

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: City Development

AGENDA DATE: October 2, 2012

CONTACT PERSON/PHONE: Mathew McElroy/Jane Tomchik – 541-4897

DISTRICT(S) AFFECTED: 8

SUBJECT:

Discussion and Action on Resolution to authorize the City Manager to execute, on behalf of the City of El Paso, a Contract of Sale **TEXAS-NEW MEXICO NEWSPAPERS PARTNERSHIP, A DELAWARE GENERAL PARTNERSHIP** for the purchase of a portion of Lot 1, Block 1, El Paso Times Subdivision, an Addition to the City of El Paso, municipally known as 300 North Campbell, and all of Block 42, Anson Mills Map, an Addition to the City of El Paso, El Paso County Texas, consisting of the parking lots municipally known as 400 South Main and 401 Mills, in the amount of Twelve Million and Two Hundred and Fifty Thousand Dollars (\$12,250,000) inclusive.

BACKGROUND / DISCUSSION:

On June 26, 2012, Council approved a resolution authorizing the City Manager to execute a Term Sheet with Mountain Star Sports Group to construct a AAA ball park in the event that the Group finalizes the purchase of a AAA baseball team; and to pursue a financing plan for the construction of the ball park on the site of the current City Hall. The resolution further authorized the City Manager to pursue alternate locations for City Hall administration and operations.

PRIOR COUNCIL ACTION:

On August 7, 2012, Council authorized the City Manager to pursue further negotiation for the purchase of 300 North Campbell and to explore available parking options.

AMOUNT AND SOURCE OF FUNDING:

Certificates of Obligation and other funding sources in the amount of the purchase price and related closing costs.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

NA

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:


(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Contract of Sale between TEXAS-NEW MEXICO NEWSPAPERS PARTNERSHIP ("Seller") and the CITY OF EL PASO ("Purchaser"), for the purchase of the real property municipally known and numbered as 300 N. Campbell Avenue, El Paso, El Paso County, Texas more particularly described as a portion of Lot 1, Block 1, El Paso Times Subdivision; and the two (2) combined parking lots constituting all of Block 42, Mills Addition, municipally known and numbered as 401 East Mills and 400 East Main, City of El Paso, El Paso County, Texas;

And, that the City Manager, or her designee, be authorized to sign any documents approved by the City Attorney to consummate the purchase and to make any necessary and appropriate budget transfers to accomplish the intent of this Resolution.

ADOPTED this _____ day of _____, 2012

THE CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

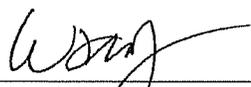
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:

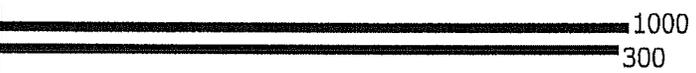


William F. Studer, Jr., Deputy City Manager
Development and Tourism



Google earth

feet
meters



SPECIAL WARRANTY DEED

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS
COUNTY OF EL PASO)

THAT EL PASO TIMES, INC., a Delaware corporation duly qualified to do business in Texas, ("Grantor") whose mailing address is 401 Mills Avenue, El Paso, Texas 79912, for the consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration herein stated, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto GANNETT TEXAS L.P., a Delaware limited partnership, duly qualified to do business in Texas under the name EL PASO PUBLISHING L.P. ("Grantee"), whose mailing address is 401 Mills Avenue, El Paso, Texas 79912, all of Grantor's interest in and to those two certain parcels of real property, together with all improvements thereon situated, located in El Paso County, Texas (collectively, the "Property"), and being more particularly described as follows:

Parcel 1: Lot 1, Block 1, EL PASO TIMES SUBDIVISION, an Addition to the City of El Paso, El Paso County, Texas, according to the plat thereof, recorded in Volume 63, Page 34, Plat Records of El Paso County, Texas; and

Parcel 2: The South 160 feet of Block 42, ANSON MILLS MAP ADDITION, an Addition in the City of El Paso, El Paso County, Texas according to the City Block Map in the Office of the County Clerk of El Paso County, Texas.

This conveyance and warranty of title is made and accepted subject to the following to the extent the same are currently valid and applicable to the Property (unless otherwise noted, all following exceptions apply to Parcels 1 & 2):

- 1. The following restrictive covenants of record:

Those recorded in Volume 1948, Page 380, Volume 1948, Page 388, Volume 2221, Page 1316, and Volume 3223, Page 1140, Real Property Records of El Paso County, Texas; (Parcel 1)

Those recorded in Volume 3223, Page 1140, Real Property Records of El Paso County, Texas; (Parcel 2)

- 2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements;

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3. Standby fees, taxes and assessments by any taxing authority for the year 2001, and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the Property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year;
4. Utility easements as shown on plat, including easements for the overhang of service wires for pole type utilities and buried service wires, conduits, and pipes for underground utilities, as dedicated on the plat, recorded in Volume 63, Page 34, Plat Records of El Paso County, Texas; (Parcel 1)
5. Easement to El Paso Electric Company, recorded in Volume 2327, Page 1374, Real Property Records of El Paso County, Texas; (Parcel 1)
6. Right of Way and Easement to Southern Union Gas Company, recorded in Volume 3603, Page 1075, Real Property Records of El Paso County, Texas; (Parcel 1)
7. Utility easements and prescriptive rights visible and apparent on the ground; (Parcel 2)
8. Rights of Parties in possession;
9. Reservation of all minerals, oil, and gas 500 feet or more beneath the surface of the Property to Southern Pacific Transportation Company, recorded in Volume 1948, Page 380, Real Property Records of El Paso County, Texas; (Parcel 1)
10. Reservation of all oil, gas, sulphur and other minerals to Texas and New Orleans Railroad Company, recorded in Volume 1366, Page 407, Real Property Records of El Paso County, Texas. Said reservation assigned to Rio Bravo Oil Company, recorded in Volume 1467, Page 535, Real Property Records of El Paso County, Texas; (Parcel 2)
11. Terms, conditions and stipulations of Grant of Easement between El Paso Times, Inc., a Delaware corporation and Southern Pacific Transportation Company, A Delaware corporation dated July 20, 1988, recorded in Volume 1948, Page 388 Real Property Records of El Paso County, Texas; (Parcel 1)
12. Terms, conditions and stipulations pertaining to subject property being the reservation of all trackage on the Property as the personal property of Southern Pacific Transportation Company to be removed or utilized by Grantor subject to that certain Grant of Easement of even date, as cited in Warranty Deed dated July 20, 1988, recorded in Volume 1948, Page 380, Real Property Records of El Paso County, Texas; (Parcel 1)
13. Terms, conditions and stipulations of lease (SPTCo Lease No. 206899) dated October 23, 1986 between Southern Pacific Transportation Company, as Lessor, and El Paso Natural Gas Company, as Lessee, lease (SPTCo Lease No. 207857) dated February 4, 1988,

between Southern Pacific Transportation, as Lessor and Triangle Metallurgical, Inc., d/b/a Tri-El Paso Services, as Lessee, and lease (SPITCo Lease No. 208285) dated March 18, 1986 between Southern Pacific Transportation, as Lessor, and El Paso Natural Gas Company, as Lessee, as referenced in deed filed on July 22, 1988, recorded in Volume 1948, Page 380, Real Property Records of El Paso County, Texas; (Parcel 1)

14. Terms, conditions and stipulations of Rezoning Ordinance dated August 21, 1990, recorded in Volume 2221, Page 1316, Real Property Records of El Paso County, Texas; and (Parcel 1)

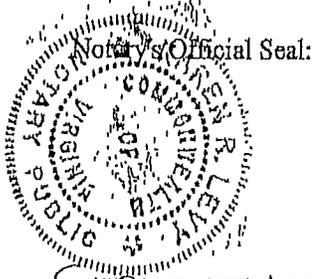
15. Terms, conditions and stipulations of the Order Granting the Petition for Creation of El Paso Downtown Management District of El Paso County, Appointment of Temporary Directors and Correction dated June 25, 1997, recorded in Volume 3223, Page 1140, Real Property Records of El Paso County, Texas.

TO HAVE AND TO HOLD the above described Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns forever; and Grantor does hereby bind Grantor, Grantor's successors and assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

PROPERTY SOLD "AS IS". GRANTEE EXPRESSLY ACKNOWLEDGES THAT IT IS PURCHASING THE PROPERTY, AND THE PROPERTY SHALL BE CONVEYED AND TRANSFERRED TO GRANTEE, "AS IS AND WITH ALL FAULTS", SUBJECT ONLY TO THE SPECIFIC WARRANTIES SET FORTH IN THIS SPECIAL WARRANTY DEED. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, GRANTEE REPRESENTS AND WARRANTS THAT GRANTOR HAS NOT, DOES NOT, AND WILL NOT, WITH RESPECT TO THE PROPERTY, MAKE ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW (OTHER THAN THE WARRANTY OF TITLE CONTAINED WITHIN THIS DEED), INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF CONDITION, MERCHANTABILITY, HABITABILITY, SUITABILITY, FITNESS FOR A PARTICULAR USE, PROFITABILITY, OR MARKETABILITY. MOREOVER, GRANTEE REPRESENTS AND WARRANTS THAT GRANTOR HAS NOT, DOES NOT, AND WILL NOT, WITH RESPECT TO THE PROPERTY, MAKE ANY REPRESENTATION OR WARRANTY WITH REGARD TO COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION, OR LAND USE LAWS, RULES, REGULATIONS, ORDERS, OR REQUIREMENTS INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO THE HANDLING, GENERATING, TRADING, STORING OR DISPOSING OF ANY HAZARDOUS OR REGULATED WASTE OR SUBSTANCE.

Commonwealth
STATE OF Virginia)
COUNTY OF Arlington)

This instrument was acknowledged before me by
Thomas H. Chapple, Secretary, of El Paso Times,
Inc., a Delaware corporation, on behalf of said corporation, on this 30th day of
March, 2001.



Karen R. Levy
NOTARY PUBLIC IN AND FOR
THE STATE OF Virginia
Commonwealth
My Commission Expires February 29, 2004

Commonwealth
STATE OF Virginia)
COUNTY OF Arlington)

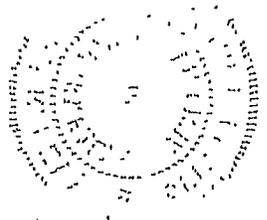
This instrument was acknowledged before me by
Thomas H. Chapple, Secretary, of Gannett Satellite
Information, Inc., a Delaware corporation, on behalf of said corporation, in its capacity as general
partner of Gannett Texas L.P., a Delaware limited partnership, duly qualified to do business in
Texas as El Paso Publishing L.P., on behalf of said limited partnership.



Karen R. Levy
NOTARY PUBLIC IN AND FOR
THE STATE OF Virginia
Commonwealth
My Commission Expires February 29, 2004

AFTER RECORDING RETURN TO:
Gannett Co., Inc.
1100 Wilson Boulevard
Tower 2, 29th Floor
Arlington, VA 22234
Attn: Todd Mayman

PREPARED IN THE LAW OFFICE OF:
Scott, Hulse, Marshall, Feuille,
Finger & Thurmond, P.C.
1100 Chase Tower
201 E. Main
El Paso, Texas 79901
Attn: W. David Bernard



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Page 5
04/10/2001 11:24:45 AM
Filed & Recorded in
Official Records of
EL PASO COUNTY
HECTOR ERGOMEZ, JR.
COUNTY CLERK
Fees \$17.00

ANY PROVISIONS HEREIN WHICH RESTRICTS THE SALE, RENTAL
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS VOID AND UNENFORCEABLE IN THE COUNTY OF EL PASO
STATE OF TEXAS
I hereby certify that this instrument was filed on the date and time indicated
herein by me and was duly recorded in the volume and page of the Official
Public Record of said County, El Paso County.

APR 10 2001



It _____
EL PASO COUNTY, TEXAS

END OF
INSTRUMENT

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SPECIAL WARRANTY DEED

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS
COUNTY OF EL PASO)

THAT EL PASO TIMES, INC., a Delaware corporation (successor by merger to TIMES ENTERPRISES, INC., a Texas corporation) ("Grantor"), whose mailing address is 401 Mills Avenue, El Paso, Texas 79912, for the consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration herein stated, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto GANNETT TEXAS L.P., a Delaware limited partnership, duly qualified to do business in Texas under the name EL PASO PUBLISHING L.P. ("Grantee"), whose mailing address is 401 Mills Avenue, El Paso, Texas 79912, all of Grantor's interest in and to that certain parcel of real property, together with all improvements thereon situated, located in El Paso County, Texas (the "Property"), and being more particularly described as follows:

The North 100 feet of Block 42, ANSON MILLS MAP ADDITION, an Addition in the City of El Paso, El Paso County, Texas according to the City Block Map in the Office of the County Clerk of El Paso County, Texas.

This conveyance and warranty of title is made and accepted subject to the following to the extent the same are currently valid and applicable to the Property:

1. Restrictive covenants of record, recorded in Volume 3223, Page 1140, Real Property Records of El Paso County, Texas;
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements;
3. Standby fees, taxes and assessments by any taxing authority for the year 2001, and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the Property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year;
4. Utility easements and prescriptive rights visible and apparent on the ground;
5. Rights of Parties in possession;
6. Reservation of all oil, gas, sulphur and other minerals to Texas and New Orleans Railroad Company, recorded in Volume 1366, Page 407, Real Property Records of El Paso County, Texas. Said reservation assigned to Rio Bravo Oil Company, recorded in Volume 1467, Page 535, Real Property Records of El Paso County, Texas; and

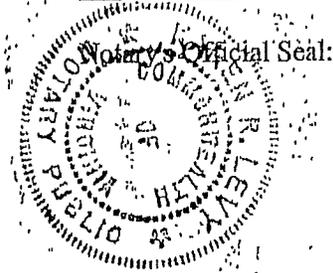
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Commonwealth
STATE OF Virginia)
COUNTY OF Arlington)

This instrument was acknowledged before me by
Thomas L. Chapple, Secretary, of El Paso Times,
Inc., a Delaware corporation, on behalf of said corporation, on this 30th day of
March, 2001.



Karen R. LeVay
NOTARY PUBLIC IN AND FOR
THE STATE OF Virginia
Commonwealth

My Commission Expires February 29, 2004

Commonwealth
STATE OF Virginia)
COUNTY OF Arlington)

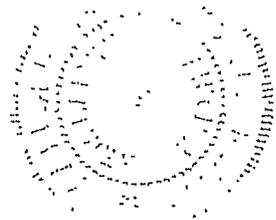
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AFTER RECORDING RETURN TO:
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Tower 2, 29th Floor
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Attn: Todd Mayman

PREPARED IN THE LAW OFFICE OF:
Scott, Hulse, Marshall, Feuille,
Finger & Thurmond, P.C.
1100 Chase Tower
201 E. Main
El Paso, Texas 79901
Attn: W. David Bernard



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Pages 4
04/10/2001 11:55:51 AM
Filed & Recorded in
Official Records of
EL PASO COUNTY
HECTOR ENRIQUETA, JR
COUNTY CLERK
Fees \$15.00

ANY PROVISIONS HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW AND STATE OF TEXAS. COUNTY OF EL PASO
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the Official Public Record of Real Property in Paso County.

APR 10 2001



H.

EL PASO COUNTY, TEXAS

END OF INSTRUMENT

Hoover Appraisal Company

Self-Contained Report

**The El Paso Times Office Building Located At
300 North Campbell Street and Parking Lot Located
At 401 Mills Avenue & 400 East Main Street,
El Paso, Texas 79901**

Prepared by:
Chellie S. Hoover, MAI

Prepared For:

**Mr. R. Alan Shubert
City of El Paso
One Civic Center Plaza
El Paso, Texas 79901**

Date of Appraisal: August 17, 2012
Date of the Report: August 20, 2012

Summary of Important Facts and Conclusions

Date of Appraisal: August 17, 2012.
Date of Report Preparation: August 20, 2012.
Appraisal Type: Self-Contained Appraisal Report
Property Rights: Fee Simple Interest.
Location: 300 North Campbell Street and Mills Avenue & 400 East Main Street 401 , El Paso, Texas 79901
Property Type: Single-tenant, Multi-story General Office Building.
Land Areas: Total: 130,222 square feet; 2.9895 acres
Parking Lot Only: 67,600 square feet; 1.5519 acres
Building Areas: 87,126 SF (GBA) 83,006 SF (RA); 72,757 SF 1st/2nd Floor
Date Built: 1991
Remaining Economic Life: 30 years
Zoning Category: C-5 (Commercial District)
Flood Zone: Zone X (area determined to be outside the 0.2% annual chance floodplain).
Flood Zone Map: Panel Number 48141C0388 F dated June 18, 2010
Annual Property Taxes: \$222,595.25
Past Due Taxes: \$0
Highest and Best Use: Commercial

VALUE CONCLUSIONS

Opinion of Market Value by Cost Approach: \$11,870,000
Opinion of Market Value by Sales Comparison Approach: \$8,750,000

FINAL OPINION OF MARKET VALUE AS OF AUGUST 17, 2012
\$11,870,000

FINAL OPINION OF MARKET VALUE AS OF AUGUST 17, 2012
PARKING LOT ONLY
\$2,760,000

Reconciliation and Final Estimate of Land Value

A summary of the adjusted unit prices of the three land sales, and their overall comparison to the subject is as follows:

Comparable	Adjusted Price/SF	Overall Comparison
Sale 4	\$32.13	Inferior
Sale 2	\$25.12	Similar
Sale 3	\$29.39	Similar
Sale 1	\$33.91	Similar
Pending Sale 5	\$42.00	Similar

One sale is inferior to the subject and the remaining three sales and pending contract are similar to the subject. After adjustment, equal credence is given to the comparables. Based on the indications of the dataset, I have reconciled to a subject land value of \$32.50 per square foot.

Final Conclusion of Land Value

130,222 SF x \$32.50/SF = \$4,232,215

Rounded To \$4,230,000

Replacement Cost Estimate

The replacement costs of the subject improvements have been estimated from cost estimates provided by the Marshall Valuation Service, a nationally known cost data service. The cost figures from the Marshall Cost Book include both direct and indirect costs, as well as an allowance for contractor's overhead and profit. In addition, I have provided for an entrepreneurial profit of 7%, which is what historically local developers have indicated they would require to develop a project of this magnitude. The cost of the building is estimated from Section 15, Office Buildings.

All of the comparables are inferior to the subject. After adjustment, more weight is given to Comparable 1 and pending Comparable 5. Based on the indications of the dataset, I have reconciled to a subject land value of \$36.00 per square foot.

Final Conclusion of Land Value

67,600 SF x \$36.00/SF = \$2,433,600
 Rounded To \$2,430,000

The site improvements associated with the subject parking lot are summarized below.

Asphalt paving and concrete work – parking lot	\$225,000
Automatic gates and Fencing – parking lot	\$ 75,000
Landscaping/Exterior Lighting – parking lot	<u>\$ 30,000</u>
Total site improvement cost	\$330,000

The physical incurable depreciation estimate involves physical deterioration that cannot be feasibly corrected as of the appraisal date. As described in the Cost Approach, the subject real estate has depreciated about 40%. However, it appears that the site improvements associated with the parking lot are in good condition and it appears that they have been repaired or renovated recently. Therefore, no deduction for physical incurable depreciation is made.

The opinion of market value for the subject parking lot is summarized below.

Land Value Conclusion	\$2,430,000
Plus Depreciated Value of Parking Lot Improvements	<u>\$ 330,000</u>
Opinion of Market Value for the Parking Lot	\$2,760,000

RECONCILIATION AND FINAL ESTIMATE OF VALUE

The two approaches to value developed in this appraisal yielded the following market value indications as of August 17, 2012.

Opinion of Market Value:	
Opinion of Market Value Cost Approach	\$11,870,000
Opinion of Market Value Sales Comparison Approach	\$8,750,000
Opinion of Market Value Income – Parking Lot Only	\$2,760,000

The Cost Approach is most applicable when there is an abundance of comparable land sales and the improvements are proposed or fairly new construction. The land value was developed based upon 4 land sales and one pending contract within or near the subject market area. The sales occurred within the past four years. The cost estimate for the subject is based on the cost indications from the Marshall Valuation Service. The weakest feature of this approach tends to be the subjective nature of the depreciation estimate. The subject was built in 1991 and is in overall good condition. Overall, the Cost Approach is considered a good indicator of opinion of market value.

The Sales Comparison Approach is based on the indications of four El Paso office building sales located throughout the City of El Paso. The adjustments made to the comparables compared to the subject appear to be reasonable. Overall, the Sales Comparison Approach is considered an average indicator of opinion of market value.

In final analysis, most weight is given to the Cost Approach, supported by the Sales Comparison Approach.

FINAL OPINION OF MARKET VALUE AS OF AUGUST 17, 2012**\$11,870,000****FINAL OPINION OF MARKET VALUE – PARKING LOT ONLY AS OF AUGUST 17, 2012****\$2,760,000***

INDICATED EXPOSURE TIME: About 12 months.

ESTIMATED MARKETING TIME: About 6 to 12 months.