



***A FAIR MARKET VALUE APPRAISAL
FOR RIGHT-OF-WAY ACQUISITION
LOS ALAMOS MEDICAL CENTER
ADDRESSED AS 3917 W ROAD
LOS ALAMOS, NEW MEXICO***

A Market Value Appraisal & Appraisal Report
Permanent & Temporary Partial Takings For Road Widening/Improvements
Considering Fee Simple Title
As Of November 21, 2024

Prepared For
Mr. Eric Ulibarri, PE, CFM
Los Alamos County
Public Works Department
Engineering & Project Management Division
1000 Central Avenue, Suite 160
Los Alamos, New Mexico 87544

Prepared By
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March 30, 2025

Mr. Eric Ulibarri, PE, CFM
Los Alamos County
Public Works Department
Engineering & Project Management Division
1000 Central Avenue, Suite 160
Los Alamos, New Mexico 87544

RE: Trinity Drive Widening For Deceleration Lane & Finch Street Extension, Los Alamos, New Mexico

Dear Mr. Ulibarri:

In accordance with our agreement, I have made an investigation, study and “taking only” appraisal for proposed Temporary and Permanent Partial Takings to facilitate road widening and improvements to Trinity Drive from property identified as the Los Alamos Medical Center located at 3917 W Road in Los Alamos, Los Alamos County, New Mexico. The Larger Parcel consists of land, a commercial structure and site improvements. My analysis indicated that the Remainder Parcel is not damaged by the Partial Takings or Project. Accordingly, the appraisal has been performed as a “taking only” appraisal focusing on the fair market value of the part of the property directly impacted by the Partial Taking. This appraisal has an effective date of November 21, 2024 and is subject to the hypothetical conditions and extraordinary assumptions outlined in the following report.

An appraisal using the applicable approaches to market value has been made and is hereby submitted in an Appraisal Report (Summary form). The following chart summarizes the relevant valuation conclusions.

DESCRIPTION	LAND	IMP	TOTAL	SUMMARY
Value of Larger Parcel	\$3,335,700	>\$0	>\$3,335,700	
Value of Remainder Before Acquisition			>\$3,067,500	
Value of Parcel To Be Acquired				\$268,200
Land	\$153,600			
Improvements		\$114,600		
Value of Remainder After Acquisition			>\$3,067,500	
Damages (Cost-To-Cure)			\$69,100	
Benefits			\$0	
Net Damages				\$69,100
TCP Taking				\$7,350
Land	\$2,050			
Improvements		\$5,300		
Total Indicated Compensation				\$344,650

This estimate is applicable as of November 21, 2024, and it is subject to the hypothetical conditions and extraordinary assumptions cited within the following report.

Respectfully,

Bryan E. Godfrey, MAI, State Certified General Appraiser #G-192



APPRAISAL CONCLUSION SUMMARY

GENERAL INFORMATION

Purpose Of The Appraisal	Fair Market Value Estimate
Type Of Appraisal	Appraisal Using The Sales Comparison Approach
Type Of Report	Appraisal Report (Summary Form)
Property Type	Commercial Building, Site Improvements & Land
Property Location	3917 W Road Los Alamos, Los Alamos County, New Mexico
Value Estimated	"As Is" As Of November 21, 2024
Rights Appraised	Fee Simple Title
Hypothetical Conditions	Yes – See Report
Extraordinary Assumptions	Yes – See Report
Date Of Appraisal Report	March 30, 2025
Date Of Property Valuation	"As Is" On November 21, 2024

PROPERTY INFORMATION

Site Zoning	C-3 For Heavy Commercial Use
Site Areas	Larger Parcel = 368,584 Square Feet Permanent Taking Parcel = 16,967 Square Feet Temporary Taking Parcel = 2,250 Square Feet Remainder Parcel = 351,617 Square Feet
Improvements Considered	Landscaping & Parking Lot Improvements
Easements	Utility Easements
Highest & Best Use	Land: Commercial/Institution Use
Potential Environmental Hazards	None Known

VALUATION INFORMATION

Depreciated Cost Approach	\$119,900 Cost Of Improvements Taken
Sales Comparison Approach	\$153,600 (Permanent Taking) \$2,050 (Temporary Taking)
Income Capitalization Approach	Not Used
FMV Of Part Taken	\$275,550 Temporary/Permanent Partial Takings
Remainder Damages	\$69,100 Cost-To-Cure Parking Lot Reconfiguration
<i>FMV Impact/Compensation</i>	<i>\$344,650 Taking & Cost-To-Cure Damages</i>



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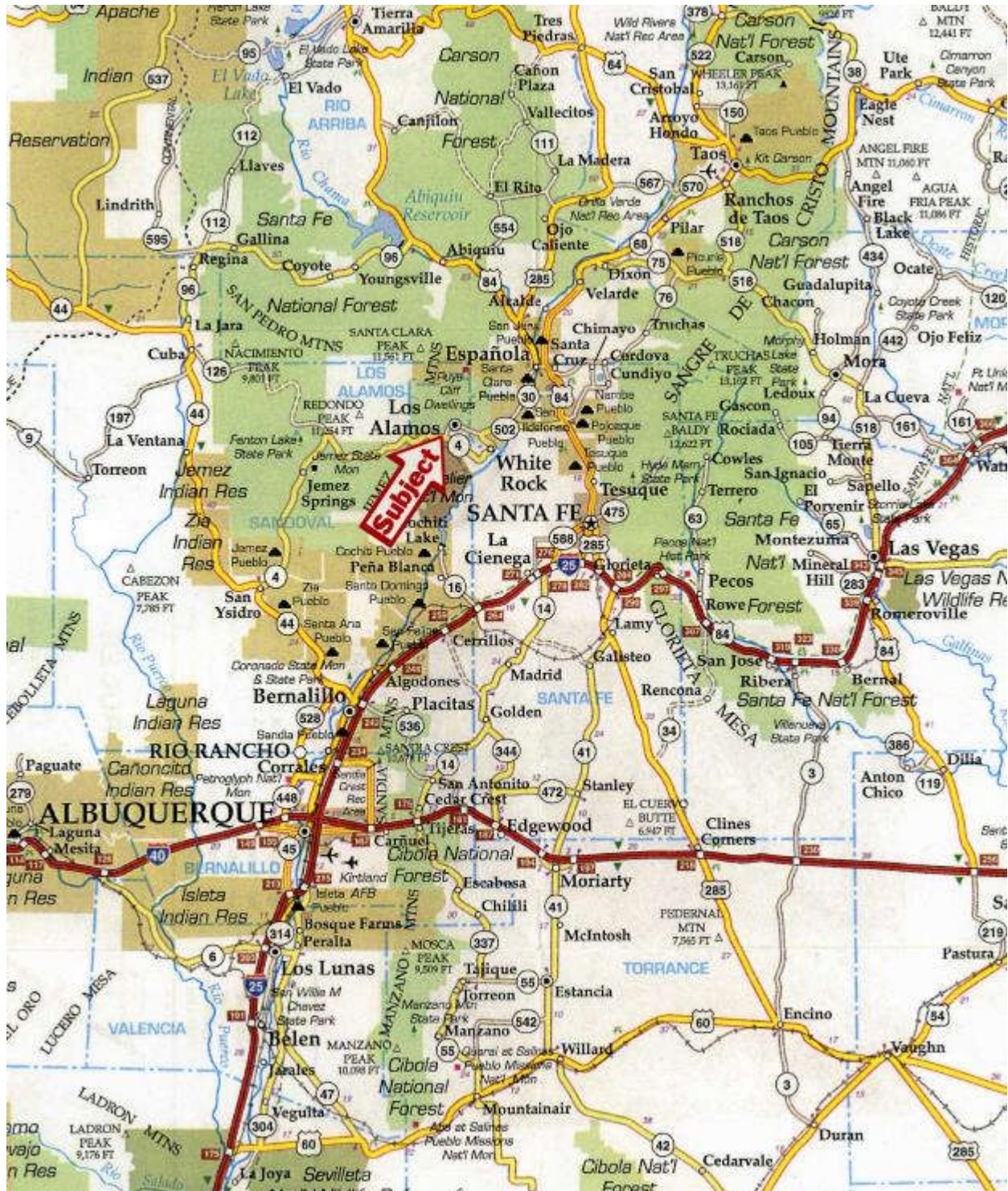
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STATE MAP



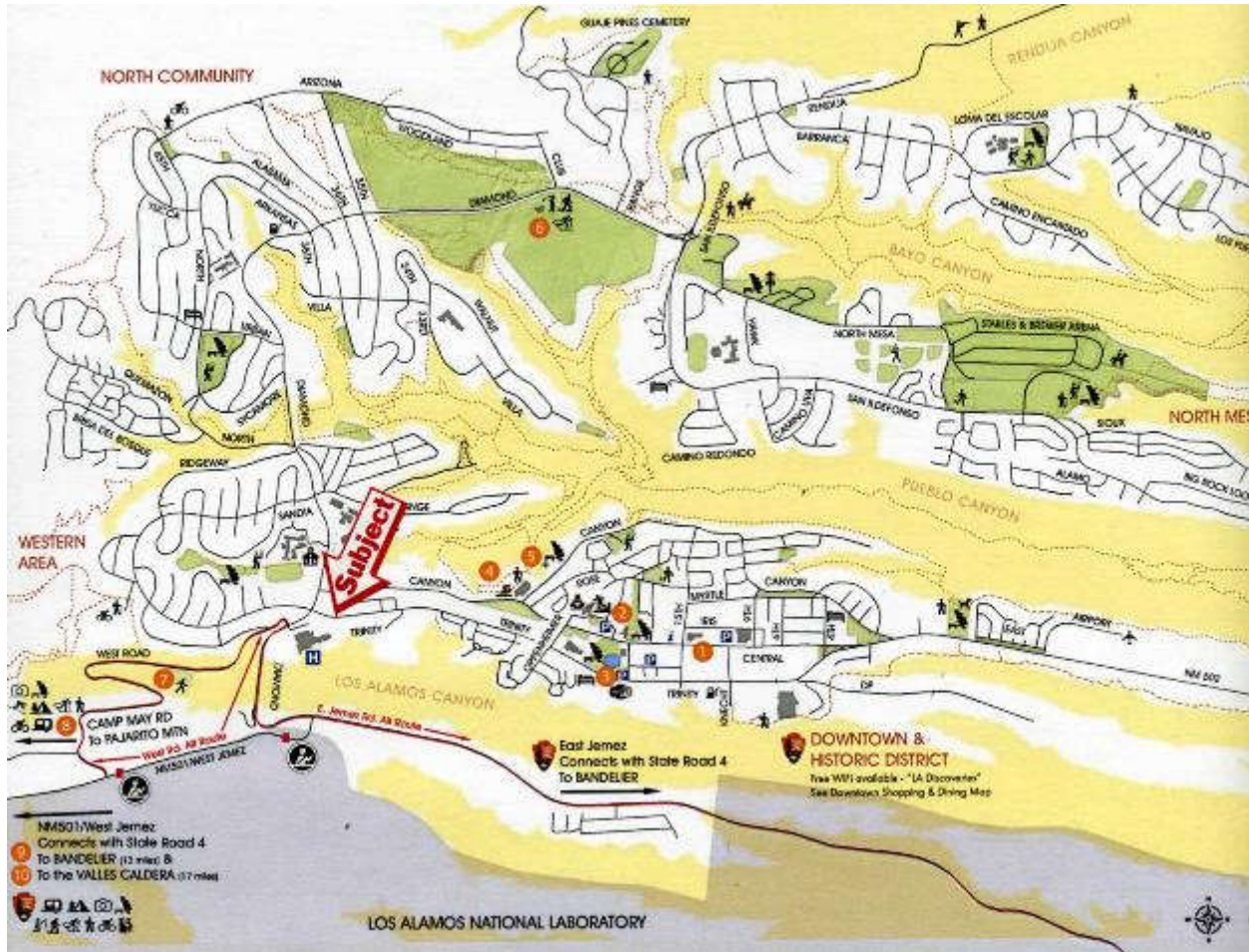
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AREA HIGHWAY MAP



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LOS ALAMOS STREET MAP



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2023 LOS ALAMOS AERIAL PHOTOGRAPH



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Identification Of The Subject Property

The subject of this appraisal is a large parcel of land improved with a hospital and medical office structure and supporting site improvements located in the southeast quadrant of Los Alamos (unified city/county), New Mexico. The property's location is most easily referenced as being at the intersection of Trinity Drive and Diamond Drive. "Landmark" properties in the subject area include the Los Alamos High School campus and the campus of the University of New Mexico, both located slightly north of the subject, and the main campus and concentrated improvements of Los Alamos National Laboratories (LANL) situated south of the subject. In addition, the Los Alamos Medical Center, the improvements on the subject site, are a landmark. Together, these arterial and landmark references help to identify the subject's location within Los Alamos.

More specifically, the subject property is located at the southeast corner of Trinity Drive and Diamond Drive. Based on the fact that Diamond Drive is the road leading directly to the LANL campus, that there are prominent educational institutions near the subject, and that the subject is the only hospital in Los Alamos, it is clear that the immediate area is well-known to area residents. In addition to these prominent institutional facilities, the subject area is improved with some strip commercial, professional office and both single and multi-family residential properties.

Improvements on the subject site are commonly known as the Los Alamos Medical Center. The property includes a 47-bed acute-care hospital and integrated medical offices. The property is addressed 3917 W Road, a small road along the west side of the site. The improvements are more readily associated with their frontages along Trinity and Diamond Drives.

Legal Description

Data provided by my client indicates the following legal description for the Larger Parcel.

Tract B, Eastern Area No. 3, As Shown On The Plat Entitled "Boundary Survey Of Tract B And A Portion Of West Road, Eastern Area No. 3 (Commonly Known As The Hospital Tract), Los Alamos, New Mexico, May 2002", Filed In The Office Of The County Clerk Of Los Alamos County, New Mexico In Book 103, Page 893.

An un-recorded survey prepared in 2021 shows the following legal description.

Tract B, Eastern Area No. 3, As Shown On The Un-Recorded Document Entitled "Boundary Survey And Lot Split For Los Alamos Medical Center & Los Alamos County Of Tract B Of Eastern Area No. 3, Section 16, Township 19 North, Range 6 East, N.M.P.M., Los Alamos, Los Alamos County, New Mexico".

The legal descriptions were provided by my client and are, for practical purposes, indistinguishable. The legal descriptions are accepted as accurate, and the un-recorded legal description and forms the basis for this appraisal. Any change to this legal description may necessitate revisions to this appraisal or render it invalid.

My client provided a legal description for the "Permanent Partial Taking" from the subject property, which is a taking of the fee simple title to the Permanent Partial Taking area. The proposed Permanent Partial Taking is necessary to accommodate road widening and road work to Trinity Drive to improve traffic safety immediately east of the intersection of Trinity Drive and Diamond Drive (the Project). A copy of the document outlining the legal description of the proposed Partial Taking (the un-recorded plat noted above) is presented later within

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this document. Any change to the legal description of the Permanent Partial Taking may necessitate revisions to this appraisal or render it invalid.

Purpose Of The Appraisal

The purpose of the appraisal is to estimate the change in “fair market value” of a ***fee simple title*** to the subject property attributed to proposed Temporary and Permanent Partial Takings from the subject property and the Project that necessitates the proposed Takings. This appraisal is subject to extraordinary assumptions and hypothetical conditions cited in the following sections of this report. My analysis of the subject property, and the prospective impact of the Takings/Project, has led me to conclude that the proposed Permanent Partial Takings/Project have no measurable negative impact on the functional utility or fair market value of the Remainder Parcel. The physical impact on the subject property includes the permanent loss of a small amount of land and the site improvements thereon, and a change in access to/from the property from Trinity Drive.

In instances where a proposed Permanent Partial Taking and associated Project are not impactful on the Remainder Parcel, the appraisal process is not enhanced by a full “before and after” valuation analysis. The appraisal process is most appropriately focused on that part of the property that is impacted, the area of the proposed Permanent Partial Taking and the site improvements (if any) located thereon. An appraisal thusly focused is commonly known as a “Taking Only” appraisal, wherein only those elements impacted by the Permanent Partial Taking are valued.

My assignment conditions did not include contacting the property owner for purposes of an inspection. Therefore, my inspection was performed with accompaniment of representatives of my client. The inspection was performed on November 21, 2024. Accordingly, the effective date of appraisal is November 21, 2024.

Consistent with the Taking Only appraisal process, this appraisal ***excludes*** any and all personal property, equipment, chattels, water or mineral rights, or any other non-realty element that might be associated with the subject property. It is my intent to value only real estate components.

Extraordinary Assumptions

One or more Extraordinary Assumption impacts this appraisal. As defined in the Uniform Standards of Professional Appraisal Practice (2024 edition), an Extraordinary Assumption is “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.”

It is an extraordinary assumption of this appraisal that:

the legal description of the property provided by my client is a reasonable and reliable representation of the property to be appraised;

the description of the Temporary Taking Parcel’s size (not shown on map) provided by my client is accurate and reliable for appraisal purposes;

the description of the Permanent Taking Parcel provided by my client is accurate and reliable for appraisal purposes;

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absent field staking, my assessment of the Permanent Partial Taking and the improvements within said Taking are reasonable and reliable for appraisal purposes;

as a part of the Project, Los Alamos County will reconfigure/reconstruct (including sign relocation), at no cost to the property owner, the east end of the Remainder Parcel parking lot to coincide with new access from Finch Street (as depicted on exhibits provided herein);

The reader is advised that the use of extraordinary assumptions influences appraisal analyses and conclusions, Therefore, if any extraordinary assumption is later shown to be inaccurate, this appraisal could be rendered invalid or become subject to revision.

Hypothetical Conditions

One or more Hypothetical Condition impacts this appraisal. As defined in the Uniform Standards of Professional Appraisal Practice (2024 edition), a Hypothetical Condition is “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 purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

It is a hypothetical condition of this appraisal that:

for legally comparative purposes, the property is in “before” and “after” conditions as of the same effective date of valuation;

The reader is advised that the use of hypothetical conditions influences appraisal analyses and conclusions, Therefore, if any hypothetical condition is eliminated, this appraisal could develop different opinions, including a different opinion of fair market value.

Jurisdictional Exception

One Jurisdictional Exception impacts this appraisal. As defined in the Uniform Standards of Professional Appraisal Practice (2024 edition), a Jurisdictional Exception is “an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP an assignment condition established by applicable law or regulation which precludes an appraiser from complying with a part of USPAP”.

It is a Jurisdictional Exception of this appraisal that:

no estimate of “exposure time” is included in association with the estimate of fair market value presented in this appraisal;

If this Jurisdictional Exception is later shown to be inapplicable, an estimate of exposure time can be provided.

Fair Market Value Definition

As generally recognized by New Mexico courts and employed by entities like the New Mexico Department of Transportation, City of Albuquerque, Bernalillo County, and others, fair market value is defined as “the

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highest amount of cash a willing seller would take, and a willing buyer would offer, for the property if it were offered for sale in the open market for a reasonable time to find a purchaser, buying with knowledge of all the uses to which the property is suitable or adaptable; the seller not being required to sell nor the purchaser being required to purchase.” (Source U.J.I. Civil No. 13-711.) This market value definition governs this appraisal.

Client & Intended User Identification

My initial proposal was provided to Mr. Eric Ulibarri with the Public Work Department of Los Alamos County. Los Alamos subsequently provided authorization for the appraisal in the form of a Purchase Order. Therefore, Los Alamos County is hereby identified as the ***sole and exclusive*** client for whom the appraisal was prepared. Los Alamos County is also identified as the ***sole*** “intended user” for whom this appraisal was prepared and is the entity that may place reliance on it. I know of no other and anticipate no other intended user and I assume no responsibility for use of the appraisal by other than the client and intended users identified herein. This stated, I am aware that my client may elect to provide a copy of the appraisal to the property owner in the process of negotiations for the proposed Permanent Partial Taking from the subject property. This possibility does not require that I identify the property owner as an intended user. Accordingly, simple possession of a copy of this report does not infer client or intended user status to the possessor.

Intended Use Of The Appraisal

Based on discussions with my client’s representatives, it is my understanding that the intended use of the appraisal is as an independent estimate of the change in fair market value of the subject property, which is subject to a proposed Temporary and Permanent Partial Takings by Los Alamos County in relation to a planned widening of and improvements to Trinity Drive in the area immediately east of its intersection with Diamond Drive. Said appraisal and conclusions may be used as a basis for an offer of compensation, compensation negotiations or condemnation proceedings related to the subject property. I am not responsible for any unauthorized or unintended use of the appraisal.

Scope Of Work

As of July 1, 2006, changes in the Uniform Standards of Professional Appraisal Practice (USPAP) effectively eliminated the terms “Complete” or “Limited” when referring to the development of an appraisal. While these terms can still be used to convey a common understanding of the type of process employed in developing an appraisal, the terms have no formal meaning in relation to appraisal standards (USPAP). Nonetheless, for purposes of simple reference, the appraisal was developed in a way consistent with the general understanding of a Complete Appraisal in that it employs all applicable approaches to estimating fair market value of the Partial Taking.

The Scope Of Work for this appraisal included generic processes like a periodic gathering of relevant data on the Los Alamos (city/county); information such as population, employment, and other economic data. Similarly, some of the most prominent sectors of the local real estate market are periodically analyzed for trends related to construction activity, occupancy, sales and rental rate movement. More specifically, the neighborhood in which the subject property is located has been surveyed and both historic development patterns and emerging trends are noted. I have gathered information from governmental agencies related to legal descriptions, recorded plats, a property survey, legal use information, property tax data, etc., and

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assembled other factual data from a variety of sources. I have made an on-site inspection of the property to the degree necessary.

For purposes of valuing the subject property, I have inspected the property to the degree necessary with the accompaniment of representatives of my client, and utilized maps, plats and aerial photographs of the property to help assess the property and its physical and functional attributes. I have researched recorded transactions in the subject area and of the same property type in expanded areas, researched sales and listing data, and researched the broad economic data related to comparable vacant land in the broader Albuquerque area. All of these data have been analyzed and reconciled in the process of developing the fair market value estimate for the subject. Analyses included considering the subject's physical and functional features, analysis of market data and comparisons of market data to the subject for selection of the most applicable indicators of fair market value for the subject property.

I have not knowingly excluded any pertinent data in the development of the appraisal. However, New Mexico is a non-disclosure state, and parties to sales and leases cannot be compelled to provide information on real estate transactions. Therefore, it is possible that there is pertinent data that has not been included in this appraisal because of non-disclosure issues. It is also possible that data provided to me and relied upon in this appraisal is inaccurate. I have attempted to obtain information from knowledgeable and reliable parties. But I assume no responsibility for the accuracy of such data. I have not knowingly excluded any pertinent steps in the development of this appraisal.

My client has requested the appraisal be presented in an Appraisal Report. As of January 1, 2014, the term "Summary Report" was formally retired by the Appraisal Foundation. However, the term Summary Report may still be used as an adjective to refer to a style of reporting that appraisal consumers have utilized for many years. Therefore, this Appraisal Report follows what is commonly known as a Summary Report format with regard to the presentation of narratives and market data. The report type does not impact the appraisal process. I have attempted to develop this appraisal and report in a fashion that satisfies all applicable appraisal standards and my client's expectations.

In accordance with appraisal standards, I hereby advise the reader that I performed an appraisal of the subject property, in the same context as the current assignment, in 2022 for the same client and intended user. Otherwise, I have provided no services of any type related to the subject property within the three years immediately prior to accepting this appraisal assignment.

Property Owner Contact

My assignment conditions did not include contacting the property owner. Therefore, no owner contact was attempted or made. My 2022 on-site inspection of the property was coordinated with and executed with representatives of my client; my 2024 inspection was conducted independently.

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Los Alamos City/County Data

Los Alamos is the County Seat of Los Alamos County and stands as the only material community in the entire County. As a practical matter, the city and county are indistinguishable, as Los Alamos County has county and municipal authority. Los Alamos gained fame due to the Los Alamos National Laboratories (LANL), and the role the labs played in development of atomic weapons during WW II. The labs remain the primary driving force for Los Alamos, and their importance to Los Alamos and almost all of northern New Mexico cannot be overstated.

As noted, there is no statistical difference between city and county.

LOS ALAMOS COUNTY/CITY POPULATION

YEAR DATE	COUNTY/CITY POPULATION	GROWTH RATE
1970	15,198	+1.55%
1980	17,599	+1.48%
1990	18,115	+0.29%
2000	18,343	+0.13%
2010	17,950	-0.22%
2020	19,419	0.70%

The Los Alamos population has grown slowly over time. In the 1960s and 1970s, annual growth was about 1.5%. The growth rate declined sharply in the 1980s and 1990s, but did remain positive. Population declined slightly in the 2000s, but the 2010s saw a rebound in population, with the growth rate reaching 0.70% per year, and population hitting 19,419 in the 2020 census.

As of July 2023, the US Census Bureau estimated population at 19,444, barely above the 2020 census figure. This indicates population growth significantly below rates seen in the 2010s, and suggests a longer-term return to growth rates seen in earlier decades.

With Los Alamos being dominated by LANL, employment concentrations are quite obvious. In recent years, however, the economy has become more diverse, based primarily on the up and down role of LANL in the economy. Based on the New Mexico Department of Work Force Solutions data, recent years have seen very positive movement in the labor force and employment.

LOS ALAMOS EMPLOYMENT STATISTICS

YEAR	2015	2016	2017	2018	2019	2020	2021	2022	2023	10/24
LABOR FORCE	8,558	8,862	9,221	9,139	9,577	9,759	10,011	10,579	11,817	12,341
EMPLOYED	8,208	8,482	8,871	8,829	9,266	9,413	9,689	10,345	11,598	12,039
UNEMPLOYED	350	380	350	310	311	346	322	234	219	302
% UNEMPLOYED	4.1%	4.3%	3.8%	3.4%	3.2%	3.5%	3.2%	2.2%	1.9%	2.4%

Moving past the Great Recession, the labor force has shown steady growth from 2015 through 2024, with a total increase of almost 3,800 labor participants. Employment grew similarly, increasing every year in the study period and adding 3,830 jobs. These numbers are especially noteworthy because almost every other location within New Mexico experienced significant job losses in 2020 and 2021 because of the COVID19 pandemic. Clearly, the dominance of government jobs in Los Alamos was a factor in sustaining and growing employment during the pandemic and thereafter. Clearly, the number of unemployed persons is very low,

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as is the unemployment rate (below 4% for the past six to seven years). Clearly, the local job market is very strong.

Given the strong employment market, and considering the nature of Los Alamos employment, it is not surprising that in 2023 Los Alamos County per capita income was \$91,773 (up 27% in the past four years). Median household income in 2022 was \$135,801. As always, Los Alamos ranks first in New Mexico, with per capita income and household income that are significantly higher than anywhere else in the state.

The local housing market has seen the effects of growing population and employment figures. The following chart shows statistics on the housing market's recent performance.

LOS ALAMOS HOME SALES STATISTICS

YEAR	2016	2017	2018	2019	2020	2021	2022	2023	11/24	%CHG
SALES	238	223	272	210	232	241	249	181	185	-22%
AVG PRICE	\$309,899	\$310,040	\$354,155	\$376,107	\$412,015	\$436,998	\$516,989	\$580,138	\$605,126	+95%
MED PRICE	\$289,500	\$295,000	\$352,071	\$350,000	\$407,434	\$415,000	\$477,000	\$550,000	\$589,000	+103%
AVG DOM	93	47	23	20	15	14	19	15	13	-86%

Like other statistics, housing market data is almost all positive. Sales volume, perhaps the least relevant statistic, exceeded 200 sales per year from 2016 through 2022, with pandemic years having among the highest sale counts. With high inflation and rapidly rising interest rates, sale volume cooled in 2023 and 2024, with 2023 showing fewer than 200 sales (it is likely year-end 2024 sales could reach/exceed 200). The lower volume of sales is not a good reflection of demand, as other data show.

Average and median home prices rose significantly over the study period, with total increases of 95% and 103%, respectively. Despite higher interest rates, the increase from 2022 to 2023 was one of the highest, with increases of 12% and 15%, respectively. Despite the negative change, fewer "days on market" reflects strong demand, and it has taken 20 days, or less, for homes to sell since 2019. So far in 2024, average days on market is just 13. Thus, despite somewhat fewer sales than in prior years, the local housing market shows steadily increasing home prices and sustained strong demand.

Gross receipts from the "retail" sector was distorted in the 2000s due to spending necessary to the recovery from the Cerro Grande fire that devastated parts of Los Alamos. Moving past the fire and the subsequent Great Recession, retail spending reflects the growing population and increasing employment.

COUNTY/CITY OF LOS ALAMOS RETAIL GROSS RECEIPTS

YEAR	1 ST QTR	2 ND QTR	3 RD QTR	4 TH QTR	TOTAL	% CHG
2016	\$29,365,971	\$34,261,307	\$24,019,630	\$42,787,077	\$130,433,985	-10.25%
2017	\$29,359,446	\$35,525,761	\$35,436,149	\$40,691,818	\$141,013,174	8.11%
2018	\$32,938,085	\$37,156,309	\$40,909,704	\$41,334,575	\$152,338,673	8.03%
2019	\$30,802,542	\$43,317,791	\$37,615,634	\$49,730,145	\$161,466,112	5.99%
2020	\$37,779,982	\$41,951,023	\$41,443,696	\$44,237,514	\$165,412,215	2.44%
2021	\$41,463,502	\$50,788,750	\$64,094,408	\$65,273,436	\$221,620,096	33.98%
2022	\$50,519,003	\$48,696,810	\$58,618,296	\$58,460,419	\$216,294,528	-2.40%
2023	\$40,374,996	\$84,644,636	\$77,603,782	\$77,609,712	\$280,233,126	29.56%
2024	\$61,330,830	\$79,170,456	\$75,444,788	N/A	N/A	N/A

Following a very large increase in spending in 2015, spending retreated in 2016. From 2016 through 2021, retail spending steadily increased, with 2021 seeing an increase of nearly 34%! Following a slight pullback in

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2022, spending in 2023 rose by 30%. Through the first three quarters of 2024, spending is up over the same time in 2023, but only slightly. Regardless of the final tally in 2024, Los Alamos County has seen retail spending surge in recent years, and more than double since 2016. It is true that gross receipts can be impacted by all types of spending, not just consumer spending, but the steady and strong growth clearly implies healthy consumer retail spending.

Conclusion

Overall, Los Alamos is the sole area of concentrated development in Los Alamos County. The county/city area is considered to be very healthy, but it remains heavily dependent on LANL. With the end of the cold war, LANL was forced to embrace technology transfer to the private sector and became a more prominent part of the community than ever before. Accordingly, LANL revised some prior contracting practices and now looks toward the impact on the area of contracts it awards. Nonetheless, projects intended strictly for the United States government remain a prominent component of LANL operations.

While such high dependence on the federal government can work as insulation against many broader economic influences, it is equally true that when the federal government contracts the impact on Los Alamos can be significant. In recent years, and for the foreseeable future, LANL is a positive force in the economy. From (at least) 2016 to date, Los Alamos has seen increasing population, significant increases in employment, high demand and increasing pricing in the housing market, and sizeable increases in local retail spending. I rate the condition of the local market as being strong.

The Subject Neighborhood

The geography of Los Alamos dictated its development from the beginning. Los Alamos developed in something of a “U” shape along the ridge tops of the area’s mountains. The subject neighborhood is at the base of the “U” and is an area that most residents must pass through moving between primary residential areas and areas dominated by retail, commercial and institutional facilities.

The subject neighborhood is the area surrounding the intersection of Trinity Drive and Diamond Drive. Development within the subject neighborhood is a mix of residential, commercial and institutional uses. The mountainous terrain and ridge tops do not generally allow for very large development areas. Therefore, there is generally only one main road, or series of roads, that loop through Los Alamos, though there is a stretch of parallel roads in the Eastern Area that accommodates some of the Los Alamos’s heaviest traffic. Within the subject neighborhood, the primary roads are Trinity Drive and Diamond Drive.

Development of the subject neighborhood dates back to the 1940s. Residential construction was largely oriented to military housing, with freestanding private residences developed to a lesser extent until sometime later. Military housing took the form of dormitory or barracks structures that have survived until today, having transitioned to private ownership and into apartment uses. What are now apartments tend to be located close to the main arterials, predominantly along Canyon and Gold Streets, east of Diamond Drive. Within this area, lands west of Diamond Drive tend to be dominated by detached single-family residences.

The core of retail-commercial development for all of Los Alamos is located east of the subject neighborhood. The subject neighborhood does have some commercial uses, but non-residential development is dominated by institutional uses. The three main institutional uses are Los Alamos High School, the Los Alamos campus of the University of New Mexico, and the Los Alamos Medical Center,

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the city's only hospital. Though it is really an area or neighborhood unto itself, the main grounds of Los Alamos National Laboratories are located south of the subject neighborhood, access by Diamond Drive south of Trinity Drive.

Growth in the subject neighborhood has been limited for many years by a general lack of available land, the same issue that limits growth throughout Los Alamos. Most new construction comes in the form of redevelopment, with improvements that have passed their economic life being razed in favor of modern structures that meet modern community or neighborhood needs. Although a couple of sites in the neighborhood were recently bought for purposes of redevelopment, the sites have not been improved, at least in part because the COVID19 pandemic, which stifled most market activity in recent years. Given the institutions that dominate this area, it is likely growth will as soon as there is more certainty about shifting market dynamics arising from the pandemic and a period of high inflation and elevated interest rates.

Access to the subject neighborhood is excellent. The neighborhood is served by Trinity Drive, the main thoroughfare in and out of Los Alamos and the southern leg of the "U". Central Avenue/Canyon Road serves as a secondary arterial. Diamond Drive, the base of the "U", is the north/south route that links the north and south regions of Los Alamos and the link to the main grounds of LANL. Various intersecting tertiary streets provide access between these arterials and residential sections of the neighborhood removed from the main arteries.

Overall, while it is a well-established neighborhood in Los Alamos, the subject neighborhood is considered to be one of the most desirable because of the proximity to nearby retail-commercial districts, and the strong presence of educational institutions, the city's only hospital and extensive integrated medical offices, and the linkage to LANL. I rate the subject's neighborhood as stable and poised for improvements when the pandemic wanes.

The Larger Parcel

The first step in describing the subject property is identifying the "Larger Parcel". Criteria used to analyze the Larger Parcel include unity of ownership, unity of use or highest and best use, and physical contiguity or proximity. All criteria support identifying the Larger Parcel as the land described in this report as a nominal 8.5-acre parcel of land and the improvements thereon. The site abuts public rights-of-way or independently owned property on all sides, so there is no basis for extending the Larger Parcel. Therefore, I conclude the subject, as described in the next section of this report, is its own Larger Parcel.

Site Description – Before Condition

Copies of recorded and ***un-recorded*** plats are included in the preface for the reader's reference.

Location: The southeast corner of the intersection of Trinity Drive and Diamond Drive, with additional frontage on W Road.

Size: Based on the 2002 recorded plat, the subject site contains 368,735 square feet, or 8.4650 acres. The un-recorded plat, drawn in 2021, shows the subject site contains 368,584 square feet, or 8.4615 acres. The difference of 151 square feet is insignificant, and I will use the un-recorded plat area of 368,584 square feet for this appraisal.

Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
Los Alamos, New Mexico, Page 14

Shape: The site has a semi-rectangular, oblong, and slightly irregular shape. Pertinent dimensions include approximately 317' of frontage on W Road, about 363' of frontage on Trinity Drive, and approximately 317' of frontage on Diamond Drive. Site depth varies considerably, being shallow at the site's east end and much deeper at the site's center and west end. Site dimensions yield a site with excellent arterial frontage and a very favorable frontage to depth ratio. Though site depth varies, the site's shape does not include overly narrow areas or acute angles that reduce functional utility. I consider the site's shape to be to good and readily usable.

Topography: The site's topography reflects the fully developed status of the site. Despite being fully improved to support a large commercial building and supporting site improvements, the site retains mild slopes and undulations that facilitate drainage sway from the existing building toward landscaped grounds or the southern edge of the site. Overall sloping is downward from northeast to southwest, with elevation changes within the site approximating 10'. Based on the size of the site, these slopes are deemed to be mild and not such that site utility is compromised.

Flood Zone: Based on FEMA Map 35002C-0040C from July of 2011, the site is in a Zone "X" (not shaded), defined as "areas determined to be outside 500-year floodplains".

Soil: Absent any current/past soil bearing or composition data, but based on what appears to be successful development of the subject and adjacent sites, this appraisal is predicated on the underlying assumption that the site is sufficiently stable to support the existing building and any reasonably probable future building or site improvements. Discovery of any adverse soil conditions could make this appraisal invalid.

Environmental: Absent current or past Phase I or other environmental reports, this appraisal is predicated on the underlying assumption that there are no above/below ground conditions or contaminants that could negatively impact the value of the property. Discovery of any adverse environmental condition could make this appraisal invalid.

Zoning: Under authority of Los Alamos County, the site is zoned C-3, for "heavy commercial district". The C-3 heavy commercial district is intended to accommodate commercial uses allowed in the C-1 and C-2 districts and those which generate more traffic and noise. Included are automotive-connected uses such as service stations, repair garages, tire shops, motels and hotels, uses such as large stores, drive-in or takeout facilities and commercial recreation establishments. Common restrictions relate to property line setbacks, building height limitations, and providing adequate on-site parking. For additional detail, the applicable section(s) of the zoning code is included in the addendum.

Utilities: Public utilities extended to the site now consist of electricity, telephone/telecommunications, natural gas, water and sewer. Los Alamos County Department of Public Utilities provides all utility services to residential and commercial customers. Utilities come to the site in standard underground and/or overhead easements.

Easements: The un-recorded survey does not show any easements within the subject property lines. The recorded plat shows the following easements.

1. An irregular utility easement encumbering parts of the south edge of the site.
2. A 10' wide sewer easement penetrating the west edge of the site.
3. An acid waste line across the northwest corner of the site.

Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
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Easement #1 is along the site's perimeter and is not considered detrimental to site utility or value. Easements #2 and #3 penetrate to more central parts of the site, and actually run underneath the existing building. These easements may well have been created to serve the existing building. Given their locations and probable functions, I do not consider these easements detrimental to site utility or value. Absent a detailed title report or a more extensive current survey, this appraisal is predicated on the underlying assumption that there are no unknown detrimental easements impacting the subject site.

Access: Direct legal access to the site is from Trinity and Diamond Drives, and W Road. Developed access consists of one driveway to Trinity Drive and one to Diamond Drive/W Road located near the site's northeast and northwest corners, respectively. Indirect access is possible from the abutting site to the west/southwest, as there are openings between the parking lots that serve the two properties. I am unaware of a formalized agreement for cross access, but restricting said access would not appear to benefit either property owner.

Streets: Adjacent to the subject site, Trinity Drive is a paved, four-lane street with a mix of painted and raised concrete median dividers. Diamond Drive is similarly configured. Both streets are bordered by concrete curb, gutter and sidewalks. The intersection of Trinity and Diamond Drives is signalized and is mostly conventional, but there is a slip-lane that allows northbound Diamond Drive to flow freely into eastbound Trinity Drive. W Road along the west edge of the north side of the site has a 30' right-of-way and function more like a private driveway than a public road. W Road dead-ends in the subject site.

Summary: Overall, I consider the subject site well suited to the various commercial uses and improvements allowed by current zoning, as well as the existing hospital structure and supporting parking lot and landscape improvements. Despite some irregularities in the site's shape, I am unaware of any material impediments to the use or development of the subject site.

The Existing Improvements – Before Condition

The Larger Parcel is improved with a large commercial building incorporating hospital and medical office elements. Known as the Los Alamos Medical Center, the building houses a 47-bed acute-care hospital and supporting medical offices. The Los Alamos Medical Center's website states that most of the physicians providing services in the hospital also have their offices on premises. The building occupies the west end and central parts of the site. There are parking and circulation areas north and south of the building, but most parking is located on the eastern part of the site. In addition to the building and parking areas, the site has perimeter landscaping and property signage.

The purpose of this appraisal is to estimate the change in fair market value of the subject property attributable to a Partial Taking that will result in an accompanying change in access and reconfiguration of the east end of the parking lot. The Partial Taking and the changes noted are well removed from the existing building, and based on my analysis, the Partial Taking and changes to the Remainder Parcel will have no measurable negative impact on the existing building or its functional utility as it relates to the changes on the site. In such cases, there is no benefit to the appraisal process in valuing portions of the property that are unaffected by the proposed Partial Taking and related changes to the Remainder Parcel. Since the existing building will not be impacted, it is not described in any further detail.

Those improvements that are impacted by the Partial Taking include parking lot improvements, landscaping and signage. These elements will be discussed further under the description of the Partial Taking Parcel.

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Property Identification: Los Alamos Medical Center
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Assessed Value & Property Taxes

Investigation with the Los Alamos County Assessor's office revealed the Larger Parcel is associated with three parcels identified by separate Uniform Property Code Numbers. The three assessment parcels are assessed in three separate names, with tax notices sent to different addresses. The following charts show the UPC numbers, owner's name, assessed and taxable values, and taxes for the current tax year. The Assessor's website provides no indication of any past due taxes or outstanding interest or penalties.

SUBJECT PROPERTY TAX DATA

OWNER NAME	UPC NUMBER	ASSESSED	TAXABLE	TAX '24
PHC-Los Alamos, Inc.	1-033-112-046-3600000	\$37,851,920	\$12,617,310	\$362,293
Los Alamos Med Prof Bldg	1-033-112-046-3600001	\$1,927,010	\$642,340	\$18,444
SW Physicians Med Office	1-033-112-046-3600002	\$4,596,810	\$1,532,270	\$43,998
<i>TOTAL</i>		<i>\$44,375,740</i>	<i>\$14,791,920</i>	<i>\$424,735</i>

In total, the subject property has an assessed market value of about \$44,375,000. Of the total, the assessed value of the land is about \$5,378,000. Based on the Assessor's total land area of approximately 8.4640 acres, the assessed land value equates to \$635,405 per acre, or \$14.59 per square foot.

Based on my analysis of area land sales, I conclude that the assessed value of the Larger Parcel *site* is above the actual value of the site. While this component of the subject property appears to be over-assessed, and that there may be grounds for protesting the assessment of this component, I have not performed an appraisal of the entire property and cannot comment on the relative accuracy of all components or the total.

Prior Sales Of The Subject Property

My client did not provide a title report document for the Larger Parcel, so I do not have a detailed history of property ownership, mortgages, easements, etc. Absent a detailed title report, my investigation revealed no transactions of the property in the five years leading up to the effective date of valuation. Therefore, this appraisal has not been influenced by any recent sales of the subject property.

To the best of my knowledge, the Parcel is not now, nor has it recently been, listed on the open market for sale. Therefore, there is no pertinent listing history to analyze.

Highest And Best Use

Highest and best use is the analysis of the legal, the physically possible, the probable, and the most profitable use of land and/or improvements. Based on the focus of this appraisal being on the subject site, I have addressed the highest and best use of the land, but not the improvements.

Land As Though Vacant

I conclude the highest and best use of the subject site is for commercial development. Factors leading to this conclusion are as follows.

- Commercial zoning of the site that allows for commercial uses and improvements.
- The site's physical attributes that can accommodate various commercial uses/improvements.

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- The fact that adjacent and nearby sites with similar attributes have most commonly improved with commercial or institutional structures.
- The periodic acquisitions of land and/or improved properties for development and/or re-development demonstrate market participants perceive there to be economic feasibility in developing commercial improvements.

Although there may be valid reasons to pause the land acquisition and development process in light of the ongoing COVID19 pandemic and subsequent high inflation and increased interest rates, it is likely that the typical pace of commercial land acquisitions and development projects will resume at some point. Were it to be made available, I believe the site would be appealing for near-term development of commercial and/or institutional uses/improvements.

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AERIAL ENLARGEMENT



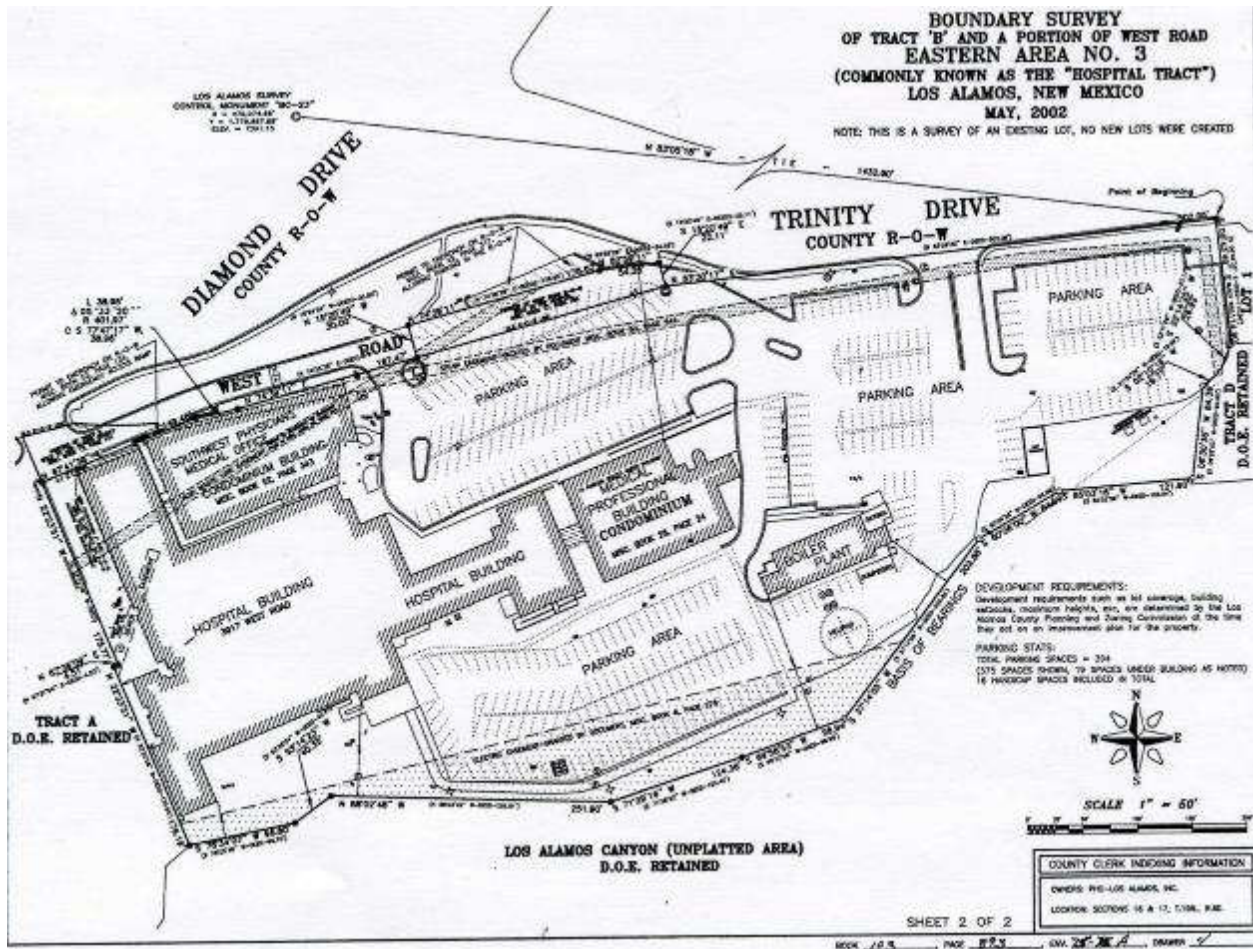
Proposed Right-Of-Way Acquisition
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ZONING MAP



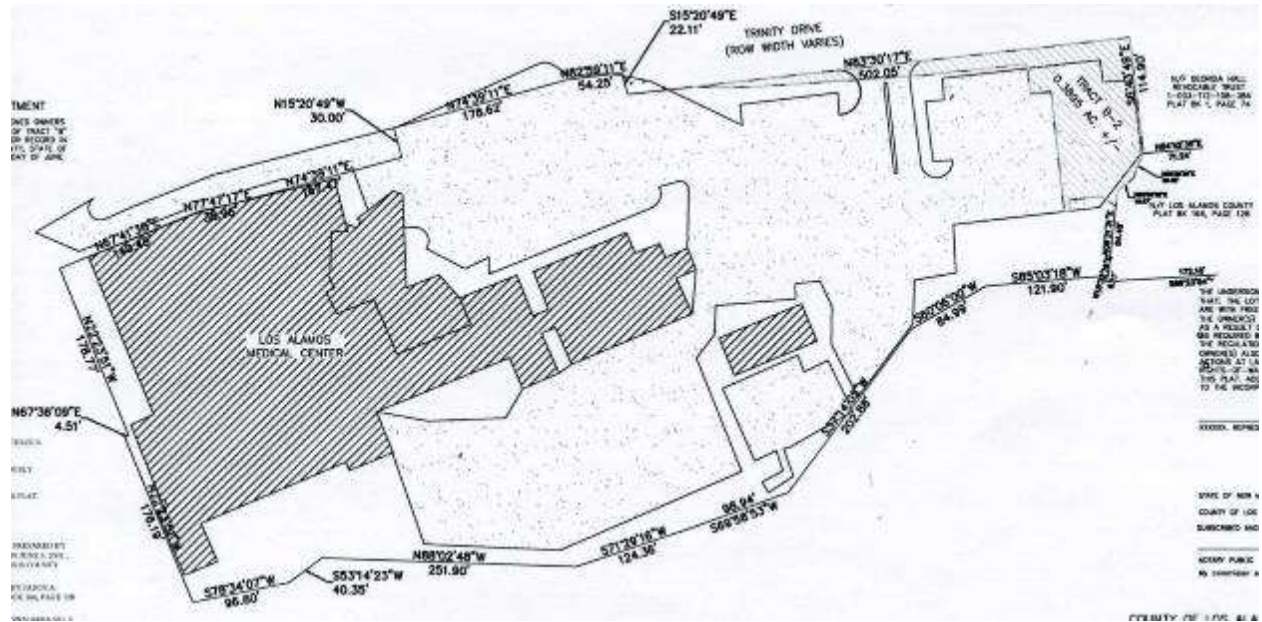
Proposed Right-Of-Way Acquisition
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RECORDED SITE PLAT



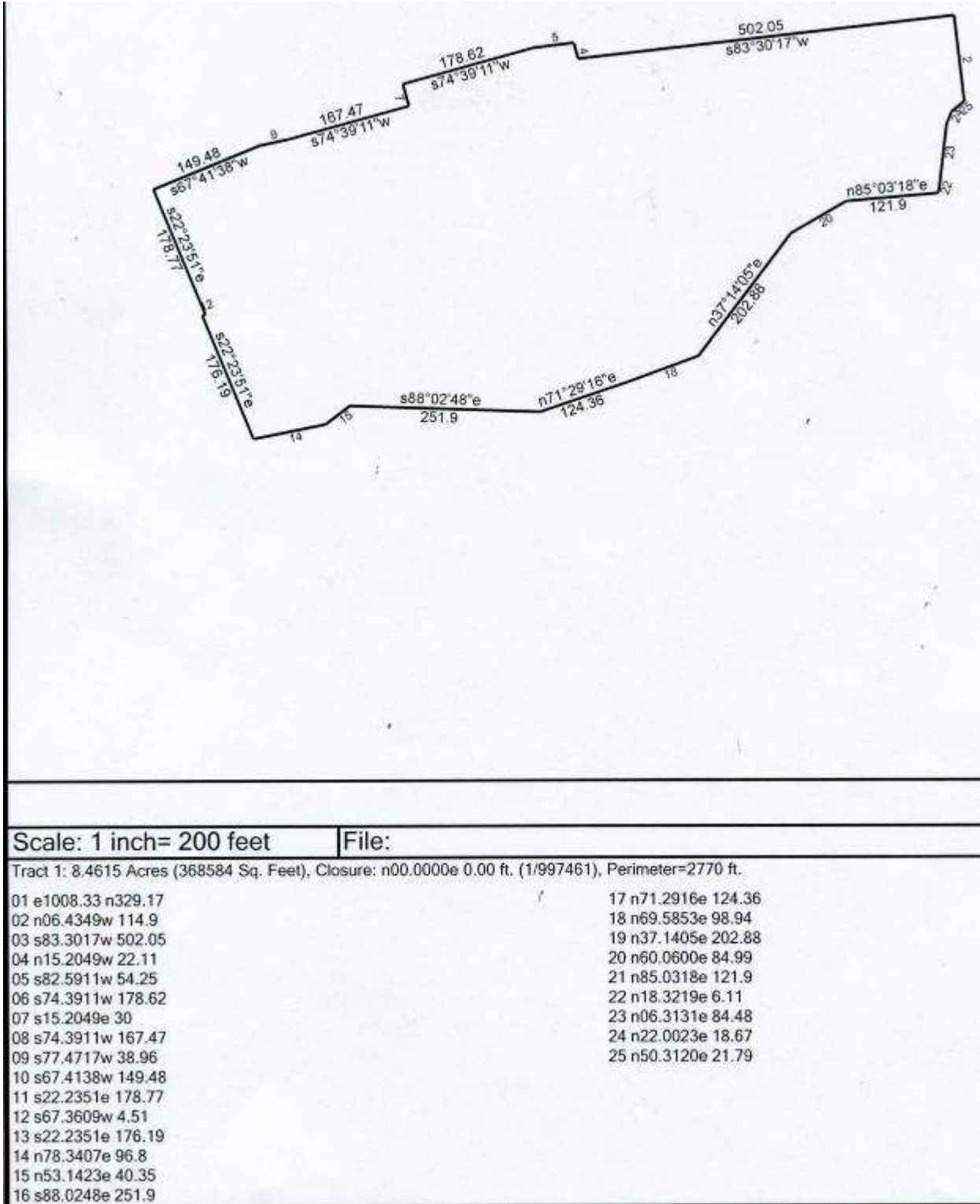
Proposed Right-Of-Way Acquisition
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UN-RECORDED SITE PLAT



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SITE PLOT FROM UNRECORDED PLAT



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SITE PHOTOS LOOKING SOUTHWEST & SOUTHEAST FROM TRINITY



***Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
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SITE PHOTOS LOOKING WEST & EAST ALONG TAKING AREA



*Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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SITE PHOTOS LOOKING AT LANDSCAPING & PARKING LOT IN THE TAKING AREA



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The Project

In brief, the Project that necessitates the Partial Taking from the Larger Parcel is the planned widening of and improvements to Trinity Drive immediately adjacent to the north edge of the Larger Parcel. Aside from the widening, the project will create a solid raised median divider north of the Larger Parcel. The Project is intended to improve traffic safety at/near the existing driveway to the Los Alamos Medical Center. To accommodate the road widening and improvements, additional right-of-way is needed from the subject Larger Parcel. The Project will create a loop road called Finch Street that will intersect with Trinity Drive at 36th Street and extend south of, then parallel, and come to a new intersection with Trinity Drive at the east edge of the subject Remainder Parcel. The new Finch Street intersection with Trinity Drive will be a right-in-right-out intersection.

The Permanent Partial Taking

One Permanent Partial Taking from the subject property is proposed. The taking is comprised of a shallow sliver of land along the east end of the north property line, and the entire eastern tip of the Larger Parcel. Based on the survey document provided to me, the Permanent Partial Taking has a total area of 16,967 square feet (0.3995 acres). The Permanent Partial Taking equates to 4.60% of the Larger Parcel.

Based on the documents provided to me and on my personal inspection of the site, there are improvements within the Permanent Partial Taking that will be lost to the property owner. These improvements are identified below.

TAKING PARCEL IMPROVEMENTS

ITEM	QUANTITY
Asphalt Paving	13,750 Square Feet
Concrete Curb	200 Lineal Feet
Small Bush	10
Small Tree	1
Gravel/Liner	3,000 Square Feet
Parking Lot Lights	2

Most of these improvements are not the type that can be relocated. Therefore, they are lost to the property owner and are eligible for compensation. The parking lot lights can be relocated, and the relocation costs are also eligible for compensation.

The Temporary Partial Taking

A Temporary Partial Taking is often referred to a “TCP”, with the initials standing for Temporary Constriction Permit, as it allows the condemning authority to temporarily have access to that part of the property to accomplish a specific goal. It is usually the case that the condemning authority, or their chosen contractor, is required to leave the area within the TCP in the same or better condition when construction is completed. That is, if existing improvements are damaged in any way, they are to be repaired or replaced at no cost to the property owner.

The Temporary Taking has been generally described to me as an area extending 5’ in from the new north and east property lines established by the proposed Permanent Partial Taking (shown on a project map presented on a subsequent page). I have not been provided with a size estimate by my client. I estimate the

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linear frontage of the new property lines to approximately 450 feet, which when multiplied by 5 feet indicates a Temporary Partial Taking area of 2,250 square feet (0.61% of the Larger Parcel). The purpose of the Temporary Partial Taking is to allow Los Alamos County (or its designated construction crew) to perform work on planned infrastructure along Trinity Drive and the new Finch Street right-of-way east of the Remainder Parcel.

The condemning authority is responsible for the preservation of “hard surface” improvements (asphalt, concrete walks, curbing, and the like) within the Temporary Partial Taking. However, “soft surface” improvements (gravel, bushes, trees) are eligible for compensation. I estimate the compensable improvements as follows.

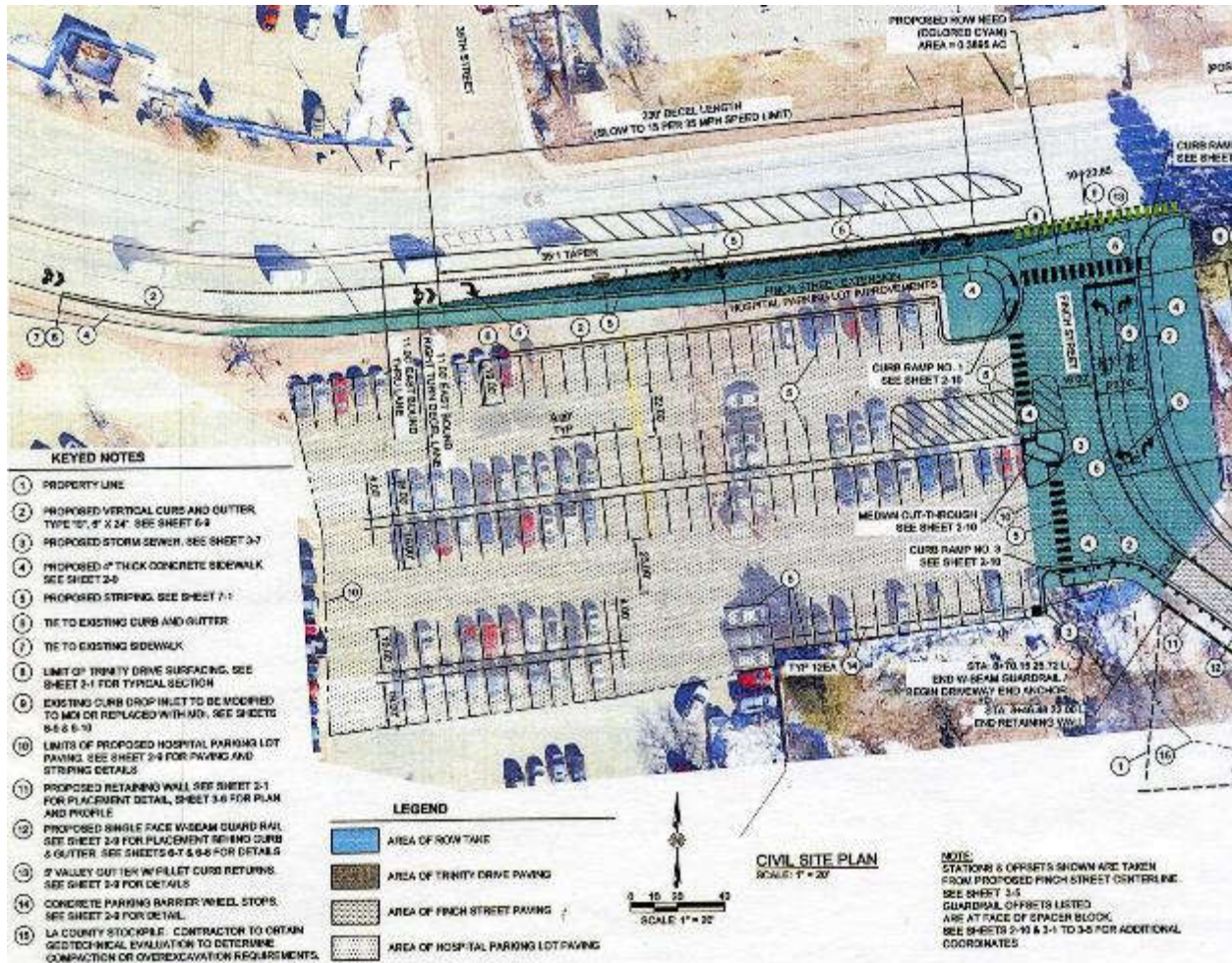
SITE IMPROVEMENTS

ITEM	QUANTITY
Gravel	1,300sf
Bushes	6
Tree	1

Because the elements are vulnerable during construction and could be damaged or destroyed, they are eligible for compensation.

Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
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SITE DIAGRAM SHOWING PERMANENT PARTIAL TAKING OVERLAID ON AERIAL (BLUE)
TEMPORARY PARTIAL TAKING NOT SHOW
(Diagram Shows Possible Parking Lot Reconfiguration)



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Description Of The Subject Remainder Parcel – “After” Condition

After the proposed Permanent Partial Taking, the Remainder Parcel should conform to the following description.

Location: The Remainder Parcel will retain all Diamond Drive frontage, most Trinity Drive frontage, and have frontage on the west side of the new Finch Street (created by Project). The Remainder Parcel will control the southwest corner of Trinity Drive and Finch Street.

Size: By subtraction, the Remainder Parcel contains 351,617 square feet, or 8.0720 acres.

Shape: No material change.

Topography: No change.

Flood Zone: No change.

Soil: No change.

Environmental: No change.

Zoning: No change.

Utilities: No change.

Easements: No change.

Access: The Remainder Parcel retains access to/from Diamond Drive, but has no direct access to/from Trinity Drive. The Remainder Parcel has access to/from Finch Street, which provides immediate access to/from eastbound lanes of Trinity Drive (right-in-right-out, only). Access to/from westbound lanes of Trinity Drive is via Finch Street about 750’ east of the Remainder Parcel.

Streets: No material change.

Summary: No change.

Assessed Value & Property Taxes

Assume proportional reduction related to land lost to the Permanent Partial Taking.

Highest And Best Use

No change.

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Property Location: Trinity Drive & Diamond Drive
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Impact Of The Takings/Project

The direct impact of the Permanent Partial Taking is the loss of a modest amount of the Larger Parcel's land area and improvements thereon, and an alteration to its access to/from Trinity Drive. The physical loss is small enough that I do not think it has any measurable impact on the functional utility of the Remainder Parcel beyond what can be measured by cost-to-cure methodology. The alteration to access to/from Trinity Drive results in essentially direct access to/from eastbound Trinity Drive, and use of a short access road (Finch Street) between the site's east property line and the Finch Street intersection with Trinity Drive (about 750' east of the Remainder Parcel). In my opinion, the functional utility of the Remainder Parcel's access to/from Trinity Drive will be equal to or better than before the Permanent Partial Taking.

The direct impact of the Temporary Partial Taking is the temporary loss of a modest amount of land for the purpose of construction work within the Permanent Partial Taking areas. Upon completion of the work, the TCP will be released and have no continuing impact on the Remainder Parcel.

The indirect impact of the Partial Taking and Project is the closure of the Remainder Parcel's preexisting driveway to Trinity Drive in favor of access to a new street (Finch Street) that intersects Trinity Drive at the Remainder Parcel's "new" east property line, and intersects Trinity Drive in another location 750' east of the Remainder Parcel. The two Finch Street intersections will provide right-in-right-out (west intersection) and "all-direction" (east intersection) access, respectively, to Trinity Drive. While the functional utility of access is equal or better after the Partial Taking, the Partial Taking does result in the loss of land area and parking lot improvements and the need to reconfigure the parking lot to establish new circulation lanes and recapture the greatest number of parking spaces possible. Thus, I conclude that reconfiguration/reconstruction costs constitute damages to the Remainder Parcel. Said damages are curable, and compensation for damages will be calculated through cost-to-cure analyses.

Project engineers estimate the loss of parking spaces under varying reconfiguration models. Based on the current model, seen on a prior exhibit, I estimate 41 parking spaces will be lost. The reconfiguration plan allows for 37 parking spaces to be recaptured, resulting in a net loss of four spaces. Project engineers have studied the subject property and the legal requirements for parking for hospital and medical office uses and advised me that the Remainder Parcel will have more than the legally required number of parking spaces. It is possible that the Remainder Parcel could satisfy legal requirements but be "short" of parking from a practical standpoint, as judged by market parameters. Observation of a handful of aerial views show the parking lot was never full at the times of the photographs. This does not mean that the parking lot never reaches capacity, but there is no evidence to indicate such a small change in available parking would have a negative impact on the fair market value of the entire Remainder Parcel in the "after" condition. Absent any indication of a negative market reaction to the Remainder Parcel's slight reduction in on-site parking, I conclude the Permanent Partial Taking and Project will have no negative impact on the fair market value of the Remainder Parcel beyond what can be accounted for by cost-to-cure methodology.

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Appraisal Procedure

Standard approaches to market value include the depreciated cost approach, the sales comparison approach, and income capitalization approach. While the three approaches may use some common data, the analysis of data is different for each and each approach focuses on a different attribute of property value. Since any analysis can include certain variables, this report may develop low, high, and most probable indications from each study. A final review of the approaches, in light of each other, is the basis for the final value estimate.

The depreciated cost approach considers the property from a developer's standpoint. Thus, all aspects of land acquisition, planning costs, construction costs and financing charges must be considered, as well as the developer's incentive. When "new" cost is estimated, deductions, if appropriate, may be made for areas where the property suffers from depreciation, be it physical, functional, or economic in nature.

The sales comparison approach is essentially a comparison-shopping study that reflects common buyers and sellers. This approach considers the property as an item to be bought or sold like other goods. Common denominators like price per square foot or net/gross income multipliers are used as units of comparison, developed from the sales and applied to the subject. The approach pays particular attention to aspects of quality, condition, size, and potential.

Finally, the capitalization of net revenue is the basis for the income approach, which considers real estate as an investment. Prime concerns are the quantity and quality of income that the property can be expected to produce, subject to the anticipated expenses of operating the property. Capitalization of the net income is generally based on required and desired capital returns.

Applicable Approaches

The subject site is improved with a hospital and medical office building, and supporting site improvements. Based on my conclusion that the Project and Partial Taking have no detrimental impact on the Remainder Parcel, the element of the property that needs to be valued is the underlying land. Therefore, for purposes of this appraisal, the property is treated as vacant land.

Considered as a vacant parcel of land, the property is not something that can be reproduced. Therefore, the depreciated cost approach is not a viable indicator of property value and it is excluded from this appraisal. While land is sometimes leased and leased sites are sometimes sold as investment properties, the subject is not the type of land that is commonly made subject to a lease, especially for investment purposes. Absent a lease encumbering the subject, or measurable lease activity in the subject marketplace, I conclude the income capitalization approach is not a reliable indicator of value for the subject property and said approach is excluded from this appraisal.

The sales comparison approach is a viable approach to estimating the market value of vacant land, and is the approach that market participants rely on when evaluating vacant land. Therefore, this appraisal uses and relies on the sales comparison approach as the sole approach to estimating the fair market value of the subject property.

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Sales Comparison Approach

The market value of vacant land is best estimated through a sales comparison process. This process involves analysis of sales of similar lands that have sold within a reasonably proximate period of time. Unit values like price per square foot, price per acre, or price per lot are taken from the sales as indicators for the subject property's market value. If there are significant differences between the sales and subject, and if the market's reaction to the differences can be isolated and demonstrated, then adjustments to the sales can be made. If sound, the adjustments make a sale, or its indication of value, more applicable to the subject. Where limited data is available, or adequate support quantifiable support for adjustments cannot be demonstrated, sales can be used in a "raw" form, perhaps subject to qualitative adjustments.

Sale Selection

The Los Alamos market is an isolated and self-contained market, and a market that experiences comparatively few land sales. Therefore, it is not reasonable or appropriate to try and use sales from other areas as comparables for the subject. Though the volume of comparable sales is low and dated, I think these sales presented herein are the best available to utilize in estimating the market value of the subject property. Because the available dataset is not capable of providing all of the assessment tools necessary, I have used some external (outside Los Alamos) sales to support one or more adjustments.

In keeping with a Summary Report format, sales are not described in individual narratives. Rather, pertinent data is summarized/charted for easy presentation and analysis, with additional sale details and maps found in the addendum.

Sales Presentation

Pertinent data from the sales is summarized below.

COMPARABLE SALE SUMMARY – BY DATE OF SALE

#	ADDRESS	DATE	SIZE	SITE	ZONED	ACCESS	UTIL	SHAPE	END USE	\$/SF
1	Trinity	03/31/2017	26,223	Interior	DT-NCO	Primary	WSGE	Good	Retail	\$20.97
2	Trinity	12/21/2018	172,062	Interior	DT-NCO	Primary	WSGE	Fair	Bank	\$8.72
3	Diamond/Sandia	07/10/2019	37,983	Corner	C-1	Primary	WSGE	Good	Unknown	\$20.40
4	Trinity/Knecht	10/16/2019	44,383	Corner	DT-NCO	Primary	WSGE	Good	Restaurant	\$18.48
5	Trinity to Canyon	12/18/2019	83,200	Dbl-Frt	C-3	Primary	WSGE	Good	Mix-Use	\$20.43
6	Trinity to Central	04/15/2020	80,586	Dbl-Frt	DT-NCO	Primary	WSGE	Good	Unknown	\$16.13

Sales Analysis

The sales are analyzed for adjustments that can be extracted from the marketplace.

Conditions Of Sale

The first consideration is "conditions of sale", which refers to the conditions under which a sale took place. That is, was the seller under some form of distress, or were there unusual financing considerations, etc. To the best of my knowledge, none of the sales was impacted by conditions of sale that warrant adjustment.

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Expenditures After Sale

In instances where a buyer faces immediate expenses after acquisition, such as razing defunct building improvements, in order to realize a usable vacant site, those costs can be considered a function of the overall acquisition and may impact value. Several of the sales were of sites with defunct improvements that the buyer was responsible for razing to realize a usable vacant site. In some cases, demolition/clearing costs were known, and in other cases I have estimated these costs.

- Sale #1: demo costs reported at \$0.71/sf - \$21.69/sf.
- Sale #3: demo costs estimated at \$1.11/sf = \$21.51/sf.
- Sale #4: demo costs reported at \$1.14/sf = \$19.62/sf.
- Sale #5: demo costs estimated at \$0.75/sf = \$21.18/sf.
- Sale #6: demo costs estimated at \$6.64/sf = \$22.77/sf.

The adjustments are shown in the following chart.

COMPARABLE SALE SUMMARY – ADJUSTED FOR EXPENSES AFTER SALE

#	ADDRESS	DATE	SIZE	SITE	ZONED	ACCESS	UTIL	SHAPE	END USE	\$/SF
1	Trinity	03/31/2017	26,223	Interior	DT-NCO	Primary	WSGE	Good	Retail	\$21.69
2	Trinity	12/21/2018	172,062	Interior	DT-NCO	Primary	WSGE	Fair	Bank	\$8.72
3	Diamond/Sandia	07/10/2019	37,983	Corner	C-1	Primary	WSGE	Good	Unknown	\$21.51
4	Trinity/Knecht	10/16/2019	44,383	Corner	DT-NCO	Primary	WSGE	Good	Restaurant	\$19.62
5	Trinity to Canyon	12/18/2019	83,200	Dbl-Frt	C-3	Primary	WSGE	Good	Mix-Use	\$21.18
6	Trinity to Central	04/15/2020	80,586	Dbl-Frt	DT-NCO	Primary	WSGE	Good	Unknown	\$22.77

The adjusted unit prices are used for subsequent analyses.

Market Conditions . . . Date Of Sale (Time Adjustment)

The sales span a period of roughly three years from first to last, plus more than four more years to the effective date of appraisal. Over such a period of time, it is possible for market conditions to change in a way that results in appreciation or depreciation, or possibly both, at different times. My assessment of the available sales is that there is no clear evidence of appreciation or depreciation from early 2017 through early 2020. Thereafter, the market may have been impacted by the COVID19 pandemic, high levels of inflation, and significantly higher interest rates. While the impact of these factors have the potential to be negative, this may not be the case in Los Alamos, as indicated below.

From 2019 through November of 2024, the number of employed persons grew by 2,773, a 30% increase. From 2019 through November of 2024, average and median home prices increased by 61% and 68%, respectively. From 2019 through 2023, retail gross receipts increased by 74%, and a higher total is likely by the end of 2024. Therefore, it is clear that the Los Alamos economy has performed very well over the past four to five years. I think it is reasonable to expect that increased employment, housing costs and retail spending would have some type of similar impact on commercial real estate. Compound rates of appreciate from employment growth, average/median home prices, and retail gross receipts from 2019 forward are 5.20%, 0.98%/10.97% and 14.78%, respectively. Based on these indications, adjusting the comparable sales at an annual rate of 5% would not be unreasonable. Nonetheless, I have elected to use an annual 3% adjustment in keeping with long-term CPI appreciation. The results are shown in the following chart. The adjustment is applied from April 15, 2020 (last sale) through November 30, 2024.

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COMPARABLE SALE SUMMARY – ADJUSTED FOR DATE OF SALE

#	ADDRESS	DATE	SIZE	SITE	ZONED	ACCESS	UTIL	SHAPE	END USE	\$/SF
1	Trinity	03/31/2017	26,223	Interior	DT-NCO	Primary	WSGE	Good	Retail	\$24.74
2	Trinity	12/21/2018	172,062	Interior	DT-NCO	Primary	WSGE	Fair	Bank	\$9.95
3	Diamond/Sandia	07/10/2019	37,983	Corner	C-1	Primary	WSGE	Good	Unknown	\$24.54
4	Trinity/Knecht	10/16/2019	44,383	Corner	DT-NCO	Primary	WSGE	Good	Restaurant	\$22.38
5	Trinity to Canyon	12/18/2019	83,200	Dbl-Frt	C-3	Primary	WSGE	Good	Mix-Use	\$24.16
6	Trinity to Central	04/15/2020	80,586	Dbl-Frt	DT-NCO	Primary	WSGE	Good	Unknown	\$25.98

Adjusted unit prices are used in subsequent analyses.

Site Size

It is often the case that large sites sell for lower unit prices than otherwise similar small sites, reflecting the principle of economy of scale. The sales used herein are mostly less than two acres in size. There is a single exception of a sale close to four acres in size. The sales are explored for any reliable adjustment for site size.

COMPARABLE SALE SUMMARY – BY SITE SIZE

#	ADDRESS	DATE	SIZE	SITE	ZONED	ACCESS	UTIL	SHAPE	END USE	\$/SF
1	Trinity	03/31/2017	26,223	Interior	DT-NCO	Primary	WSGE	Good	Retail	\$24.74
3	Diamond/Sandia	07/10/2019	37,983	Corner	C-1	Primary	WSGE	Good	Unknown	\$24.54
4	Trinity/Knecht	10/16/2019	44,383	Corner	DT-NCO	Primary	WSGE	Good	Restaurant	\$22.38
6	Trinity to Central	04/15/2020	80,586	Dbl-Frt	DT-NCO	Primary	WSGE	Good	Unknown	\$25.98
5	Trinity to Canyon	12/18/2019	83,200	Dbl-Frt	C-3	Primary	WSGE	Good	Mix-Use	\$24.16
2	Trinity	12/21/2018	172,062	Interior	DT-NCO	Primary	WSGE	Fair	Bank	\$9.95

Sites of less than two acres sold for \$19.62 to \$22.77 per square foot, yielding a mean of \$24.36 per square foot. This compares to Sale #2, which is nominally four acres in size. If the difference is only related to size, a downward adjustment of 59% is indicated. This site also has a less than ideal shape, and the rear portion of the site is wider than the main body of the site.

The aspect of size is very important, as the subject site is larger than all of the comparable sales used herein. Because of the importance of a possible size adjustment, I studied sales in the Albuquerque market. In areas where I have a large sale and one or more similar small sales, I made comparisons of the low/median/high indications from the smaller sales to the large sale. The results of eight comparisons were means indications as seen below.

SIZE ADJUSTMENTS

LOW	MEAN	HIGH
-26%	-45%	-62%

The indication from the Los Alamos sales was an adjustment of -59%. This is between the mean and high indications from the analysis of eight pairings in Albuquerque. As indicated, the adjustment indicated by the Los Alamos comparison may include some element of a shape adjustment. If so, this would not present a problem because the subject also has something of an unusual shape.

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As a result, I think the Albuquerque comparisons are broadly supportive of the Los Alamos indication of a -59% size (and possibly shape) adjustment. Subject to incidental rounding, I will use a -60% adjustment to the sales of less than two acres.

COMPARABLE SALE SUMMARY – ADJUSTED FOR SITE SIZE

#	ADDRESS	DATE	SIZE	SITE	ZONED	ACCESS	UTIL	SHAPE	END USE	\$/SF
1	Trinity	03/31/2017	26,223	Interior	DT-NCO	Primary	WSGE	Good	Retail	\$8.95
2	Trinity	12/21/2018	172,062	Interior	DT-NCO	Primary	WSGE	Fair	Bank	\$9.95
3	Diamond/Sandia	07/10/2019	37,983	Corner	C-1	Primary	WSGE	Good	Unknown	\$8.97
4	Trinity/Knecht	10/16/2019	44,383	Corner	DT-NCO	Primary	WSGE	Good	Restaurant	\$9.24
5	Trinity to Canyon	12/18/2019	83,200	Dbl-Frt	C-3	Primary	WSGE	Good	Mix-Use	\$9.02
6	Trinity to Central	04/15/2020	80,586	Dbl-Frt	DT-NCO	Primary	WSGE	Good	Unknown	\$8.79

The adjusted unit prices are used for subsequent analyses.

Location

Location is almost always influential on land values. The subject property is located at the intersection of Trinity and Dimond Drives. All of the sale properties are located on either Trinity or Diamond Drives, some having secondary frontage on a cornering or rear street. As a result, I do not think there are identifiable differences among the sales based on location. As a result, no adjustment will be applied.

Application Of Adjustments

My analysis of the sales indicates that some quantitative adjustments are sufficiently supported for application. The following chart shows the sales with all the adjustments applied and results sorted by price per square foot.

COMPARABLE SALE SUMMARY – BY ADJUSTED PRICE PER SQUARE FOOT

#	ADDRESS	\$/SF	COS	EXP	DATE	SIZE/SHAPE	SITE	ZONED	ACCESS	ADJ \$/SF
6	Trinity to Central	\$16.13		+\$6.64	+\$3.21	-\$15.59				\$8.79
1	Trinity	\$20.97		+\$0.71	+\$3.05	-\$14.85				\$8.95
3	Diamond/Sandia	\$20.40		+\$1.11	+\$3.03	-\$14.72				\$8.97
5	Trinity to Canyon	\$20.43		+\$0.75	+\$2.98	-\$14.50				\$9.02
4	Trinity/Knecht	\$18.48		+\$1.14	+\$2.76	-\$13.43				\$9.24
2	Trinity	\$8.72			+\$1.23					\$9.95

After quantitative adjustments, the sales indicate \$8.79 to \$9.95per square foot and yield a simple mean of \$9.15 per square foot. Four of the six sales are more closely clustered in a range of \$8.95 to \$9.24 per square foot, and these four central sales have a mean of \$9.05 per square foot. Based on these indications and the two means explored, I consider the single best indication of value for the Larger Parcel to be \$9.05 per square foot.

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Larger Parcel Land Value

The prior analyses supported a conclusion of \$9.05 per square foot for the subject Larger Parcel. This unit price is applied to the Larger Parcel.

Estimated Unit Value	\$9.05
Larger Parcel Area	X 368,584
Indicated Site Value	\$3,335,685

Nominal rounding results in an indication of \$3,335,700.

Therefore, based on data provided by my client, my inspection of the subject property, and my analysis of pertinent market data, I estimate the fair market value of a fee simple title to the Larger Parcel (land only) to be \$3,335,700, considering the land in “as is” condition, as of November 21, 2024.

Valuation Of Permanent Partial Taking

In review, the Permanent Partial Taking is an irregularly shaped parcel at the east end and along the eastern end of the north side of the Larger Parcel. The Permanent Partial Taking has an area of 16,967 square feet. Land within the Permanent Partial Taking is not unique, but is a proxy for the Larger Parcel.

Land Value

The Permanent Partial Taking is 16,967 square feet and is a proxy for the Larger Parcel.

Estimated Unit Value	\$9.05
Permanent Partial Taking Area	X 16,967
Indicated Land Value	\$153,551

Applicable rounding leads to an indication of \$153,600.

Therefore, based on the analyses presented herein, I estimate the fair market value of the land within the Permanent Partial Taking to be \$153,600 as of November 21, 2024, subject to the extraordinary assumptions and hypothetical conditions cited in this report.

Improvements

My assessment indicates that there are improvements within the Permanent Taking Parcel. Most of the improvements are not improvements that can be relocated, so they will be lost to the property owner. I have obtained cost estimates from landscape and paving contractors for applicable unit costs.

SITE IMPROVEMENTS

ITEM	QUANTITY	\$/UNIT	RESULT
Asphalt Paving	13,750 Square Feet	\$6.50/SF	\$89,375
Concrete Curb	200 Lineal Feet	\$75/LF	\$15,000
Small Bush	10	\$85/EA	\$850
Small Tree	1	\$650/EA	\$650
Gravel/Liner	3,000 Square Feet	\$2.50/SF	\$7,500
TOTAL			\$113,375

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The estimated cost of the site improvements is \$113,375. While landscape elements tend to mature over time, man-made improvements tend to deteriorate. Things like asphalt and concrete curbing tend to serve their function for lengthy periods of time before needing repair/replacement. The concrete and asphalt's specific age is unknown, and while the concrete seems in good condition, the asphalt is showing signs of wear, including some spider cracks. It is nearly impossible to derive market-based depreciation for items like this, but I have subjectively estimated physical depreciation of the asphalt at 20%. A 20% charge cuts the asphalt component to \$71,500, and the entire cost to \$95,500.

Allowing for a 10% to 15% contingency and coordination factor, and for applicable sales tax, a 20% adjustment is applied resulting in a cost estimate of \$114,600. My observation of the site improvements indicates they are healthy (plants) and in generally good condition. In my opinion, a deduction for depreciation is not necessary.

Conclusion

Therefore, based on comparisons with the best available land sales and site improvement cost data, I estimate the fair market value of the land and site improvements within the Permanent Partial Taking Parcel to be \$268,200, as of November 21, 2024.

Valuation Of The Temporary Partial Taking

In brief review, the Temporary Partial Taking is an area of 2,250 square feet that generally corresponds to the Remainder Parcel's north and east edges established by the Permanent Partial Taking to a depth of 5'. Land within the Temporary Taking Parcel is not unique, but is a proxy for the Larger Parcel.

Temporary Construction Permit

Land

The TCP contains 2,250 square feet and is a proxy for the Larger Parcel.

TCP PARCEL

AREA	\$/SF	INDICATION
2,250	\$9.05	\$20,363

A TCP is a temporary "taking" that does not represent a transfer of title. Upon completion of the function for which the TCP is acquired (improvements to Trinity Drive and Finch Road, related infrastructure and driveway reconstruction), the TCP is released, and the owner retains 100% fee ownership and usage rights.

New Mexico Department of Transportation regulations indicate that the minimum value of a TCP is 10% of the estimated fair market value of the land. Typical land leases in the metro area are based on 8% to 10% annual returns on estimated fair market value, so the regulation cited above reasonably equates to a period of use of up to one year. The construction project for which these taking is required is not expected to take more than one year (on any individual property). Accordingly, usage of the TCP for construction is equated to the regulated minimum valuation basis (10%).

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TEMPORARY CONSTRUCTION PERMIT (TCP) TAKING

PARCEL	SIZE	\$/SF	VALUE	10%	ROUNDED
TCP	2,250	\$9.05	\$20,363	\$2,036	\$2,050

Applicable rounding indicates \$2,050. Improvements within the TCP are not eligible for compensation.

Therefore, based on comparisons with the best available land sales, I estimate the fair market value of the land within Temporary Partial Taking Parcel (TCP) to be \$2,050, as of November 21, 2024.

Improvements

Based on data provided by my client, I conclude there are compensable items with the TCP.

SITE IMPROVEMENTS

ITEM	QUANTITY	\$/UNIT	RESULT
Gravel	1,300sf	\$2.50/sf	\$3,250
Bushes	6	\$85/ea	\$510
Tree	1	\$650/ea	\$650
TOTAL			\$4,410

The estimated cost of the site improvements is \$4,410. Allowing for a 10% to 15% contingency and coordination factor, and for applicable sales tax, a 20% adjustment is applied resulting in a cost estimate of \$5,292, rounded to \$5,300. My observation of the site improvements indicates they are healthy (plants) and in generally good condition (other). In my opinion, a deduction for depreciation is not necessary.

Conclusion

Therefore, based on comparisons with the best available land sales and site improvement cost data, I estimate the fair market value of the land and site improvements within the Temporary Construction Permit Taking Parcel to be \$7,350, as of November 21, 2024.

Taking Parcel Summary

The Taking Parcel valuations are summarized in the following chart.

TAKING PARCEL SUMMARY

PARCEL ID	AREA	\$/SF	INDICATION	ROUNDED
Permanent Taking – Land	16,967	\$9.05	\$153,551	\$153,600
Permanent Taking – Imp.			\$114,600	\$114,600
Temporary Taking – Land	2,250	\$9.05	\$2,036	\$2,050
Temporary Taking – Imp			\$5,292	\$5,300
TOTAL				\$275,550

Therefore, based on comparisons with the best available land sales, and consideration of replacement cost for improvements lost, I estimate the fair market value of the Permanent Taking Parcel (land and improvements) and the Temporary Partial Taking Parcel (land and improvements) to be \$275,550 as of November 21, 2024.

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Remainder Damages

Despite the “Taking Only” approach to the appraisal, it is appropriate to comment on possible damages to the Remainder Parcel. These could be altered utility, change in access, relocation costs, or something else. In my opinion, the Permanent Partial Taking and the Project that necessitate it result in no damages to the Remainder Parcel, beyond what can be measured by cost-to-cure.

The Project that necessitated the Permanent Partial Taking aims to improve safety for traffic moving to/from the subject site by relocating access farther east, away from the intersection of Trinity and Diamond Drives. The relocated access provides the same functional utility to the Remainder Parcel, and I can see no detrimental impact on the Remainder Parcel value as a result of the relocated access. The Permanent Partial Taking reduces gross site area by less than 5%, and results in a loss of some landscaping and paved circulation lanes and striped parking spaces. The loss of land and site improvements has been accounted for, but the Permanent Partial Taking concurrently results in the loss of 34 (by my count) paved parking spaces.

Recapture of lost parking spaces is possible through partial reconstruction of the Remainder Parcel’s Parking lot. Based on the diagram previously presented, the surrender of seven additional parking spaces and some landscaped planter areas would allow for new paving and striping to recapture 37 of the total 41 parking spaces lost/surrendered. The net loss of parking spaces would be four. Given the legal requirements and the available on-site parking spaces, I do not think that the loss of four parking spaces has a measurable impact on the fair market value of the Remainder Parcel. Nonetheless, the cost of recapturing adequate parking is compensable. Other damages compensable through cost-to-cure analyses include relocation of two parking lot lights within the Permanent Partial Taking and the need to relocate one other as a part of the parking lot reconfiguration.

COST-TO-CURE CALCULATIONS

ITEM (DESCRIPTION)	QUANTITY	\$/UNIT	TOTAL
Site Prep (Curbing/Landscaping Removal)	1,500 Square Feet	\$5.00/sf	\$7,500
New Asphalt Pavement	1,500 Square Feet	\$10.00/sf	\$15,000
New Parking Stripes	37	\$100/Space	\$3,700
New Concrete Curbing	105 Lineal Feet	\$75.00/lf	\$7,875
Parking Lot Light Relocation	3	\$7,500/ea	\$22,500
Shed Relocation	1	\$1,000/ea	\$1,000
TOTAL			\$57,575

The estimated cost of the site preparation, new improvements and relocation actions is \$57,575. Allowing for a 10% to 15% contingency and coordination factor, and for applicable sales tax, a 20% adjustment is applied resulting in a cost estimate of \$69,090, rounded to \$69,100. As new improvements, these costs are not subject to depreciation. (My client has advised me that Los Alamos County and the property owner have come to an agreement for costs related to sign relocation, negating the need to consider it herein.)

Special Benefits

Special benefits are a consideration. That is, does the Project that necessitated the Partial Taking enhance the Remainder Parcel? I have no reason to suspect that the relocated access point or reconfigured parking lot will enhance the fair market value of the Remainder Parcel. Absent any indication of special benefits accruing uniquely to the subject property, I conclude there are no such benefits.

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Valuation Summary

Based on the prior analyses, the value conclusions are summarized in the following chart.

SUMMARY OF VALUE (TAKING ONLY) ESTIMATES

DESCRIPTION	LAND	IMP	TOTAL	SUMMARY
Value of Larger Parcel	\$3,335,700	>\$0	>\$3,335,700	
Value of Remainder Before Acquisition			>\$3,067,500	
Value of Parcel To Be Acquired				\$268,200
Land	\$153,600			
Improvements		\$114,600		
Value of Remainder After Acquisition			>\$3,067,500	
Damages (Cost-To-Cure)			\$69,100	
Benefits			\$0	
Net Damages				\$69,100
TCP Taking				\$7,350
Land	\$2,050			
Improvements		\$5,300		
Total Indicated Compensation				\$344,650

This estimate is applicable as of November 21, 2024, and it is subject to any and all hypothetical conditions and extraordinary assumptions cited within this report.

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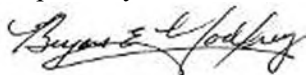
Certification

I hereby certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct;
- the report analyses, opinions, and conclusions are limited only by the reported assumptions, extraordinary assumptions, limiting conditions and hypothetical conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
- I appraised the property in 2022, but otherwise performed no services (appraisal or otherwise) related to the subject property within the three-year period immediately preceding acceptance this assignment;
- I have no present or prospective interest in the property appraised that is the subject of this report and no personal interest with respect to the parties involved;
- I have no bias with respect to the property appraised that is the subject of this report or to the parties involved with this assignment;
- the engagement of this assignment was not based on or contingent upon developing or reporting a requested minimum valuation, a specific valuation, approval of a loan, the occurrence of any subsequent event, or any other predetermined result;
- the compensation for completing this assignment was not based on or contingent upon developing or 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, of the occurrence of a subsequent event directly related to the intended use of this appraisal;
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformance with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformance with the Uniform Standards of Professional Appraisal Practice;
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- as of the date of this report, Bryan E. Godfrey, MAI has completed the requirements under the continuing education program of the Appraisal Institute;
- my contractual agreement with my client does not authorize the out of context quoting from or partial reprinting of this appraisal report, nor does it permit all or any part of this appraisal report to be disseminated to the general public by the use of media for public communication without my written consent;
- Bryan E. Godfrey, MAI has made a personal inspection of the appraised property;
- no one provided significant professional appraisal assistance to me in the preparation of this report.

This certification is prepared specifically for the appraisal of property identified as land at 3917 W Road, in Los Alamos, Los Alamos County, New Mexico.

Respectfully submitted,



Bryan E. Godfrey, MAI, State Certified General Appraiser #G-192

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UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

Opinions of value and/or other conclusions contained in this appraisal report are based on the following basic assumptions and limiting conditions.

1. This report is based in part upon information carefully selected from a variety of sources, including public records and other sources deemed to be reliable. While a reasonable effort has been made to verify such information, the appraiser for its accuracy assumes no responsibility.
2. Legal descriptions of the property were furnished by my Client, or were obtained from public records, and are assumed to be accurate. Plans, sketches, aerial photography, and the like included in this report are intended only to assist the reader in visualizing the property and are not to be construed as engineering drawings or surveys unless so identified.
3. Property proposed for construction has been examined to the extent possible. Available plans and specifications have been examined and conclusions based on such examination reported herein. I assume no responsibility for the quantity or quality of such material provided to me and I restrict my analyses and conclusions to information so obtained.
4. The appraiser assumes no responsibility for matters legal in nature, nor does the appraiser render any opinion as to the property title, which is assumed to be marketable. Unless otherwise stated within the report, any and all liens and encumbrances have been disregarded and the property appraised as though free and clear under responsible ownership and competent management.
5. I assume that all applicable zoning and use regulations and restrictions have been complied with unless non-conformity has been stated, defined, and considered in this report.
6. I assume that all required licenses, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained within this report is based.
7. I assume that the utilization of the land and improvements of the subject is within the boundaries or property lines described and that there is no encroachment or trespass unless otherwise noted within the report.
8. I assume that there is full compliance with applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in this report.
9. No soil borings or analyses have been made of the subject. I assume that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report, and that there are no surface or sub-surface conditions or contaminants present that would materially impact value.
10. No responsibility is assumed for engineering matters, mechanical or structural. Good mechanical and structural condition is assumed to exist.
11. I did not observe, during inspection of the subject, any materials considered to be hazardous including, but not limited to, asbestos, urea formaldehyde foam insulation, and aluminum wiring. However, no guarantees against the presence of such hazardous materials are implied by this report.

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12. No environmental impact studies were either requested or conducted in conjunction with this appraisal and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions bases on any subsequent environmental impact studies, research, or investigation.

13. This appraisal report was prepared for the confidential use of the Client for the purpose specified and must not be used in any other manner. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used by anyone but the Client and Intended User(s), for any purpose, without the written consent of the Client and the Appraiser, and in any event, only with the proper qualification.

14. The appraiser is not required to provide further consultation nor to appear or give testimony before any Court or Tribunal with reference to this report and/or the property in question unless previous arrangements have been made therefore.

15. This appraisal report and/or valuations stated herein shall not be relied upon or utilized in any matters pertaining to any syndication, or any State or Federal Securities and Exchange Commission registrations.

16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in conformance with one or more of the requirements of the act. If so, this fact could have a negative impact on the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected or reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, any public relations media, news media, sales media or any other public means of communication without the prior written consent of the appraiser(s).

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COMMON DEFINITIONS AND RESTRICTIONS

Market Value . . . “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 interest;
- 3) A reasonable time is allowed for exposure in the open market;
- 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 paid for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Financial Institutions Recovery, Reform, and Enforcement Act of 1989 (FIRREA), Title 12 CFR, Part 34.42(g))

“As Is” Market Value . . . “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal’s effective date.”

(Source: Interagency Appraisal & Evaluation Guidelines, Department of Treasury, 2010)

Prospective Opinion Of Value . . . “A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.”

Fee Simple Title . . . “Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.”

Leased Fee Estate . . . “An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease.”

Leasehold Estate . . . “The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.”

Highest And Best Use . . . “The reasonable and probable use that supports the highest present value of land or improved property, as defined, as of the date of appraisal.”

Cash Equivalent . . . “A price expressed in terms of cash, as distinguished from a price which is expressed all or partly in terms of the face amounts of notes or other securities which cannot be sold at face.”

(Source: The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, 1984 & 2010)

Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
Los Alamos, New Mexico, Page 46

QUALIFICATIONS OF BRYAN E. GODFREY, MAI
REAL ESTATE APPRAISER

BASIC EDUCATION

Highland High School, Albuquerque, Graduated 1977
University of New Mexico, Albuquerque, B.A. 1983

RECENT SPECIALIZED EDUCATION

Conservation Easements, June 2011
Regression Analysis, April 2014
Supporting The Work File, April 2016
Uniform Appraisal Standards For Federal Land Acquisition (Yellow Book), July 2017
How Tenants Create Or Destroy Value, November 2019
Eminent Domain & Condemnation, April 2020
Comparative Analysis, April 2020
Business Practices & Ethics, January 2022
Valuation Of Accessory Dwelling Units, April 2022
Excel Applications For Valuation, April 2022
Uniform Standards OF Professional Appraisal Practice (Update), January 2024
Appraiser's Guide To Expert Witnessing, April 2024
Appraisal Of Medical Office Buildings, April 2024
Arbitration Do's & Don'ts, April 2024

PROFESSIONAL EXPERIENCE

Real Estate Appraiser, Godfrey Appraisal Services, Inc., since 1976
Appraisal Witness Before Albuquerque City Zoning Commission
Appraisal Expert Witness Before NM District Court

SAMPLE CLIENTELE

State of New Mexico
Cities of Albuquerque & Rio Rancho
Counties of Bernalillo, Valencia, Sandoval
Southern Sandoval County Arroyo Flood Control Authority
Native American Pueblos
Attorneys At Law
Banks, Mortgage Companies, Savings And Loans, and Real Estate Investment Trusts
Private Lending-Investment Institutions
Insurance Companies
Private Individuals and Corporations

PROFESSIONAL MEMBERSHIPS

The Appraisal Institute [MAI #8030], 1988
State Of New Mexico, Certified Real Estate Appraiser [#00192-G]

Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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LAND SALE #1

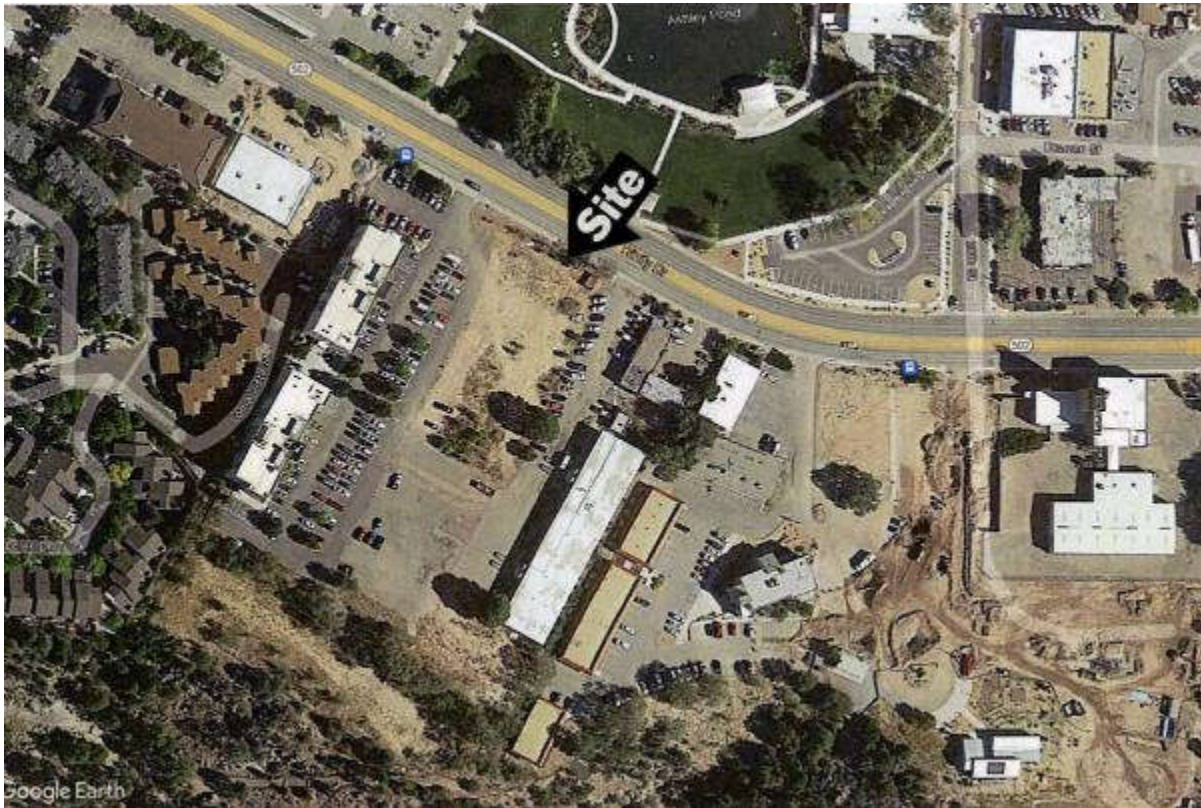
DB #: 5577 ID #: 13580C City: LAL Doc: SWD Rec #: 17-230181
Street Name: TRINITY County: LAL Old File #:
Subdivision: TRACT LL Block: Lot: 1
Seller: HORN DISTRIB Buyer: HUTTON TEAM Date: 03/31/17
Square Feet: 26,223 Acres: 0.60 End Use: RETAIL
Zoning: PT-NCO Site: INT Imp: CSP Util: WSGE Topo: LEVEL
Sale Price: \$ 550,000 Price Sf: \$ 20.97 Price Ac: \$916,667
Downpayment: 100% Rate: Term: Special:
Comments: FORMER SVC STA DEMOED @ \$18,720 AFTER PURCHASE = &.71SQ



Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
Los Alamos, New Mexico, Page 48

LAND SALE #2

DB #: 5578 ID #: 13581C City: LAL Doc: SWD Rec #: 19- 184
Street Name: TRINITY County: LAL Old File #:
Subdivision: LOS ALAMOS INN CMP Block: TRACT Lot: 1-R-1
Seller: LOS ALAMOS I Buyer: CENTURY BANK Date: 12/21/18
Square Feet: 172,062 Acres: 3.95 End Use: BANK
Zoning: DT-NCO Site: INT Imp: CSP Util: WSGE Topo: LEVEL
Sale Price: \$ 1,500,000 Price Sf: \$ 8.72 Price Ac: \$379,747
Downpayment: 100% Rate: Term: Special:
Comments: BROKER UNAWARE OF BANK'S INTENTIONS.



Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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LAND SALE #3

DB #: 5579 ID #: 13582C City: LAL Doc: WD Rec #: 19- 185
Street Name: DIAMOND/SANDIA County: LAL Old File #:
Subdivision: WESTERN AREA #1 Block: TRACT Lot: 1
Seller: METZGER REAL Buyer: ZRG INVESTME Date: 07/10/19
Square Feet: 37,983 Acres: 0.87 End Use:
Zoning: C-1 Site: COR Imp: CSP Util: WSGE Topo: LEVEL
Sale Price: \$ 775,000 Price Sf: \$ 20.40 Price Ac: \$890,805
Downpayment: 100% Rate: Term: Special:
Comments: HAD 2 OTHER OFFERS WHERE IMP WOULD BE RAZED.



Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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LAND SALE #4

DB #: 5580 ID #: 13583C City: LAL Doc: WD Rec #: 19-241001
Street Name: TRINITY County: LAL Old File #:
Subdivision: BROWN Block: TRACT Lot: A
Seller: SHANNON CORP Buyer: WEN-LOS ALAM Date: 10/16/19
Square Feet: 44,383 Acres: 1.02 End Use: RESTAU
Zoning: DT-NCO Site: INT Imp: CSP Util: WSGE Topo: LEVEL
Sale Price: \$ 820,000 Price Sf: \$ 18.48 Price Ac: \$803,922
Downpayment: 100% Rate: Term: Special:
Comments: PURCHASED @ \$50,565 DEMOED MCDONALD'S.



Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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LAND SALE #5

DB #: 5581 ID #: 13584C City: LAL Doc: WD Rec #: 19- 187
Street Name: CANYON TO TRINITY County: LAL Old File #:
Subdivision: EASTERN AREA #3 Block: TRACT Lot: H-1
Seller: SOENKE, E Buyer: BRANCH FAMIL Date: 12/18/19
Square Feet: 83,200 Acres: 1.91 End Use: OFF/RE
Zoning: COMM Site: INT Imp: CSP Util: WSGE Topo: LEVEL
Sale Price: \$ 1,700,000 Price Sf: \$ 20.43 Price Ac: \$890,052
Downpayment: 100% Rate: Term: Special:
Comments: PRIOR TO COVID PLANNED MIXED-USE DEVELOPMENT.



Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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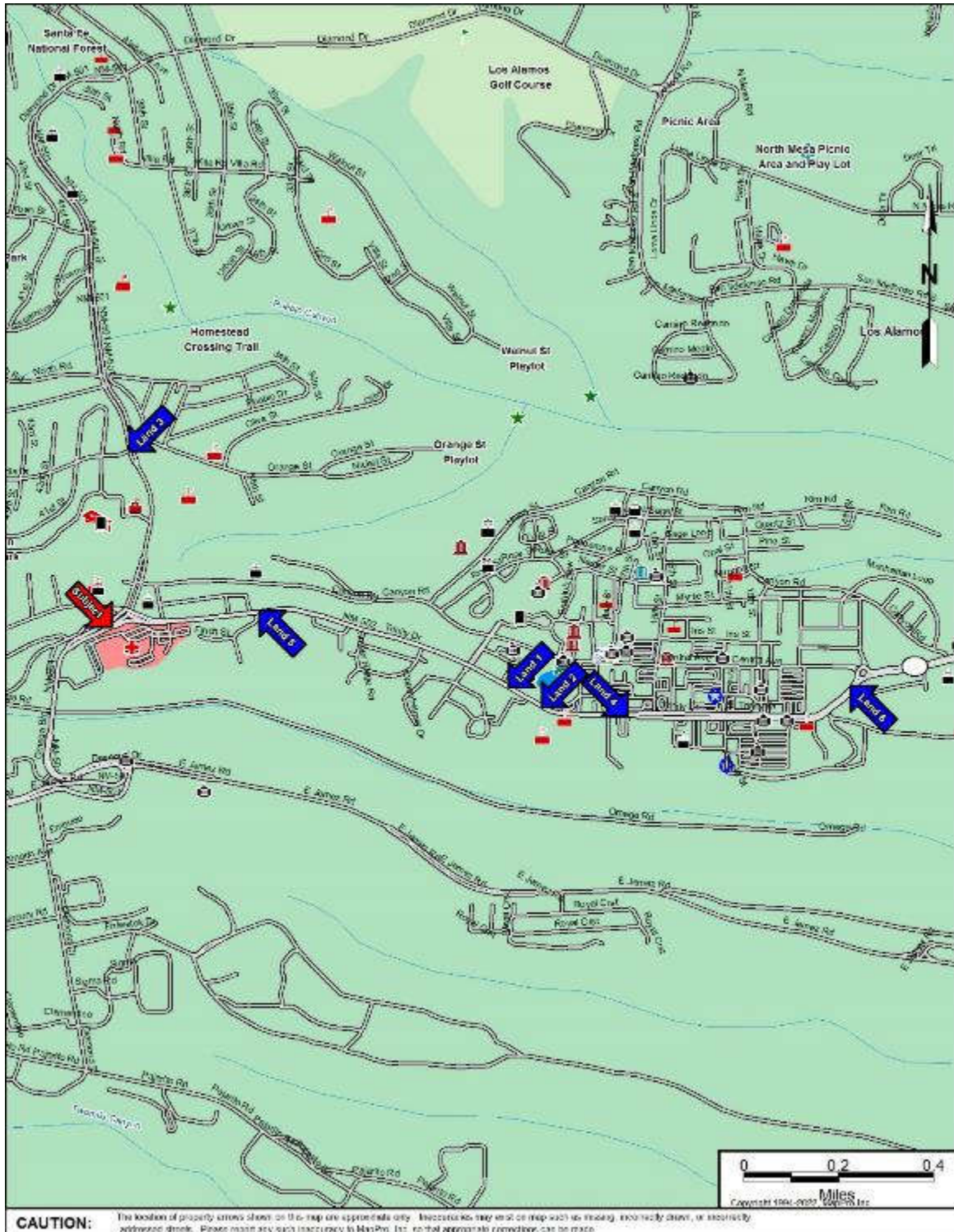
LAND SALE #6

DB #: 5582 ID #: 13585C City: LAL Doc: WD Rec #: 20-243031
Street Name: TRINITY TO CENTRAL County: LAL Old File #:
Subdivision: EASTERN AREA #2 Block: TRACT Lot: S
Seller: ATOMAC CITY Buyer: NM INNOVATIO Date: 04/15/20
Square Feet: 80,586 Acres: 1.85 End Use:
Zoning: DT-NCO Site: COR Imp: CSP Util: WSGE Topo: LEVEL
Sale Price: \$ 1,300,000 Price Sf: \$ 16.13 Price Ac: \$702,703
Downpayment: 100% Rate: Term: Special:
Comments: HOTEL/CONV. DEMO EST \$535,060=\$6.64SF=\$22.77SF.



Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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COMPARABLE LAND SALES LOCATION MAP



Proposed Right-Of-Way Acquisition
Property Identification: Los Alamos Medical Center
Property Location: Trinity Drive & Diamond Drive
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ITEMS TO FOLLOW THIS PAGE

- Zoning Data

SITE DEVELOPMENT REQUIREMENTS
COMMERCIAL INDUSTRIAL - SPECIAL DISTRICTS

Requirements	P-O	C-1	C-2	C-3	R&D	M-1	M-2	P-L, W-1, W-2, H
Lots								
Area (minimum)	None	None	None	None	None	None	None	None (a)
Frontage (minimum)	50'	50'	50'	50'	50'	50'	50'	None
Structural setbacks								
Main or Accessory								
Front (minimum)	0'	0'	0'	0'	50'	25'	25'	0'
Rear (minimum)	0'	0'	0'	0'	0'	0'	0'	0'
Side (minimum)	0'	0'	0'	0'	0'	0'	0'	0'
Height of Structures								
Main (maximum)	50'	50'	50'	50'	50'	50'	50'	50'
Accessory (maximum)	15'	15'	15'	15'	15'	15'	15'	15'
Lot Coverage								
All structures (maximum)	70%	70%	70%	70%	70%	70%	70%	70%

Sec. 16-533. - Official zoning districts.

The area of the county is divided into zoning districts. The location of each of the zoning districts is shown on the official zoning map. The zoning districts and the purposes of each district are as follows:

(1)

Residential agricultural district (R-A). The R-A residential agricultural district is intended to accommodate single-family dwellings and accessory structures and uses and is further intended to maintain and protect a residential character of development characterized by large lots having a rural atmosphere, where agricultural, horticultural and animal husbandry activities may be pursued by the residents of the R-A district.

(2)

Residential estate district (R-E). The R-E residential estate district is intended to accommodate single-family dwellings and accessory structures and uses and is further intended to maintain and protect a residential character of development characterized by large lots, creating in appearance a semirural environment.

(3)

Single-family residential districts (R-1-5, R-1-8, R-1-10, R-1-12). The R-1-5, R-1-8, R-1-10 and R-1-12 single-family residential districts are intended to accommodate single-family dwellings and accessory structures and uses, and are further intended to maintain and protect a residential character of development.

(4)

Residential mixed district (R-M). The R-M residential mixed district is intended to accommodate single-family and two-family dwellings and accessory structures and uses, and is further intended to maintain and protect a residential character of development.

(5)

Multiple-family residential (low density) district (R-3-L). The R-3-L multiple-family residential (low density) district is intended to accommodate single-family, two-family and multiple-family dwellings and accessory structures and uses, and is further intended to maintain and protect a residential character of development.

(6)

Multiple-family residential (high density) district (R-3-H). The R-3-H multiple-family residential (high density) district is intended to accommodate multiple-family dwellings and accessory structures and uses, and is further intended to maintain and protect a residential character of development.

(7)

Multiple-family residential (very high density) district (R-3-H-40). The R-3-H-40 multiple-family residential (very high density) district is intended to accommodate multiple-family residential developments (primarily apartments or condominiums) at higher than normal densities, and further intended primarily to maintain and protect a residential character of development, but permitting auxiliary commercial or professional uses which are related to the primary use.

(8)

Mobile home subdivision district (R-4). The R-4 mobile home subdivision district is intended to accommodate mobile homes or similar type dwelling units and accessory structures and uses in residential developments with individually owned lots, and is further intended to maintain and protect a residential character of development.

(9)

Mobile home park district (R-5). The R-5 mobile home park district is intended to accommodate mobile home dwelling units and accessory structures and uses where mobile home sites are rented and is further intended to maintain and protect a residential character.

(10)

Mobile home development district (R-6). The R-6 mobile home development district is intended to accommodate mobile home dwelling units and accessory structures and uses where mobile home sites can be rented, owned in fee simple, as part of a condominium, a cooperative or a land lease rental community, and is further intended to maintain and protect a residential character.

(11)

Planned development residential districts (PD-2.0, PD-3.5, PD-5.0, PD-7.0, PD-12.0, PD-20.0). The PD-2.0, PD-3.5, PD-5.0, PD-7.0, PD-12.0 and PD-20.0 planned development residential districts are intended to accommodate varied developments of a residential character and are further intended to maintain and protect an interesting and flexible character of development with mixtures of single-family, two-family and multiple-family dwellings and accessory structures and uses. These PD-2.0, PD-3.5, PD-5.0, PD-7.0, PD-12.0 and PD-20.0 districts are also intended to encourage imaginative spatial design such as relatively high dwelling unit densities in portions of the development, compensated by open and recreation areas in other portions of the development (the PD designations are followed by numbers which are the maximum dwelling units per gross acre). Note: As of August 28, 2007, the county will no longer accept or approve new applications for the PD zone designation.

(12)

Special plan district (SP). The SP special plan district is an overlay zone which may be used to increase design flexibility in conjunction with an R-M, R-3-L, R-3H, R-3-H-40, P-0, C-1, C-2, C-3, R&D, M-1, M-2, DT-CPO, DT-NGO, DT-NCO, or DT-TCO district. The special plan district may be applied to previously undeveloped areas of three acres or redevelopment of an area of three acres or more as long as it is under single or common ownership or development control. Requirements for establishing a special plan district are found in [section 16-534](#).

(13)

Professional office district (P-O). The P-O professional office district is intended to accommodate professional uses which are compatible with each other. Retail uses are not permitted unless they are subsidiary to professional services.

(14)

Light commercial and professional business district (C-1). The C-1 light commercial and professional business district is intended to accommodate retail, service and professional uses, compatible with each other, to serve nearby residential districts. The regulations of this C-1 district are intended to encourage the growth and development of this type of commercial and professional facility.

(15)

Civic center business and professional district (C-2). The C-2 civic center business and professional district is intended to accommodate and promote the commercial and professional development in the center of the community, with a mixture of public, historical and commercial uses which are compatible to each other, and which provide an attractive and appropriate setting in which countywide retail and professional services and cultural, recreational and governmental uses may be undertaken, performed or pursued. The C-2 district regulations are intended to encourage the commercial and professional growth and development of this area to that end.

(16)

Heavy commercial district (C-3). The C-3 heavy commercial district is intended to accommodate commercial uses allowed in the C-1 and C-2 districts and those which generate more traffic and noise. Included are automotive-connected uses such as service stations, repair garages, tire shops, motels and hotels, uses such as large stores, drive-in or takeout facilities and commercial recreation establishments.

(17)

Research and development district (R&D). The R&D research and development district is intended to accommodate scientific research and development establishments, except for those scientific activities which could endanger or become detrimental to persons or property.

(18)

Light industrial district (M-1). The M-1 light industrial district is intended to accommodate light industrial and certain accessory commercial uses, none of which create noise, smoke, odor, dust or similar emissions, and which generate a minimum of truck traffic. The regulations of this M-1 district are intended to encourage attractively developed sites to ensure further compatibility with adjoining areas of the community.

(19)

Heavy industrial district (M-2). The M-2 heavy industrial district is intended to accommodate both light and heavy industrial uses in combination with limited accessory commercial uses. The regulations of this M-2 district are intended to ensure a compatible appearance and relationship with surrounding areas of the community.

(20)

Public land district (P-L). The P-L public land district is intended to accommodate local government and school district uses and structures, designed to support community needs and the public health, safety and welfare.

(21)

Scenic open lands district (W-1). The W-1 scenic open lands district is intended to maintain, protect and preserve the scenic and environmental quality, open character and the natural recreational value of undeveloped land.

(22)

Recreation wilderness district (W-2). The W-2 recreation wilderness district is intended to maintain, protect and preserve the scenic and environmental quality, open character and natural recreational value of undeveloped land; and to accommodate public and private recreational uses of an open nature.

(23)

Historic overlay district. The historic overlay district is intended to promote and protect the heritage of the county by preserving sites and structures that have historical significance, in an appropriate setting. Such a district shall be established and regulated in accordance with the requirements of article XV of this chapter.

(24)

Federal lands district (F-L). The F-L federal lands district is comprised of land owned by the United States government and to which the public does not have unrestricted access at any time. None of the provisions of this article are applicable to any land within the F-L district.

(25)

Residential mixed—North Community district (R-M-NC). The residential mixed—North Community district is intended to accommodate single-family and two-family dwellings, accessory structures and uses within an area of the subdivisions of North Community No. 1 and No. 2. The district is further intended to maintain and protect a residential character of development.

(26)

Multiple-family residential (low density)—North Community district (R-3-L-NC). The multiple-family residential (low density)—North Community district is intended to accommodate single-family, two-family and multiple-family dwellings, accessory structures and uses within an area of the subdivisions of North Community No. 1 and No. 2. The district is further intended to maintain and protect a residential character of development.

(27)

Mixed-Use (MU). The mixed-use district is intended to provide flexibility in the development or redevelopment of parcels, while promoting good design and encouraging economic development. This district allows office, residential and commercial uses, individually or in any

combination, on the same lot or within the same structure. The mixed-use district corresponds closely, in uses and design and development standards to DT-NCO.

(Ord. No. 85-210, § 3, 1994; Code 1985, § 17.30.030; Ord. No. 85-287, § 1, 11-2-2000; Ord. No. 85-286, § 1, 12-9-2000; Ord. No. 02-008, § 3, 1-28-2003; Ord. No. 02-091, § 8, 7-10-2007; Ord. No. 02-086, § 1, 8-9-2007; Ord. No. 02-224, § 17, 5-1-2012; Ord. No. 02-273, § 11, 5-16-2017)