showers each		X		
Elevators/Stairwells	(2) interior / (2) exterior stairways		X		
Fire Protection	Smoke detectors / alarm system / fire sprinkler		X		
Amenities	(2) lounge rooms / 2 washers & dryers per floor		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#14, 15, & 16 Garson Studio Complex	Theater/Studio/Soundstage	(School)
Number of Buildings		1	
Number of Stories		3	
Gross Building Area		49,200 SF	
Year Built		1991	
Actual Age		26 Years	
Effective Age		20 Years	
Total Economic Life		50 Years	
Remaining Economic Life		30 Years	
Age/Life Depreciation		40.0%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Masonry / concrete / steel		X		
Exterior Walls	Painted stucco		X		
Interior Walls	Painted drywall & block / acoustical panels		X		
Roof	Built-up composition		X		
Ceiling	Suspended acoustical tile / exposed structure		X		
HVAC System	Roof mounted HVAC units		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Recessed & hanging fluorescent / incandescent / PAR theatrical / HID fixtures		X		
Flooring	Carpet / wood / vinyl tile		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	Stairway (2) / elevator 2,100 lb. (1)		X		
Fire Protection	Smoke detectors / sprinklers		X		
Amenities	Movie theater / (2) sound stages / showers / laundry / observation booth / sound booth / TV control room		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#17 Onate Hall (6,550 SF)	Business Offices	(School)
Number of Buildings		1	
Number of Stories		1	
Year Built		1945	
Gross Building Area		6,550 SF	

IMPROVEMENT DESCRIPTION & RATING

Onate Hall Improvement Summary		Description	Comparative Rating			
			Good	Avg.	Fair	Poor
Foundation		Reinforced concrete perimeter footing			X	
Frame		Wood				X
Exterior Walls		Painted transite (w/ asbestos) & stucco				X
Interior Walls		Painted drywall and wood panels			X	
Roof		Built-up composition / rolled asphalt				X
Ceiling		Painted drywall / wood			X	
HVAC System		Gas heaters / evaporative cooler			X	
Exterior Lighting		Incandescent fixtures			X	
Interior Lighting		Surface mounted & hanging fluorescent / incandescent track fixtures			X	
Flooring		Carpet / vinyl & ceramic tile / wood			X	
Plumbing		Assumed adequate			X	
Elevators/Stairwells		None			N/A	
Fire Protection		Smoke detectors			X	
Furnishings		Personal property excluded			N/A	

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#18 Driscoll Fitness Center	Gym / Health Facility (School)
Number of Buildings		1
Number of Stories		1
Gross Building Area		22,200 SF
Year Built		1993
Actual Age		24 Years
Effective Age		24 Years
Total Economic Life		50 Years
Remaining Economic Life		26 Years
Age/Life Depreciation		48.0%
Functional Utility		Average

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Steel		X		
Exterior Walls	Painted stucco		X		
Interior Walls	Painted drywall / wood panels		X		
Roof	Built-up composition		X		
Ceiling	Suspended acoustical tile / exposed		X		
HVAC System	Roof mounted HVAC units		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Recessed & hanging fluorescent /		X		
Flooring	Carpet / wood		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	None		N/A		
Fire Protection	Smoke detectors / fire alarm / sprinklers		X		
Amenities	Basketball court (1) / racquetball court (2) / male & female locker rooms/ exercise rooms		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#19 Alexis Hall	Offices/Art Studio/Computer lab	(School)
Number of Buildings		1	
Number of Stories		3	
Gross Building Area		14,844 SF	
Year Built		1964	
Actual Age		53 Years	
Effective Age		40 Years	
Total Economic Life		50 Years	
Remaining Economic Life		10 Years	
Age/Life Depreciation		80.0%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing		X		
Frame	Masonry		X		
Exterior Walls	Painted concrete / brick		X		
Interior Walls	Painted drywall		X		
Roof	Built-up composition		X		
Ceiling	Suspended acoustical grid		X		
HVAC System	Ground mounted HVAC units		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Recessed fluorescent &		X		
Flooring	Concrete / carpet		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	Stairways (2)		X		
Fire Protection	Smoke detectors		X		
Amenities	Basement		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#21 Alumni Hall	Special Events/Conference (School)
Number of Buildings		1
Number of Stories		1
Gross Building Area		11,742 SF
Year Built		1968
Actual Age		49 Years
Effective Age		40 Years
Total Economic Life		50 Years
Remaining Economic Life		10 Years
Age/Life Depreciation		80.0%
Functional Utility		Average

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Steel / masonry		X		
Exterior Walls	Corrugated metal / brick		X		
Interior Walls	Painted drywall / corrugated metal		X		
Roof	Corrugated metal		X		
Ceiling	Suspended acoustical tile / exposed structure		X		
HVAC System	Gas space heaters / roof mounted evaporative coolers		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Hanging fluorescent / HID fixtures		X		
Flooring	Ceramic & vinyl tile		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	None		N/A		
Fire Protection	Smoke detectors / dry sprinkler in cooking hood		X		
Amenities	Kitchen facility		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#23 Benildus Hall	Classrooms/Offices (School)
Number of Buildings		1
Number of Stories		2
Gross Building Area		27,757 SF
Year Built		1963 / 2005
Actual Age		12/54 Years
Effective Age		20 Years
Total Economic Life		50 Years
Remaining Economic Life		30 Years
Age/Life Depreciation		40.0%
Functional Utility		Good

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing	X			
Frame	Masonry	X			
Exterior Walls	Painted stucco / stone / brick	X			
Interior Walls	Painted drywall / glazed block	X			
Roof	Built-up composition	X			
Ceiling	Painted drywall / suspended	X			
HVAC System	Roof mounted HVAC units	X			
Exterior Lighting	Incandescent fixtures	X			
Interior Lighting	Recessed fluorescent &	X			
Flooring	Terrazzo / carpet	X			
Plumbing	Assumed adequate	X			
Elevators/Stairwells	Stairway (4) / elevator 2,500 lb. (1)	X			
Fire Protection	Smoke detectors / sprinklers / alarm system	X			
Amenities	Multi-purpose room / music studios	X			
Furnishings	Personal property excluded	N/A			

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#24 Mouton Hall	Offices	(School)
Number of Buildings		1	
Number of Stories		1	
Gross Building Area		8,800 SF	
Year Built		2010	
Actual Age		7 Years	
Effective Age		7 Years	
Total Economic Life		50 Years	
Remaining Economic Life		43 Years	
Age/Life Depreciation		14.0%	
Functional Utility		Good	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing	X			
Frame	Wood Frame	X			
Exterior Walls	Painted transite & stucco	X			
Interior Walls	Painted textured drywall	X			
Roof	Built-up composition / rolled asphalt / metal	X			
Ceiling	Painted textured drywall	X			
HVAC System	HVAC w/forced air	X			
Exterior Lighting	Incandescent fixtures	X			
Interior Lighting	Surface mounted & hanging fluorescent / incandescent track fixtures	X			
Flooring	Carpet / concrete / vinyl & ceramic tile / wood	X			
Plumbing	Assumed adequate	X			
Elevators/Stairwells	None	N/A			
Fire Protection	Smoke detectors / Fire alarm	X			
Furnishings	Personal property excluded	N/A			

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#25 Student Health Services	Exam Rooms/Offices	(School)
Number of Buildings		1	
Number of Stories		1	
Gross Building Area		3,350 SF	
Year Built		1981	
Actual Age		36 Years	
Effective Age		30 Years	
Total Economic Life		50 Years	
Remaining Economic Life		20 Years	
Age/Life Depreciation		60.0%	
Functional Utility		Average	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Raised stem wall w/ reinforced concrete perimeter footing		X		
Frame	Steel		X		
Exterior Walls	Corrugated metal		X		
Interior Walls	Painted drywall		X		
Roof	Corrugated metal		X		
Ceiling	Suspended acoustical grid		X		
HVAC System	Ground mounted HVAC units		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Recessed fluorescent fixtures		X		
Flooring	Vinyl tile		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	None		N/A		
Fire Protection	None		N/A		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#26 Luke Hall	Art Studios / Offices (School)
Number of Buildings		1
Number of Stories		3
Gross Building Area		26,177 SF
Year Built		1976
Actual Age		41 Years
Effective Age		40 Years
Total Economic Life		50 Years
Remaining Economic Life		10 Years
Age/Life Depreciation		80.0%
Functional Utility		Poor

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing	X			
Frame	Concrete / masonry	X			
Exterior Walls	Textured concrete / painted stucco		X		
Interior Walls	Painted drywall				X
Roof	Built-up composition				X
Ceiling	Suspended acoustical grid				X
HVAC System	Boiler heat / chiller cooling				X
Exterior Lighting	Incandescent fixtures				X
Interior Lighting	Recessed fluorescent fixtures				X
Flooring	Vinyl tile / carpet / painted				X
Plumbing	Assumed adequate				X
Elevators/Stairwells	Stairways (2) / elevator 2,100 lb.				X
Fire Protection	Smoke detectors / alarm system				X
Furnishings	Personal property excluded				N/A

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS					
Property Type	#27-#30 Visual Arts Center	Classrooms / Studios / C (School)			
Number of Buildings		1			
Number of Stories		2			
Gross Building Area		34,948 SF			
Year Built		1998			
Actual Age		19 Years			
Effective Age		13 Years			
Total Economic Life		50 Years			
Remaining Economic Life		37 Years			
Age/Life Depreciation		26.0%			
Functional Utility		Average			
		Comparative Rating			
Improvement Summary	Description	Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Steel		X		
Exterior Walls	Painted stucco		X		
Interior Walls	Painted drywall		X		
Roof	Membrane roof w/ gravel		X		
Ceiling	Painted drywall / exposed		X		
HVAC System	Ground mounted HVAC units		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Recessed fluorescent & incandescent fixtures		X		
Flooring	Stained concrete / carpet		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	Stairway (3) / elevator (2)		X		
Fire Protection	Smoke detectors / alarm system		X		
Amenities	Dark rooms / artist studios / lecture halls / libraries /		X		
Furnishings	Personal property excluded		N/A		
Source: Various sources compiled by CBRE					

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#32 Art Studios (17,500 SF)	Student Classroom Studios (School)
Number of Buildings		1
Number of Stories		1
Year Built		1945
Actual Age		72 Years
Effective Age		40 Years
Total Economic Life		50 Years
Remaining Economic Life		10 Years
Age/Life Depreciation		80.0%
Functional Utility		Fair

IMPROVEMENT DESCRIPTION & RATING

Onate Hall Improvement Summary Description		Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter footing			X	
Frame	Masonry			X	
Exterior Walls	Painted masonry block			X	
Interior Walls	Painted drywall & block			X	
Roof	Metal Pitched Roof			X	
Ceiling	Painted drywall			X	
HVAC System	Gas heaters / evaporative cooler			X	
Exterior Lighting	Incandescent fixtures			X	
Interior Lighting	Surface mounted & hanging fluorescent / incandescent track fixtures			X	
Flooring	Expose Concrete and vinyl tile			X	
Plumbing	Assumed adequate			X	
Elevators/Stairwells	None			N/A	
Fire Protection	Smoke detectors			X	
Furnishings	Personal property excluded			N/A	

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#33 Storage (formerly The Den)	Storage	(School)
Number of Buildings		1	
Number of Stories		1	
Gross Building Area		2,912 SF	
Year Built		1994	
Actual Age		23 Years	
Effective Age		23 Years	
Total Economic Life		40 Years	
Remaining Economic Life		17 Years	
Age/Life Depreciation		57.5%	
Functional Utility		Fair	

Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Raised floor on reinforced concrete column pad footing			X	
Frame	Wood			X	
Exterior Walls	Painted wood			X	
Interior Walls	Wood paneling			X	
Roof	Corrugated metal			X	
Ceiling	Suspended acoustical tile			X	
HVAC System	Wall mounted HVAC units			X	
Exterior Lighting	Incandescent fixtures			X	
Interior Lighting	Recessed fluorescent fixtures			X	
Flooring	Carpet / vinyl tile			X	
Plumbing	Assumed adequate			X	
Elevators/Stairwells	None			N/A	
Fire Protection	Fire extinguishers			X	
Furnishings	Personal property excluded			N/A	

Source: Various sources compiled by CBRE

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS					
Property Type	#34 Security Office	Office	(School)		
Number of Buildings		1			
Number of Stories		1			
Gross Building Area		1,640 SF			
Year Built		1990			
Actual Age		27 Years			
Effective Age		27 Years			
Total Economic Life		50 Years			
Remaining Economic Life		23 Years			
Age/Life Depreciation		54.0%			
Functional Utility		Average			
Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing		X		
Frame	Wood		X		
Exterior Walls	Stucco		X		
Interior Walls	Wood		X		
Roof	Wood		X		
Ceiling	Dropdown		X		
HVAC System	Wall mounted forced air		X		
Exterior Lighting	Incandescent fixtures		X		
Interior Lighting	Hanging fluorescent fixtures		X		
Flooring	Concrete		X		
Plumbing	Assumed adequate		X		
Elevators/Stairwells	None		N/A		
Fire Protection	Smoke detectors		X		
Furnishings	Personal property excluded		N/A		
Source: Various sources compiled by CBRE					

CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#35 Maintenance Building	Storage/Maintenance Service (School)
Number of Buildings		1
Number of Stories		1
Gross Building Area		3,000 SF
Year Built		1966
Actual Age		51 Years
Effective Age		18 Years
Total Economic Life		25 Years
Remaining Economic Life		7 Years
Age/Life Depreciation		72.0%
Functional Utility		Fair

Improvement S Description	Comparative Rating			
	Good	Avg.	Fair	Poor
Foundation Reinforced concrete perimeter / column pad footing			X	
Frame Steel			X	
Exterior Walls Corrugated metal			X	
Interior Walls Corrugated metal			X	
Roof Corrugated metal			X	
Ceiling Exposed structure			X	
HVAC System Wall mounted HVAC units			X	
Exterior Lighting Incandescent fixtures			X	
Interior Lighting Hanging fluorescent fixtures			X	
Flooring Concrete			X	
Plumbing Assumed adequate			X	
Elevators/Stairwe None			N/A	
Fire Protection Smoke detectors			N/A	
Furnishings Personal property excluded			N/A	

Source: Various sources compiled by CBRE

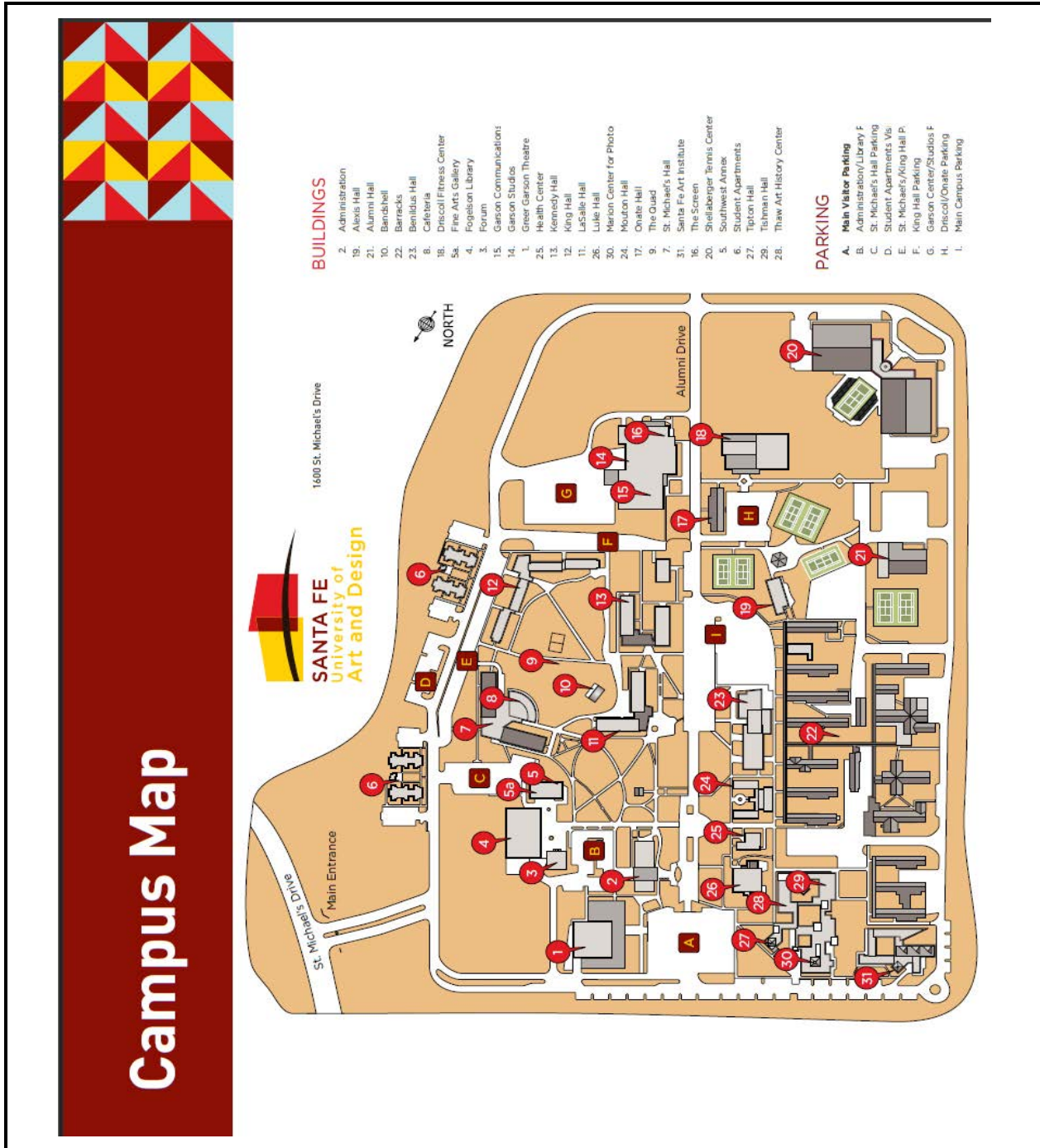
CAMPUS IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	#36 Communications Bunker (POP)	Subterranean Data Room	(School)
Number of Buildings		1	
Number of Stories		1	
Gross Building Area		792 SF	
Year Built (estimated)		1962	
Actual Age		55 Years	
Effective Age		35 Years	
Total Economic Life		50 Years	
Remaining Economic Life		15 Years	
Age/Life Depreciation		70.0%	
Functional Utility		Average	

Improvement Summary Description	Comparative Rating			
	Good	Avg.	Fair	Poor
Foundation	Reinforced concrete perimeter / column pad footing	X		
Frame	Concrete	X		
Exterior Walls	Rock over Concrete	X		
Interior Walls	Exposed Concrete	X		
Roof	Builtup insulation over Concrete	X		
Ceiling	Exposed Concrete	X		
HVAC System	Ceiling unit	X		
Exterior Lighting	None	X		
Interior Lighting	Incandescent fixtures	X		
Flooring	Concrete	X		
Plumbing	None	X		
Elevators/Stairwells	Stairs	N/A		
Fire Protection	None	N/A		
Furnishings	Personal property excluded	N/A		

Source: Various sources compiled by CBRE

IMPROVEMENTS LAYOUT



Please note that the numbers the appraisers use for the buildings that are the subject of this report do not match the building numbers as they appear on the map listed above. In addition, there are also building that are the subject of this report that are not listed on the map detailed above.

DEFERRED MAINTENANCE

The following chart shows the deferred maintenance items identified and their respective estimated costs to cure, based upon all available information, as of the relevant dates.

ANALYSIS OF DEFERRED MAINTENANCE	
Fogelson Library Convert RR into Uni-sex & Modernise Elevator	\$85,000
Southwest Annex/Fine Arts - Replace 2 Air Handlers & Repair Exterior Surface	\$15,000
King Hall - Repaint Exterior	\$10,000
Onate Hall - Replace Roof/Convert RR into Unisex/Install ADA Access Ramp	\$22,200
Alexis Hall Convert 1 pair of RR into Unisex/Repair Wheelchair Lift	\$15,000
Luke Hall-Mold/Mosture Mitigation/Elevator Modernization/Roof Replacement/HVAC system replacement	\$295,000
Parking Lot-Stripping and Seal	\$94,000
Tennis Courts	\$30,000
Road Repaving	\$150,000
Sidewalk Repair	\$35,000
Add Xeroscape	\$25,000
Total Deferred Maintenance:	\$776,200
Source: AEI Consultants	

The deferred maintenance above was listed on a Property Condition Assessment conducted by AEI Consulting in May of 2016.

The total deferred maintenance estimate will be deducted from each approach in order to conclude the "as is" value for the subject.

ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	72 Years
Effective Age	27 Years
MVS Expected Life	50 Years
Remaining Economic Life	23 Years
Accrued Physical Incurable Depreciation	53.7%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation

Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are in average to good overall condition with over \$16,600,000 spent on renovations to many improvements from 2009 to 2014. The depreciation calculated within the Cost Approach to value is after repair of the deferred maintenance items listed being within this section of the report. Overall, there are no known factors that adversely impact the marketability of the improvements.

Zoning

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	R-5 (Residential District)
Legally Conforming	Yes
Source: Planning & Zoning Dept.	

Although the underlying zoning is R-5 (Residential District), the overlay district zoning requirements listed below would apply.

MIDTOWN LINC OVERLAY DISTRICT

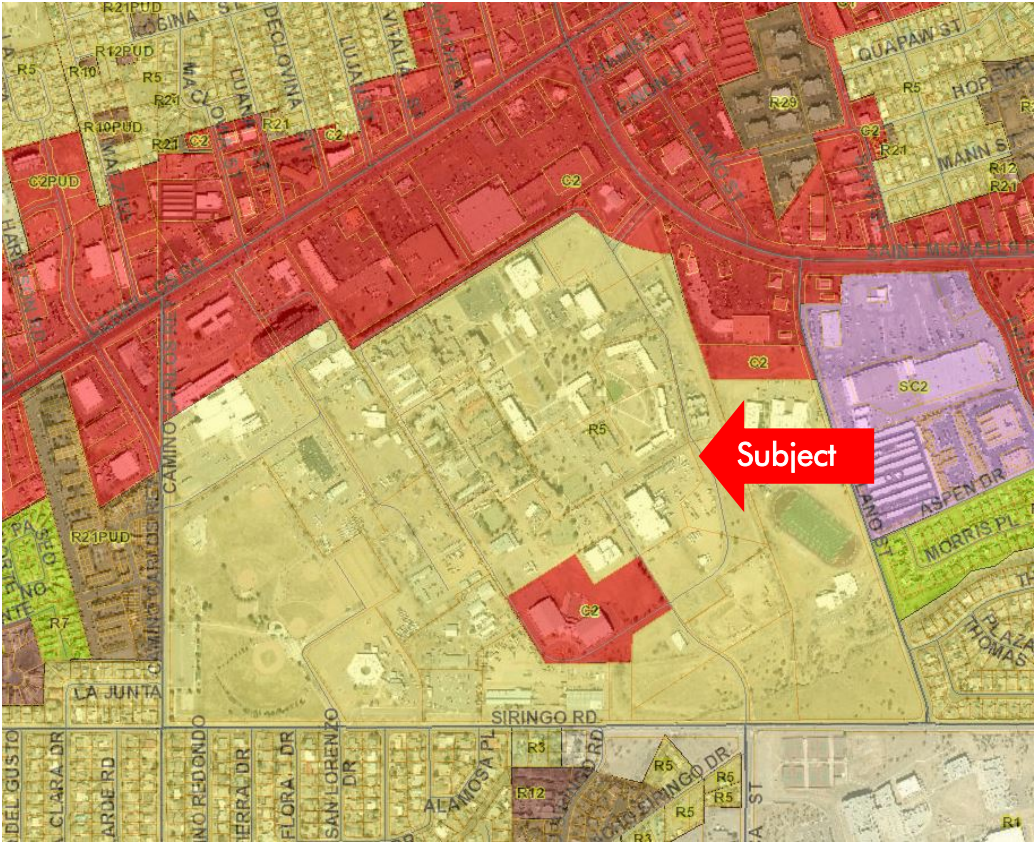
The subject property is located within the Midtown LINC Overlay District. The Midtown Local Innovation Corridor (LINC) Overlay District was specifically created to allow for redevelopment in the city center, including the Santa Fe University of Art and Design, and the Christus St. Vincent Regional Medical Center. The immediate purpose is to allow for redevelopment of the district and provide more continuity between the commercial and residential uses already in existence in the district. Moving forward, a goal is to make the area more pedestrian friendly including the addition of walkways, bicycle lanes, landscaping and street improvements. Eventually, traffic speeds will be reduced and the city will implement on-street parking. The overlay district eliminates density restrictions and allows for mixed use development. The following chart summarizes the subject's zoning overlay requirements.

ZONING SUMMARY	
Current Zoning	Midtown LINC Overlay District
Legally Conforming	Yes
Uses Permitted	This district was developed to strengthen and animate the existing environment of the geographic center of the city, especially the Santa Fe University of Art and Design and the Christus St. Vincent Regional Medical Center. This district incentivizes multi-family residential development and non-residential use, as well as improves and encourages pedestrian traffic. This district also provides more flexibility in sign design and location to encourage communications and business identification for existing buildings who have previously suffered from poor visibility.
Zoning Change	Not likely
Category	Zoning Requirement
Maximum Height	62 Feet
Minimum Setbacks	
Front Yard	5 Feet
Street Side Yard	5 Feet
Interior Side Yard	5 Feet
Rear Yard	5 Feet
Maximum Bldg. Coverage	None
Maximum FAR/Density	None
Parking Requirements	None
Subject's Actual Parking	3.49 spaces/ 1000 SF
Source: City of Santa Fe Planning & Zoning Dept.	

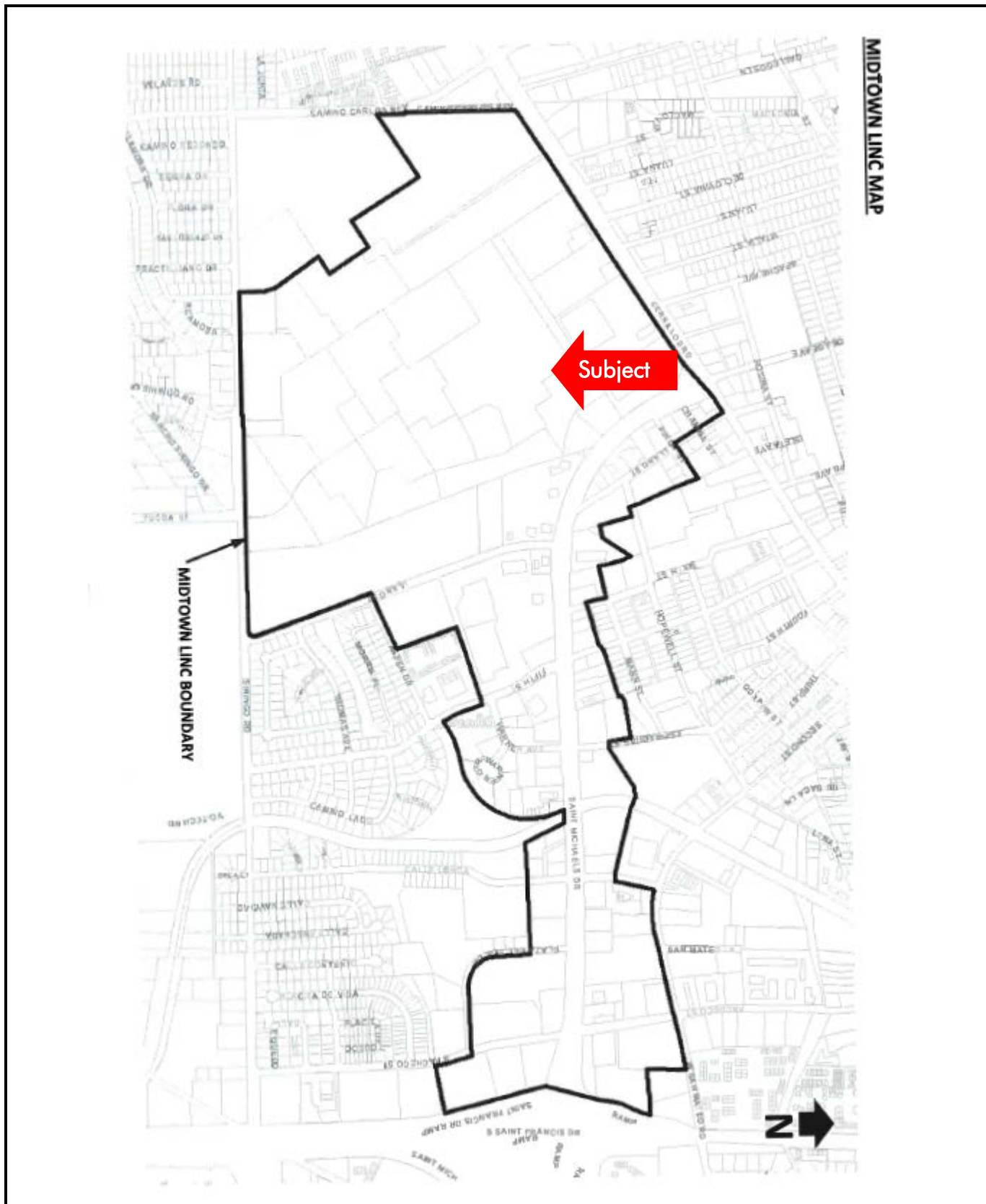
ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

ZONING DISTRICT MAP



MIDTOWN LINC OVERLAY DISTRICT MAP



Tax and Assessment Data

Real estate taxes in New Mexico are based on taxable values of 33.33 percent of assessed values for both non-residential and residential properties. The state operates on a base year concept that advances every two years. The mill levy, established in September at the state capital, is released in early October of each year. Property taxes are paid in two installments due in November and the following May.

The county's tax assessment maps identify properties using the Uniform Property Code (UPC). These code numbers are a combination of the government survey system and the lot and block system used by both the City of Santa Fe and the County of Santa Fe.

The following table summarizes the subject's historical assessed values and taxes. The data is based on Santa Fe County Assessor's records, and does not include any furniture, fixtures or equipment.

AD VALOREM TAX INFORMATION			
Assessor's Market Value	2016	2017	Pro Forma
1-052-097-137-176-000-000	\$0	\$0	
1-052-097-183-228-000-000	\$0	\$0	
1-052-097-206-166-000-000	\$0	\$0	
1-052-097-214-130-000-000	\$0	\$0	
1-052-097-173-111-000-000	\$0	\$0	
1-052-097-148-071-000-000	\$0	\$0	
1-052-097-233-174-000-000	\$0	\$0	
1-052-097-192-059-000-000	\$0	\$0	
1-052-097-219-090-000-000	\$0	\$0	
1-052-097-242-052-000-000	\$0	\$0	
1-052-097-136-231-000-000	\$0	\$0	
Subtotal	\$0	\$0	\$36,100,000
Assessed Value @	33%	33%	33%
	\$0	\$0	\$12,033,321
General Tax Rate	32.212000	32.212000	32.212000
Total Taxes	\$0	\$0	\$387,617
Source: Assessor's Office			

CONCLUSION

The subject is a tax exempt property owned by the City of Santa Fe. For the purposes of this analysis, we determined what the real estate taxes would be if owned by a private entity. The full tax assessment listed above is based on our determine market value of the subject property. For purposes of this analysis, CBRE, Inc. assumes that all taxes are current.

Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include the National Center for Educational Statistics and the U.S. Department of Education.

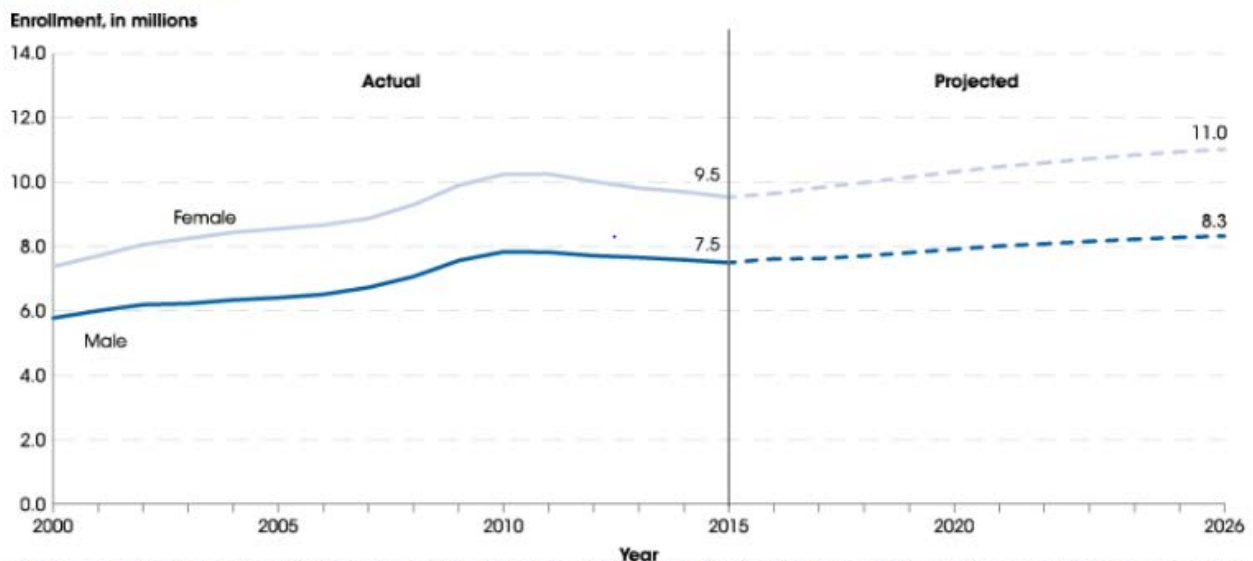
DEMAND OVERVIEW

The following section provides an overview of general demand and enrollment trends.

Nationwide College Enrollment

According to the National Center for Education Statistics, in fall 2015, total undergraduate enrollment in degree-granting postsecondary institutions was 17.0 million students, an increase of 30 percent from 2000, when enrollment was 13.2 million students. While total undergraduate enrollment increased by 37 percent between 2000 and 2010, enrollment decreased by 6 percent between 2010 and 2015. Undergraduate enrollment is projected to increase by 14 percent (from 17.0 million to 19.3 million students) between 2015 and 2026.

Figure 1. Actual and projected undergraduate enrollment in degree-granting postsecondary institutions, by sex: Fall 2000–2026



NOTE: Data include unclassified undergraduate students. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Projections are based on data through 2015. Some data have been revised from previously published figures.

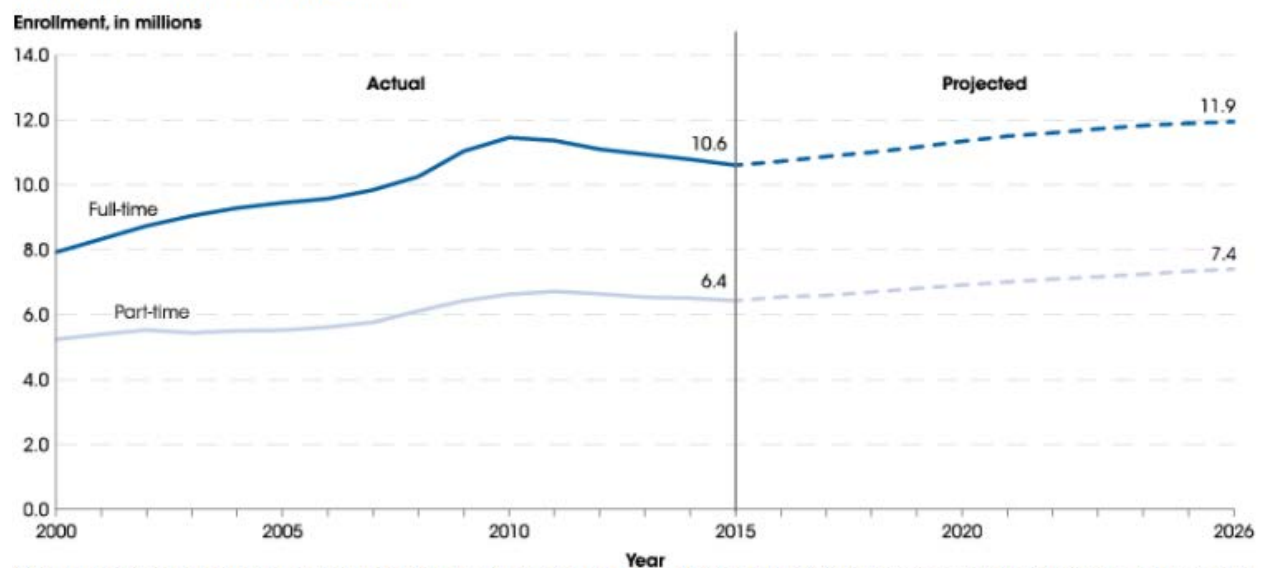
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2001 through Spring 2016, Fall Enrollment component; and Enrollment in Degree-Granting Institutions Projection Model, 1980 through 2026. See *Digest of Education Statistics 2016*, [table 303.70](#).

In fall 2015, female students made up 56 percent of total undergraduate enrollment at 9.5 million, and male students made up 44 percent at 7.5 million. Between 2000 and 2015, enrollment for both groups showed similar patterns of change: female enrollment increased by 29 percent and male enrollment increased by 30 percent. Most of these increases occurred between 2005 and 2010, when female enrollment increased by 20 percent and male enrollment

increased by 22 percent. However, between 2010 and 2015 both female and male enrollment decreased by 7 percent and 4 percent, respectively. Between 2015 and 2026, female enrollment is projected to increase by 16 percent (from 9.5 million to 11.0 million students), and male enrollment is projected to increase by 11 percent (from 7.5 million to 8.3 million students).

In fall 2015, there were 10.6 million full-time and 6.4 million part-time undergraduate students. Enrollment for both full- and part-time students has generally increased since 2000, particularly between 2000 and 2010, when full-time enrollment increased by 45 percent and part-time enrollment increased by 27 percent. More recently, the pattern of enrollment has changed: between 2010 and 2015, full-time enrollment decreased by 7 percent and part-time enrollment decreased by 3 percent. Between 2015 and 2026, full-time enrollment is projected to increase by 13 percent (from 10.6 million to 11.9 million students) and part-time enrollment is projected to increase by 15 percent (from 6.4 million to 7.4 million students).

Figure 3. Actual and projected undergraduate enrollment in degree-granting postsecondary institutions, by attendance status: Fall 2000–2026



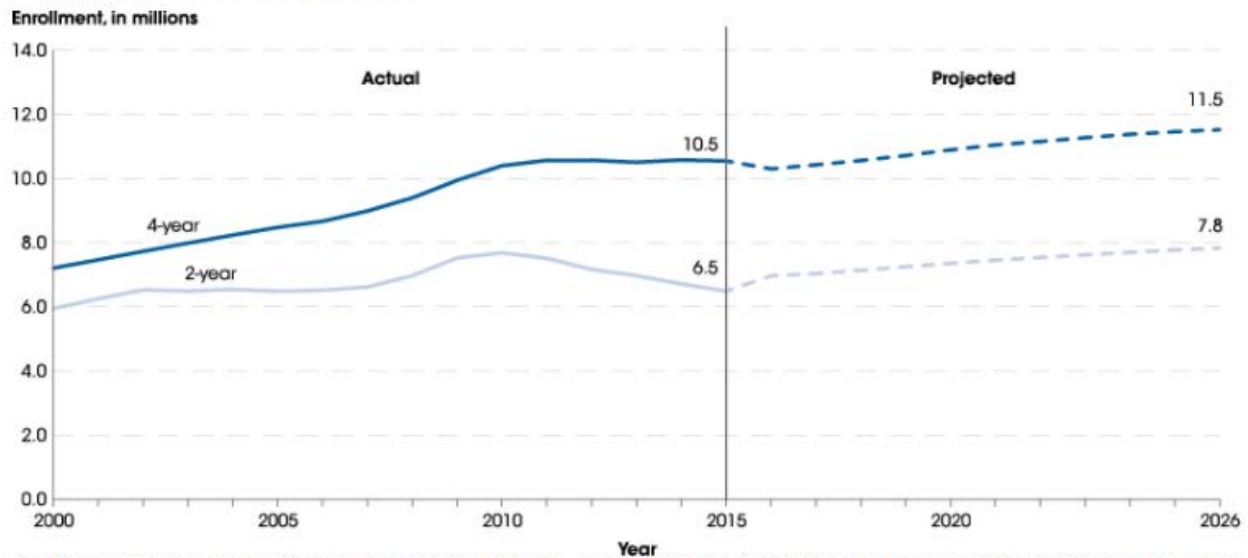
NOTE: Data include unclassified undergraduate students. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Projections are based on data through 2015. Some data have been revised from previously published figures.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2001 through Spring 2016, Fall Enrollment component; and Enrollment in Degree-Granting Institutions Projection Model, 1980 through 2026. See *Digest of Education Statistics 2016*, [table 303.70](#).

In fall 2015, the 10.5 million students at 4-year institutions made up 62 percent of total undergraduate enrollment; the remaining 38 percent (6.5 million students) were enrolled at 2-year institutions. Between 2000 and 2010, enrollment increased by 44 percent at 4-year institutions and by 29 percent at 2-year institutions. More recently, enrollment patterns have changed: enrollment was 1 percent higher at 4-year institutions and 16 percent lower at 2-year institutions in 2015 than in 2010. Between 2010 and 2015, enrollment patterns varied by control

and level of institution. For example, undergraduate enrollment at private nonprofit 2-year institutions was 53 percent higher in 2015 than in 2010, whereas enrollment at private for-profit 2-year institutions was 48 percent lower in 2015 than in 2010. Between 2015 and 2026, undergraduate enrollment at 2-year institutions is projected to increase by 21 percent (from 6.5 million to 7.8 million students), while enrollment at 4-year institutions is projected to increase by 9 percent (from 10.5 million to 11.5 million students).

Figure 5. Actual and projected undergraduate enrollment in degree-granting postsecondary institutions, by level of institution: Fall 2000–2026

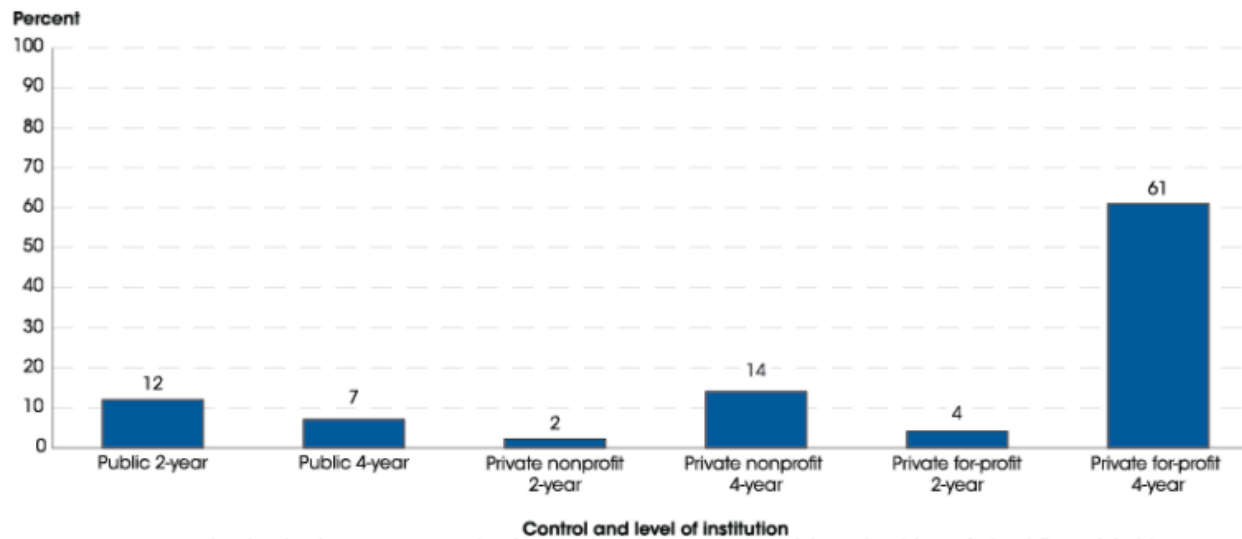


NOTE: Data include unclassified undergraduate students. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Projections are based on data through 2015. Some data have been revised from previously published figures.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), IPEDS Spring 2001 through Spring 2016, Fall Enrollment component; and Enrollment in Degree-Granting Institutions Projection Model, 1980 through 2026. See *Digest of Education Statistics 2016*, [table 303.70](#).

In fall 2015, the 10.5 million students at 4-year institutions made up 62 percent of total undergraduate enrollment; the remaining 38 percent (6.5 million students) were enrolled at 2-year institutions. Between 2000 and 2010, enrollment increased by 44 percent at 4-year institutions and by 29 percent at 2-year institutions. More recently, enrollment patterns have changed: enrollment was 1 percent higher at 4-year institutions and 16 percent lower at 2-year institutions in 2015 than in 2010. Between 2010 and 2015, enrollment patterns varied by control and level of institution. For example, undergraduate enrollment at private nonprofit 2-year institutions was 53 percent higher in 2015 than in 2010, whereas enrollment at private for-profit 2-year institutions was 48 percent lower in 2015 than in 2010. Between 2015 and 2026, undergraduate enrollment at 2-year institutions is projected to increase by 21 percent (from 6.5 million to 7.8 million students), while enrollment at 4-year institutions is projected to increase by 9 percent (from 10.5 million to 11.5 million students).

Figure 6. Percentage of undergraduate students at degree-granting postsecondary institutions who enrolled exclusively in distance education courses, by control and level of institution: Fall 2015



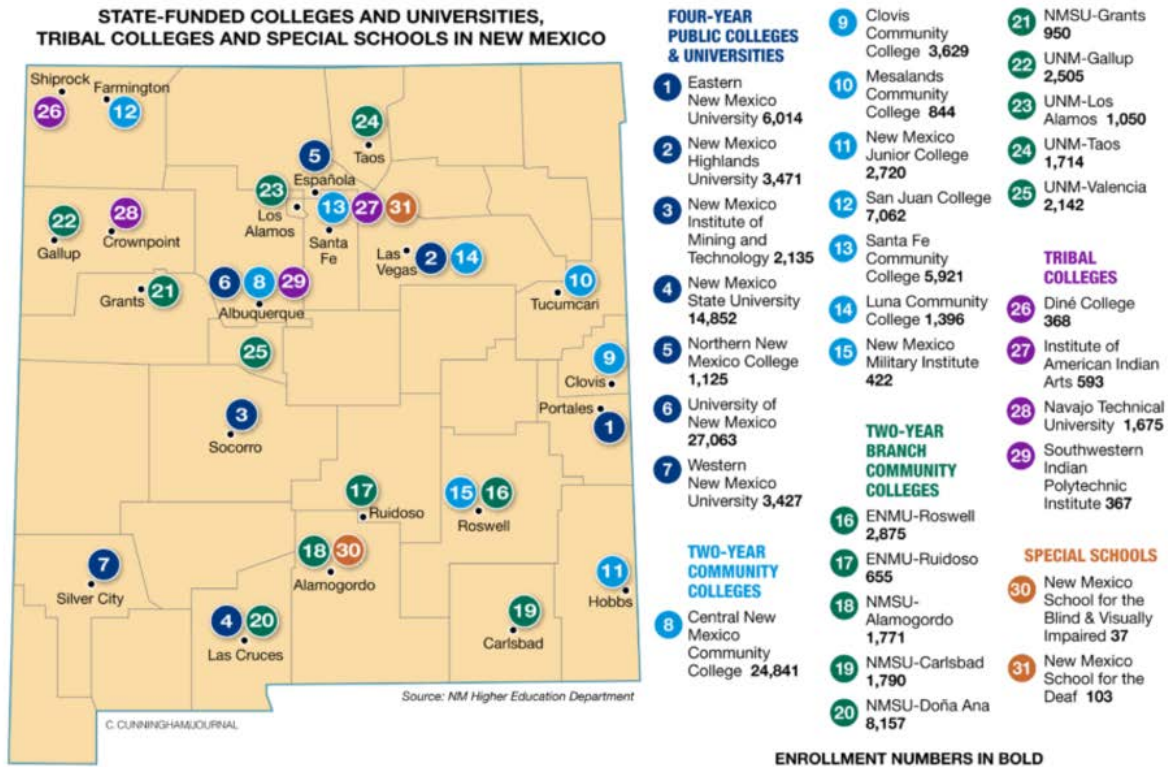
NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Distance education uses one or more technologies to deliver instruction to students who are separated from the instructor as well as to support regular and substantive interaction between the student and the instructor synchronously or asynchronously. Technologies used for instruction may include the following: the Internet; one-way and two-way transmissions through open broadcasts, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communication devices; audio conferencing; and videocassettes, DVDs, and CD-ROMs, only if the videocassettes, DVDs, and CD-ROMs are used in a course in conjunction with the technologies listed above.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2016, Fall Enrollment component. See *Digest of Education Statistics 2016*, [table 311.15](#).

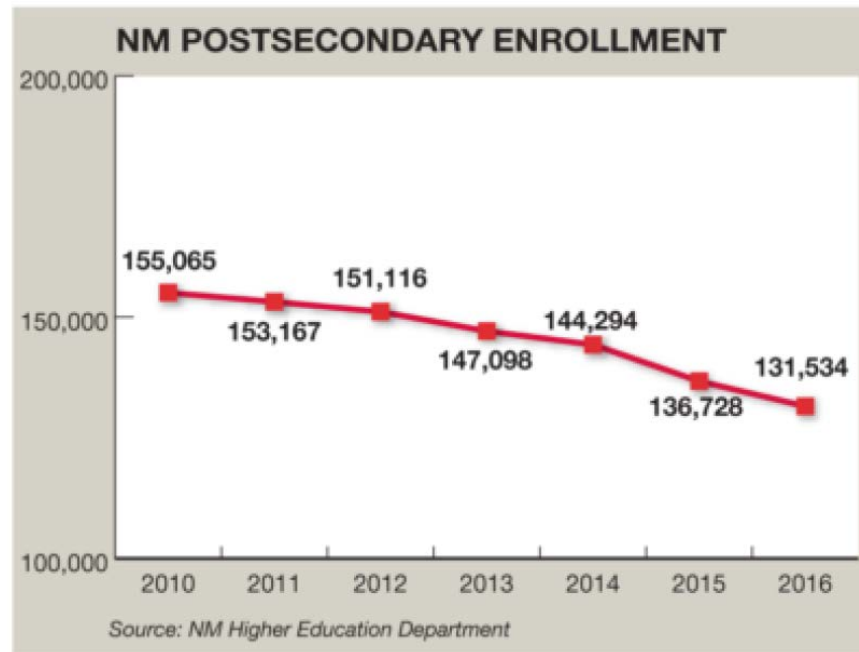
Distance education courses and programs provide students with flexible learning opportunities. In fall 2015, more than a quarter of undergraduate students (4.9 million) participated in distance education, with 2.1 million students, or 12 percent of total undergraduate enrollment, exclusively taking distance education courses. Of the 2.1 million undergraduate students who exclusively took distance education courses, 1.3 million were enrolled at institutions located in the same state in which they resided, and 767,000 were enrolled at institutions in a different state.

The percentage of undergraduate students enrolled exclusively in distance education courses differed by institutional control. In fall 2015, the percentage of students at private for-profit institutions who exclusively took distance education courses (49 percent) was more than three times that of students at private nonprofit institutions (14 percent) and more than five times that of students at public institutions (9 percent). In particular, 61 percent of students at private for-profit 4-year institutions exclusively took distance education courses. This percentage is larger than the percentage of students at any other control and level of institution who exclusively took distance education courses. (Percentages at these institutions ranged from 2 percent at private nonprofit 2-year institutions to 14 percent at private nonprofit 4-year institutions.)

State Funded New Mexico Colleges & Universities



According to the Albuquerque Journal in March 2017, the state of New Mexico has approximately 7 four-year public colleges/universities which sponsor their own 10 two-year branch community colleges, as well as 8 independent two-year community colleges, and 3 tribal colleges. These institutions equal a postsecondary school enrollment of approximately 131, 534 students. This number represents a significant decline, -15.17% in enrollment from 2010 to 2016. New Mexico saw the steepest enrollment decline in the nation from 2014 to 2015, with a single year decrease of 8.3%. University officials across the state seem to be in agreement about the decline in enrollment. Enrollment seemed to peak during the Great Recession especially with students over the age of 24; however, as the economy improved, and unemployment dropped, enrollment followed suit implying that people are returning to work. That being said, New Mexico has been slower to recover than the rest of the country. As a result, population in New Mexico is also declining as people leave the state for stronger economies with more jobs. This trend is especially prevalent with young, college aged people. Postsecondary educational reform is being considered with a lot of opposition from the smaller colleges. New Mexico has a unique program in place where most schools lead themselves independently with their own boards, as opposed to be dictated by the state. This allows for program diversity specific to the locale. Small schools fear the education reform could take programs out of their hands and they could no longer appeal to their own student base. In recent years, programs have been initiated to provide more continuity between schools. Classes have been renumbered and are more transferable from university to university.



The University of New Mexico is New Mexico's largest university. An official enrollment report was performed on February 3, 2017. The following chart represents the entire student body enrollment at the Albuquerque campus, as well as actual credit hours, and number of full time students.

Spring Semesters							
	2013	2014	2015	2016	2017	1 Year Change	5 Year Change
Headcount	27,197	26,749	25,816	25,299	25,015	-1.12%	-8.02%
Student Credit Hours (SCH)	316,149	315,558	307,374	303,228	299,029	-1.38%	-5.42%
Full Time Equivalent (FTE)	22,029.60	22,008.50	21,437.48	21,072.77	20,813.62	-1.23%	-5.52%

The following chart represents the breakdown of the total headcount.

Spring Semesters							
	2013	2014	2015	2016	2017	1 Year Change	5 Year Change
Concurrent High School	227	282	307	307	347	13.03%	52.86%
Returning	24,245	23,754	23,039	22,667	21,811	-3.78%	-10.04%
Readmit	1,319	1,289	1,186	1,135	1,723	51.81%	30.63%
New Beginning Freshmen	81	64	63	57	70	22.81%	-13.58%
New Beginning Other	25	16	19	11	8	-27.27%	-68.00%
Undergraduate Transfers From New Mexico	485	537	452	428	397	-7.24%	-18.14%
From Outside New Mexico	160	155	150	160	172	7.50%	7.50%
New Undergrad Non-Degree	119	140	131	74	85	14.86%	-28.57%
New Graduate	398	339	345	332	286	-13.86%	-28.14%
New 1st Professional	5	1	1	1	3	200.0%	-40.00%
New Graduate Non-Degree	133	172	123	127	113	-11.02%	-15.04%
Grand Total	27,197	26,749	25,816	25,299	25,015	-1.12%	-8.02%

These numbers are slightly below the state numbers and there has been an 8.02% decline in total enrollment over the past five years.

SUBJECT ANALYSIS

Tenant Analysis

The Santa Fe University of Art and Design is located at 1600 St. Michael's Drive. Previously known as the St. Michael's College until 1966, then known as College of Santa Fe until 2009. College of Santa Fe faced financial difficulties in 2009 and was purchased by the City of Santa Fe. Since that time, the City of Santa Fe has leased the property to The Santa Fe University of Art and Design, which has a narrower focus on film, theater, and arts and reported a 2014 enrollment of over 800 students. Other public institutions in the neighborhood include the Santa Fe Indian School and the New Mexico School for the Deaf in the northern portion of the neighborhood, on the north side of Cerrillos Road.

The Santa Fe University of Art and Design has given notice that they will be vacating the facility in the summer of 2018. As stated earlier within this analysis, The Santa Fe University of Art and Design has a termination penalty built into the lease and they also have a purchase option on the property within the lease agreement. It is unknown at this time which option will be chosen by the tenant.

OTHER COLLEGES

Institute of American Indian Arts

The school, founded in 1962, offers two and four-year degrees in Studio Arts, Visual Communication, Creative Writing and Museum Studies. The school is located in Santa Fe and sits on an approximate 140 acres and includes a fine arts museum. The college helps preserve Santa Fe's place as the international center for American Indian arts and is home to the largest Native American arts market in the world. The school is accredited by the North Central Association of Colleges and Schools and the National Association of Schools of Art and Design with 2017 enrollment reported to be 524 students. Tuition costs for 2016-2017 school year \$2,350 per semester for 12 credit hours. Books, room and board are not included but are estimated to be an additional \$4,306 per semester.

St. John's College

This world-renowned liberal arts college located in Santa Fe is situated on approximately 250-acres. This College opened in 1964 and offers four year degrees with a faculty-student ratio of 1 to 8. The college is best known for its studies of the classic books of world history. The school is accredited by the American Academy for Liberal education and the North Central Association of Colleges and Secondary Schools. St. Johns also operates a 36-acre campus in Annapolis, Maryland. Tuition costs for the 2014-2015 school year is \$23,913 per semester for 15-18 credit hours. The combined student body of both campuses is only 900 students.

Santa Fe Community College

This college is located in Santa Fe and had a 2012 enrollment of over 6,480 students. This College sits on an approximate 368-acre campus. The school offers certificates and associate degrees with 320 full and part time faculty members. In addition, the school maintains academic departments in Business and Technology, Health and Sciences, Liberal and Fine Arts, and Educational Leadership. The college offers 100 degree and certificate program. The school is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and also has seven other special program accreditations in nursing, dental assistance, child development, and EMT/paramedics. Tuition costs for the 2015 semester is \$747 per semester for 15 credit hours for in-state/in-district. This amount is \$1,625 per semester for out-of-state tuition. The college has also partnered with New Mexico Highlands University to offer additional undergraduate and graduate programs in business, sciences, education, and other fields.

The University of New Mexico

UNM was founded in 1889 and is situated on an approximate 600-acre campus. The university offers bachelor's, master's, doctoral, and professional degrees in a multitude of art, science, and engineering disciplines. The main campus is located in Albuquerque with an Extended University Distance Education program offered in Santa Fe with an office located at Santa Fe Community College.

CONCLUSION

Thousands of students have attended Santa Fe University of Art & Design and its predecessors. The college the majority of the buildings are generally in average to good condition and are functional for continued use as a facility of higher education. Although enrollment at state funded education facilities has dropped by approximately 8.0% over the past 5-years, with the entire decrease attributed to a drop of in-state enrollments. Out of state enrollments saw a 7.5% increase over the past 5 years. Nationally, undergraduate enrollment at 2-year institutions is projected to increase by approximately 16 percent by 2026, while enrollment at 4-year institutions are projected to increase by 7 percent by 2026. Given the demographic and city profile the subject should regain market acceptance.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS IF VACANT

Legally Permissible

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physically Possible

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development).

Financially Feasible

Potential uses of the site include institutional, mixed use development, having components of multi-family, retail and office within the development. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses.

Mixed use projects have not been recently developed in this market due to economic conditions. Further, there are proposed developments which are no longer moving forward due to inadequate construction financing and market conditions (increasing vacancy, declining effective rental rates, higher cap rates, etc.). Overall, there is significant risk in the development of mixed use projected and most investors would not move forward with new construction at this time on a speculative basis.

Maximally Productive - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be to hold for development of a mixed use project, time and circumstances warranted. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be an investor (land speculation) or a developer.

AS IMPROVED

Legally Permissible

The site has been improved with a university development that is a legal, conforming use.

Physically Possible

The layout and positioning of the improvements are considered functional for university use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for university users would be the most functional use.

Financially Feasible

The financial feasibility of a university property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is producing a positive net cash flow and continued utilization of the improvements for university purposes is considered financially feasible. Further, the value of the improvements detailed clearly exceeds the underlying land value.

Maximally Productive - Conclusion

As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by university owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use.

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as a university development.

Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

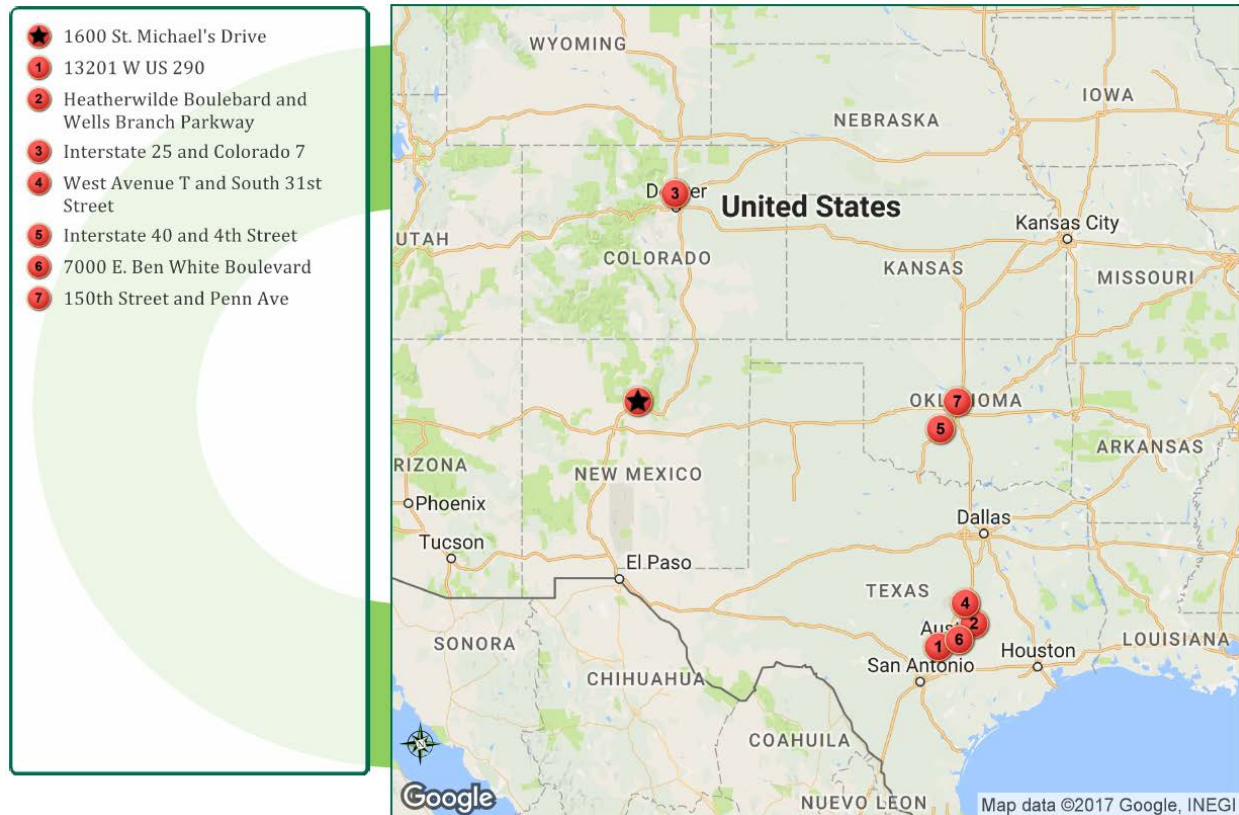
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, all three approaches are applicable and have been utilized.

Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



The subject has a zoning overlay that allows for development for an increased density and mixed use development. There have been no local sales or listings of similarly sized and zoned parcels. Therefore, we searched for regional sales of similarly zoned and sized parcels for an indication of the underlying land value. The sales utilized represent the best data available for comparison with the subject and were selected from states surrounding New Mexico and were chosen due to being similarly zoned and being of similar size to the subject parcel.

DISCUSSION/ANALYSIS OF LAND SALES

Land Sale One

This comparable represents the sale of 70.3 acres of commercial land along the south side of Highway 290 at the entrance to the Belterra master-planned development in far southwest Austin, TX. Belterra is one of southwest Austin's premier master-planned communities and included over 1,200 homes at the time of the comparable land sale. The comparable lies within the Dripping Springs ETJ and various commercial, multi-family and condominium/townhome are allowable

under the development agreement with Drippings Springs. All utilities are to the site with water and wastewater provide by Hays County WCID #1. The December 2016 sales price was \$9.7 million or \$3.17 PSF. However, the buyer was given an extended option period in order to obtain commitments from a number of retailers and other tenants prior to closing. The selling broker indicated that without such a condition of sale, the buyer would have either not been interest in the site or have needed to acquire it for a lower price.

The adjustment for location was warranted due to its superior demographics. Therefore, a downward adjustment was judged proper for this comparable. The downward adjustment for highest and best use was considered reasonable due to the site being 100% zoned for retail use, which is a superior highest and best use. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Land Sale Two

The comparable represents that sale of a 52-acre tract located at the northeast corner of Wells Branch Parkway and Heatherwilde Boulevard. The majority of the tract is located within the Austin City Limits and is zoned SF-4A, MF-2 and GR. The remainder of the tract is located in Pflugerville and is zoned GB-1. The land was vacant and was in agricultural production at the time of sale. The buyer plans to develop the land with an unknown number of apartments and to reserve the 8-acre portion of the tract which is situated in the City of Pflugerville for future commercial/ retail use. The property sold in December 2016 for \$5,490,000 and \$600,000 in rollback taxes paid by the buyer. The adjusted price equates to \$6,090,000, or \$2.67 per square foot.

The adjustment for location was warranted due to its superior demographics. Therefore, a downward adjustment was judged proper for this comparable. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Land Sale Three

This comparable is commonly known as the Northlands planned development, a 123.39-acre tract of vacant land located at the northwest corner of Interstate 25 and Colorado 7 in Broomfield, Colorado. It was purchased by IKEA Property, which intends to develop a portion (40± acres) to an IKEA store. It is fully entitled and approved for mixed-use commercial and residential development with a maximum of 2.23± million square feet of commercial building improvements and 525 residential units in 457,380 square feet of building improvements. In addition, it has an approved metropolitan district that can finance up to \$50.9 million of infrastructure through public financing. It was reported that "\$13.5 million of work has been done to the property for drainage and infrastructure," a substantial portion of which was for the installation of a sewer lift station, extension of the water and sewer line to the central portion of the site and relocation of the Bull Canal that bisects the site centrally.

The upward adjustment for size reflects this comparable's inferior feature with respect to economies of scale regarding parcel size. The adjustment for location was warranted due to being in an area with less development. Therefore, an upward adjustment was judged proper for this comparable. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

Land Sale Four

"This comparable represents the sale of 40.39 acres of land at the northwest corner of S. 31st Street and Scott Boulevard; the property also has road frontage on W. Avenue T. The site is irregular in shape with rolling topography and no floodplain, although a tributary of Bird Creek crosses the property, requiring drainage/development consideration. The site is proposed for retail and multi-family use. The buyers of the property have sold +/- 9.66 acres to Cypressbrook, a Houston-based multi-family developer that closed in July 2016. The buyer intends to plat the remaining 30.73 acres for retail/commercial pad sites and development and develop a 13,575 SF retail building on one of the pad sites. Road frontage is asphalt paved and all utilities are available. The property sold in May 2015 for \$4,300,000, or \$2.44/SF.

Legal description: A0692BC R ROBERTS, OB 541, ACRES 40.39, Bell County, Texas"

The downward adjustment for size reflects this comparable's superior feature with respect to economies of scale regarding parcel size. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Land Sale Five

The comparable is a 32.25-net-acre retail development site that wraps around the southeast corner of 4th Street and Grand Avenue in Chickasha, Oklahoma. The site has good access and visibility to Interstate 44 (HE Bailey Turnpike). Chickasha is 45 miles southwest of Oklahoma City. The zoning is C-2, commercial and all utilities are near the site. A single Tax Increment Finance (TIF) District has been established for this property. This affords the Developer to recover the infrastructure costs incurred to make the land suitable for development. All of the risk for reimbursement lies with the Developer. If new taxes are generated, the Developer shares in the added revenue by a set formula via an Economic Development Agreement with the City of Chickasha. The reimbursable costs are limited to infrastructure development, including but not limited to site work, drainage, utility relocation, roads, paving and such. The buyer plans a retail development known as Chisholm Trail. It will be subdivided into seven lots that will vary in size from 1.15 to 9.99 acres. The development will include big box retail, pad buildings, ground-leased pads sites and pad sites available for sale. The site sold in April 2015 for \$3,705,000, or \$2.64 per square foot.

The downward adjustment for size reflects this comparable's superior feature with respect to economies of scale regarding parcel size. The adjustment for location was warranted due to its

inferior demographics. Therefore, an upward adjustment was judged proper for this comparable. The downward adjustment for highest and best use was considered reasonable due to the site being 100% zoned for retail use, which is a superior highest and best use. Overall, the adjustments applied to this comparable resulted in a net adjustment of zero, whereby the property was deemed similar in comparison to the subject.

Land Sale Six

This comparable represents the sale of 31.42 acres at 7000 E. Ben White Boulevard in Austin, Texas. The site has an irregular shape with generally level topography and no floodplain; the property was purchased for multi-family use. All utilities are available to the site. The property sold in August 2014 for \$4,000,000, or \$2.92 per square foot.

Legal description: LOTS 1-4 BLK A TRAVIS 51 ADDN NO 2 RESUB OF LOTS 1-2 & LOT 1 AHC ADDN, City of Austin, Travis County, Texas

The downward adjustment for size reflects this comparable's superior feature with respect to economies of scale regarding parcel size. The adjustment for location was warranted due to its superior demographics. Therefore, a downward adjustment was judged proper for this comparable. The upward adjustment for highest and best use was considered reasonable due to the site being developed with 100% multifamily use, which is an inferior highest and best use. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Land Sale Seven

This is a June 2014 sale of a 35.96-acre site at the northwest corner of Northwest 150th Street and North Pennsylvania Avenue, in Edmond, Oklahoma. The site is one-mile north of John Kilpatrick Turnpike. There is 1,275 feet of frontage along Northwest 150th Street and 1,275 feet of frontage along North Pennsylvania Avenue. The surrounding uses are residential, retail and senior housing. The site is square in shape and contains 35.96 acres. It is zoned PUD-288, allowing for residential and commercial uses. All utilities are near the site. The sale price was \$4,515,500, or \$2.88 per square foot.

The downward adjustment for size reflects this comparable's superior feature with respect to economies of scale regarding parcel size. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID								Subject
Comparable Number	1	2	3	4	5	6	7	---
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Dec-16	Dec-16	Sep-16	May-15	Apr-15	Aug-14	Jun-14	---
Proposed Use	Retail Power Center	Multi-family and Commercial	Mixed-use with IKEA as anchor	Retail, multi-family use	Retail	Multi-family	Commercial	---
Actual Sale Price	\$9,700,000	\$5,490,000	\$11,250,000	\$4,300,000	\$3,705,000	\$4,000,000	\$4,515,000	---
Size (Acres)	70.30	52.31	123.39	40.39	32.25	31.42	35.96	64.22
Size (SF)	3,062,268	2,278,711	5,375,043	1,759,388	1,404,810	1,368,655	1,566,418	2,797,510
Price Per SF	\$3.17	\$2.67	\$2.09	\$2.44	\$2.64	\$2.92	\$2.88	---
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%	---
Financing Terms ¹	0%	0%	0%	0%	0%	0%	0%	---
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%	---
Market Conditions (Time)	0%	0%	0%	0%	0%	0%	0%	---
Subtotal	\$3.17	\$2.67	\$2.09	\$2.44	\$2.64	\$2.92	\$2.88	---
Size	0%	0%	15%	-3%	-5%	-5%	-3%	---
Shape	0%	0%	0%	0%	0%	0%	0%	---
Corner	0%	0%	0%	0%	0%	0%	0%	---
Frontage	0%	0%	0%	0%	0%	0%	0%	---
Topography	0%	0%	0%	0%	0%	0%	0%	---
Location	-10%	-5%	15%	0%	10%	-10%	0%	---
Zoning/Density	0%	0%	0%	0%	0%	0%	0%	---
Utilities	0%	0%	0%	0%	0%	0%	0%	---
Highest & Best Use	-5%	0%	0%	0%	-5%	10%	0%	---
Total Other Adjustments	-15%	-5%	30%	-3%	0%	-5%	-3%	---
Value Indication for Subject	\$2.69	\$2.54	\$2.72	\$2.37	\$2.64	\$2.77	\$2.79	---
Absolute Adjustment	15%	5%	30%	3%	20%	25%	3%	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)
Compiled by CBRE

CONCLUSION

Based on the preceding analysis, Comparables 1, 2 and 3 were the most recent sales of similarly zoned and sized parcels and best represent current market conditions. In conclusion, a price per square foot indication towards the upper end of the range was most appropriate for the subject due to not having any density restrictions and being located within a highly developed area of Santa Fe, New Mexico. The following table presents the valuation conclusion:

CONCLUDED LAND VALUE				
\$ PSF		Subject SF	=	Total
\$2.37	x	2,797,510	=	\$6,630,099
\$2.79	x	2,797,510	=	\$7,805,054
Indicated Value:				\$7,550,000
		(Rounded \$ PSF)		\$2.70

Compiled by CBRE

Cost Approach

In estimating the replacement cost new for the subject, the following methods/data sources have been utilized (where available):

- the comparative unit method has been employed, utilizing the Marshall Valuation Service (MVS) cost guide, published by Marshall and Swift, LLC;
- the subject's actual construction costs (where available); and
- actual/budget construction cost figures available for comparable properties have been considered.

MARSHALL VALUATION SERVICE

Direct Cost

Salient details regarding the direct costs are summarized in the Cost Approach Conclusion at the end of this section. The MVS cost estimates include the following:

1. average architect's and engineer's fees for plans, plan check, building permits and survey(s) to establish building line;
2. normal interest in building funds during the period of construction plus a processing fee or service charge;
3. materials, sales taxes on materials, and labor costs;
4. normal site preparation including finish grading and excavation for foundation and backfill;
5. utilities from structure to lot line figured for typical setback;
6. contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc.;
7. site improvements (included as lump sum additions); and
8. initial tenant improvement costs are included in MVS cost estimate. However, additional lease-up costs such as advertising, marketing and leasing commissions are not included.

Base building costs (direct costs) are adjusted to reflect the physical characteristics of the subject. Making these adjustments, including the appropriate local and current cost multipliers, the direct building cost is indicated.

Additions

Items not included in the direct building cost estimate include parking and walks, signage, landscaping, and miscellaneous site improvements. The cost for these items is estimated separately using the segregated cost sections of the MVS cost guide.

Indirect Cost Items

Several indirect cost items are not included in the direct building cost figures derived through the MVS cost guide. These items include developer overhead (general and administrative costs), property taxes, legal and insurance costs, local development fees and contingencies, lease-up and marketing costs and miscellaneous costs. The concluded indirect cost allowance is 10.0%.

MVS Conclusion

The concluded direct and indirect building cost estimates obtained via the MVS cost guide are illustrated as follows:

MARSHALL VALUATION SERVICE COST SCHEDULE - TABLE A					
Primary Building Type:	Various		Height per Story:	8'-10'	
Effective Age:	27 YRS		Number of Buildings:	32	
Condition:	Average		Gross Building Area:	498,384 SF	
Exterior Wall:	Various		Net Rentable Area:	498,384 SF	
Number of Stories:	1, 2 & 3				
Building Number	#1	#2, #26	#3-5	#6A & 6B	#7, #11, #12
MVS Sec/Page	Sec 16/Pg 12	Sec 15/Pg 17	Sec 18/Pg 27	Sec 12/Pg 16	Sec 11/Pg 14
Quality/Bldg. Class	Average/C	Average/C	Average/C	Average/D	Average/C
Building Component	Theater: Live Stage	Office Building	College Classrooms	Multiple Residences	Dormitories
Component Sq. Ft.	32,628 SF	34,857 SF	58,457 SF	30,000 SF	101,012 SF
Base Square Foot Cost	\$121.09	\$109.26	\$140.00	\$71.55	\$110.00
Square Foot Refinements					
Elevator	\$1.82	\$1.53	\$1.08	\$0.00	\$0.00
Sprinklers	\$3.40	\$0.00	\$0.00	\$0.00	\$2.92
Subtotal	\$126.31	\$110.79	\$141.08	\$71.55	\$112.92
Cost Multipliers					
Current Cost Multiplier	1.02	1.01	1.02	1.02	1.00
Local Multiplier	0.97	0.97	0.97	0.96	0.97
Final Square Foot Cost	\$124.97	\$108.55	\$139.58	\$70.06	\$109.53
Base Component Cost	\$4,077,654	\$3,783,576	\$8,159,578	\$2,101,853	\$11,064,087
Base Building Cost	<i>(via Marshall Valuation Service cost data)</i>				\$29,186,749
Indirect Costs	10.0% of Direct Building Cost				\$2,918,675
Direct and Indirect Building Cost					\$32,105,424
Rounded					\$32,105,000
Compiled by CBRE					

MARSHALL VALUATION SERVICE COST SCHEDULE - TABLE B

Primary Building Type:	Various	Height per Story:	8'-10'		
Effective Age:	27 YRS	Number of Buildings:	32		
Condition:	Average	Gross Building Area:	498,384 SF		
Exterior Wall:	Various	Net Rentable Area:	498,384 SF		
Number of Stories:	1, 2 & 3				
Building Number	#8	#10	#13	#14-16	#17, #32
MVS Sec/Page	Sec 13/Pg 15	Sec 46/Pg 2 & 7	Sec 11/Pg 14	Sec 14/Pg 40	Sec 18/Pg 17
Quality/Bldg. Class	Average/C	Low Cost/S	Average/C	Average/C	Average/D
Building Component	Cafeteria	Bandshell	Dormitory	Sound Stages	Administration Buildings
Component Sq. Ft.	9,800 SF	1,100 SF	25,295 SF	49,200 SF	24,050 SF
Base Square Foot Cost	\$113.66	\$18.11	\$110.00	\$149.00	\$115.00
Square Foot Refinements					
Elevators	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sprinklers	\$3.67	\$0.00	\$2.90	\$2.85	\$0.00
Subtotal	\$117.33	\$18.11	\$112.90	\$151.85	\$115.00
Cost Multipliers					
Current Cost Multiplier	1.01	1.02	1.00	1.03	1.01
Local Multiplier	0.97	0.97	0.97	0.97	0.96
Final Square Foot Cost	\$114.95	\$17.92	\$109.51	\$151.71	\$111.50
Base Component Cost	\$1,126,492	\$19,710	\$2,770,131	\$7,464,296	\$2,681,671
Base Building Cost	(via Marshall Valuation Service cost data)				\$14,062,301
Indirect Costs	10.0% of Direct Building Cost				\$1,406,230
Direct and Indirect Building Cost					\$15,468,531
Rounded					\$15,469,000

Compiled by CBRE

MARSHALL VALUATION SERVICE COST SCHEDULE - TABLE C

Primary Building Type:	Various	Height per Story:	8'-10'		
Effective Age:	27 YRS	Number of Buildings:	32		
Condition:	Average				
Condition:	Average	Gross Building Area:	498,384 SF		
Exterior Wall:	Various	Net Rentable Area:	498,384 SF		
Number of Units:	1	Average Unit Size:	498,384 SF		
Number of Stories:	3	Average Floor Area:	166,128 SF		
Building Number	#18	#19	#21	#23	#24
MVS Sec/Page	Sec 18/Pg 25	Sec 15/Pg 17	Sec 18/Pg 17	Sec 18/Pg 27	Sec 15/Pg 17
Quality/Bldg. Class	Average/C	Average/C	Average/C	Average/C	Average/D
Building Component	Gymnasiums	Office Building	Multipurpose Buildings	College Classrooms	Office Building
Component Sq. Ft.	22,200 SF	14,844 SF	11,742 SF	27,757 SF	8,800 SF
Base Square Foot Cost	\$106.00	\$109.26	\$117.00	\$140.00	\$109.26
Square Foot Refinements					
Elevators	\$0.00	\$0.00	\$0.00	\$1.93	\$0.00
Sprinklers	\$3.25	\$0.00	\$0.00	\$3.12	\$0.00
Subtotal	\$109.25	\$109.26	\$117.00	\$145.05	\$109.26
Cost Multipliers					
Current Cost Multiplier	1.02	1.01	1.02	1.02	1.00
Local Multiplier	0.97	0.97	0.97	0.97	0.96
Final Square Foot Cost	\$108.09	\$107.04	\$115.76	\$143.51	\$104.89
Base Component Cost	\$2,399,641	\$1,588,932	\$1,359,252	\$3,983,405	\$923,028
Base Building Cost	<i>(via Marshall Valuation Service cost data)</i>				\$10,254,258
Indirect Costs	10.0% of Direct Building Cost				\$1,025,426
Direct and Indirect Building Cost Rounded					\$11,279,684
					\$11,280,000

Compiled by CBRE

MARSHALL VALUATION SERVICE COST SCHEDULE - TABLE D

Primary Building Type:	Various	Height per Story:	8'-10'		
Effective Age:	27 YRS	Number of Buildings:	32		
Condition:	Average	Gross Building Area:	498,384 SF		
Exterior Wall:	Various	Net Rentable Area:	498,384 SF		
Number of Stories:	3	Average Floor Area:	166,128 SF		
	#25	#27-30	#33	#34	#35
MVS Sec/Page	Sec 15/Pg 17	Sec 18/Pg 29	Sec 18/Pg 20	Sec 15/Pg 17	Sec 14/Pg 26
Quality/Bldg. Class	Average/C	Average/D	Average/D	Low Cost/C	Average/S
Building Component	Office Building	Arts & Crafts Buildings	Book Stores	Office	Warehouse
Component Sq. Ft.	3,350 SF	34,948 SF	2,912 SF	1,640 SF	3,000 SF
Base Square Foot Cost	\$109.26	\$136.00	\$87.00	\$69.29	\$25.94
Square Foot Refinements					
Elevator	\$0.00	\$3.08	\$0.00	\$0.00	\$0.00
Sprinklers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$109.26	\$139.08	\$87.00	\$69.29	\$25.94
Cost Multipliers					
Current Cost Multiplier	1.01	1.01	1.01	1.01	1.02
Local Multiplier	0.97	0.96	0.96	0.97	0.96
Final Square Foot Cost	\$107.04	\$134.85	\$84.36	\$67.88	\$25.40
Base Component Cost	\$358,591	\$4,712,671	\$245,642	\$111,329	\$76,201
Base Building Cost	<i>(via Marshall Valuation Service cost data)</i>				\$5,504,434
Indirect Costs	10.0% of Direct Building Cost				\$550,443
Direct and Indirect Building Cost					\$6,054,878
Rounded					\$6,055,000

Compiled by CBRE

MARSHALL VALUATION SERVICE COST SCHEDULE - TABLE E			
Primary Building Type:	Various	Height per Story:	8'
Effective Age:	27 YRS	Number of Buildings:	32
Condition:	Average	Gross Building Area:	498,384 SF
Exterior Wall:	Various	Net Rentable Area:	498,384 SF
Number of Stories:	3	Average Floor Area:	166,128 SF
			#36
MVS Sec/Page			Sec 14/Pg 19
Quality/Bldg. Class			Average/C
Building Component			Communications
			Bunker
Component Sq. Ft.			792 SF
Base Square Foot Cost			\$53.64
Square Foot Refinements			
Elevator			\$0.00
Sprinklers			\$0.00
Subtotal			\$53.64
Cost Multipliers			
Current Cost Multiplier			1.02
Local Multiplier			0.96
Final Square Foot Cost			\$52.52
Base Component Cost			\$41,599
Base Building Cost	(via Marshall Valuation Service cost data)		\$41,599
Indirect Costs	10.0% of Direct Building Cost		\$4,160
Direct and Indirect Building Cost			\$45,759
Rounded			\$46,000
Compiled by CBRE			

ENTREPRENEURIAL PROFIT

Entrepreneurial profit represents the return to the developer, and is separate from contractor's overhead and profit. The concluded entrepreneurial profit is 0.0%.

ACCRUED DEPRECIATION

There are essentially three sources of accrued depreciation:

1. physical deterioration, both curable and incurable;
2. functional obsolescence, both curable and incurable; and
3. external obsolescence.

Physical Deterioration

The following chart provides a summary of the remaining economic life.

ANALYSIS OF DEPRECIATION

BUILDINGS	BASE BUILDING COST	REPLACEMENT COST NEW *	YEAR BUILT	% DEPRECIATED	DEPRECIATION	DEPRECIATED REPLACEMENT COST
#1	\$4,077,654	\$4,485,420	1965	60.0%	\$2,691,252	\$1,794,168
#2, #26	\$3,783,576	\$4,161,934	1962-1976	75.0%	\$3,121,450	\$1,040,483
#3-5	\$8,159,578	\$8,975,536	1970 / 1996	60.0%	\$5,385,322	\$3,590,215
#6A & 6B	\$2,101,853	\$2,312,038	1998	24.0%	\$554,889	\$1,757,149
#7, #11, #12	\$11,064,087	\$12,170,495	1962-1967	70.0%	\$8,519,347	\$3,651,149
#8	\$1,126,492	\$1,239,142	2010	12.0%	\$148,697	\$1,090,445
#10	\$19,710	\$21,681	1990	36.0%	\$7,805	\$13,876
#13	\$2,770,131	\$3,047,144	1962 / 2002	70.0%	\$2,133,001	\$914,143
#14-16	\$7,464,296	\$8,210,726	1993	40.0%	\$3,284,290	\$4,926,435
#17, #32	\$2,681,671	\$2,949,838	1945	80.0%	\$2,359,871	\$589,968
#18	\$2,399,641	\$2,639,605	1993	36.0%	\$950,258	\$1,689,347
#19	\$1,588,932	\$1,747,825	1964	60.0%	\$1,048,695	\$699,130
#21	\$1,359,252	\$1,495,177	1968	60.0%	\$897,106	\$598,071
#23	\$3,983,405	\$4,381,746	1963 / 2005	40.0%	\$1,752,698	\$2,629,048
#24	\$923,028	\$1,015,331	2010	14.0%	\$142,146	\$873,185
#25	\$358,591	\$394,450	1981	60.0%	\$236,670	\$157,780
#27-30	\$4,712,671	\$5,183,938	1998	26.0%	\$1,347,824	\$3,836,114
#33	\$245,642	\$270,207	1994	57.5%	\$155,369	\$114,838
#34	\$111,329	\$122,462	1990	54.0%	\$66,129	\$56,332
#35	\$76,201	\$83,821	1966	72.0%	\$60,351	\$23,470
#36	\$41,599	\$45,759	1962	70.0%	\$32,031	\$13,728
Total	\$59,049,341	\$64,954,276			\$34,895,203	\$30,059,073

* Inclusive of 10% Indirect Costs

53.7%

46.3%

Source: CBRE

ECONOMIC AGE AND LIFE

Actual Age	72 Years
Effective Age	27 Years
MVS Expected Life	50 Years
Remaining Economic Life	23 Years
Accrued Physical Incurable Depreciation	53.7%

Compiled by CBRE

Functional Obsolescence

Based on a review of the design and layout of the improvements, no forms of curable functional obsolescence were noted. Because replacement cost considers the construction of the subject improvements utilizing modern materials and current standards, design and layout, functional incurable obsolescence is not applicable.

External Obsolescence

External obsolescence is estimated by the capitalization of income loss. As the subject produces income, the income loss caused by the external obsolescence can be capitalized into an estimate of the loss in total property value. As the land value is not impacted, the entire amount is attributed to the improvements. For the purpose of this approach, the external obsolescence affecting the subject from the new zoning overlay that now encompasses the subject property and

the increase in land value due to this overlay has been analyzed. Since a college will not pay an increase in rent due to the increase in density and uses available through the redevelopment of the site, the increase in land value results in external obsolescence being present at the property. The external obsolescence is calculated in the following table:

EXTERNAL OBSOLESCENCE	
Cost Feasible NOI:	\$1,997,751
Pro-Forma Stabilized NOI:	\$3,239,496
NOI Differential:	(\$1,241,745)
Capitalized at:	8.75%
External Obsolescence:	\$0
Compiled by CBRE	

The cost feasible NOI is based on the depreciated cost of the improvements plus land value, multiplied by the current capitalization rate. The pro forma stabilized NOI is taken from the direct capitalization schedule and supported by the assumptions in the appraisal report.

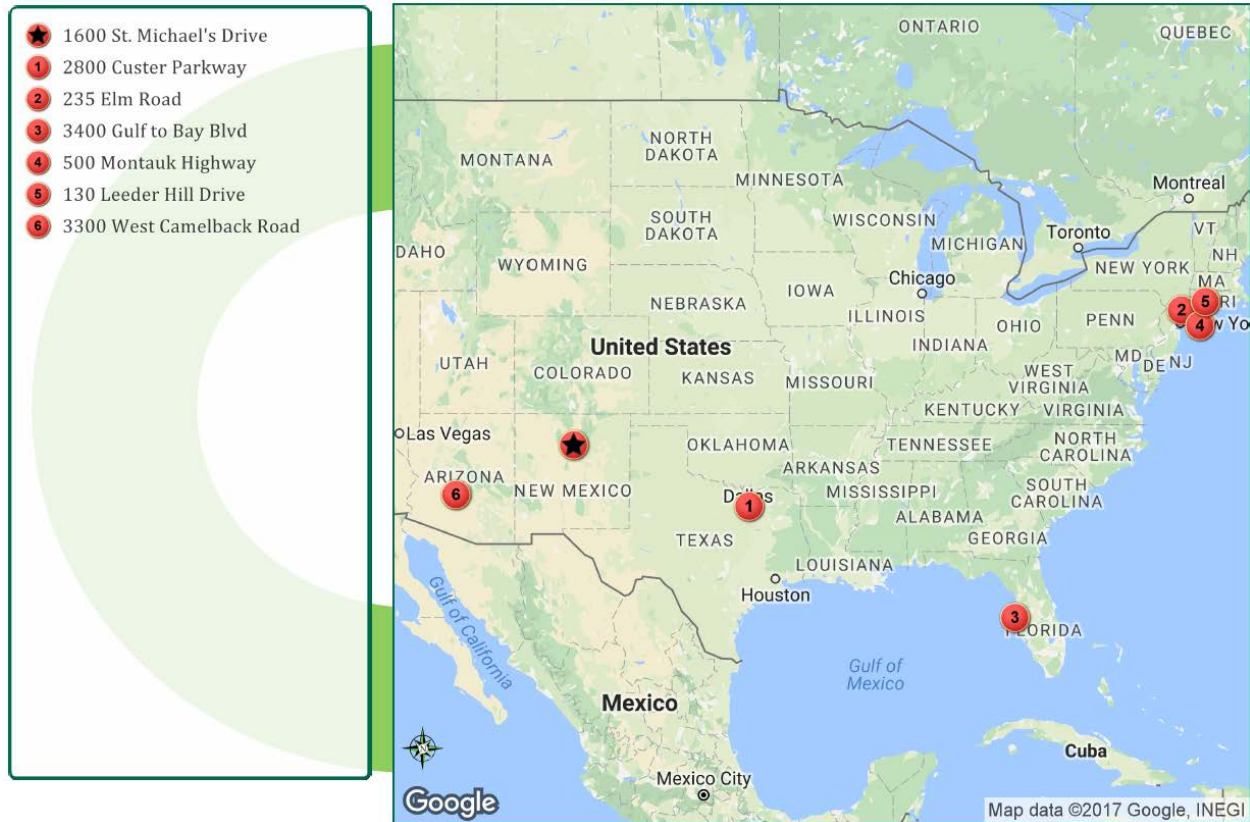
COST APPROACH CONCLUSION

The value estimate is calculated as follows.

COST APPROACH CONCLUSION			
Primary Building Type:	Various	Height per Story:	8' - 10'
Effective Age:	27 YRS	Number of Buildings:	32
Quality/Condition:	Average		
Condition:	Average	Gross Building Area:	498,384 SF
Exterior Wall:	Various	Net Rentable Area:	498,384 SF
Number of Units:	1	Average Unit Size:	498,384 SF
Number of Stories:	3	Average Floor Area:	166,128 SF
Direct and Indirect Building Cost Table A			\$32,105,000
Direct and Indirect Building Cost Table B			\$15,469,000
Direct and Indirect Building Cost Table C			\$11,280,000
Direct and Indirect Building Cost Table D			\$6,055,000
Direct and Indirect Building Cost Table E			\$46,000
Subtotal			\$64,955,000
Addition (70% Depreciated)			
Signage, Landscaping, Walks, Parking & Miscellaneous Site Improvements			\$1,545,604
Entrepreneurial Profit 0.0% of Total Building Cost			\$0
Replacement Cost New			\$66,500,604
Accrued Depreciation			
Unfinished Shell Space			\$0
Incurable Physical Deterioration	53.7% of Replacement Cost New less	Curable Physical Deterioration	(\$34,895,203)
Functional Obsolescence			\$0
External Obsolescence			(\$2,132,590)
Total Accrued Depreciation 55.7% of Replacement Cost New			(\$37,027,792)
Contributory Value of FF&E			\$0
Depreciated Replacement Cost			\$29,472,811
Land Value			\$7,550,000
Indicated Stabilized Value			\$37,022,811
Curable Physical Deterioration			(\$776,200)
Lease-Up Discount			\$0
Indicated As Is Value			\$36,246,611
Rounded			\$36,200,000
Value Per SF			\$72.63
Compiled by CBRE			

Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE SCHOOL CAMPUS SALES									
No.	Property Name	Transaction Type	Date	Land (Acres)	YOC / Reno'd	Property Type	NRA (SF)	Actual Sale Price	Price Per SF ¹
1	Canyon Creek Christian Academy, 2800 Custer Parkway Richardson, TX 75080	Sale	Jan-17	7.02	1974	Special	160,000	\$9,750,000	\$60.94
2	Former Pace University Briarcliff Manor Campus, 235 Elm Road Briarcliff Manor, NY 10510	Sale	Dec-16	37.17	1902 / 2000	Special	330,308	\$17,000,000	\$69.63
3	Former Clearwater Christian College, 3400 Gulf to Bay Blvd. Clearwater, FL 33759	Sale	Dec-16	27.39	1967	Special	141,965	\$10,209,103	\$71.91
4	St. John's University - Oakdale Campus, 500 Montauk Highway Oakdale, NY 11769	Sale	Sep-16	175.30	1897 / 1998	Special	260,000	\$22,500,000	\$86.54
5	Leeder Hill Drive School, 130 Leeder Hill Drive Hamden, CT 06517	Sale	Jan-16	13.08	1970 / 1990	Special	144,574	\$14,100,000	\$97.53
6	Grand Canyon University, 3300 West Camelback Road Phoenix, AZ 85017	Sale	Apr-09	90.00	1973	Special	475,000	\$42,000,000	\$88.42
Subj. Pro Forma	Santa Fe University of Art & Design, 1600 St Michael's Drive Santa Fe, NM 87505	---	---	64.22	1945 / 2013	Special	498,384	---	---

¹ Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales nationally of facilities with similar utility, age and when possible, size. It should be noted that Comparable 6 was sold in April 2009. Although this comparable sale this dated, the property is located within the region of our subject property, was of similar size and had some buildings of similar effective age to the subject, making the property a good comparable sale in providing an indication of value for the subject property.

DISCUSSION/ANALYSIS OF IMPROVED SALES

Improved Sale One

This is the sale of a Baptist school located at 2800 Custer Parkway in Richardson, Texas. The facility was known as Canyon Creek Christian Academy and is 160,000 square feet in size and located on a 7.02-acre parcel. The property sold on January 30, 2017 for \$9,750,000 or \$60.94 per square foot of building area. The property was occupied by Canyon Creek Christian Academy for the last 20 years. The motivation of the purchaser was to utilize as a school. The motivation of the seller was they no longer needed that large a building. The seller agreed to lease back the property in the short-term until the buyer was ready to move in. The sale

contained no sale conditions that would have affected the sales price and there was no known deferred maintenance.

Upon comparison with the subject, this comparable was considered superior in terms of size and received a downward adjustment for this characteristic due to its smaller square footage. In terms of age/condition, this comparable was judged inferior due to its older effective age and received an upward adjustment for this characteristic. An adjustment for land to building ratio was considered appropriate for this comparable given its inferior sized land parcel in comparison the building size. Because of this inferior trait, an upward adjustment was considered appropriate. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

Improved Sale Two

This comparable represents a 330,308-square-foot, Class B school office property, which is situated on a 37.17-acre parcel at 235 Elm Road, Briarcliff Manor, NY. The 3-story improvements were originally constructed in 1902 and were considered in average condition at the time of sale. The property sold in December 2016 for \$23,000,000, or \$69.63 per square foot. "The Briarcliff Manor Campus consists of nine buildings totaling 330,308 square feet located on a 37-acre campus. The buildings range in size from 13,041 square feet to 111,915 square feet and support a variety of uses - including office, student housing, dining, [auditorium], recreational and educational. The expansive grounds also feature tennis courts and ball fields." Pace University has owned the property since 1977. The university is expanding their Pleasantville, NY, campus, which has eliminated the need for this property in Briarcliff. The property was purchased by the Research Center on Natural Conservation, Inc. who will use the campus as a school for Chinese students. According to the selling broker, the property was in fair to good condition. The majority of the buildings were in good condition, but one of the buildings required significant work (costs estimated to be between \$5,000,000 and \$7,000,000). The costs to repair this building added to the sale price listed above. The property was marketed by CBRE for 8 months, but was on the market previously for an unknown period.

The buildings are summarized as follows:

Dow Hall: built 1902, 111,915 SF, 166 beds, 4 stories

Dining Hall: built 1963, 26,253 SF, 2 stories

West Hall: built 1964/2000, 23,414 SF, 2 stories

Woodward Hall: built 1964, 26,013 SF, 2 stories

Hillside Dorm: built 1964, 28,256 SF, 94 beds, 2 stories

Howard Johnson: built 1950/1997, 25,031 SF, 25 beds, 4 stories

Valley Dorm: built 1963, 32,517 SF, 112 beds, 2 stories

New Dorm: built 1966, 43,868 SF, 168 beds, 4 stories

Tead Hall: built 1912/1998, 13,041 SF, 2 stories

The 2016 median home value at this property's location (10510 zip code) is \$841,021 and the 2016 median household income is \$162,621.

The downward adjustment for location reflects this comparable's superior feature with respect to being in an area with superior demographics. In terms of age/condition, this comparable was judged inferior due to its older effective age and received an upward adjustment for this characteristic. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

Improved Sale Three

This represents the sale of the former Clearwater Christian College located at 3400 Gulf to Bay Blvd. in Clearwater, Florida. The property is 141,965 square feet in size located on a 27.39-acre parcel. The property was originally listed of \$19,750,000, then dropped to \$16,500,000 when the property went under contract. The property was purchased by the chairman of the local HMO Freedom Health, Inc. who plans on opening a medical school at the site. The purchaser reportedly purchased the existing note on the property for \$10,209,103, which equates to \$71.91 per square foot. The improvements consist of 7-buildings constructed between 1967-1996. The property consists of a student dorm with capacity of 600+/- students, gymnasium, athletic fields, and a commercial kitchen w/dining hall.

In terms of conditions of sale, this comparable was considered inferior and received an upward adjustment for this characteristic due to the buyer purchasing the note of the property. Upon comparison with the subject, this comparable was considered superior in terms of size and received a downward adjustment for this characteristic due to its smaller square footage. In terms of age/condition, this comparable was judged inferior due to its older effective age and the buyers plan to spend money on renovations and expansion of the campus and received an upward adjustment for this characteristic. An adjustment for land to building ratio was considered appropriate for this comparable given its superior sized land parcel in comparison the building size. Because of this superior trait, a downward adjustment was considered appropriate. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

Improved Sale Four

This is the sale of the Oakdale Campus of St. Johns University located at 500 Mantauk Highway in Oakdale, New York. The campus was 260,000 square feet in size located on a 175.30-acre campus. The property was originally purchased by St. John's University in 1998, followed by an investment of \$10 million in renovating classrooms, laboratories and other buildings there. The campus is highlighted by the original Georgian mansion built in 1897 for the president of the

Singer Sewing Machine Company. The property was purchased for \$22,500,000 or \$86.54 per square foot by Amity University on September 2016.

The downward adjustment for location reflects this comparable's superior feature with respect to being in an area with superior demographics. An adjustment for land to building ratio was considered appropriate for this comparable given its superior sized land parcel in comparison the building size. Because of this superior trait, a downward adjustment was considered appropriate. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Improved Sale Five

The comparable is a 144,574-square foot, one- and two-story, school building that was originally constructed in 1970 for use as a flex office building occupied by a local phone company. The building was converted to its current school use in the late 1990's. A gym addition was completed in 2001. The building is basically divided into two sections, commonly referred to as Building A and Building B. Prior to the sale, the first floor of Building A was leased and occupied by Highville Charter School. This space includes a one-story full-service cafeteria building that also includes various multi-purpose rooms for gym activities and a culinary arts area. The remaining space consists of classrooms and administrative offices. The first level of Building A and the upper floor of Building B was formerly leased to the City of New Haven Board of Education and occupied by their Engineering and Science University Magnet School. This space includes the 2001 gym addition with is located to the rear of the building. This area of the building generally consists of a cafeteria, numerous classrooms and various administrative offices. The buyer, ACES, will fully occupy 100% of the building, relocating from another location within Hamden to this property.

The downward adjustment for location reflects this comparable's superior feature with respect to being in an area with superior demographics. Upon comparison with the subject, this comparable was considered superior in terms of size and received a downward adjustment for this characteristic due to its smaller square footage. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Improved Sale Six

This sale/leaseback transaction between Grand Canyon University and Spirit Finance occurred in 2004. The indicated rental rate was \$3,360,000 annually or \$7.07 per square foot on a triple net basis. This campus consists of approximately 40 buildings all located on an approximate 90-acre campus in Phoenix. This property is considered to be in average condition and has buildings ranging in age. The property amenities include classrooms, dormitories, library, 4 baseball fields, 6 tennis courts, a 5,000 seat event center and other miscellaneous buildings. It should be noted that as of May 2009, the University purchased the property back from Spirit

Finance as part of the original sale/leaseback transaction. The reported sales price was \$42,000,000 or \$88.42 per square foot.

In terms of age/condition, this comparable was judged superior due to its newer effective age and received a downward adjustment for this characteristic. An adjustment for land to building ratio was considered appropriate for this comparable given its superior sized land parcel in comparison the building size. Because of this superior trait, a downward adjustment was considered appropriate. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

SCHOOL CAMPUS SALES ADJUSTMENT GRID							Subj. Pro Forma
Comparable Number	1	2	3	4	5	6	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jan-17	Dec-16	Dec-16	Sep-16	Jan-16	Apr-09	---
Year Built/Renovated	1974	1902 / 2000	1967	1897 / 1998	1970 / 1990	1973	1945
Property Type	Special	Special	Special	Special	Special	Special	Office
NRA (SF)	160,000	330,308	141,965	260,000	144,574	475,000	498,384
Actual Sale Price	\$9,750,000	\$17,000,000	\$10,209,103	\$22,500,000	\$14,100,000	\$42,000,000	---
Adjusted Sale Price ¹	\$9,750,000	\$23,000,000	\$10,209,103	\$22,500,000	\$14,100,000	\$42,000,000	---
Price Per SF ¹	\$60.94	\$69.63	\$71.91	\$86.54	\$97.53	\$88.42	---
Occupancy	100%	0%	0%	0%	0%	0%	100%
NOI Per SF	\$0.00	\$0.00	\$0.00	n/a	n/a	\$0.00	\$6.85
OAR	0.00%	0.00%	0.00%	n/a	n/a	0.00%	---
Adj. Price Per SF	\$60.94	\$69.63	\$71.91	\$86.54	\$97.53	\$88.42	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	5%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	0%	0%	
Subtotal - Price Per SF	\$60.94	\$69.63	\$75.51	\$86.54	\$97.53	\$88.42	
Location	0%	-5%	0%	-5%	-5%	0%	
Size	-5%	0%	-5%	0%	-5%	0%	
Age/Condition	10%	10%	10%	0%	0%	-5%	
Quality of Construction	0%	0%	0%	0%	0%	0%	
Land to Bldg. Ratio	10%	0%	-5%	-15%	0%	-5%	
Tenancy	0%	0%	0%	0%	0%	0%	
Amenities	0%	0%	0%	0%	0%	0%	
Other	0%	0%	0%	0%	0%	0%	
Total Other Adjustments	15%	5%	0%	-20%	-10%	-10%	
Indicated Value Per SF	\$70.08	\$73.11	\$75.51	\$69.23	\$87.78	\$79.58	
Absolute Adjustment	25%	15%	25%	20%	10%	10%	

¹ Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

SALE PRICE PER SQUARE FOOT CONCLUSION

Overall, Comparables 1, 2, 3 and 4 were given greatest consideration because of being the most recently closed sales and best reflecting current market conditions. These sales reflect a price per square foot ranging from \$69.23 to \$75.51 per square foot. Based on these comparables, we have determined these comparables indicated a market value of \$74.00 per square foot for the subject property. The following chart presents the valuation conclusion:

SALES COMPARISON APPROACH

NRA (SF)	X	Value Per SF	=	Value
498,384	X	\$69.23	=	\$34,503,124
498,384	X	\$87.78	=	\$43,748,148

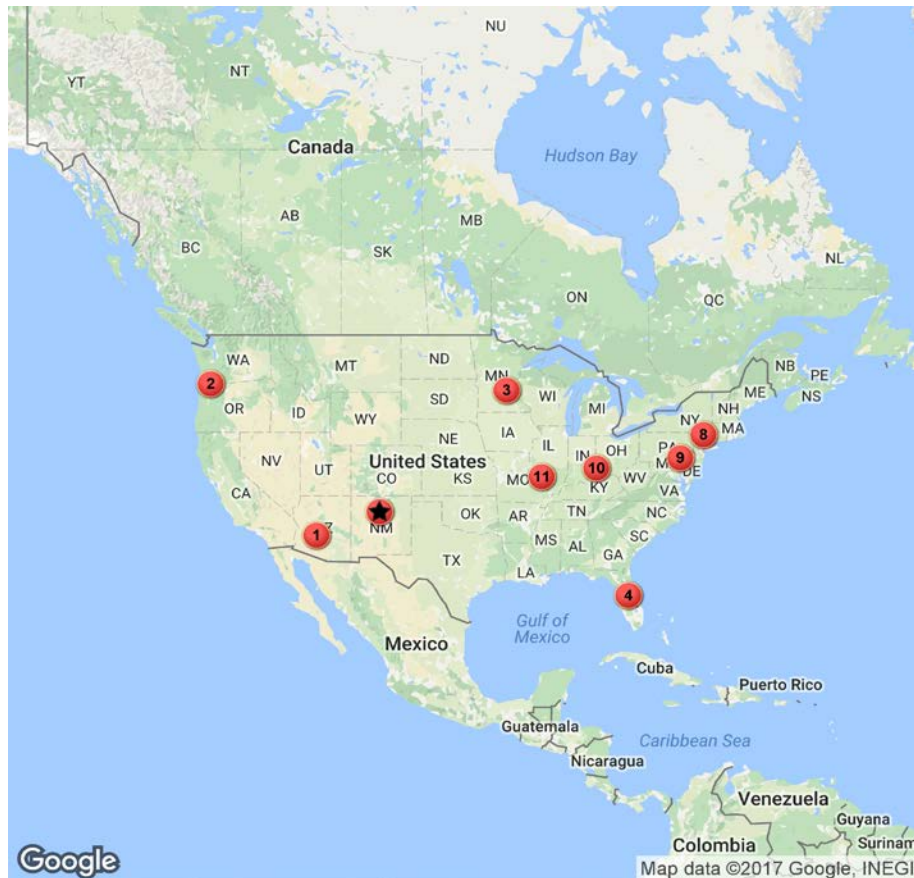
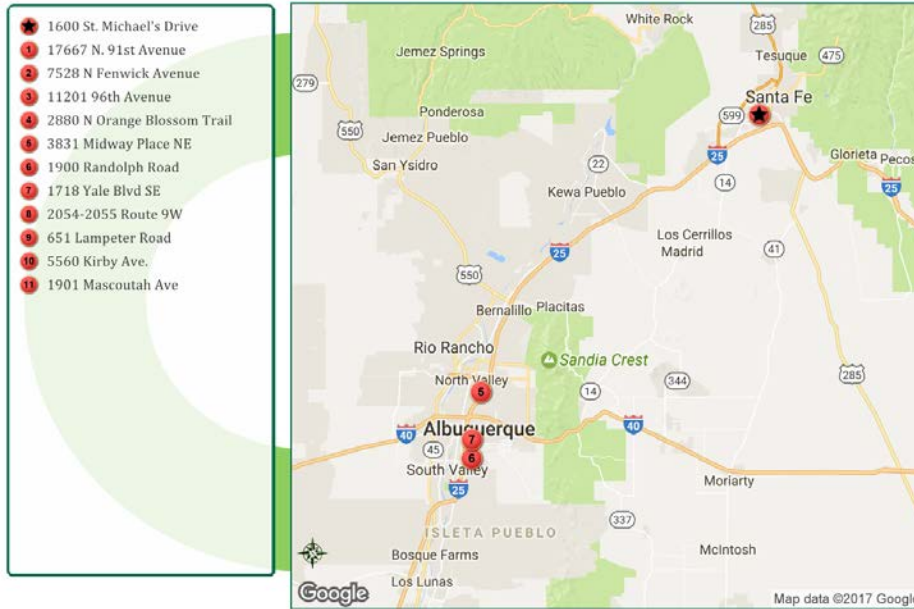
VALUE CONCLUSION

Indicated At Completion Value	\$36,900,000
Deferred Maintenance	(\$776,200)
Indicated As Is Value	\$36,123,800
Rounded	\$36,100,000
Value Per SF	\$72.43

Compiled by CBRE

Income Capitalization Approach

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE SCHOOL RENTALS										
Comp. No.	Property Name and Location	YOC / Reno'd	NRA (SF)	Tenant Name	Lease Area (SF)	Lease Date	Lease Term	Base Rent	Reimburse ments	Escalations
1	Sonoran Science Academy 17667 N. 91st Avenue, Peoria, AZ	2005	30,604	Sonoran Science Academy	30,604	Jan-15	2.0 Yrs.	\$9.80 PSF	NNN	Flat
2	De La Salle North Catholic High School 7528 N Fenwick Avenue, Portland, OR	1913	53,643	De La Salle North Catholic High School	53,643	Apr-16	1.0 Yrs.	\$9.57 PSF	NNN	N/A
3	Parnassus Preparatory School 11201 96th Ave, Maple Grove, MN	1981	146,855	Parnassus Preparatory School	146,855	Aug-17	30.0 Yrs.	\$12.59 PSF	Absolute Net	N/A
4	Avant Garde Charter School 2880 N Orange Blossom Trail, Kissimmee, FL	2014	59,482	Avant Garde	59,482	Jul-14	20.0 Yrs.	\$8.24 PSF	NNN	N/A
5	Sage Montessori Charter School 3831 Midway Place NE, Albuquerque, NM	1993 / 2008	34,785	Available Sage Montessoeri Charter School	34,785 34,785	Jul-17 Jul-16	5.0 Yrs. 1.0 Yrs.	\$8.50 PSF \$7.19 PSF	NNN \$0.00 PSF	Neg. Flat
6	Health Leadership High School 1900 Randolph Road, Albuquerque, NM	1984	15,800	Health Leadership High School	15,800	Jul-14	3.0 Yrs.	\$9.05 PSF	NNN	\$3.10/sf annually
7	Mission Achievement and Success 1718 Yale Blvd. SE, Albuquerque, NM	1966	59,744	Mission Achievement and Success	21,470	Jul-13	6.0 Yrs.	\$6.69 PSF	NNN	3% annually
Subj.	Santa Fe University of Art & Design 1600 St Michael's Drive, Santa Fe, New Mexico	1945 / 2013	498,384					---	---	

Compiled by CBRE

The rentals utilized represent executed leases of school facilities throughout the United States and three located of charter schools located within Albuquerque, New Mexico. We have searched for recently leased facilities that are of similar size to the subject property and were not successful. The signed leases range from \$6.69 to \$12.59 per square foot. We are aware of a similarly sized property that was leased to Grand Canyon University in Phoenix, Arizona in 2007 at a fixed rate of approximately \$7.00 per square foot on a triple net basis in a sale/lease back transaction. However, we felt a transaction that is approximately 10 years old was worthy of mention, however too dated to utilize as a lease comparable.

SUMMARY OF COMPARABLE SCHOOLS AVAILABLE FOR LEASE									
Comp. No.	Property Name and Location	YOC / Reno'd	Tenant Name	Lease Area (SF)	Lease Date	Lease Term	Base Rent	Escalations	
8	West Park NY School 2054-2055 Route 9 W, West Park, NY	1920	Available for Lease	72,206	Jun-17	10.0 Yrs.	\$6.50 PSF	Neg.	
9	School Lancaster PA 651 Lampeter Road, Lancaster, PA	1979	Available for Lease	71,000	Jun-17	10.0 Yrs.	\$5.75 PSF	Neg.	
10	School Cincinnati OH 5560 Kirby Ave., Cincinnati, OH	1929	Available for Lease	51,345	Jun-17	10.0 Yrs.	\$5.65 PSF	neg.	
11	School Belleville IL 1901 Mascoutah Ave., Belleville, IL	1955	Available for lease	60,000	Jun-17	10.0 Yrs.	\$6.00 PSF	Neg.	
Subj.	Santa Fe University of Art & Design 1600 St Michael's Drive, Santa Fe, New Mexico	1945 / 2013					---		

Compiled by CBRE

Available properties are listed within a table listed below and reflect asking lease rates of between \$5.65 to \$6.50 per square foot of building area.

The following table shows a summary of the space allocation for the subject.

MARKET RENT CATEGORIES	
Space Allocation	Size
School	498,384 SF
Compiled by CBRE	

These comparables are deemed to be the best data available for comparison to the subject property. The New Mexico leases range from \$6.69 to \$9.05 per square foot and although much smaller in size, best reflect lease rates from with New Mexico.

PRO-RATA RENT ESTIMATE BY BUILDING

We attempted to locate similar rent comparables for the office and classrooms, however none were found. Furthermore, as additional support, we were asked to provide a market rent estimate on a building per building basis. As shown below, the per building rent estimate is estimated on a return on the depreciated replacement cost plus the pro-rata share of the land value based on an 8.75% return.

MARKET RENT INDICATION BASED ON RATE OF RETURN									
BUILDINGS	DEPRECIATED REPLACEMENT COST	BUILDING AREA	PRO RATA SHARE OF BUILDING OF AREA	PRO RATA VALUE OF LAND AREA	PRO RATA VALUE OF DEPRECIATED SITE IMPROVEMENTS	TOTAL DEPRECIATED REPLACEMENT COST AND LAND VALUE	RATE OF RETURN	ANNUAL RENT ESTIMATE	ANNUAL RENT PER SQUARE FOOT
#1	\$1,794,168	32,628 SF	6.55%	\$494,280	\$101,187	\$2,389,635	8.75%	\$209,093	\$6.41
#2, #26	\$1,040,483	34,857 SF	6.99%	\$528,047	\$108,100	\$1,676,630	8.75%	\$146,705	\$4.21
#3-5	\$3,590,215	58,457 SF	11.73%	\$885,563	\$181,289	\$4,657,066	8.75%	\$407,493	\$6.97
#6A & 6B	\$1,757,149	30,000 SF	6.02%	\$454,469	\$93,037	\$2,304,655	8.75%	\$201,657	\$6.72
#7, #11, #12	\$3,651,149	101,012 SF	20.27%	\$1,530,227	\$313,262	\$5,494,637	8.75%	\$480,781	\$4.76
#8	\$1,090,445	9,800 SF	1.97%	\$148,460	\$30,392	\$1,269,296	8.75%	\$111,063	\$11.33
#10	\$13,876	1,100 SF	0.22%	\$16,664	\$3,411	\$33,951	8.75%	\$2,971	\$2.70
#13	\$914,143	25,295 SF	5.08%	\$383,193	\$78,446	\$1,375,782	8.75%	\$120,381	\$4.76
#14-16	\$4,926,435	49,200 SF	9.87%	\$745,329	\$152,581	\$5,824,345	8.75%	\$509,630	\$10.36
#17, #32	\$589,968	24,050 SF	4.83%	\$364,333	\$74,585	\$1,028,885	8.75%	\$90,027	\$3.74
#18	\$1,689,347	22,200 SF	4.45%	\$336,307	\$68,847	\$2,094,502	8.75%	\$183,269	\$8.26
#19	\$699,130	14,844 SF	2.98%	\$224,871	\$46,035	\$970,036	8.75%	\$84,878	\$5.72
#21	\$598,071	11,742 SF	2.36%	\$177,879	\$36,415	\$812,364	8.75%	\$71,082	\$6.05
#23	\$2,629,048	27,757 SF	5.57%	\$420,490	\$86,081	\$3,135,618	8.75%	\$274,367	\$9.88
#24	\$873,185	8,800 SF	1.77%	\$133,311	\$27,291	\$1,033,787	8.75%	\$90,456	\$10.28
#25	\$157,780	3,350 SF	0.67%	\$50,749	\$10,389	\$218,918	8.75%	\$19,155	\$5.72
#27-30	\$3,836,114	34,948 SF	7.01%	\$529,426	\$108,382	\$4,473,922	8.75%	\$391,468	\$11.20
#33	\$114,838	2,912 SF	0.58%	\$44,114	\$9,031	\$167,982	8.75%	\$14,698	\$5.05
#34	\$56,332	1,640 SF	0.33%	\$24,844	\$5,086	\$86,263	8.75%	\$7,548	\$4.60
#35	\$23,470	3,000 SF	0.60%	\$45,447	\$9,304	\$78,221	8.75%	\$6,844	\$2.28
#36	\$13,728	792 SF	0.16%	\$11,998	\$2,456	\$28,182	8.75%	\$2,466	\$3.11
Total	\$30,059,073	498,384 SF	100.00%	\$7,550,000	\$1,545,604	\$39,154,677		\$3,426,034	\$6.87
* Inclusive of 10% Indirect Costs 46.3%									
Source: CBRE									

MARKET RENT CONCLUSIONS

The following chart shows the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS	
Category	School
NRA (SF)	498,384
Percent of Total SF	100.0%
Market Rent (\$/SF/Yr.)	\$7.00
Concessions	None
Reimbursements	NNN
Annual Escalation	None
Average Lease Term	20 Years
Compiled by CBRE	

SUBJECT RENTAL INFORMATION

The subject property was encumbered by a 26-year lease with an approximate 18-years remaining, at an annual lease rate of \$2,350,000 or \$4.72 per square foot. Reportedly, the lease rate was determined based on the repayment of a loan provided to the City of Santa Fe on the University and was not considered to be a market oriented lease rate. The lease rate was to be flat for the entire term and due to expire on August 31, 2035. Reportedly, the tenant exercised an early exit option and will vacated at the end of this school year in the summer of 2018. Reportedly, the early exit option exercised by the tenant results in a payment due from the tenant to the landlord of \$20,000,000, less money spent on capital improvements on the property during the time of their tenancy. It is unknown to the appraisers if the exit option terms have been re-negotiated.

POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon market rent estimate, since we are valuing the fee simple estate.

OPERATING HISTORY

The subject property has been leased on an absolute net lease, where the tenant is responsible for all operating expenses and therefore no operating history was provided. Since properties similar to the subject property are typically leased on a triple net or absolute net lease basis, we have analyzed the subject property within the income capitalization approach as being leased on a triple net basis, with the only deduction from market rent being a vacancy rate and reserves for replacement.

VACANCY

Since the subject will likely have a period of vacancy, we have analyzed the subject property at a market oriented lease rate and a global vacancy of 5%. The subject's vacancy is detailed as follows:

VACANCY	
Year	% PGI
Current	0%
CBRE Estimate	5%
Compiled by CBRE	

The vacancy estimate for the subject is on the basis of a 5% deduction applied against the scheduled rental revenues.

EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME		
Year	Total	\$/SF
CBRE Estimate	\$3,314,254	\$6.65
Compiled by CBRE		

OPERATING EXPENSE ANALYSIS

As the subject lease structure is based on an absolute triple net structure, all operating expenses will be the responsibility of the tenant. The only expenses would be a reserve for replacement amount of \$0.15 per square foot of building area.

Reserves for Replacement

Reserves for replacement have been estimated based on market parameters.

RESERVES FOR REPLACEMENT		
Year	Total	\$/SF
CBRE Estimate	\$74,758	\$0.15
Compiled by CBRE		

OPERATING EXPENSE CONCLUSION

The comparable data and projections for the subject are summarized as follows:

RESERVES FOR REPLACEMENT		
Year	Total	\$/SF
CBRE Estimate	\$74,758	\$0.15
Compiled by CBRE		

NET OPERATING INCOME CONCLUSION

The comparable data and projections for the subject are summarized as follows:

NET OPERATING INCOME		
Year	Total	\$/SF
CBRE Estimate	\$3,239,496	\$6.50
Compiled by CBRE		

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES				
Sale	Sale Date	Sale Price \$/SF	Occupancy	OAR
6	Apr-09	\$88.42	100%	8.00%
Indicated OAR:			95%	8.00%
Compiled by: CBRE				

The overall capitalization rates for these sales were derived based upon the actual or pro-forma income characteristics of the property. Sale Comparable #6 represents a property that was a tenant repurchasing a property they formally sold in a sale/leaseback transaction at a sales price that represents an 8% capitalization rate based on their current lease rate at time of purchase.

Secondary Comparable Sales

Since capitalization rates were limited within our comparable data, we analyzed sale of school properties nationally to extract capitalization rates of properties with similar utility. Those secondary cap rate comparables are as follows:

COMPARABLE CAPITALIZATION RATES				
Secondary Sale	Sale Date	Sale Price \$/SF	State	OAR
7	Nov-16	\$92.44	MN	7.74%
8	Aug-16	\$243.05	FL	9.47%
9	Jun-16	\$366.42	MA	7.60%
10	Nov-15	\$205.12	FL	7.64%
11	Nov-15	\$196.43	FL	9.57%
12	Feb-15	\$129.46	OR	8.41%
13	Feb-15	\$153.33	MO	9.96%
14	Jul-14	\$147.80	AZ	8.85%
Indicated OAR:			95%	7.60%-9.96%
Compiled by: CBRE				

Market Participants

The results of recent interviews with knowledgeable real estate professionals are summarized in the following table.

OVERALL CAPITALIZATION RATES				
Respondent	Company	OAR	Income	Date of Survey
Jim Doutas	CBRE	8.50%-9.00%	Market	May-17
Tom Jenkins	CBRE	9.00%-12.00%	Market	May-17
Indicated OAR:			8.50%-12.00%	
Compiled by: CBRE				

Based upon current market trends, they would anticipate pro forma OARs to fall within the 8.50% to 12.00% range. The respondents further indicated that the subject would be viewed generally favorable as compared to other available properties in the market due to being a campus for a higher education facility vs. a charter school.

Band of Investment

The band of the investment technique has been utilized as a crosscheck to the foregoing techniques. The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The analysis is shown in the following table.

BAND OF INVESTMENT			
Mortgage Interest Rate	5.00%		
Mortgage Term (Amortization Period)	25 Years		
Mortgage Ratio (Loan-to-Value)	65%		
Mortgage Constant (monthly payments)	0.07015		
Equity Dividend Rate (EDR)	12%		
Mortgage Requirement	65%	x	0.07015 = 0.04560
Equity Requirement	35%	x	0.12000 = 0.04200
	100%		0.08760
Indicated OAR:			8.80%
Compiled by: CBRE			

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	8.00%
Comparable Sales (Secondary)	7.60%-9.96%
Market Participants	8.50%-12.00%
Band of Investment	8.80%
CBRE Estimate	8.75%
Compiled by: CBRE	

Overall, an OAR in the lower portion of the range is considered appropriate due to the property being generally in average to good condition, being located within Santa Fe, New Mexico and being appealing to a national university for a long-term lease.

Direct Capitalization Summary

A summary of the direct capitalization is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY

Income		\$/SF/Yr	Total
Potential Rental Income		\$7.00	\$3,488,688
Vacancy	5.00%	(0.35)	(174,434)
Net Rental Income		\$6.65	\$3,314,254
Reserves for Replacement		0.15	74,758
Operating Expenses		\$0.15	\$74,758
Operating Expense Ratio			2.26%
Net Operating Income		\$6.50	\$3,239,496
OAR			/ 8.75%
Indicated At Completion Value			\$37,022,811
Rounded			\$37,000,000
Deferred Maintenance			(776,200)
Indicated As Is Value			\$36,246,611
Rounded			\$36,200,000
Value Per SF			\$72.63

 Compiled by CBRE

Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
	As Is on April 20, 2017
Land Value	\$7,550,000
Cost Approach	\$36,200,000
Sales Comparison Approach	\$36,100,000
Income Capitalization Approach	\$36,200,000
Reconciled Value	\$36,100,000
Compiled by CBRE	

The cost approach typically gives a reliable value indication when there is strong support for the replacement cost estimate and when there is minimal depreciation. Considering the substantial amount of depreciation present in the property, the reliability of the cost approach is considered somewhat diminished. Therefore, the cost approach is considered less applicable to the subject and is used primarily as a test of reasonableness against the other valuation techniques.

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered somewhat comparable to the subject, yet the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication, but has been given primary emphasis in the final value reconciliation due to the likely purchaser of the subject property would be an owner user.

The income capitalization approach is applicable to the subject since has been an income producing property that could possibly again be leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given secondary emphasis in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	April 20, 2017	\$36,100,000
Compiled by CBRE			

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, “CBRE”) has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the “Report”), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property’s compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

LAND SALE DATA SHEETS

Property Name Belterra Commercial Land
 Address 13201 W US 290
 Austin, TX 78737
 United States

Government Tax Agency Hays
 Govt./Tax ID R15503

Site/Government Regulations

	Acres	Square feet
Land Area Net	70.300	3,062,268
Land Area Gross	70.300	3,062,268

Site Development Status	Raw
Shape	Irregular
Topography	Rolling
Utilities	All Available

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

Frontage Distance/Street	N/A Highway 290
Frontage Distance/Street	N/A Belterra Drive
Frontage Distance/Street	N/A Trinity Hills Drive

General Plan Retail/Commercial
 Specific Plan Power Center
 Zoning Dripping Springs ETJ
 Entitlement Status Master/Specific Plan

**Sale Summary**

Recorded Buyer Belterra Residential Investors LTD
 True Buyer Endeavor
 Recorded Seller Crescent Belterra TX LLC
 True Seller Crescent Communities

Marketing Time 20 Month(s)
 Buyer Type Developer
 Seller Type Developer
 Primary Verification Selling Broker

Interest Transferred Fee Simple/Freehold
 Current Use Vacant
 Proposed Use Retail Power Center
 Listing Broker Carter Breed - CBRE
 Selling Broker Carter Breed - CBRE
 Doc # 2016043650

Type	Sale
Date	12/22/2016
Sale Price	\$9,700,000
Financing	Cash to Seller
Cash Equivalent	\$9,700,000
Capital Adjustment	\$0
Adjusted Price	\$9,700,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2016	Sale	Belterra Residential Investors LTD	Crescent Belterra TX LLC	\$9,700,000	\$137,980 / \$3.17

Units of Comparison

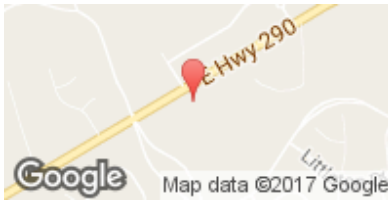
\$3.17 / sf
\$137,980.09 / ac

N/A / Unit
N/A / Allowable Bldg. Units
N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of 70.3 acres of commercial land along the south side of Highway 290 at the entrance to the Belterra master-planned development in far southwest Austin, TX. Belterra is one of southwest Austin's premier master-planned communities and included over 1,200 homes at the time of the comparable land sale. The comparable lies within the Dripping Springs ETJ and various commercial, multi-family and condominium/townhome are allowable under the development agreement with Drippings Springs. All utilities are to the site with water and wastewater provide by Hays County WCID #1. The December 2016 sales price was \$9.7 million or \$3.17 PSF. However, the buyer was given an extended option period in order to obtain commitments from a number of retailers and other tenants prior to closing. The selling broker indicated that without such a condition of sale, the buyer would have either not been interest in the site or have needed to acquire it for a lower price.

Property Name Heatherwilde Land
 Address NEC Heatherwilde Boulevard and Wells Branch Parkway
 Pflugerville, TX 78660
 United States

Government Tax Agency Travis
 Govt./Tax ID 362919, 271483

Site/Government Regulations

	Acres	Square feet
Land Area Net	52.312	2,278,711
Land Area Gross	52.312	2,278,711

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	Present

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

Frontage Distance/Street	N/A Wells Branch Parkway
Frontage Distance/Street	N/A Heatherwilde Boulevard

General Plan Mixed Use
 Specific Plan Apartments/ Retail
 Zoning GB-1, SF-4A, GR, MF-2
 Entitlement Status None



Sale Summary

Recorded Buyer	Wells Branch Apartments LLC	Marketing Time	N/A
True Buyer	Wells Branch Apartments LLC	Buyer Type	Developer
Recorded Seller	Finley Company	Seller Type	Corporation
True Seller	Finley Company	Primary Verification	Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	12/13/2016
Proposed Use	Multi-family and Commercial	Sale Price	\$5,490,000
Listing Broker	REOC Austin-Bob Springer	Financing	Not Available
Selling Broker	N/A	Cash Equivalent	\$5,490,000
Doc #	2016206232	Capital Adjustment	\$600,000
		Adjusted Price	\$6,090,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2016	Sale	Wells Branch Apartments LLC	Finley Company	\$5,490,000	\$116,417 / \$2.67

Units of Comparison

\$2.67 / sf
 \$116,416.88 / ac

N/A / Unit
 N/A / Allowable Bldg. Units
 N/A / Building Area

Financial

No information recorded

Map & Comments



The comparable represents that sale of a 52-acre tract located at the northeast corner of Wells Branch Parkway and Heatherwilde Boulevard. The majority of the tract is located within the Austin City Limits and is zoned SF-4A, MF-2 and GR. The remainder of the tract is located in Pflugerville and is zoned GB-1. The land was vacant and was in agricultural production at the time of sale. The buyer plans to develop the land with an unknown number of apartments and to reserve the 8-acre portion of the tract which is situated in the City of Pflugerville for future commercial/ retail use. The property sold in December 2016 for \$5,490,000 and \$600,000 in rollback taxes paid by the buyer. The adjusted price equates to \$6,090,000, or \$2.67 per square foot.

Property Name Northlands PUD
 Address Northwest corner of Interstate 25 and Colorado 7
 Broomfield, CO 80023
 United States

Government Tax Agency Broomfield
 Govt./Tax ID 146734401002, 146734401003, 146734401015

Site/Government Regulations

	Acres	Square feet
Land Area Net	123.394	5,375,043
Land Area Gross	N/A	N/A

Site Development Status	Raw
Shape	Rectangular
Topography	Generally Level
Utilities	To the perimeter of the site

Maximum FAR 0.50
 Min Land to Bldg Ratio 2.00:1
 Maximum Density N/A

Frontage Distance/Street	2,543 ft Interstate 25
Frontage Distance/Street	1,908 ft Colorado State Hwy 7

General Plan Northlands PUD
 Specific Plan Northlands PUD - Amendment No. 1
 Zoning Northlands PUD
 Entitlement Status Master/Specific Plan



Sale Summary

Recorded Buyer	IKEA Property Inc.	Marketing Time	41 Month(s)
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Northlands Colorado LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Seller; Internal documents/appraisal; CoStar
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant land	Date	9/5/2016
Proposed Use	Mixed-use with IKEA as anchor	Sale Price	\$11,250,000
Listing Broker	C&W	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$11,250,000
Doc #	0011230	Capital Adjustment	\$0
		Adjusted Price	\$11,250,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
09/2016	Sale	IKEA Property Inc.	Northlands Colorado LLC	\$11,250,000	\$91,171 / \$2.09

Units of Comparison

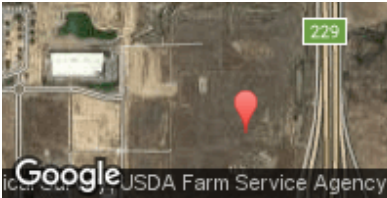
\$2.09 / sf
 \$91,171.37 / ac

N/A / Unit
 N/A / Allowable Bldg. Units
 \$4.19 / Building Area

Financial

No information recorded

Map & Comments



This comparable is commonly known as the Northlands planned development, a 123.39-acre tract of vacant land located at the northwest corner of Interstate 25 and Colorado 7 in Broomfield, Colorado. It was purchased by IKEA Property, which intends to develop a portion (40± acres) to an IKEA store. It is fully entitled and approved for mixed-use commercial and residential development with a maximum of 2.23± million square feet of commercial building improvements and 525 residential units in 457,380 square feet of building improvements. In addition, it has an approved metropolitan district that can finance up to \$50.9 million of infrastructure through public financing. It was reported that "\$13.5 million of work has been done to the property for drainage and infrastructure," a substantial portion of which was for the installation of a sewer lift station, extension of the water and sewer line to the central portion of the site and relocation of the Bull Canal that bisects the site centrally.

Property Name 40.39 acres at the NWC of South 31st Street and Scott Boulevard
 Address NWC of South 31st Street and Scott Boulevard
 Temple, TX 76508
 United States

Government Tax Agency Bell
 Govt./Tax ID out of 104250

Site/Government Regulations

	Acres	Square feet
Land Area Net	40.390	1,759,388
Land Area Gross	40.390	1,759,388

Site Development Status	Raw
Shape	Irregular
Topography	Rolling
Utilities	All available

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

Frontage Distance/Street	N/A S. 31st Street
Frontage Distance/Street	N/A Scott Boulevard
Frontage Distance/Street	N/A W. Avenue T

General Plan N/A
 Specific Plan N/A
 Zoning T5-C-PD, T5-E-PD
 Entitlement Status N/A

**Sale Summary**

Recorded Buyer	Highline Temple 39 Ltd	Marketing Time	N/A
True Buyer	Highline Temple 39 Ltd	Buyer Type	Developer
Recorded Seller	Scott & White Memorial Hospital	Seller Type	Corporation
True Seller	Scott & White Memorial Hospital	Primary Verification	Buyer's rep

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant	Date	5/21/2015
Proposed Use	Retail, multi-family use	Sale Price	\$4,300,000
Listing Broker	N/A	Financing	All Cash
Selling Broker	N/A	Cash Equivalent	\$4,300,000
Doc #	2015-18857	Capital Adjustment	\$0
		Adjusted Price	\$4,300,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
05/2015	Sale	Highline Temple 39 Ltd	Scott & White Memorial Hospital	\$4,300,000	\$106,462 / \$2.44

Sale **Land - Retail/Commercial** **No. 4**

Units of Comparison

\$2.44 / sf
\$106,462.00 / ac

N/A / Unit
N/A / Allowable Bldg. Units
N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of 40.39 acres of land at the northwest corner of S. 31st Street and Scott Boulevard; the property also has road frontage on W. Avenue T. The site is irregular in shape with rolling topography and no floodplain, although a tributary of Bird Creek crosses the property, requiring drainage/development consideration. The site is proposed for retail and multi-family use. The buyers of the property have sold +/- 9.66 acres to Cypressbrook, a Houston-based multi-family developer that closed in July 2016. The buyer intends to plat the remaining 30.73 acres for retail/commercial pad sites and development and develop a 13,575 SF retail building on one of the pad sites. Road frontage is asphalt paved and all utilities are available. The property sold in May 2015 for \$4,300,000, or \$2.44/SF.

Legal description: A0692BC R ROBERTS, OB 541, ACRES 40.39, Bell County, Texas

Property Name Chisolm Trail
 Address Interstate 44, E/O 4th Street
 Chickasha, OK 73018
 United States

Government Tax Agency Grady
 Govt./Tax ID 0000-03-06N-07W-2-010-00 et al

Site/Government Regulations

	Acres	Square feet
Land Area Net	32.250	1,404,810
Land Area Gross	40.750	1,775,070



Site Development Status	Raw
Shape	Irregular
Topography	Moderate Slope
Utilities	All Near Site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	N/A Interstate 44
Frontage Distance/Street	N/A 4th Street
Frontage Distance/Street	N/A Grand Avenue

General Plan	N/A
Specific Plan	N/A
Zoning	C-2
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Chisolm Trail Development, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Developer
Recorded Seller	Ace Investments, Inc.	Seller Type	Private Investor
True Seller	N/A	Primary Verification	PSA
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant Land	Date	4/30/2015
Proposed Use	Retail	Sale Price	\$3,705,000
Listing Broker	LaForge Properties	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$3,705,000
Doc #	4904/518	Capital Adjustment	\$0
		Adjusted Price	\$3,705,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
04/2015	Sale	Chisolm Trail Development, LLC	Ace Investments, Inc.	\$3,705,000	\$114,884 / \$2.64

Units of Comparison

\$2.64 / sf
 \$114,883.72 / ac

N/A / Unit
 N/A / Allowable Bldg. Units
 N/A / Building Area

Financial

No information recorded

Map & Comments



The comparable is a 32.25-net-acre retail development site that wraps around the southeast corner of 4th Street and Grand Avenue in Chickasha, Oklahoma. The site has good access and visibility to Interstate 44 (HE Bailey Turnpike). Chickasha is 45 miles southwest of Oklahoma City. The zoning is C-2, commercial and all utilities are near the site. A single Tax Increment Finance (TIF) District has been established for this property. This affords the Developer to recover the infrastructure costs incurred to make the land suitable for development. All of the risk for reimbursement lies with the Developer. If new taxes are generated, the Developer shares in the added revenue by a set formula via an Economic Development Agreement with the City of Chickasha. The reimbursable costs are limited to infrastructure development, including but not limited to site work, drainage, utility relocation, roads, paving and such. The buyer plans a retail development known as Chisholm Trail. It will be subdivided into seven lots that will vary in size from 1.15 to 9.99 acres. The development will include big box retail, pad buildings, ground-leased pads sites and pad sites available for sale. The site sold in April 2015 for \$3,705,000, or \$2.64 per square foot.

Property Name 31.42 Acres of Land at 7000 E. Ben White Boulevard
 Address 7000 E. Ben White Boulevard
 Austin, TX 78741
 United States

Government Tax Agency Travis
 Govt./Tax ID 845802

Site/Government Regulations

	Acres	Square feet
Land Area Net	31.420	1,368,655
Land Area Gross	31.420	1,368,655



Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	All Available

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

Frontage Distance/Street	N/A East SH-71
Frontage Distance/Street	N/A Thrasher Lane
Frontage Distance/Street	N/A Maxwell Lane

General Plan N/A
 Specific Plan N/A
 Zoning CS-MU-NP
 Entitlement Status N/A

Sale Summary

Recorded Buyer	The Housing Authority of the City of Austin	Marketing Time	N/A
True Buyer	The Housing Authority of the City of Austin	Buyer Type	Private Investor
Recorded Seller	CSK Partners, LLC	Seller Type	Private Investor
True Seller	CSK Partners, LLC	Primary Verification	Appraiser Notes
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Multi-family	Date	8/1/2014
Proposed Use	Multi-family	Sale Price	\$4,000,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$4,000,000
Doc #	2014115385	Capital Adjustment	\$0
		Adjusted Price	\$4,000,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
08/2014	Sale	The Housing Authority of the City of Austin	CSK Partners, LLC	\$4,000,000	\$127,307 / \$2.92

Units of Comparison

\$2.92 / sf
 \$127,307.45 / ac

N/A / Unit
 N/A / Allowable Bldg. Units
 N/A / Building Area

Financial

No information recorded

Map & Comments



This comparable represents the sale of 31.42 acres of land situated on the north side of SH-71 where Thrasher Lane and Maxwell Lane dead end in Austin, Texas. The site has an irregular shape with generally level topography and no floodplain; the property was purchased for multi-family use. All utilities are available to the site. The property sold in August 2014 for \$4,000,000, or \$2.92 per square foot.

Legal description: LOTS 1-4 BLK A TRAVIS 51 ADDN NO 2 RESUB OF LOTS 1-2 & LOT 1 AHC ADDN, City of Austin, Travis County, Texas

Property Name 35.96-Acre Site
Address NWC NW 150th St & Penn Ave
Edmond, OK 73013
United States

Government Tax Agency Oklahoma
Govt./Tax ID R168511850

Site/Government Regulations

	Acres	Square feet
Land Area Net	35.960	1,566,418
Land Area Gross	35.960	1,566,418

Site Development Status	Raw
Shape	Rectangular
Topography	Generally Level
Utilities	All near site

Maximum FAR N/A
Min Land to Bldg Ratio N/A
Maximum Density N/A

Frontage Distance/Street 1,275 ft Pennsylvania Ave
Frontage Distance/Street 1,275 ft NW 150th St

General Plan N/A
Specific Plan N/A
Zoning PUD-288
Entitlement Status N/A

**Sale Summary**

Recorded Buyer 150TH AND PENN LLC
True Buyer N/A
Recorded Seller 3D BROWN ENTERPRISES LLC ETAL
SOULE KENT E & MARGO CO EXEC
True Seller N/A

Interest Transferred Fee Simple/Freehold
Current Use Vacant Land
Proposed Use Commercial
Listing Broker Cordell Brown/405.239.1222
Selling Broker Craig Bodenhamer/405.217.8380
Doc # 12553-1209

Marketing Time 69 Month(s)
Buyer Type Private Investor
Seller Type N/A
Primary Verification Craig Bodenhamer/405.217.8380

Type	Sale
Date	6/3/2014
Sale Price	\$4,515,000
Financing	Cash to Seller
Cash Equivalent	\$4,515,000
Capital Adjustment	\$0
Adjusted Price	\$4,515,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
06/2014	Sale	150TH AND PENN LLC	3D BROWN ENTERPRISES LLC ETAL SOULE KENT E & MARGO CO EXEC	\$4,515,000	\$125,556 / \$2.88

Sale **Land - Retail/Commercial** **No. 7**

Units of Comparison

\$2.88 / sf	N/A / Unit
\$125,556.17 / ac	N/A / Allowable Bldg. Units
	N/A / Building Area

Financial

No information recorded

Map & Comments



This is a June 2014 sale of a 35.96-acre site at the northwest corner of Northwest 150th Street and North Pennsylvania Avenue, in Edmond, Oklahoma. The site is one mile north of John Kilpatrick Turnpike. There is 1,275 feet of frontage along Northwest 150th Street and 1,275 feet of frontage along North Pennsylvania Avenue. The surrounding uses are residential, retail and senior housing. The site is square in shape and contains 35.96 acres. It is zoned PUD-288, allowing for residential and commercial uses. All utilities are near the site. The sale price was \$4,515,500, or \$2.88 per square foot.

Addendum B

IMPROVED SALE DATA SHEETS

Property Name Canyon Creek Christian Academy
 Address 2800 Custer Parkway
 Richardson, TX 75080
 United States

Government Tax Agency Dallas
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A

**Improvements**

Land Area	7.020 ac	Status	Existing
Net Rentable Area (NRA)	160,000 sf	Year Built	1974
Total # of Units	Units	Year Renovated	N/A
Floor Count	N/A	Condition	N/A
Parking Type	N/A	Exterior Finish	Brick
General Amenities	N/A		

Sale Summary

Recorded Buyer	Texas Conference Association of 7th Day Adventists	Marketing Time	6 Month(s)
True Buyer	N/A	Buyer Type	End User
Recorded Seller	Canyon Creek Baptist Church	Seller Type	End User
True Seller	N/A	Primary Verification	Broker & CoStar
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	School	Date	1/30/2017
Proposed Use	School	Sale Price	\$9,750,000
Listing Broker	John Muzyka w Religious Services Realty (972) 424-2000	Financing	N/A
Selling Broker	N/A	Cash Equivalent	\$9,750,000
Doc #	0141380	Capital Adjustment	\$0
		Adjusted Price	\$9,750,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
01/2017	Sale	Texas Conference Association of 7th Day Adventists	Canyon Creek Baptist Church	\$9,750,000	\$60.94

Units of Comparison

Static Analysis Method	Vacant at Zero	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Owner/Occupier	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	\$60.94
Projected IRR	N/A	Adjusted Price / Unit	N/A
Actual Occupancy at Sale	100%		

Map & Comments



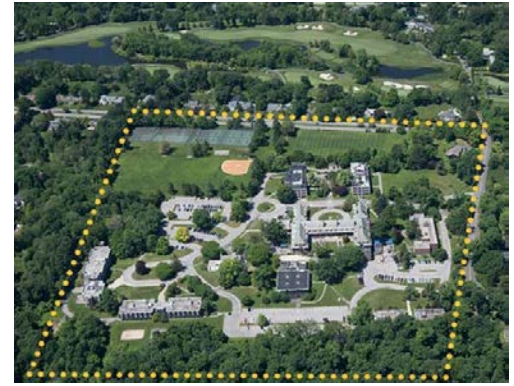
This is the sale of a Baptist school located at 2800 Custer Parkway in Richardson, Texas. The facility was known as Canyon Creek Christian Academy and is 160,000 square feet in size and located on a 7.02-acre parcel. The property sold on January 30, 2017 for \$9,750,000 or \$60.94 per square foot of building area. The property was occupied by Canyon Creek Christian Academy for the last 20 years. The motivation of the purchaser was to utilize as a school. The motivation of the seller was they no longer needed that large a building. The seller agreed to lease back the property in the short-term until the buyer was ready to move in. The sale contained no sale conditions that would of affected the sales price and there was no known deferred maintenance.

Property Name Former Pace University Briarcliff Manor Campus
 Address 235 Elm Road
 Briarcliff Manor, NY 10510
 United States

Government Tax Agency Westchester
 Govt./Tax ID 98.19-2-10 & 11

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Designated Beds	565	100%	N/A	N/A	N/A
Totals/Avg	565			\$0	N/A



Improvements

Land Area	37.170 ac	Status	Existing
Gross Building Area (GBA)	330,308 sf	Year Built	1902
Total # of Units	565 Units	Year Renovated	2000
Floor Count	3	Condition	Average
Parking Type	Open	Exterior Finish	Masonry
General Amenities	N/A		

Sale Summary

Recorded Buyer	N/A	Marketing Time	8 Month(s)
True Buyer	Research Center on Natural Conservation, Inc.	Buyer Type	End User
Recorded Seller	Pace University	Seller Type	End User
True Seller	Pace University	Primary Verification	Listing Broker, Market Participant, Marketing Package
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Pace University Campus	Date	12/23/2016
Proposed Use	Private Prep School	Sale Price	\$17,000,000
Listing Broker	William Cuddy Jr. of CBRE 203-325-5380	Financing	Cash to Seller
Selling Broker	William Cuddy Jr. of CBRE 203-325-5380	Cash Equivalent	\$17,000,000
Doc #	56336-3334	Capital Adjustment	\$6,000,000
		Adjusted Price	\$23,000,000

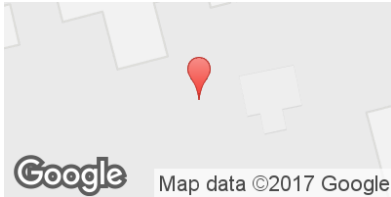
Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
12/2016	Sale	N/A	Pace University	\$17,000,000	\$51.47

Units of Comparison

Static Analysis Method	Vacant at Zero	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Owner/Occupier	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	\$69.63
Projected IRR	N/A	Adjusted Price / Unit	N/A
Actual Occupancy at Sale	0%		

Map & Comments



Per the listing broker website, "The Briarcliff Manor Campus consists of nine buildings totaling 330,308 square feet located on a 37-acre campus. The buildings range in size from 13,041 square feet to 111,915 square feet and support a variety of uses - including office, student housing, dining, [auditorium], recreational and educational. The expansive grounds also feature tennis courts and ball fields." Pace University has owned the property since 1977. The university is expanding their Pleasantville, NY, campus, which has eliminated the need for this property in Briarcliff. The property was purchased by the Research Center on Natural Conservation, Inc. who will use the campus as a school for Chinese students. According to the selling broker, the property was in fair to good condition. The majority of the buildings were in good condition, but one of the buildings required significant work (costs estimated to be between \$5,000,000 and \$7,000,000). The costs to repair this building added to the sale price listed above. The property was marketed by CBRE for 8 months, but was on the market previously for an unknown period.

The buildings are summarized as follows:

Dow Hall:	built 1902,	111,915 SF,	166 beds,	4 stories
Dining Hall:	built 1963,	26,253 SF,	---	2 stories
West Hall:	built 1964/2000,	23,414 SF,	---	2 stories
Woodward Hall:	built 1964,	26,013 SF,	---	2 stories
Hillside Dorm:	built 1964,	28,256 SF,	94 beds,	2 stories
Howard Johnson:	built 1950/1997,	25,031 SF,	25 beds,	4 stories
Valley Dorm:	built 1963,	32,517 SF,	112 beds,	2 stories
New Dorm:	built 1966,	43,868 SF,	168 beds,	4 stories
Tead Hall:	built 1912/1998,	13,041 SF,	---	2 stories

The subject site has an irregular shape with a generally level to moderately sloping topography.

The 2016 median home value at this location (10510 zip code) is \$841,021 and the 2016 median household income is \$162,621.

Property Name Former Clearwater Christian College
 Address 3400 Gulf to Bay Blvd.
 Clearwater, FL 33759
 United States

Government Tax Agency Pinellas
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A

**Improvements**

Land Area	27.390 ac	Status	Existing
Net Rentable Area (NRA)	141,965 sf	Year Built	1967
Total # of Units	Units	Year Renovated	N/A
Floor Count	3	Condition	N/A
Parking Type	N/A	Exterior Finish	N/A
General Amenities	N/A		

Sale Summary

Recorded Buyer	Drs. Kiran & Pallavi Family Foundation, Inc.	Marketing Time	14 Month(s)
True Buyer	Dr. Kiran Patel	Buyer Type	End User
Recorded Seller	Clearwater Christian College Private School, Inc.	Seller Type	End User
True Seller	N/A	Primary Verification	Purchaser & CoStar
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	College/University	Date	12/15/2016
Proposed Use	College/University	Sale Price	\$10,209,103
Listing Broker	Joey Blakley w/Foundry Commercial (407) 540-7737	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$10,209,103
Doc #	19452-1497	Capital Adjustment	\$0
		Adjusted Price	\$10,209,103

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
12/2016	Sale	Drs. Kiran & Pallavi Family Foundation, Inc.	Clearwater Christian College Private School, Inc.	\$10,209,103	\$71.91
12/2016	N/A	N/A	N/A	N/A	N/A

Units of Comparison

Static Analysis Method	Vacant at Market	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Owner/Occupier	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	\$71.91
Projected IRR	N/A	Adjusted Price / Unit	N/A
Actual Occupancy at Sale	0%		

Map & Comments



This represents the sale of the former Clearwater Christian College located at 3400 Gulf to Bay Blvd. in Clearwater, Florida. The property is 141,965 square feet in size located on a 27.39 acre parcel. The property was originally listed of \$19,750,000, then dropped to \$16,500,000 when the property went under contract. The property was purchased by the chairman of the local HMO Freedom Health, Inc. who plans on opening a medical school at the site. The purchaser reportedly purchased the existing note on the property for \$10,209,103, which equates to \$71.91 per square foot. The improvements consist of 7-buildings constructed between 1967-1996. The property consists of a student dorm with capacity of 600+/- students, gymnasium, athletic fields, and a commercial kitchen w/dining hall.

Property Name St. John's University - Oakdale Campus
 Address 500 Montauk Highway
 Oakdale, NY 11769
 United States

Government Tax Agency Suffolk
 Govt./Tax ID 0500-405-00-02-00-005-001

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A

**Improvements**

Land Area	175.300 ac	Status	Existing
Net Rentable Area (NRA)	260,000 sf	Year Built	1897
Total # of Units	Units	Year Renovated	1998
Floor Count	N/A	Condition	N/A
Parking Type	N/A	Exterior Finish	N/A
General Amenities	N/A		

Sale Summary

Recorded Buyer	Crossborder Gropup LLC	Marketing Time	N/A
True Buyer	Amity University	Buyer Type	N/A
Recorded Seller	St. Johns University New York	Seller Type	N/A
True Seller	St. Johns University	Primary Verification	Broker and CoStar
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	University	Date	9/28/2016
Proposed Use	University	Sale Price	\$22,500,000
Listing Broker	Cushman & Wakefield David Pennetta (631) 425-1240	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$22,500,000
Doc #	12884-929	Capital Adjustment	\$0
		Adjusted Price	\$22,500,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
09/2016	Sale	Crossborder Gropup LLC	St. Johns University New York	\$22,500,000	\$86.54

Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	\$86.54
Projected IRR	N/A	Adjusted Price / Unit	N/A
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



This is the sale of the Oakdale Campus of St. Johns University located at 500 Mantauk Highway in Oakdale, New York. The campus was 260,000 square feet in size located on a 175.30 acre campus. The property was originally purchased by St. John's University in 1998, followed by an investment of \$10 million in renovating classrooms, laboratories and other buildings there. The campus is highlighted by the original Georgian mansion built in 1897 for the president of the Singer Sewing Machine Company. The property was purchased for \$22,500,000 or \$86.54 per square foot by Amity University on September 2016.

Property Name Leeder Hill Drive School
 Address 130 Leeder Hill Drive
 Hamden, CT 06517
 United States

Government Tax Agency New Haven
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A

**Improvements**

Land Area	13.080 ac	Status	Existing
Gross Building Area (GBA)	144,574 sf	Year Built	1970
Total # of Units	Units	Year Renovated	1990
Floor Count	2	Condition	Average
Parking Type	Surface	Exterior Finish	Precast Concrete
General Amenities	N/A		

Sale Summary

Recorded Buyer	Area Cooperative Educational Services (ACES)	Marketing Time	82 Month(s)
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Titan 2007 #1 LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	School	Date	1/19/2016
Proposed Use	School	Sale Price	\$14,100,000
Listing Broker	N/A	Financing	N/A
Selling Broker	N/A	Cash Equivalent	\$14,100,000
Doc #	Volume 4283, Page 105	Capital Adjustment	\$0
		Adjusted Price	\$14,100,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Cash Equivalent Price/sf</u>
01/2016	Sale	Area Cooperative Educational Services (ACES)	Titan 2007 #1 LLC	\$14,100,000	\$97.53

Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	\$97.53
Projected IRR	N/A	Adjusted Price / Unit	N/A
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



The comparable is a 144,574-square foot, one- and two-story, school building that was originally constructed in 1970 for use as a flex office building occupied by a local phone company. The building was converted to its current school use in the late 1990's. A gym addition was completed in 2001. The building is basically divided into two sections, commonly referred to as Building A and Building B. Prior to the sale, the first floor of Building A was leased and occupied by Highville Charter School. This space includes a one-story full-service cafeteria building that also includes various multi-purpose rooms for gym activities and a culinary arts area. The remaining space consists of classrooms and administrative offices. The first level of Building A and the upper floor of Building B was formerly leased to the City of New Haven Board of Education and occupied by their Engineering and Science University Magnet School. This space includes the 2001 gym addition with is located to the rear of the building. This area of the building generally consists of a cafeteria, numerous classrooms and various administrative offices. The buyer, ACES, will fully occupy 100% of the building, relocating from another location within Hamden to this property.

Property Name Grand Canyon University
 Address 3300 West Camelback Road
 Phoenix, AZ 85017
 United States

Government Tax Agency Maricopa
 Govt./Tax ID 153-17-002D, 002R, 004F & 005E

**Unit Mix Detail**

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A

Improvements

Land Area	90.000 ac	Status	Existing
Net Rentable Area (NRA)	475,000 sf	Year Built	1973
Total # of Units	Units	Year Renovated	N/A
Floor Count	N/A	Condition	Average
Parking Type	N/A	Exterior Finish	N/A
General Amenities	N/A		

Sale Summary

Recorded Buyer	Grand Canyon Education, Inc.	Marketing Time	0 Month(s)
True Buyer	N/A	Buyer Type	End User
Recorded Seller	Spirit finance Corporation	Seller Type	N/A
True Seller	N/A	Primary Verification	TR with Dan Bachus, GCU
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	4/1/2009
Proposed Use	N/A	Sale Price	\$42,000,000
Listing Broker	NA	Financing	Cash to Seller
Selling Broker	NA	Cash Equivalent	\$42,000,000
Doc #	09-0378465	Capital Adjustment	\$0
		Adjusted Price	\$42,000,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Cash Equivalent Price/sf</u>
04/2009	Sale	Grand Canyon Education, Inc.	Spirit finance Corporation	\$42,000,000	\$88.42

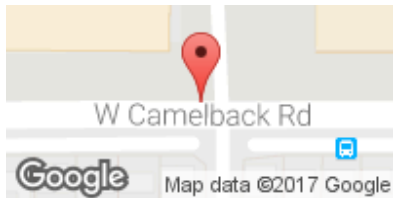
Units of Comparison

Static Analysis Method	Other (see comments)	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Price (Primary Unit of Comparison)	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	0.00%	Adjusted Price / sf	\$88.42
Projected IRR	0.00%	Adjusted Price / Unit	N/A
Actual Occupancy at Sale	100%		

Financial

Revenue Type	Trailing Actuals	Other See Comments
Period Ending	N/A	N/A
Source	N/A	Owner/User
Price	\$42,000,000	\$42,000,000
Potential Gross Income	\$3,360,000	\$0
Economic Occupancy	100%	0%
Economic Loss	\$0	\$0
Effective Gross Income	\$3,360,000	\$0
Expenses	\$0	\$0
Net Operating Income	\$3,360,000	\$0
NOI / sf	\$7.07	\$0.00
NOI / Unit	N/A	N/A
EGIM	12.50	N/A
OER	0.00%	N/A
Net Initial Yield/Cap. Rate	8.00%	0.00%

Map & Comments



This sale/leaseback transaction between Grand Canyon University and Spirit Finance occurred in 2004. The indicated rental rate was \$3,360,000 annually or \$7.07 per square foot on a triple net basis. This campus consists of approximately 40 buildings all located on an approximate 90-acre campus in Phoenix. This property is considered to be in average condition and has buildings ranging in age. The property amenities include classrooms, dormitories, library, 4 baseball fields, 6 tennis courts, a 5,000 seat event center and other miscellaneous buildings. It should be noted that as of May 2009, the University purchased the property back from Spirit Finance as part of the original sale/leaseback transaction. The reported sales price was \$42,000,000 or \$88.42 per square foot.

Addendum C

RENT COMPARABLE DATA SHEETS

Property Name Sonoran Science Academy
 Address 17667 N. 91st Avenue
 Peoria, AZ 85382
 United States

Government Tax Agency Maricopa
 Govt./Tax ID 200-42-988

Unit Mix Detail

Rate Timeframe	Yearly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1/1/2015	1	100%	30,604	\$300,000	\$9.80
Totals/Avg	1			\$300,000	\$9.80



Improvements

Land Area	4.280 ac	Status	Existing
Net Rentable Area (NRA)	30,604 sf	Year Built	2005
Total # of Units	1 Units	Year Renovated	N/A
Floor Count	1	Condition	Good
Parking Type	Open Asphalt	Exterior Finish	Masonry
General Amenities	N/A		

Rental Survey

Occupancy	100%	Owner	N/A
Tenant Size	30,604 sf	Management	Colliers
Lease Term	24 Mo(s).	Concessions	0%
Reimbursements	NNN	Survey Date	09/2015
Rent Changes/Steps	Flat	Survey Notes	N/A

Actual Leases

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Sonoran Science Academy	Other	30,604	24	Renewal	1/1/2015	\$9.80	NNN	Flat	0	\$0.00

Map & Comments



This comparable represents a 30,604-square-foot, school property located at 17667 North 91st Avenue in Peoria. The masonry improvements, on a 4.28-acre site were built in 2005. The land-to-building ratio is 6.09:1 or a 16.4% coverage ratio. The school is set up for grades K to 8 and has a 480-student capacity. The property has 4-buildings, 15 classrooms, administrative offices, multiple restroom cores, computer lab, dance studio, and multipurpose room with stage and audio/video equipment. Site amenities include a secured vehicular lot, multiple basketball courts, outdoor play areas, and greenhouse on site. There is also a public 1-acre field just west of the site. The January 2015 lease renewal to Sonoran Science Academy is at a rate of \$9.80 per square foot, triple-net for 2.0 years with no annual increases. There was no free rent or tenant improvement allowance. The property is currently 100% leased.

Property Name De La Salle North Catholic High School
 Address 7528 N Fenwick Avenue
 Portland, OR 97217
 United States

Government Tax Agency Multnomah
 Govt./Tax ID R196361

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	3.964 ac	Status	Existing
Net Rentable Area (NRA)	53,643 sf	Year Built	1913
Total # of Units	1 Unit	Year Renovated	2001
Floor Count	N/A	Condition	Average
Parking Type	Surface	Exterior Finish	Brick
General Amenities	N/A		

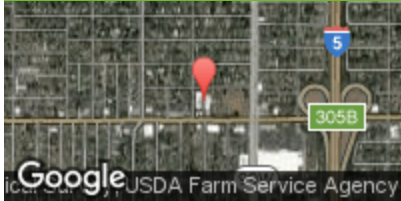
Rental Survey

Occupancy	100%	Owner	School District No. 1
Tenant Size	53,643 - 53,643 sf	Management	N/A
Lease Term	0 - 0 Mo(s).	Concessions	N/A
Reimbursements	NNN	Survey Date	04/2016
Rent Changes/Steps	N/A	Survey Notes	4/29/2016

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
De La Salle North Catholic High School	Other	53,643	12	Renewal	4/29/2016	\$9.57	NNN	N/A	N/A	N/A

Map & Comments



This is the lease of the former Kenton School occupied by De La Salle North Catholic High School. The school was founded in 2001 and started occupying this space from the Portland Public School District. Details of the lease are considered to be confidential and not disclosed to the appraisers. However, a representative for the school district indicated that the tenant is currently in their renewal lease term at a current rate of \$9.57 per square foot (2016 year).

Property Name Parnassus Preparatory School
 Address 11201 96th Ave
 Maple Grove, MN 55369
 United States

Government Tax Agency Hennepin
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	11.500 ac	Status	Proposed
Gross Building Area (GBA)	146,855 sf	Year Built	1981
Total # of Units	1,190 Seat	Year Renovated	2016
Floor Count	1	Condition	Good
Parking Type	Surface	Exterior Finish	EIFS
General Amenities	N/A		

Rental Survey

Occupancy	100%	Owner	N/A
Tenant Size	146,855 sf	Management	N/A
Lease Term	360 - 420 Mo(s).	Concessions	N/A
Reimbursements	Absolute Net	Survey Date	09/2016
Rent Changes/Steps	Fluctuates based on enrol	Survey Notes	N/A

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Parnassus Preparatory School	Other	146,855	360	Expansion	8/31/2017	\$12.59	Absolute Net	N/A	N/A	N/A

Map & Comments



The comparable is a 114,548 SF school facility (excluding an 8,590 SF retail suite which is to be condo'd off at the time of sale - operated as a daycare) located at 11201 96th Avenue North, in Maple Grove, MN. The improvements were constructed in 1981 and are in overall average condition with some items of deferred maintenance. The building is situated on an 11.50-acre site along the west side of Zachary Lane North, just southwest of the MN State Highway 610 / Zachary Lane North interchange. The property is currently 62.7% leased to Parnassus Preparatory School, a k-12 classical education charter school, whom has 2016/2017 enrollment of approximately 974 students. The remainder of the building is vacant (with the exception of a short-term lease to an Asian restaurant).

Parnassus (via a non-profit 501c3 landlord) is purchasing the property "as is" for \$13,575,000. The sale includes "in process" architectural drawings prepared on behalf of the seller. Coinciding with the purchase, a 501c3 (nonprofit) landlord entity will be setup, which will purchase the property on behalf of Parnassus and fund renovation and expansion of the building. The vacant space will be built-out with school finish and a 32,307 SF addition will be constructed at the north end of the building; creating a "U-shaped" campus with a central courtyard/playground area. Some upgrades are also being proposed to Parnassus' existing space as part of the project. The total project cost is reported to be \$10,318,731, resulting in total project costs of \$23,893,731. Parnassus (via the 501c3) is in the process of applying for bond funding for the project. They are hoping to obtain bond funding of \$25-\$26 million to cover the project costs, as well as the bond "issuance" costs and their first year's rent.

Parnassus will be executing a 30 or 35-year lease with the landlord (dependent upon the term length of the bonds they are able to receive), with rent increasing each year until they reach "stabilized" enrollment at an estimated 1,190 students. It is projected to take 3 years (from the estimated date of project completion) to reach a "stabilized" level (2020/2021 school year). Stabilized rent is projected to be \$1,848,915 (based upon 1,266.38 pupil units multiplied by a rent factor of \$1,460). The rent will be absolute net with Parnassus responsible for all operating expenses and replacements. They anticipate the bond debt service payments to be less than rent. The "residual" rent is to be set aside by the landlord entity for future school repairs/replacements (improvement allowance fund). The implied cap rate is 7.74% based upon the "stabilized" rent projection.

This is the "as complete" rental comparable. It should be noted; the rent represents the "stabilized" projection. Actual rent as of the date of completion will be based on an estimated 1,044 students (1,096.69 pupil units), translating to rent of \$1,601,167, which is just \$10.90/SF.

Property Name Avant Garde Charter School
 Address 2880 N Orange Blossom Trail
 Kissimmee, FL 34744
 United States

Government Tax Agency Osceola
 Govt./Tax ID 10-25-29-0000-0119-0000

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	9.150 ac	Status	Existing
Net Rentable Area (NRA)	59,482 sf	Year Built	2014
Total # of Units	1,300 Seat	Year Renovated	N/A
Floor Count	2	Condition	Good
Parking Type	Open Asphalt	Exterior Finish	Concrete
General Amenities	N/A		

Rental Survey

Occupancy	100%	Owner	N/A
Tenant Size	59,482 sf	Management	N/A
Lease Term	240 Mo(s).	Concessions	0%
Reimbursements	NNN	Survey Date	12/2014
Rent Changes/Steps	See notes	Survey Notes	Triple Net Lease

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Avant Garde	Other	59,482	240	New	7/31/2014	\$8.24	NNN	N/A	0	N/A

Map & Comments



The comparable is a 59,482 square foot charter school that is located along the west side of North Orange Blossom Trail (US Highway 441) in unincorporated Osceola County. The street address is in Kissimmee at 2880 North Orange Blossom Trail. The improvements were completed in 2014 on a 9.15-acre site that was previously improved with an automotive dealership. The building was a build to suit for Avant Garde Charter School who signed a 20-year lease, which commenced August 1, 2014. The tenant has four, five-year renewal options. The tenant received rent abatement at lease commencement, and it was in-line with increasing enrollment which is typical for charter schools. Starting at Year 3, the subject rent will increase by the base student allocation which is typically in-line with CPI.

Property Name Sage Montessori Charter School
 Address 3831 Midway Place NE
 Albuquerque, NM 87109
 United States

Government Tax Agency Bernalillo
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	2.010 ac	Status	Existing
Net Rentable Area (NRA)	34,785 sf	Year Built	1993
Total # of Units	Units	Year Renovated	2008
Floor Count	1	Condition	Good
Parking Type	N/A	Exterior Finish	N/A
General Amenities	N/A		

Rental Survey

Occupancy	100%	Owner	N/A
Tenant Size	34,785 sf	Management	N/A
Lease Term	12 Mo(s).	Concessions	N/A
Reimbursements	N/A	Survey Date	05/2017
Rent Changes/Steps	Flat	Survey Notes	Confirmed with Broker

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Available	Other	34,785	60	Speculative	7/1/2017	\$8.50	NNN	Neg.	N/A	N/A
Sage Montessoeri Charter School	Other	34,785	12	New	7/1/2016	\$7.19	N/A	Flat	0	\$0.00

Map & Comments



This represents an asking lease rate for a charter school located at 3831 Midway Place NE in Albuquerque, New Mexico. The property is 34,785 square feet in size located on a 2.01 acre site. The property was built out as classroom space. the asking lease rate is \$8.50 per square foot on a triple net basis. The current tenant is Sage Montessori Charter School and who signed a 1-year lease at a rate of \$7.19 per square foot. The property is currently utilized configured as a school, however the property is being marketed also as possible use by an industrial flex, office, or industrial user.

Property Name Health Leadership High School
 Address 1900 Randolph Road
 Albuquerque, NM 87106
 United States

Government Tax Agency Bernalillo
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	1.020 ac	Status	Existing
Net Rentable Area (NRA)	15,800 sf	Year Built	1984
Total # of Units	1 Units	Year Renovated	N/A
Floor Count	2	Condition	Good
Parking Type	N/A	Exterior Finish	Tilt-up Concrete
General Amenities	N/A		

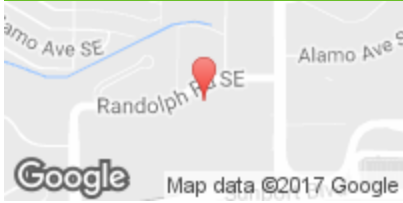
Rental Survey

Occupancy	100%	Owner	Jim Chynoweth
Tenant Size	15,800 sf	Management	N/A
Lease Term	36 Mo(s).	Concessions	N/A
Reimbursements	NNN	Survey Date	05/2017
Rent Changes/Steps	Annual \$3.10/psf increase	Survey Notes	Confirmed with Broker

Actual Leases

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Health Leadership High School	Other	15,800	36	New	7/1/2014	\$9.05	NNN	\$3.10/sf annually	N/A	N/A

Map & Comments



Property Name Mission Achievement and Success
 Address 1718 Yale Blvd. SE
 Albuquerque, NM 87106
 United States

Government Tax Agency Bernalillo
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	4.290 ac	Status	Existing
Net Rentable Area (NRA)	59,744 sf	Year Built	1966
Total # of Units	Units	Year Renovated	1995
Floor Count	N/A	Condition	N/A
Parking Type	N/A	Exterior Finish	N/A
General Amenities	N/A		

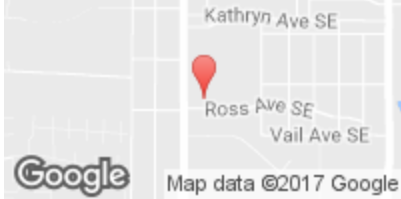
Rental Survey

Occupancy	100%	Owner	N/A
Tenant Size	21,470 sf	Management	N/A
Lease Term	72 Mo(s).	Concessions	N/A
Reimbursements	NNN	Survey Date	07/2013
Rent Changes/Steps	3% annually	Survey Notes	Dan Newman

Actual Leases

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Mission Achievement and Success	Other	21,470	72	Renewal	7/1/2013	\$6.69	NNN	3% annually	0	\$0.00

Map & Comments



This is a lease renewal of a charter school located at 1718 Yale Blvd. SE in Albuquerque New Mexico. The lease is for a period of 72 months at a lease rate of \$6.69 per square foot in a space that is in a multi-tenant building that is 21,270 square feet in size. The lease rate increased 6% above the previous lease rate of \$6.29 per square foot. For the renewal, the landlord agreed to improve the cafeteria space.

Property Name West Park NY School
 Address 2054-2055 Route 9 W
 West Park, NY 12493
 United States

Government Tax Agency Ulster
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	62.350 ac	Status	Existing
Net Rentable Area (NRA)	72,206 sf	Year Built	1920
Total # of Units	Units	Year Renovated	N/A
Floor Count	3	Condition	N/A
Parking Type	N/A	Exterior Finish	N/A
General Amenities	N/A		

Rental Survey

Occupancy	0%	Owner	N/A
Tenant Size	72,206 sf	Management	N/A
Lease Term	60 - 120 Mo(s).	Concessions	N/A
Reimbursements	NNN	Survey Date	05/2017
Rent Changes/Steps	Neg.	Survey Notes	William O'Conner (914) 355-4690

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Available for Lease	Other	72,206	120	N/A	6/1/2017	\$6.50	NNN	Neg.	N/A	N/A

Map & Comments



This is the asking lease of 72,206 square feet of classrooms, dormitories, athletic fields, tennis courts and pool located on a 62.35 acre parcel. The property is along the Hudson River 90 miles north of Manhattan and is available for lease for \$6.50 per square foot on a NNN lease basis.

Property Name School Lancaster PA
 Address 651 Lampeter Road
 Lancaster, PA 17601
 United States

Government Tax Agency Lancaster
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	12.800 ac	Status	Existing
Net Rentable Area (NRA)	71,000 sf	Year Built	1979
Total # of Units	Units	Year Renovated	N/A
Floor Count	N/A	Condition	N/A
Parking Type	Surface	Exterior Finish	Brick
General Amenities	N/A		

Rental Survey

Occupancy	0%	Owner	N/A
Tenant Size	71,000 sf	Management	N/A
Lease Term	60 - 120 Mo(s).	Concessions	N/A
Reimbursements	NNN	Survey Date	05/2017
Rent Changes/Steps	Neg.	Survey Notes	N/A

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Available for Lease	Other	71,000	120	Speculative	6/1/2017	\$5.75	NNN	Neg.	N/A	N/A

Map & Comments



This is the asking lease rate for a school located at 651 Lampeter Road in Lancaster, PA. The building consist of 71,000 square feet of 12-classrooms, bathrooms, large gym and auditorium located on a 12.8-acre parcel of land. The land includes outdoor athletic fields. The asking lease rate is \$5.75 per square foot on a NNN lease reimbursement basis.

Property Name School Cincinnati OH
 Address 5560 Kirby Ave.
 Cincinnati, OH 45239
 United States

Government Tax Agency Hamilton
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	15.000 ac	Status	Existing
Net Rentable Area (NRA)	51,345 sf	Year Built	1929
Total # of Units	Units	Year Renovated	N/A
Floor Count	2	Condition	N/A
Parking Type	N/A	Exterior Finish	Brick
General Amenities	N/A		

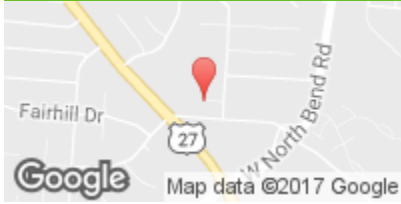
Rental Survey

Occupancy	0%	Owner	N/A
Tenant Size	51,345 sf	Management	Comey & Shpherd Raltors
Lease Term	60 - 120 Mo(s).	Concessions	N/A
Reimbursements	Modified Gross	Survey Date	05/2017
Rent Changes/Steps	Neg.	Survey Notes	Listing Broker Mark Rodojits w/Comey & Shepherd Realtors (513) 884-2090

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Available for Lease	Other	51,345	120	Speculative	6/1/2017	\$5.65	Modified Gross	neg.	N/A	N/A

Map & Comments



This is the asking lease rate for a school a school campus located at 5560 Kirby Ave. in Cincinnati Ohio. The campus comprises of 51,000 square feet of buildings located on a 15-acre site. The buildings include 20+ classrooms, cafeteria, offices, gym, auditorium and parish center. In addition, the property has baseball and football fields. The buildings were build between 1929 to 1996. The asking lease rate is \$5.65 per square foot on a modified gross basis.

Property Name School Belleville IL
 Address 1901 Mascoutah Ave.
 Belleville, IL 62220
 United States

Government Tax Agency St. Clair
 Govt./Tax ID N/A

Unit Mix Detail

Rate Timeframe	N/A				
Unit Type	No.	%	Size	Rent	Rent / Area
No information recorded					
Totals/Avg	N/A			N/A	N/A



Improvements

Land Area	22.000 ac	Status	Existing
Net Rentable Area (NRA)	60,000 sf	Year Built	1955
Total # of Units	Units	Year Renovated	N/A
Floor Count	1	Condition	N/A
Parking Type	N/A	Exterior Finish	N/A
General Amenities	N/A		

Rental Survey

Occupancy	0%	Owner	N/A
Tenant Size	60,000 sf	Management	N/A
Lease Term	60 - 120 Mo(s).	Concessions	N/A
Reimbursements	NNN	Survey Date	05/2017
Rent Changes/Steps	Neg.	Survey Notes	N/A

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Available for lease	Other	60,000	120	Speculative	6/1/2017	\$6.00	N/A	Neg.	0	\$0.00

Map & Comments



This is a school available for lease located at 1901 Mascoutah Ave. in Belleville, ILL. The building is a former grad school with two gyms, library, kitchen, large class rooms, playground equipment located within a 60,000 sf facility located on 22-acres. The asking lease rate is \$6.00 per square foot on a NNN reimbursement lease basis.

Addendum D

LEGAL DESCRIPTION FROM LEASE

Exhibit "A-1" to Lease

LEGAL DESCRIPTION OF THE LAND

See attached.

DESCRIPTION OF LEASE LIMITS WITHIN THE
PERIMETER OF THE COLLEGE OF SANTA FE

All Tracts of land lying within the Perimeter of the College of Santa Fe less Tract A, Tract B, Tract C, Tract D, Tract E, Tract R1 and portions of Tract G, Tract H, Tract O and Tract P, within projected Section 34, T.17N., R.9E., N.M.P.M., Santa Fe County, New Mexico, Said Lease being more particularly described as follows:

Beginning at the most Westerly corner of said Lease Site from whence a Brass Cap stamped Corps of Engineers USARC NE Corner Year 1962,

Bears N32°17'11"W, 665.80 feet;

Thence N57°41'28"E, 1478.26 feet;

Thence N32°18'33"W, 10.00 feet;

Thence N57°41'27"E, 91.54 feet;

Thence S31°26'20"E, 263.03 feet;

Thence 48.50 feet along a curve to the left with a radius of 25.00 feet and chord of S87°01'01"E, 41.24 feet;

Thence N37°24'19"E, 106.67 feet;

Thence N42°50'05"E, 137.50 feet;

Thence N00°53'42"W, 2.51 feet;

Thence 7.85 feet along a curve to the right with a radius of 10.00 feet and chord of N21°36'18"E, 7.65 feet;

Thence N44°44'57"E, 4.70 feet;

Thence 139.31 feet along a curve to the left with a radius of 1507.40 feet and chord of S47°55'48"E, 139.26 feet;

Thence S15°04'39"E, 620.10 feet;

Thence S19°37'31"E, 677.64 feet to easterly property corner common of Tract H and Tract M;

Thence S77°52'35"W, 185.09 feet along the common property line between Tract H and Tract M;

Thence S33°00'00"E, 232.61 feet through a portion of Tract H;

Thence S11°00'00"E, 349.94 feet to a point on the northeasterly line common to Tract G and Tract H;

Thence S11°00'00"E, 168.78 feet through a portion of Tract G to a point on a line common to Tract C and Tract G;

Thence S56°40'38"W, 427.91 feet along the common property line between Tract C and Tract G to a property corner common to Tract E and Tract G;

Thence N32°47'47"W, 349.52 feet along the common property line between Tract E and Tract G;

Thence S57°37'35"W, 305.70 feet along the common property line between Tract E and Tract F;

Thence N31°44'51"W, 202.90 feet continuing along a common property line between Tract E and Tract F to a property corner common to Tract E and Tract J;

Thence S57°37'35"W, 466.53 feet continuing along a common property line between Tract E and Tract J to the westerly property corner common to Tract E and Tract J;

Thence N32°21'29"W, 562.63 feet to the westerly property corner common to Tract J and Tract O;

Thence N57°43'21"E, 258.32 feet continuing along a common property line between Tract J and Tract O to a property corner;

Thence S31°57'08"E, 97.93 feet continuing along a common property line between Tract J and Tract O to a property corner;

Thence N57°43'21"E, 214.58 feet continuing along a common property line between Tract J and Tract O to a property corner common to Tract J and Tract K;

Thence N57°43'21"E, 48.83 feet along a common property line between Tract K and Tract O to a property corner common to Tract K and Tract O;

Thence N31°57'08"W, 209.45 feet continuing along a common property line between Tract K and Tract O to a property corner common to Tract K and Tract O;

Thence N31°57'08"W, 501.04 feet along a common property line between Tract O and Tract P to a property corner common to Tract O and Tract P;

Thence S58°16'21"W, 263.41 feet along the common property line between Tract O and Tract P;

Thence S58°16'21"W, 250.83 feet through a portion of Tract O;

Thence N32°17'11"W, 256.03 feet to the westerly property corner common to Tract O and Tract P;

Thence N32°17'11"W, 177.81 feet to the westerly property corner common to Tract P and Tract R2;

Thence N32°17'11"W, 78.47 feet to the point of beginning.

Less and excepting the Santa Fe Art Institute being within Tract P, more particularly described as follows:

Beginning at the most Northwesterly corner of the Santa Fe Art Institute from whence the Westerly corner of the Lease Site,

Bears N78°44'45"W, 113.86 feet;

Thence N57°41'27"E, 227.52 feet;

Thence S31°43'39"E, 259.41 feet;

Thence S58°16'21"W, 261.65 feet;

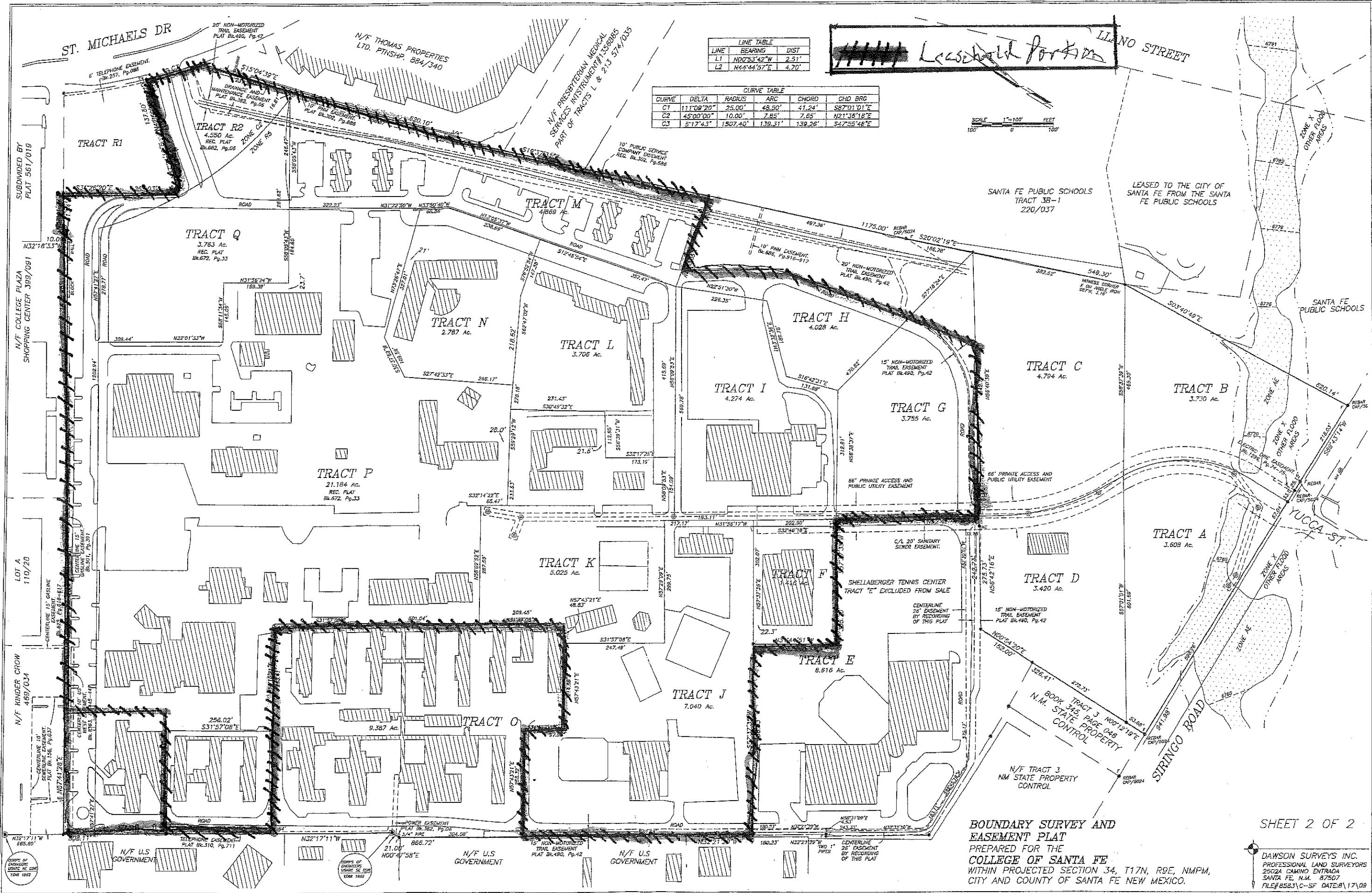
Thence N32°00'00"W, 143.48 feet;

Thence N13°00'00"E, 49.48 feet to the point of beginning, containing

1.067 Acres more or less, Total Lease Site less the Santa Fe Art Institute contains 64.222 Acres more or less.

Exhibit "A-2" to Lease
DEPICTION OF THE LAND

See attached.



LINE TABLE

LINE	BEARING	DIST
L1	N00°53'42"W	2.51'
L2	N44°44'57"E	4.70'

CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD	CHD BRG
C1	111°08'20"	25.00'	48.50'	41.24'	S87°01'01"E
C2	45°00'00"	10.00'	7.85'	7.65'	N21°36'18"E
C3	5°17'43"	1507.40'	139.31'	139.26'	S47°55'48"E

SCALE 1"=100' FEET

Leasold portion

BOUNDARY SURVEY AND EASEMENT PLAT
 PREPARED FOR THE
COLLEGE OF SANTA FE
 WITHIN PROJECTED SECTION 34, T17N, R9E, NMPM,
 CITY AND COUNTY OF SANTA FE NEW MEXICO.

SHEET 2 OF 2

DAWSON SURVEYS INC.
 PROFESSIONAL LAND SURVEYORS
 2502A CAMINO ENTRADA
 SANTA FE, N.M. 87507
 FILE# 85823-C-SF DATE: 8/17/09

Exhibit "B-1" to Lease

BUILDINGS

The following Buildings shall be part of the Premises leased pursuant to the foregoing Lease and are located on the Land as set forth on the map of the Premises attached to this Exhibit "B-1" for reference.

Laureate Leased	Property			Use	Status
	Location	Parcel # (s)	Area (SF)/Acres		
Open Land	G		Next to Garson Studios		
Open Land	Q	3.67		Open - Zoned Residential	
Open Land	R2	2.47		Open - Zoned Residential	
Building 0		2,000	NEW Mouton Center	Student Services	Improved
Building 1		8,680	Administration Building	Business offices	Improved
Building 2		32,628	Theater	Classrooms/Performances	Improved
Building 3		7,440	Forum	Classrooms/Conferences	Improved
Building 4		45,573	Fogelson Library	Library/Computer lab/Classrooms	Improved
Building 5		5,444	Southwest Annex	Meetings/Conferences/Art Gallery	Improved
Building 7		24,764	LaSalle Hall	Offices/Residential Hall	Improved
Building 8, 9 & 10		30,139	St. Michael's Hall	Residential Hall (Student Union)	Improved
Building 11a		15,000	Student apartments	Residential Hall	Improved
Building 11b		15,000	Student apartments	Residential Hall	Improved

Building 12		46,109	King Hall	Residential Hall	Improved
Building 14		25,295	Kennedy Hall	Residential Hall	Improved
Building 15		2,912	The Den	Student Union	Improved
Building 16, 17 & 18		49,200	Moving Image Arts Dept.	Theater/Studio/Soundstage	Improved
Building 19		6,550	Onate Hall	Business offices	Improved
Building 20		22,200	Driscoll Fitness Center	Gym/Health Facility	Improved
Building 23		11,742	Alumni Hall	Special Events/Conference	Improved
Building 27A, 27B & 27C		15,060	Art Studios	Student Classroom Studios	Improved
Building 29-32		34,948	Visual Arts Center	Classrooms/Studios/Offices	Improved
Building 33		26,177	Luke Hall	Classrooms/Offices	Improved
Building 34		3,350	Student Health Services	Exam Rooms/Offices	Improved
Building 37		27,757	Benildus Hall	Classrooms/Offices	Improved
Building 38		14,844	Alexis Hall	Offices/Storage	Improved

Addendum E

CLIENT CONTRACT INFORMATION

CITY OF SANTA FE
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and CBRE, Inc. (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

The Contractor shall provide the following services for the City and as described in the proposal attached as Exhibit "A" and incorporated herein.

2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it possesses the experience and knowledge necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The City shall pay to the Contractor in full payment for services rendered, a sum not to exceed eighteen thousand dollars (\$18,000), plus applicable gross receipts taxes.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt, approval and acceptance by the City of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed and accepted by the City.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the City and the Contractor, whichever occurs last, and shall terminate on June 30 2017, unless sooner pursuant to Article 6 below.

6. TERMINATION

A. This Agreement may be terminated by the City and the Contractor upon 60 days written notice to the Contractor.

(1) The Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

(2) Compensation is not based upon hourly rates for services rendered, therefore the City shall pay the Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City, except as otherwise required by law, court order, or other government authority.

9. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.

10. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term

of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

13. INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No person shall

claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such

agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

City of Santa Fe:
Asset Development Office
P. O. Box 909
Santa Fe, NM 87504


Contractor:
CBRE, INC.
2415 E. Camelback Road
Suite 960
Phoenix, AZ 85016

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

CITY OF SANTA FE:

CONTRACTOR:
CBRE, INC.

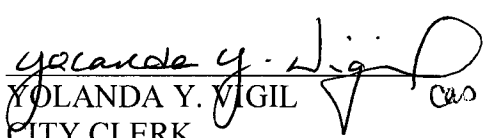

BRIAN K. SNYDER, CITY MANAGER


JO DANCE, MANAGING DIRECTOR

DATE: 04/20/2017

DATE: 4/17/17
CRS# L01931779
City of Santa Fe Business
Registration # 95-2743174

ATTEST:


YOLANDA Y. VIGIL
CITY CLERK

APPROVED AS TO FORM:


KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:


ADAM K. JOHNSON, FINANCE DIRECTOR

12190.510340
Business Unit Line Item

April 17, 2017

Jo Dance, MAI, CCIM
Managing Director

Kelley A. Brennan
City Attorney
CITY OF SANTA FE
200 Lincoln Avenue
Santa Fe, NM 87504-0909
Phone: 505.955.6511
Email: kabrennan@santafenm.gov

RE: Assignment Agreement
College campus on city-owned ground lease (with commercial zoning)
Santa Fe University of Art & Design, 1600 St. Michael's Drive
Santa Fe, NM 87505

Dear Ms. Brennan:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose: To estimate the Market Value of the referenced real estate
Premise: As Is
Rights Appraised: Fee Simple and Leasehold
Intended Use: Internal Decision Making purposes
Intended User: The intended user is CITY OF SANTA FE, and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance: Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.
Inspection: CBRE will conduct a physical inspection of both the interior and exterior of the subject property, as well as its surrounding environs on the effective date of appraisal.
Valuation Approaches: All three traditional approaches to value will be considered.
Report Type: Standard Appraisal Report

Appraisal Standards: USPAP
Appraisal Fee: \$18,000 (plus associated taxes)
Expenses: Fee includes all associated expenses
Retainer: A retainer is not required for this assignment
Payment Terms: Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The fee is considered earned upon delivery of the draft report.

Delivery Instructions: We will invoice you for the assignment in its entirety at the completion of the assignment. CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.

Delivery Schedule: An Adobe PDF file via email will be delivered to msoreilly@santafe.gov. The client has requested No (0) bound final copy (ies).

Preliminary Value: Not Required
Draft Report: Not Required
Final Report: 30 business days after the Start Date
Start Date: The appraisal process will start upon receipt of your signed agreement and the property specific data.
Acceptance Date: These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

Kelley A. Brennan
Assignment Agreement
Page 3 of 8
April 17, 2017

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.
Valuation & Advisory Services

A handwritten signature in black ink, appearing to read "Jo Dance", with a long, sweeping horizontal line extending to the right.

Jo Dance, MAI, CCIM
Managing Director
As Agent for CBRE, Inc.
T 602-735-5686
jo.dance@cbre.com

AGREED AND ACCEPTED

FOR CITY OF SANTA FE:

_____ Signature	_____ Date
_____ Name	_____ Title
_____ Phone Number	_____ E-Mail Address

ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence services (seismic risk analysis, zoning compliance services, construction risk management, annual inspections, etc.). CBRE provides our clients the full complement of due diligence services with over 260 employees in the U.S. that are local subject matter experts.

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at WhitePlainsProposals@cbre.com. We will route your request to the appropriate manager. For more information, please visit www.cbre.com/assessment.

_____ Initial Here

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 30 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.
16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party

expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report, or (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report.

17. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANYONE FROM CBRE IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.

Right-click to select data request list

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Jo Dance, MAI, CCIM
Managing Director
CBRE, Inc.
Valuation & Advisory Services
2415 East Camelback Road, Suite 960
Phoenix, AZ 85016



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
04/07/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. Stamford CT Office 1600 Summer Street Stamford CT 06907-4907 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (800) 363-0105		
	E-MAIL ADDRESS:		
INSURED CBRE Group, Inc. and Subsidiaries 400 S Hope Street Los Angeles CA 90071 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Zurich American Ins Co		16535
	INSURER B: ACE Property & Casualty Insurance Co.		20699
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES **CERTIFICATE NUMBER:** 570066093847 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			GL0838419915	03/01/2017	03/01/2018	EACH OCCURRENCE	\$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$50,000
							MED EXP (Any one person)	\$10,000
							PERSONAL & ADV INJURY	\$2,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COMP/OP AGG	\$2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> Comp ded - \$1,000 <input checked="" type="checkbox"/> Coll ded - \$1,000			BAP 8384200-15	03/01/2017	03/01/2018	COMBINED SINGLE LIMIT (Ea accident)	\$2,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000			G27952501002	03/01/2017	03/01/2018	EACH OCCURRENCE	\$8,000,000
							AGGREGATE	\$8,000,000
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			WC838419518 WC914173611	03/01/2017 03/01/2017	03/01/2018 03/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT	\$1,000,000
							E.L. DISEASE-EA EMPLOYEE	\$1,000,000
							E.L. DISEASE-POLICY LIMIT	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 The City of Santa Fe is included as Additional Insured in accordance with the policy provisions of the general liability policy.

CERTIFICATE HOLDER City of Santa Fe 200 Lincoln Avenue Santa Fe NM 87504-0909 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast Inc.</i>

Holder Identifier :

Certificate No. : 570066093847

STATE OF NEW MEXICO

TAXATION AND REVENUE DEPARTMENT

RESIDENT BUSINESS CERTIFICATE

Issued to: **CBRE, INC.**

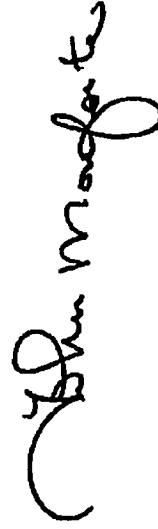
DBA: **CBRE, INC.**

**6100 UPTOWN BLVD NE STE 300
ALBUQUERQUE, NM 87110-4188**

Expires: **09-Feb-2020**

Certificate Number:

L0193177904



John Monforte, Acting Cabinet Secretary

THIS CERTIFICATE IS NOT TRANSFERABLE

Addendum F

APPRAISER QUALIFICATIONS

QUALIFICATIONS

Stephen E. Wilson, MAI, SRA Vice President

CBRE, Inc.
Valuation and Advisory Services
6100 Uptown Boulevard, Suite 300
Albuquerque, NM 87110
(505) 837-4935 tel
(505) 212-0387 fax
stephen.wilson@cbre.com

EDUCATION

Bachelor of Science Degree, Accounting, St. John Fisher College, Rochester, New York
Associates Degree, Accounting, State University of New York, Alfred, New York

LICENSE(S)/CERTIFICATION(S)

New Mexico Certified General Real Estate Appraiser-License #03364-G

PROFESSIONAL

Appraisal Institute, Designated Member (MAI) and (SRA)

EXPERIENCE

2005 - 2007 Certified General Appraiser, Lubawy & Associates, Las Vegas, Nevada
2007 – 2012 Associate Director, Cushman & Wakefield VAS, Las Vegas, Nevada
2012 – 2014 Principal, Wilson Valuation, Las Vegas, Nevada
2014 – Present Vice President, CBRE, Inc., Albuquerque, New Mexico

Appraisal experience has been in the fee preparation of real estate appraisals, rent analyses and market studies of commercial and multifamily residential properties. Experience encompasses property types including land, office, office condominiums, retail, industrial, private schools, restaurants, and multifamily properties, including low-income housing (LIHTC) properties. Assignments have been completed in Arizona, Nevada and New Mexico.

The Intermountain Region of CBRE, Inc. Valuation and Advisory Services covers the states of Arizona, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, North and South Dakota, Utah and Wyoming. The regional office is located in Phoenix, Arizona.

State of New Mexico



REAL ESTATE APPRAISERS BOARD

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

This is to certify that
Stephen E. Wilson #03364-G

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

General Certified Appraiser

This appraiser is eligible to perform in Federally Related Transactions

Issue Date: 05/16/2014 Date Expires: 04/30/2018

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS

QUALIFICATIONS

Jo Dance, MAI, CCIM

Managing Director

CBRE, Inc.

Valuation and Advisory Services
2415 East Camelback Road, Suite 960
Phoenix, Arizona 85016
(602) 735-5686 tel
(602) 735-5613 fax
jo.dance@cbre.com

EDUCATION

Bachelor of Science Degree, Business Administration, Arizona State University, Tempe, Arizona

LICENSES/CERTIFICATIONS

Arizona Certified General Real Estate Appraiser, No. 30249
Nevada Certified General Real Estate Appraiser, No. A.0206799-CG
New Mexico Certified General Real Estate Appraiser, No. 03242-G

PROFESSIONAL

Appraisal Institute, Designated Member (MAI)
Appraisal Institute, Senior Residential Appraiser (SRA)
CCIM Institute, Certified Commercial Investment Member (CCIM)

EXPERIENCE

1986 - 1989 Sell Huish, Tempe, Arizona
1989 - 1992 Burke Hansen, Phoenix, Arizona
1992 - 2001 Dance Appraisal Group, Phoenix, Arizona
2001 - 2002 Colliers International, Phoenix, Arizona
2003 - 2009 Dance Appraisal Group, Phoenix, Arizona
2009 - 2012 Senior Appraiser, Cushman & Wakefield, Phoenix, Arizona
2012 - 2017 Managing Director, Cushman & Wakefield, Phoenix, Arizona
2017 - Present Managing Director, CBRE, Inc., Phoenix, Arizona

Manages the Valuation and Advisory Services (VAS) offices in Arizona (Phoenix and Tucson) and New Mexico (Albuquerque). Appraisal experience has included a broad spectrum of real estate appraisals, rent analyses and market studies of commercial and multifamily residential properties. Experience encompasses property types including land, office, medical office facilities, office condominiums, retail, industrial, self-storage, call centers, data centers, private/charter schools, restaurants, mobile home/RV parks, convenience stores/gas stations, automotive facilities, special use properties, subdivisions, condominium conversions, and multifamily properties, including student housing and low-income housing (HUD and tax credit).

Assignments have been completed in Arizona, California, Nevada, and New Mexico. Ms. Dance has also successfully provided litigation support and expert testimony on several occasions in deposition and court in Arizona.

The Western Region of CBRE, Inc. Valuation and Advisory Services covers the states of California, Oregon, Washington, Alaska, Montana, Idaho, Utah, Wyoming, Colorado, Arizona, Nevada, and New Mexico. The regional office is in Los Angeles, California.

State of New Mexico



REAL ESTATE APPRAISERS BOARD

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

This is to certify that
Jolene U Dance #03242-G

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

General Certified Appraiser

This appraiser is eligible to perform in Federally Related Transactions

Issue Date: 03/01/2012 Date Expires: 04/30/2018

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS