

**GEO SOUTHWEST, LTD
dba
GEO SOUTHWEST, LP**



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September 12, 2014

Mr. James Hollen
Senior Mine Reclamation Specialist/Geologist
Mining Act Reclamation Program, Mining & Minerals Division
New Mexico Energy, Minerals & Natural Resources Dept.
Wendell Chino Building – 3rd Floor, Room 360
1220 S St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Deming Mill and Mill Tailings Closeout Plan & Financial Assurance Proposal
Permit No. LU009RE**

Dear Mr. Hollen:

Enclosed for your review and approval is a Closeout Plan for the Deming Mill and Mill Tailings (Permit No. LU009RE) and a Financial Assurance Proposal. Attached to this document is a copy of a survey showing the land that we propose using for a collateral bond and copies of appraisals of this property. You also have digital copies of the survey and appraisals which I previously emailed to you.

We respectfully request that the enclosed Closeout Plan and Financial Assurance Proposal be approved. Please contact me if you have any questions or need more information.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Smith", written over a horizontal line.

Gerald Smith, President
METAL SOUTHWEST, LLC
General Partner of
GEO SOUTHWEST, LTD dba
GEO SOUTHWEST, LP

**DEMING MILL & MILL TAILINGS
DEMING, NEW MEXICO**

***Mining and Minerals Division Permit No.
LU009RE***

***Deming Mill and Mill Tailings Closeout Plan
And
Financial Assurance Proposal***

Prepared For:

Mining Act Reclamation Program
Mining and Minerals Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Prepared By;

Geo Southwest, LP.
PO Box 353
Silverton, TX 79257

September 12, 2014

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MILL CLOSEOUT PLAN

1. PROJECT DESCRIPTION

This Closeout/Reclamation Plan for the Deming Mill Site (Site) and Mill Tailings (Tailings), previously owned by ASARCO Incorporated (ASARCO) has been prepared by GEO SOUTHWEST, LP (GEO SW) pursuant to Section (§)69-36-IIB of the New Mexico Mining Act of 1993 (Act) and the New Mexico Mining Act Rules (Rules). This Closeout/Reclamation Plan references and will be part of Permit No. LU009RE (currently in standby status) which was transferred to GEO SW by the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department on August 5, 2014. On April 9, 2014, GEO SW purchased from the ASARCO Multi-State Custodial Trust (Trust) 1193.84 acres (Property) near Deming, New Mexico (see Figure 1, General Location Map). The Property included the Permit Area which consists of approximately 163 acres including the Site, Tailings and a borrow pit.

GEO SW purchased the Property with the intent of renovating and operating the mill to process ore. The Site is located on County Road 394 in Sections 20 and 21, Township 23 South, Range 9 West, approximately one mile northwest of Deming, New Mexico. The Site is within the Chihuahuan desert scrub habitat on the desert floor of the lower Mimbres Basin. Mesquite (*Prosopis*) and Yucca (*Yucca*) are the dominate vegetation in the immediate vicinity of the Site. A portion of the Mimbres River crosses the Property approximately 0.35 miles north of the Site. This portion of the Mimbres River is ephemeral, flowing only in response to storm events.

The purpose of this Closeout/Reclamation Plan is to establish the amount of financial assurance that will be required from GEO SW for Permit Number LU009RE.

2. SITE HISTORY & CURRENT STATUS

The Site includes an existing mill, ancillary buildings, shipping and utilities infrastructures, and paved roadways. The mill was constructed in 1949, and operated by ASARCO with periodic shutdowns until 1979. It was designed as a custom mill and used primarily for the processing of lead and zinc ores from the ASARCO Groundhog Mine located approximately 50 miles north of the mill. During the early years of operation, the Site accepted and processed ore on a custom basis from non-ASARCO mines. From May, 1989 until August, 1995, Cyprus Pinos Altos Corporation leased the Site to produce copper-zinc concentrate from ore shipped from the Cyprus Pinos Altos mine. At the time of this lease, ASARCO sold a tract of land across the road from the Site to Cyprus for construction of a tailings impoundment.

ASARCO deeded the Property to the Trust on December 9, 2009 and provided funds for remediation of any environmental issues associated with the Site or Tailings. The Trust hired ENVIRON to oversee the Property and to complete of any necessary environmental remediation. ENVIRON removed contaminated driveway material from the Site and added it to the Tailings. Sand and gravel taken from the borrow pit located in the Permit Area was used to replace the removed driveway material and to cover the contaminated material added to the Tailings. This addition to the Tailings was sown to native vegetation which is becoming well established. ENVIRON completed remediation of all known environmental issues and this remediation has been approved by MMD. In addition, a Voluntary Remediation Program (VRP) related to the Deming Mill Windblown Tailings Site (VRP Site No. 53043001) was begun by ASARCO with the Trust completing the documentation with the New Mexico Environment Department (NMED) which issued a Covenant Not to Sue to GEO SW for contamination associated with the wind-blown tailings.

3. SITE CHARACTERISTICS

The Site is completely fenced with a 6' tall chain link fence and includes the following components:

- Rail siding
- Ore receiving (grizzly)
- Conveyor system
- Ore crushing building
- Ore transfer building
- Fine ore storage bins
- Ore sampling building
- Mill building
- Reagent mixing building
- Temporary office building (mobile)
- Machine shop
- Office and laboratory building
- Change house building
- North and south siding buildings
- Two water wells with pumps
- Water tank, tower, and distribution system
- Electrical substation
- Rail and truck scales and scale houses
- Concentrate thickeners
- Concentrate load-out slab
- Lime circulating tank
- Pole barn

These structures are presented in Figure 2, Detailed Site Plan; and Appendix A, Photographs.

4. POST-CLOSEOUT LAND USE

The proposed post-closeout land use for the Site is a non-mining-dependent industrial facility. Even though the Site is not a mine, the term post mining land use (PMLU) is used in this Closeout/Reclamation Plan to be consistent with MMD terminology.

The City of Deming has recently established an industrial park on land that the City owns adjoining the Property; hence, there would likely be good demand for an industrial facility at the Site location. Closeout/reclamation activities necessary to convert the Site to a non-mining-dependent industrial facility include demolition and removal of all mine-specific processing equipment and buildings.

Since all contaminated soil at the Site was removed and replaced by ENVIRON, no financial assurance will be required for correction of soil contamination at this time. However, a plan to evaluate and correct possible future soil contamination along with appropriate financial assurance will be part of the requirements for GEO SW to upgrade Permit Number LU009RE to active status in order to begin operation of the mill.

The purpose of this Closeout/Reclamation Plan is to have the Site become a productive industrial facility and a viable addition to the City of Deming Industrial Park. The potential economic viability of the Site is based on the following: quality of construction and size of the buildings; proximity of the Site to Deming, rail lines, and Interstate 10; and existing on-site infrastructure. Details of Closeout/Reclamation activities are described in Section 5, and cost estimates are provided in Table 1 on page 12 of this document.

5. DESCRIPTION OF CLOSEOUT/RECLAMATION ACTIVITIES

Closeout/Reclamation for the Site would require the removal of the following mining-specific equipment:

- Ore receiving (grizzly)
- Conveyor system
- Ore crushing building
- Ore transfer building
- Fine ore storage bins
- Ore sampling building
- Processing equipment located within mill building
- Concentrate thickeners
- Lime circulating tank

Specific components to remain at Site for industrial use include the following:

- Mill building
- Reagent mixing building
- Machine shop
- Office and laboratory building
- Temporary office building (mobile)
- Change house building
- North and south siding buildings
- Quonset building
- Two water wells with pumps
- Water tank, tower and distribution system
- Electrical substation
- Truck and rail scales and scale houses
- Pole barn
- Concentrate load-out slab

6. DEMONSTRATION OF PMLU IMPLEMENTATION

The following criteria have been developed to demonstrate that the PMLU has been achieved:

1. The activities outlined above (Section 5) have been completed.
2. The Site has been inspected by a certified engineer to ensure the integrity of the remaining structures.

Once the MMD has determined that the PMLU has been implemented, the MMD will release GEO SW from the financial assurance obligations in accordance with 19.10.12.1210 NMAC of the Rules.

7. CLOSEOUT/RECLAMATION PLAN COST ESTIMATES

Cost estimates for Closeout/Reclamation tasks are based upon R S Means Heavy Construction Cost Data (24th Annual Edition, 2010). The cost of \$7.61 per sq. ft. that was given for demolition of large metal bridges was consider appropriate for the type of demolition required in this plan. This cost was reduced by 50% for the removal of equipment from the mill building since the building is to be left in place. These cost estimates were increased by 39% to provide for a number of indirect cost items including the following:

- Reclamation contract management fee – 10%
- Engineering redesign – 2%
- Mobilization and demobilization – 5%
- Contingencies – 7%
- Profit and overhead – 15%

Cost estimates are detailed in Table 1 (page 12). No consideration has been given to salvage and scrap values for removed equipment and metal scrap which would likely exceed the projected demolition costs.

8. ENVIRONMENTAL STANDARDS COMPLIANCE

ASARCO ceased operations at the Site in 1979, prior to requirements for permitting under New Mexico environmental protective legislation. Documentation and analysis of Site conditions pursuant to guidelines for Environmental Standards Compliance is beyond the scope of this permitting process. GEO SW will submit an Erosion Control Plan to MMD for approval 90 days prior to implementation of Closeout/Reclamation activities. The Erosion Control Plan will describe the following:

1. Containment of sediment and runoff within the disturbed area during closeout/reclamation activities.
2. Protection of surface water resources from sedimentation due to ground disturbance and other activities.
3. Protection of topsoil and closeout/reclamation materials from erosion.

In addition to upgrading Permit Number LU009RE to active status, GEO SW will need other permits in order to operate the mill including a groundwater discharge permit for a new tailings impoundment and an air quality permit for the crushing unit. Current plans include tailings impoundments below the size requiring a dam site permit.

A Stormwater Pollution Prevention Plan (SWPP) for the Site that outlines stormwater controls will also be required. The SWPP will be modified prior to the implementation of the Closeout/Reclamation Plan and submitted to the MMD for approval. The modifications will reflect the proposed changes to the Site and ensure that surface water will be protected from activities that were or will be conducted at the Site. The SWPP will include procedures to collect samples of stormwater. In addition, the SWPP will outline the actions necessary to prevent stormwater from negatively affecting surface water. Surface water samples will be collected in accordance with 40 CFR Part 136. Surface water sample analytical results will be reported to the Surface Water Quality Board of the NMED.

9. CLOSEOUT/RECLAMATION PLAN SCHEDULE

The Site will be a custom facility, not associated with any particular mine, and therefore could potentially continue to operate indefinitely. However, Closeout/Reclamation activities would require from six to ten months to complete should GEO SW choose to close the mill.

10. CLOSEOUT/RECLAMATION PERMITTING, NOTIFICATION, APPROVALS

The Site has been annexed by the City of Deming which has issued a special use permit for operation of the mill. This area is zoned for commercial use and adjoins an industrial park recently created by the City. Depending upon the type of business that may utilize the Site and its potential impact to the environment, State as well as City permits may be required.

NMED requires notification of demolition activities 10 days prior to initiation of work. The purpose of the notification is to inform NMED of the presence or absence of asbestos. In addition, lead emissions, particulate matter and/or dust emissions, and emissions resulting from remedial activities may be governed by state and federal regulations. If potential emissions exceed the threshold levels as specified in the regulations, GEO SW may have to file a Notice of Intent and/or obtain an air quality permit.

FINANCIAL ASSURANCE (FA)

1. SITE CLOSEOUT

The estimated direct cost of the Closeout/Reclamation Plan for the Deming Mill Site as detailed in Table 1 (page 11) is \$129,515 plus indirect costs of 39%.

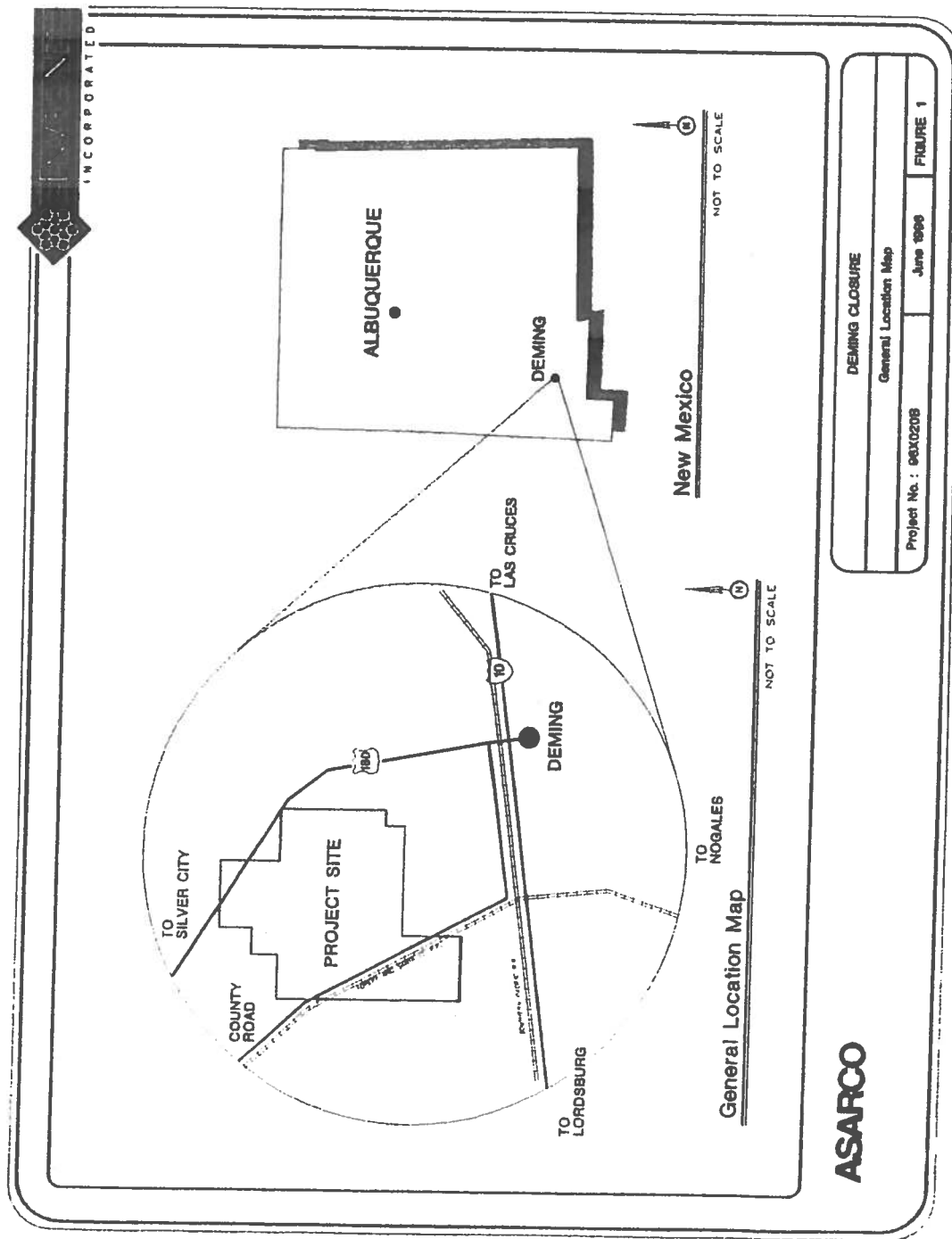
2. TAILINGS IMPOUNDMENT

The FA for the Tailings was previously \$120,493. Approximately \$30,000 of this amount was requested by NMED as a contingency for another monitor well if required. NMED has agreed that there is no need to retain this contingency. The remainder of the FA (approximately \$90,493) was required by MMD to provide for repair of any erosion to the tailings impoundment for 12 years after it was reclaimed. Recent inspection by MMD during the 7th year following completion of reclamation found the tailings impoundment to be in excellent condition. For this reason, a reduction is proposed of the FA for the Tailings by approximately 1/2 to \$45,175 which appears in Table 1 as \$32,500 direct cost plus indirect costs of 39%.

3. FINANCIAL ASSURANCE SUBMISSION

In conformance with Subpart 12 of the Rules, GEO SW will submit FA in excess of the \$225,201 required for accomplishing the Closeout Plan for the Site, the completion of the Tailings reclamation and the implementation of the PMLU for the Site. This FA shall consist of a Collateral Bond in the form of a perfected first-lien security interest in real property with a right to sell granted to the State of New Mexico. This real property is a portion of the Property purchased by GEO SW from the Trust but does not include any of the 163-acre Permit Area.

The attached survey identifies a number of tracts, three of which (3, 5 & 6) will be used for the Collateral Bond. These three tracts total 493.422 acres and were appraised for a total of \$267,500 by Ace Appraisal Service, Deming, New Mexico. A copy of the appraisals is attached. The 141.570-acre tract shown as Tract 3 in the survey is called Parcel Two in the appraisal which valued it at \$77,000. Tracts 5 & 6 in the survey total 352.852 acres and are contiguous. These were appraised as Parcel Three for a total value of \$190,500.



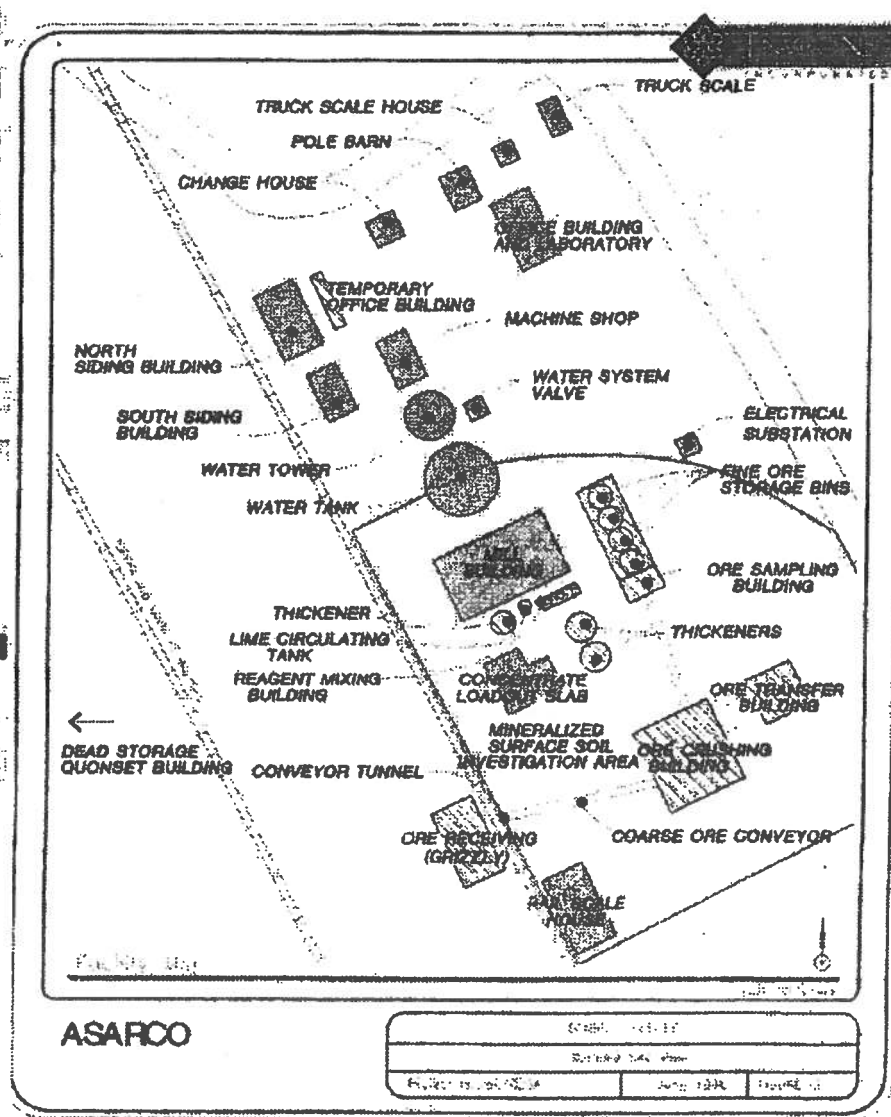


Table 1
Cost Estimates

Direct Costs

<u>Mill Site Closeout</u>	<u>Area sq ft</u>	<u>Demolition Costs</u>	
		<u>\$/sq ft</u>	<u>Total</u>
Mill building equipment removal	9,000	3.805	\$ 34,245
Thickener, 36 ft diameter	1,017	7.61	7,740
Thickener, 30 ft diameter	707	7.61	5,380
Thickener, 25 ft diameter	490	7.61	3,728
Ore receiving (grizzly)	900	7.61	6,850
Conveyor systems	720	7.61	5,480
Conveyor tunnel	2,250	7.61	17,122
Ore crushing building	2,160	7.61	16,438
Ore transfer building	225	7.61	1,712
Conveyor tower building	650	7.61	4,946
4 fine-ore bins & ore sampling building	3,000	7.61	22,830
Lime circulating tank	400	7.61	<u>3,044</u>
Total			\$129,515

<u>Tailings</u>	<u>Cost</u>
Erosion repair	\$ 32,500
Total Direct Costs	\$162,015

Indirect Costs

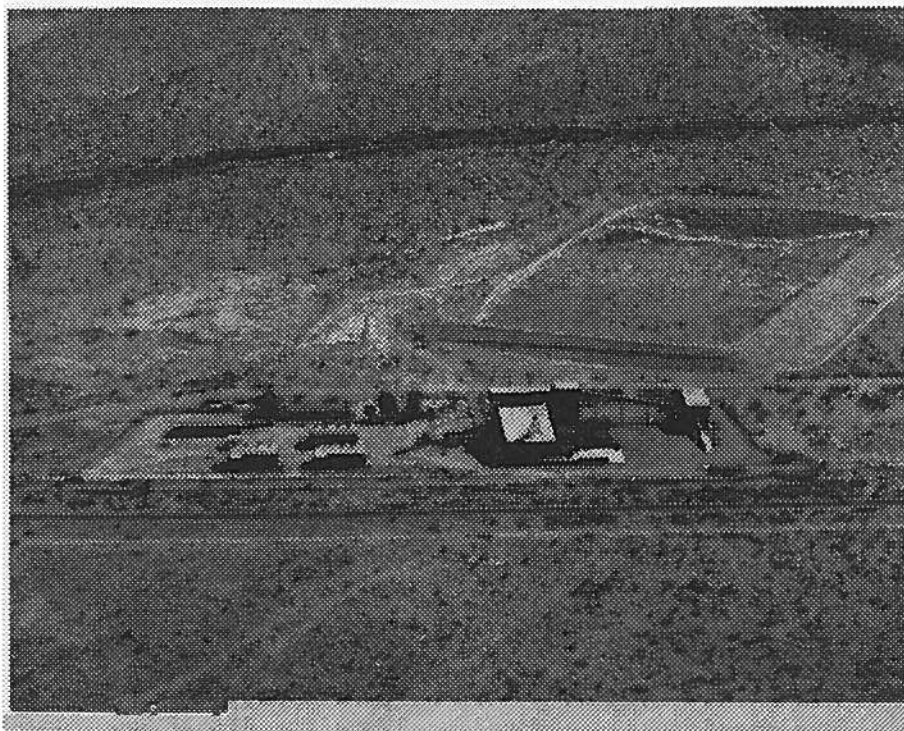
<u>Item</u>	<u>%</u>	<u>Total</u>
Reclamation contract management fee	10	\$ 16,202
Engineering redesign	2	3,240
Mobilization & demobilization	5	8,101
Contingencies	7	11,341
Profit & overhead	15	<u>24,302</u>

Total Indirect Costs	\$ 63,186
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Total Costs	\$225,201
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Deming Mill

(LUNA Electric Generation Plant in Background)



Professional Land Surveyor LS 9825

LAND APPRAISAL REPORT

OUR PARCEL THREE

File No. 120930-3

Summary Appraisal Report

SUBJECT	Borrower <u>N/A</u>		Census Tract <u>0005.00</u>		Map Reference <u>N/A</u>		
	Property Address <u>000 Peru Mine Road NW</u>						
	City <u>Deming</u>		County <u>Luna</u>		State <u>NM</u> Zip Code <u>88030</u>		
	Legal Description <u>a 352.919 ac. +/- property (Tracts 5 & 6 on map provided) located in the SH of Sec. 21 & EH of Sec. 20, T23S, R09W, NMPM</u>						
NEIGHBORHOOD	Sale Price \$ <u>Price Per Ac.</u>		Date of Sale _____		Loan Term _____ yrs.		
	Actual Real Estate Taxes \$ <u>None</u>		(yr) Loan charges to be paid by seller \$ _____		Other sales concessions _____		
	Lender/Client <u>Geo Southwest, Ltd.</u>		Address <u>P.O. Box 353, Silverton, TX 79257</u>				
	Occupant <u>Vacant</u>		Appraiser <u>Kevin Zachek</u>		Instructions to Appraiser <u>Appraise fee simple interest of vacant land.</u>		
	Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Employment Stability	<input type="checkbox"/> Good <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Fair <input type="checkbox"/> Poor	
	Built Up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input checked="" type="checkbox"/> Under 25%	Convenience to Employment	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	Convenience to Shopping	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Schools	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	Adequacy of Public Transportation	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input checked="" type="checkbox"/> Over 6 Mos.	Recreational Facilities	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
SITE	Present	<u>5</u> % One-Unit	<u>80</u> % Vacant	<u>2-4</u> Unit	<u>5</u> % Apts.	<u>5</u> % Condo	
	Land Use	<u>15</u> % Industrial	<u>80</u> % Vacant				
	Change in Present	<input type="checkbox"/> Not Likely	<input checked="" type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)			
	Land Use	(*) From <u>vacant land</u>		To <u>industrial use</u>			
	Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>5</u> % Vacant			
	One-Unit Price Range	\$ <u>50k</u> to \$ <u>150k</u>	Predominant Value	\$ <u>75k</u>			
	One-Unit Age Range	<u>New</u> yrs. to <u>65</u> yrs.	Predominant Age	<u>25</u> yrs.			
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>The subject property is located in a low density area northwest of Deming, north of W Second Street. Land use change is likely due to recent zoning changes of surrounding properties to industrial use.</u>						
	Dimensions <u>See map of survey</u> = <u>352.919 ac.</u> <input type="checkbox"/> Corner Lot						
	Zoning Classification <u>None</u> Present Improvements <input checked="" type="checkbox"/> Do <input type="checkbox"/> Do Not Conform to Zoning Regulations						
MARKET DATA ANALYSIS	Highest and Best Use	<input type="checkbox"/> Present Use	<input checked="" type="checkbox"/> Other (specify) <u>Industrial use</u>				
	Elec.	<input checked="" type="checkbox"/> on site	OFF SITE IMPROVEMENTS				
	Gas	<input type="checkbox"/> LPG req'd	Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private				
	Water	<input type="checkbox"/> Well req'd	Surface <u>asphalt</u>				
	San. Sewer	<input type="checkbox"/> Septic req'd	Maintenance <input type="checkbox"/> Public <input type="checkbox"/> Private				
		<input type="checkbox"/> Undergound Elect. & Tel.	<input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter				
			<input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights				
	Topo		Level except for river channel				
	Size		Typical				
	Shape		irregular				
View		Desert/mtns					
Drainage		Adequate					
Is the property located in a FEMA Special Flood Hazard Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>Utility easements of record. No known encroachments. Property has paved roadway along the west side. No hazardous materials were observed by the appraiser on the date of inspection. There is an electric power plant approximately 1/8 mile north. Industrial zoning in the area is extensive and expanding.</u>							
RECONCILIATION	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; If a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.						
	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3		
	Address	<u>000 Peru Mine Road NW</u>	<u>NHSH Sec 19, T23S, R09W</u>	<u>SEQ Sec 25, T26S, R09W,</u>	<u>WH NEQ Sec 29, T26S, R09W,</u>		
		<u>Deming, NM 88030</u>	<u>NMPM, Deming, NM 88030</u>	<u>NMPM, Deming, NM 88030</u>	<u>NMPM, Deming, NM 88030</u>		
	Proximity to Subject		<u>1.78 miles W</u>	<u>6.96 miles SE</u>	<u>19.29 miles S</u>		
	Sales Price	\$ <u>Price Per Ac.</u>	\$ <u>300</u>	\$ <u>500.00</u>	\$ <u>643</u>		
	Price	\$ _____	\$ <u>48,000</u>	\$ <u>80,000.00</u>	\$ <u>90,000</u>		
	Data Source(s)		<u>AAS/Contract/LCCH/deckert</u>	<u>MLS/SCR/LCCH</u>	<u>MLS/C-21</u>		
	ITEM	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	
	Date of Sale/Time Adj.		<u>06/03/2011</u>		<u>01/05/2008</u>	<u>03/01/2007</u>	
Location	<u>Rural/Low Density</u>	<u>Rural/Low Density</u>	<u>0</u>	<u>Rural/Low Density</u>	<u>0</u>		
Site/View	<u>352.919 ac.</u>	<u>160.52 ac. .45 .23</u>	<u>-153</u>	<u>160 ac. .45 .23</u>	<u>-132</u>		
Access	<u>paved/maintained</u>	<u>No legal access</u>	<u>+275</u>	<u>unpaved/maintained</u>	<u>+175</u>		
Improvements	<u>None</u>	<u>None</u>	<u>0</u>	<u>well/septic</u>	<u>-20</u>		
Other	<u>30% H/Veic/floodpl</u>	<u>60% H/Veic/floodpl</u>	<u>+91</u>	<u>No flood plain etc.</u>	<u>-83</u>		
Highway frontage	<u>No hwy frontage</u>	<u>No hwy frontage</u>	<u>0</u>	<u>No hwy frontage</u>	<u>0</u>		
Sales or Financing		<u>Cash Equivalent</u>	<u>0</u>	<u>Cash Equivalent</u>	<u>0</u>		
Concessions		<u>None</u>	<u>0</u>	<u>None</u>	<u>0</u>		
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>213</u>	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-60</u>	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-136</u>			
Indicated Value		<u>Net 71.0 %</u>	<u>Net 12.0 %</u>	<u>Net 21.2 %</u>			
of Subject		<u>Gross 173.0 %</u>	<u>Gross 82.0 %</u>	<u>Gross 75.6 %</u>	<u>507</u>		
Comments on Market Data <u>Subject property access is by paved road along the W side of the property. Subject property is 30% affected by flood zone (100 acres) plus High Voltage line (7 acres) resulting in 30% combined affected area. Comp 1 lacked access at the time of purchase and is more adversely affected by the 60% flood zone and high voltage lines. 80% learning curve used to adjust for size.</u>							
Comments and Conditions of Appraisal <u>Sales for parcels of land nearer to the size of the subject were not available. The appraiser was able to use four sales in the same township and range. Characteristics of the subject and the comparable sales used were compared and adjusted appropriately. "Comp 7" is a LISTING; it is included due to its reasonably similar size and because it represents an offering within the same township and range.</u>							
Final Reconciliation <u>Comps 1 to 4 are the most recent confirmed, closed sales deemed similar. Comps 1 to 4 indicate a value of \$542/ac. All 6 comps the indicate \$537/ac. Giving more weight to Comps 1 to 4 (more similar in size), the appraiser estimates the fair market value of the subject to be \$540/ac. Therefore, \$540 x 352.919 ac. = \$190,576 rounded to \$190,500.00 USD.</u>							
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>October 2, 2012</u> TO BE \$ <u>190,500 USD</u>							
Appraiser <u>Kevin Zachek</u>		Supervisory Appraiser (if applicable) _____					
Date of Signature and Report <u>11/21/2012</u>		Date of Signature _____					
Title _____		Title _____					
State Certification # <u>855-R</u> ST <u>NM</u>		State Certification # _____ ST _____					
Or State License # _____ ST _____		Or State License # _____ ST _____					
Expiration Date of State Certification or License <u>04/30/2014</u>		Expiration Date of State Certification or License _____					
Date of Inspection (if applicable) <u>October 2, 2012</u>		<input type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property Date of Inspection _____					

OUR PARCEL THREE

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	000 Peru Mine Road NW Deming, NM 88030	WH NWQ Sec 29, T23S, R09W, NMPM, Deming, NM 88030		Sec.17, T23S, R09W ehswqseq NMPM, Deming, NM 88030		Sec.17, T23S, R09W whneqswq NMPM, Deming, NM	
Proximity to Subject		1.60 miles SW		0.99 miles NW		1.53 miles NW	
Sales Price	\$ Price Per Ac.		\$ 864		\$ 750		\$ 600
Price	\$		\$ 69,000		\$ 15,000		\$ 12,000
Data Source(s)		2007-1199/LCA				LCA/COD	
ITEM	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Date of Sale/Time Adj.		01/22/2007		09/06/2012		12/30/2011	
Location	Rural/Low Density	ETZ/Low Density	0	Rural/Low Density	0	Rural/Low Density	0
Site/View	352.919 ac.	80.77 ac. .23 .38	-355	20ac. .06 .60	-291	20 ac. .06 .60	-278
Access	paved/maintained	unpaved/maintained	+175	unpaved/maintained	+175	No legal access	+275
Improvements	None	None	0	None	0	None	0
Other	30% H/Velec/floodpi	No flood plain etc.	-105	No flood plain etc.	-94	No flood zone	-82
Highway frontage	No hwy frontage	No hwy frontage	0		0	No hwy frontage	0
Sales or Financing Concessions		REC None noted		Cash Equivalent None noted		Cash Equivalent None	
Net Adj. (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-285	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-210	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-85
Indicated Value of Subject		Net 33.0 % Gross 73.5 %	\$ 579	Net 28.0 % Gross 74.7 %	\$ 540	Net 14.2 % Gross 105.8 %	\$ 515
Comments on Market Data After Comp 4, the size of the comparable sales used drops to small parcels, yet the indications of value are reasonably similar to Comps 1 through 4 due to the use of the 80% learning curve. See the note below the first market grid for reconciliation and final estimated value.							
Note: Comparable Sales not used in the evaluation of the subject property are included in the report as supporting documentation to show the marketability of smaller parcels in the subject area. There has been limited market activity in the subject area of parcels in the same size range as the subject.							

OUR PARCEL THREE

File No. 120930-3

MARKET DATA ANALYSIS

Subject Land Photo Page

Borrower/Client	N/A					
Property Address	000 Peru Mine Road NW					
City	Deming	County	Luna	State	NM	Zip Code 88030
Lender	Geo Southwest, Ltd.					



Subject Front

000 Peru Mine Road NW

Sales Price Price Per Ac.

Date of Sale

Site Area

Location Rural/Low Density

Access paved/maintained

Improvements None

Other 30% HVElec/floodpl

Highway frontage No hwy frontage

View looking E at Parcel Three.

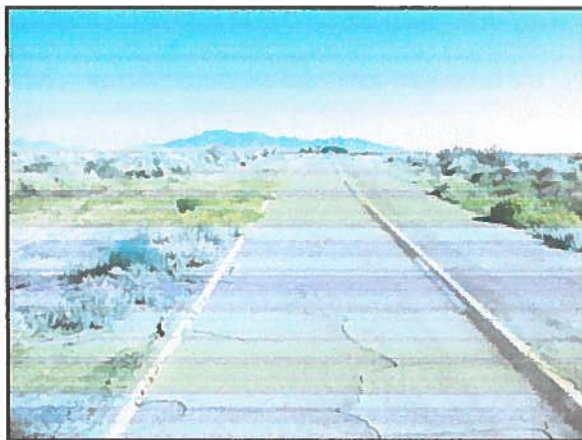
7061



Subject Rear

View looking S at Parcel Three from a point under the power lines.

7051



Subject Street

View looking SSE at the road that provides access to the extreme W side of Parcel Three.

7062

Subject Land Photo Page

Borrower/Client	N/A				
Property Address	000 Peru Mine Road NW				
City	Deming	County	Luna	State	NM
Zip Code	88030				
Lender	Geo Southwest, Ltd.				



Subject Front

000 Peru Mine Road NW

Sales Price Price Per Ac.

Date of Sale

Site Area

Location Rural/Low Density

Access paved/maintained

Improvements None

Other 30% HVElec/floodpl

Highway frontage No hwy frontage

View looking N along the
W side of Parcel Three.
Subject is to the right of
the dirt road.
7060



Subject Rear

View looking E from the
NW corner of Parcel
Three. Subject is to the
right of this road.
7053

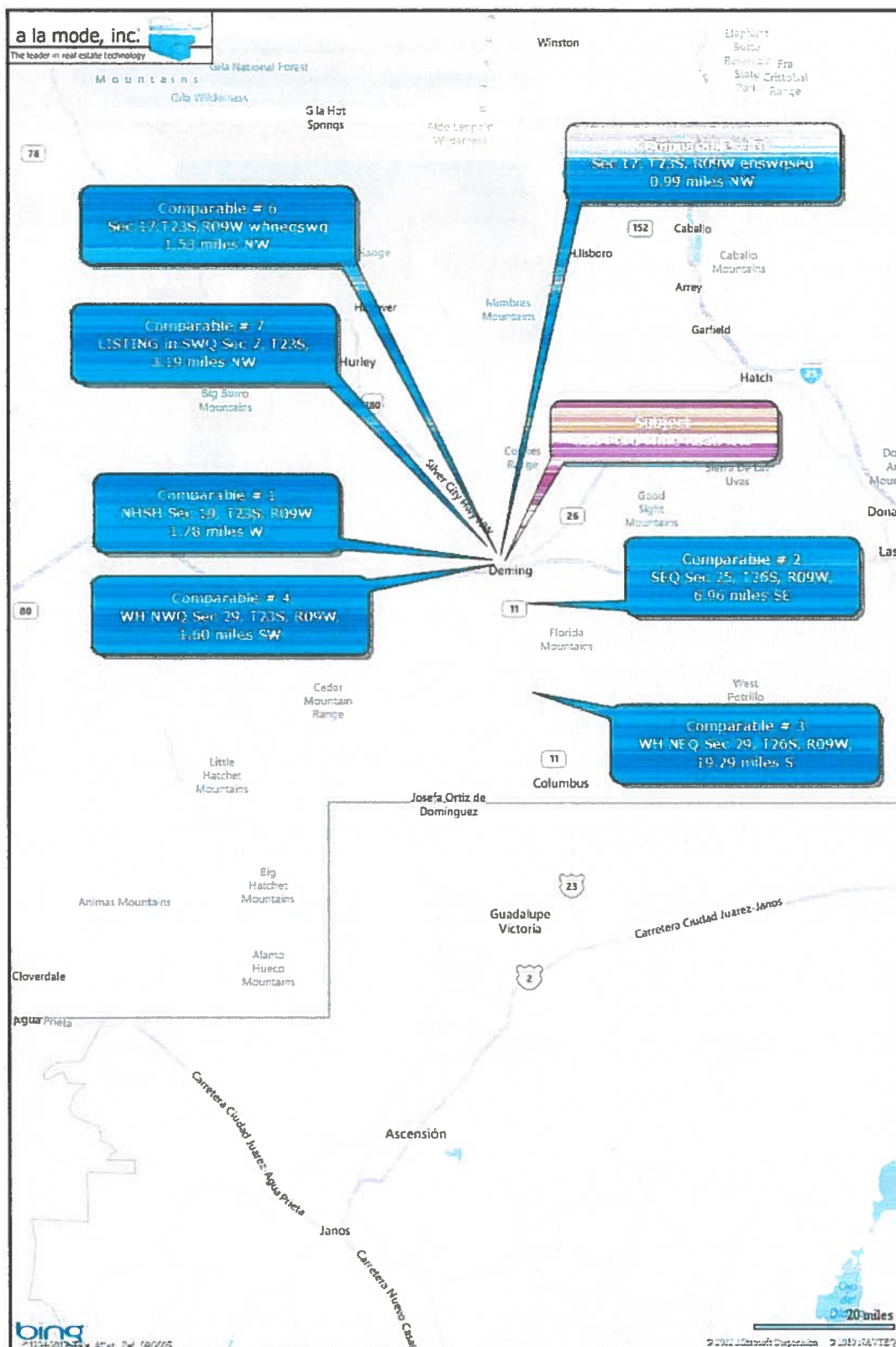


Subject Street

View looking S from the
NW corner of Parcel
Three. Subject is to the
left of the dirt road.
7052

Location Map

Borrower/Client	N/A				
Property Address	000 Peru Mine Road NW				
City	Deming	County	Luna	State	NM Zip Code 88030
Lender	Geo Southwest, Ltd.				



DEFINITION OF 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, 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 each acting in what they considers 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 for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SCOPE OF REVIEW: The scope of this review is limited to the information being provided by the original appraiser, and is to form an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data; form an opinion as to the appropriateness of the appraisal methods and techniques used and develop the reasons for any disagreement; form an opinion as to whether the analyses, opinions, and conclusions in the report under review are appropriate and reasonable, and develop the reasons for any disagreement.

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

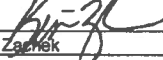
CERTIFICATION: The reviewer certifies and agrees that, to the best of his/her knowledge and belief:

1. The facts and data reported by the Reviewer and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinion, and conclusions.
3. Unless stated elsewhere, I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report.
5. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
6. Unless stated elsewhere in this report, I did not personally inspect the exterior subject property.
7. No one provided significant professional assistance to the person signing this review report.

CONTINGENT AND LIMITING CONDITIONS: The certification of the Reviewer appearing in the review report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Reviewer in the review report.

1. The Reviewer assumes no responsibility for matters of a legal nature affecting the property which is the subject of this review or the title thereto, nor does the Reviewer render any opinion as to the title, which is assumed to be good and marketable.
2. The Reviewer is not required to give testimony or appear in court because of having made the review, unless arrangements have been previously made therefor.
3. The Reviewer assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Reviewer assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
4. Information, estimates, and opinions furnished to the Reviewer, and contained in the review report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Reviewer can be assumed by the Reviewer.
5. Disclosure of the contents of the report is governed by the Uniform Standards of Professional Appraisal Practice and the Bylaws and Regulations of the professional appraisal organizations with which the Reviewer is associated.
6. Neither all, nor any part of the content of the review report, or copy thereof (including the conclusions of the review, the identity of the Reviewer, professional designations, reference to any professional appraisal organizations, or the firm with which the Reviewer is connected), shall be used for any purpose by anyone but the client specified in the review report, its successors and assigns, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent and approval of the Reviewer.
7. No change of any item in the review report shall be made by anyone other than the Reviewer and the Reviewer shall have no responsibility for any such unauthorized change.

APPRAISER:

Signature: 
Name: Kevin Zaehle
Date Signed: 11/21/2012
State Certification #: 855-R
or State License #: _____
State: NM
Expiration Date of Certification or License: 04/30/2014

SUPERVISORY APPRAISER (only if required):

Signature: _____
Name: _____
Date Signed: _____
State Certification #: _____
or State License #: _____
State: _____
Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

LAND APPRAISAL REPORT

OUR PARCEL TWO

File No. 120930-2

Summary Appraisal Report

SUBJECT	Borrower	N/A		Census Tract	0005.00		Map Reference	N/A	
	Property Address	000 San Acacia Road NW							
NEIGHBORHOOD	City	Deming		County	Luna		State	NM	
	Zip Code	88030							
SITE	Legal Description	a 141.570 ac. tract of land located in the NEQ Section 29, T29S, R09W, NMPM, in Luna County, NM.							
	Sale Price \$	Price Per Ac.	Date of Sale	Loan Term	Yrs.	Property Rights Appraised	<input checked="" type="checkbox"/> Fee	<input type="checkbox"/> Leasehold	<input type="checkbox"/> De Minimis PUD
	Actual Real Estate Taxes \$	N/A		(yr)	Loan charges to be paid by seller \$	Other sales concessions			
	Lender/Client	Geo Southwest, Ltd.				Address P.O. Box 353, Silverton, TX 79257			
	Occupant	Vacant				Appraiser Kevin Zachek			
	Instructions to Appraiser	Appraise fee simple interest of vacant land.							
	Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural					
	Built Up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input checked="" type="checkbox"/> Under 25%					
	Growth Rate	<input checked="" type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input checked="" type="checkbox"/> Slow				
	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining					
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply						
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input checked="" type="checkbox"/> Over 6 Mos.						
Present	5 % One-Unit	% 2-4 Unit	% Apts.	% Condo	% Commercial				
Land Use	15 % Industrial	80 % Vacant							
Change in Present	<input type="checkbox"/> Not Likely	<input checked="" type="checkbox"/> Likely (*)							
Land Use	(*) From vacant land	To housing or industrial use							
Predominant Occupancy	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	5 % Vacant						
One-Unit Price Range	\$ 50K to \$ 50K	Predominant Value \$ 75K							
One-Unit Age Range	New yrs. to 65 yrs.	Predominant Age 25 yrs.							
Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise)									
The subject property is located east of San Acacia Road NW. Land use change is likely due to recent zoning changes of properties in the area to industrial use. An elementary school is located nearby. The neighborhood is close to the City of Deming and the industrial area to the north and northeast.									
MARKET DATA ANALYSIS	Dimensions	See attached map of survey			= 141.570		<input checked="" type="checkbox"/> Corner Lot		
	Zoning Classification	N/A			Present Improvements		<input checked="" type="checkbox"/> Do	<input checked="" type="checkbox"/> Do Not	Conform to Zoning Regulations
	Highest and Best Use	<input type="checkbox"/> Present Use	<input checked="" type="checkbox"/> Other (specify) housing lots or industrial use						
	Elec.	<input checked="" type="checkbox"/> on site							
	Gas	<input type="checkbox"/> LPG req'd							
	Water	<input type="checkbox"/> Well req'd							
	San. Sewer	<input type="checkbox"/> Septic req'd							
		<input type="checkbox"/> Underground Elect. & Tel.							
	Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions)	Utility easements of record. No known encroachments. Property has 2,647.49 feet of frontage on the west side of the property on San Acacia Road NW. No hazardous materials were observed by the appraiser on the date of inspection. The neighboring properties to the south on San Acacia Road NW are single family manufactured homes on small acreages. Industrial zoning in the area is extensive and expanding.							
	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.								
ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3			
Address	000 San Acacia Road NW Deming, NM 88030	NHS Sec 19 T23S, R09W NMPM, Deming, NM 88030		SEQ Sec 25, T26S, R09W, NMPM, Deming, NM 88030		WH NEQ Sec 29, T26S, R09W, NMPM, Deming, NM 88030			
Proximity to Subject		3.00 miles W		19.58 miles S		18.10 miles S			
Sales Price	\$ Price Per Ac.	\$ 300		\$ 500.00		\$ 643			
Price	\$ N/A	\$ 48,000		\$ 80,000.00		\$ 90,000			
Data Source(s)	Inspection/LCCH	AAS/Contract/LCCH/deckert		MLS/SCR/LCCH		MLS/C-21			
ITEM	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.		
Date of Sale/Time Adj.	N/A	06/03/2011		01/05/2008		03/01/2007			
Location		Rural/Low Density		0 Rural/Low Density		0 Rural/Low Density	0		
Site/View	141.570	160.52 ac. 1.04	+20	160 ac. 1.04	+20	140 ac.	0		
Access	gravel & dirt/maint'd	No legal access	+100	gravel/maintained		0 dirt rd/maintained	0		
Improvements	None	None		0 well/septic	-20	0 well/septic	-20		
Other	No flood zone	60% H/Velec/floodpl	+90	Similar		0 Similar	0		
Highway frontage	No hwy frontage	No hwy frontage		0 No hwy frontage		0 No hwy frontage	0		
Sales or Financing		Cash Equivalent		0 Cash Equivalent		0 Cash Equivalent	0		
Concessions		None		None		None			
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	210	<input type="checkbox"/> + <input type="checkbox"/> - \$		<input checked="" type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-20		
Indicated Value of Subject		Net 70.0 %		Net %		Net 3.1 %			
		Gross 70.0 %	\$ 510	Gross 8.0 %	\$ 500	Gross 3.1 %	\$ 623		
Comments on Market Data Subject property access is by a gravel & dirt, maintained road on its W side. Comp 1 lacked access at the time of purchase and is adversely affected by flood zone and high voltage lines. Comps 1, & 2 are adjusted for size using 80% learning curve. Comps 4, through 9 are significantly smaller and are not adjusted for size and are not used in the final estimate of value.									
Comments and Conditions of Appraisal Note: Comparable Sales not used in the evaluation of the subject property are included in the report as supporting documentation to show the marketability of smaller parcels in the subject area. There has been limited market activity in the subject area of parcels in the same size range as the subject.									
RECONCILIATION	Final Reconciliation Comps 1 to 3 are the most recent confirmed, closed sales deemed similar to the subject property. Comps 4 to 9 were not used in the final estimate of value due to their high variance in parcel size &/or distance from the subj. Comp 5 was also excluded due to its hwy frontage. Comps 1, 2, & 3 indicate a value per acre of \$544. Therefore, \$544 x 141.570 = \$77,014 rounded to \$77,000 USD.								
	(WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF October 2, 2012 TO BE \$ 77,000.00 USD								
	Appraiser	Kevin Zachek			Supervisory Appraiser (if applicable)				
	Date of Signature and Report	11/21/2012			Date of Signature				
	Title				Title				
State Certification #	855-R			State Certification #					
Or State License #				Or State License #					
Expiration Date of State Certification or License	04/30/2014			Expiration Date of State Certification or License					
Date of Inspection (if applicable)				Date of Inspection					
<input type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property									

OUR PARCEL TWO

File No. 120930-2

MARKET DATA ANALYSIS

ADDITIONAL COMPARABLE SALES

OUR PARCEL TWO

File No. 120930-2

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 7	COMPARABLE NO. 8	COMPARABLE NO. 9
Address	000 San Acacia Road NW Deming, NM 88030	Sec.17, T23S, R09W ehswqseq NMPM, Deming, NM 88030	Sec.3,T23S,R9W swq neq swq NMPM, Deming, NM	Sec.4, T25S,R8W, WWSWQ NMPM, Deming, NM
Proximity to Subject		1.76 miles NW	7.00 miles N	8.44 miles SE
Sales Price	\$ Price Per Ac.	\$ 750	\$ 1,000	\$ 880
Price	\$ N/A	\$ 15,000	\$ 10,000	\$ 44,000
Data Source(s)	Inspection/LCCH	LCA/City of Deming/EMB	NMMBMLS#20112161	NMMBMLS#20106950
ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Date of Sale/Time Adj.	N/A	09/06/2012	05/26/2010	03/15/2011
Location		Rural/Low Density	Rural/Low Density	Rural/Low Density
Site/View	141.570	20ac. not adjusted	10 ac. not adjusted	50 ac. not adjusted
Access	gravel & dirt/maintd	gravel rd/maintained	gravel rd/maintained	dirt rd/maintained
Improvements	None	None	None	None
Other	No flood zone	Similar	Similar	Similar
Highway frontage	No hwy frontage	No hwy frontage	No hwy frontage	No hwy frontage
Sales or Financing		Cash Equivalent	Cash Equivalent	Cash Equivalent
Concessions		None	None	None
Net Adj. (Total)		\$	\$	\$
Indicated Value of Subject		Net % Gross % \$ 750	Net % Gross % \$ 1,000	Net % Gross % \$ 880
<p>Comments on Market Data Comps 5, 6, 7, 8, and 9 were included in the appraisal as miscellaneous market information that may have some relevance to the user of the appraisal for comparative purposes. Comps 6, 7, and 8 are located near the subject property, but are not considered truly similar due to their small size. Comp 9 is located SE of Deming. Comp 9 is significantly smaller than the subject and possesses potential for residential development with views of the Florida Mountains to the southeast. The appraiser utilized Comps 1, 2, & 3 for estimating the fair market value of the subject property. Comp 5 was excluded due to its highway frontage.</p>				

MARKET DATA ANALYSIS

OUR PARCEL TWO

File No. 120930-2

MARKET DATA ANALYSIS

OUR PARCEL TWO

File No. 120930-2

ITEM		SUBJECT PROPERTY		COMPARABLE NO. 10		COMPARABLE NO. 11		COMPARABLE NO. 12	
Address		000 San Acacia Road NW Deming, NM 88030		LISTING in SWQ Sec 7, T23S, R09W, NMPM Deming, NM					
Proximity to Subject				3.19 miles NW					
Sales Price		\$		Price Per Ac.		\$		1,985	
Price		\$		N/A		\$		264,000	
Data Source(s)		Inspection/LCCH		LISTING/MLS#20124127					
ITEM		DESCRIPTION		DESCRIPTION		+(-)\$ Adjust.		DESCRIPTION	
Date of Sale/Time Adj.		N/A		LISTING				DESCRIPTION	
Location				Rural/Low Density					
Site/View		141.570		133 ac. .38 .28		-28			
Access		gravel & dirt/maintd		Paved/maintained		0			
Improvements		None		None		0			
Other		No flood zone		No flood zone		-160			
Highway frontage		No hwy frontage		No hwy frontage		0			
Sales or Financing Concessions				LISTING DOM 51 (discount)		-400			
Net Adj. (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$		-588		<input type="checkbox"/> + <input type="checkbox"/> - \$	
Indicated Value of Subject				Net 29.6 % Gross 29.6 % \$		1,397		Net % Gross % \$	
Comments on Market Data "Comp 10" is a LISTING. It is included because it is an offering in the subject area.									

Subject Photo Page

Borrower/Client	N/A				
Property Address	000 San Acacia Road NW				
City	Deming	County	Luna	State	NM Zip Code 88030
Lender	Geo Southwest, Ltd.				



Subject Front

000 San Acacia Road NW

Sales Price Price Per Ac.

Gross Living Area

Total Rooms

Total Bedrooms

Total Bathrooms

Location

View 141.570

Site

Quality

Age

View looking E at the mid-point of W side of Parcel Two.

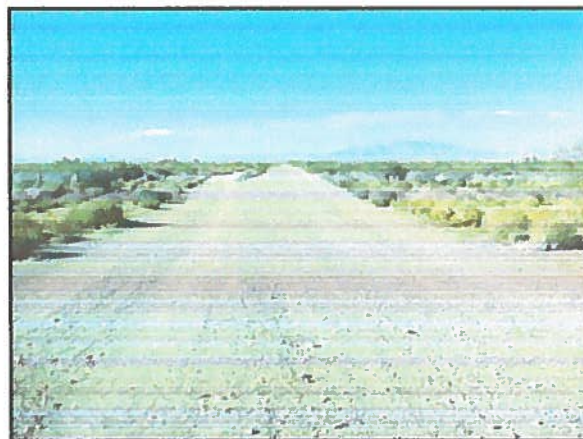
7072



Subject Rear

View Looking S on San Acacia Rd NW from SW corner of Parcel Two.

7074



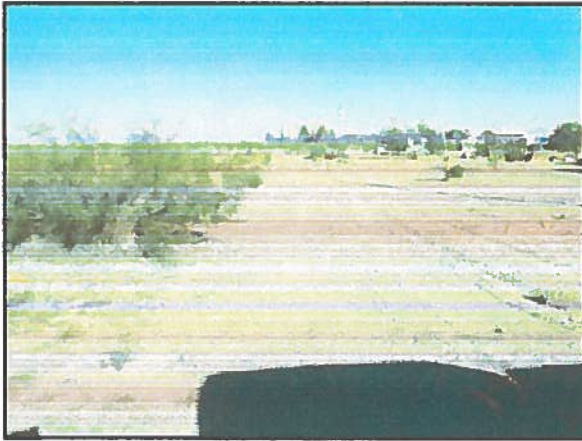
Subject Street

View looking N on San Acacia Rd NW from SW corner of Parcel Two. Subject is to the right.

7075

Subject Photo Page

Borrower/Client	N/A				
Property Address	000 San Acacia Road NW				
City	Deming	County	Luna	State	NM Zip Code 88030
Lender	Geo Southwest, Ltd.				



Subject Front

000 San Acacia Road NW

Sales Price Price Per Ac.

Gross Living Area

Total Rooms

Total Bedrooms

Total Bathrooms

Location

View 141.570

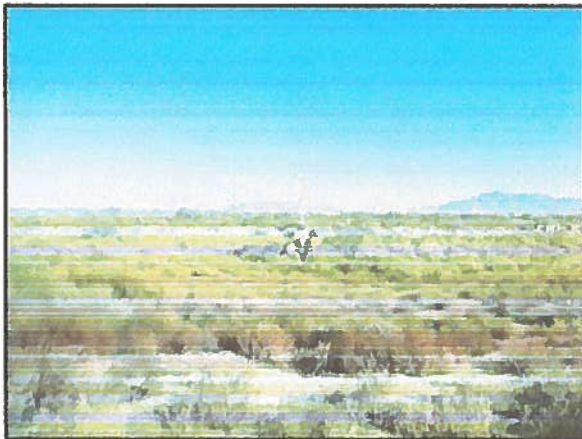
Site

Quality

Age

View looking E from SW
corner of Parcel Two.
Subject is to the left.

7076



Subject Rear

View looking SE from NW
corner of Parcel Two.

7068



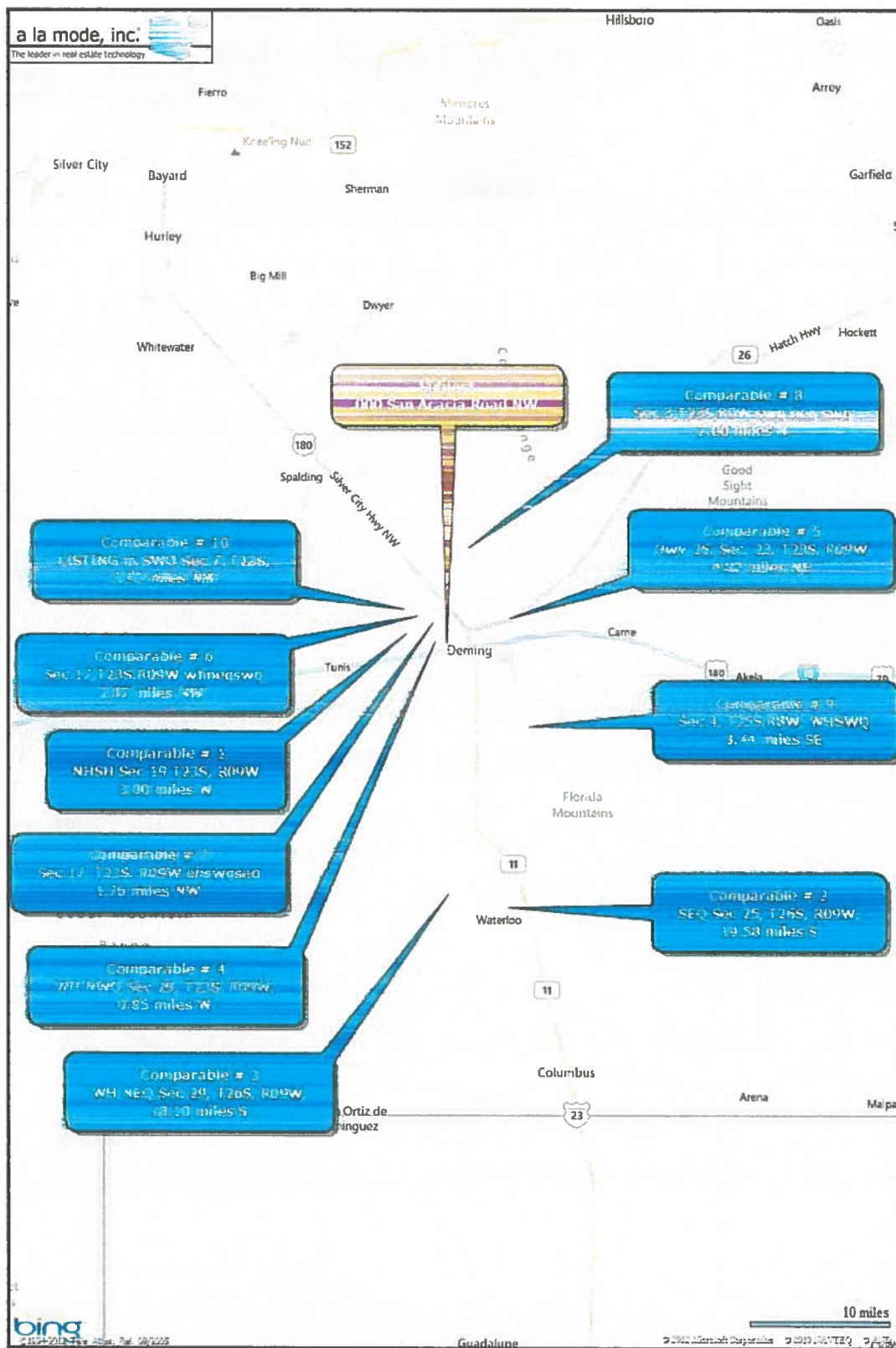
Subject Street

View looking S from NW
corner of Parcel Two.
Gravel road is access to W
slide of Parcel Two.
Subject is to the left.

7067

Location Map

Borrower/Client	N/A				
Property Address	000 San Acacia Road NW				
City	Deming	County	Luna	State	NM Zip Code 88030
Lender	Geo Southwest, Ltd.				



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SCOPE OF REVIEW: The scope of this review is limited to the information being provided by the original appraiser, and is to form an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data; form an opinion as to the appropriateness of the appraisal methods and techniques used and develop the reasons for any disagreement; form an opinion as to whether the analyses, opinions, and conclusions in the report under review are appropriate and reasonable, and develop the reasons for any disagreement.

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

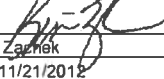
CERTIFICATION: The reviewer certifies and agrees that, to the best of his/her knowledge and belief:

1. The facts and data reported by the Reviewer and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinion, and conclusions.
3. Unless stated elsewhere, I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report.
5. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
6. Unless stated elsewhere in this report, I did not personally inspect the exterior subject property.
7. No one provided significant professional assistance to the person signing this review report.

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3. The Reviewer assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Reviewer assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
4. Information, estimates, and opinions furnished to the Reviewer, and contained in the review report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Reviewer can be assumed by the Reviewer.
5. Disclosure of the contents of the report is governed by the Uniform Standards of Professional Appraisal Practice and the Bylaws and Regulations of the professional appraisal organizations with which the Reviewer is associated.
6. Neither all, nor any part of the content of the review report, or copy thereof (including the conclusions of the review, the identity of the Reviewer, professional designations, reference to any professional appraisal organizations, or the firm with which the Reviewer is connected), shall be used for any purpose by anyone but the client specified in the review report, its successors and assigns, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent and approval of the Reviewer.
7. No change of any item in the review report shall be made by anyone other than the Reviewer and the Reviewer shall have no responsibility for any such unauthorized change.

APPRAISER:

Signature: 
Name: Kevin Zampek
Date Signed: 11/21/2012
State Certification #: 855-R
or State License #: _____
State: New Mexico
Expiration Date of Certification or License: 04/30/2014

SUPERVISORY APPRAISER (only if required):

Signature: _____
Name: _____
Date Signed: _____
State Certification #: _____
or State License #: _____
State: _____
Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property