

**FILE NO. 26-031907-1
APPRAISAL REPORT**

**7,000 SF LOT (LOT 11, BLOCK 6)
W/S OF CHAVES STREET, S. OF VAN BUREN AVENUE
LOVINGTON, NEW MEXICO**

**OWNER OF RECORD:
CITY OF LOVINGTON**

**PREPARED FOR

CRYSTAL R. BALL
CITY OF LOVINGTON
201 S. MAIN STREET
LOVINGTON, NEW MEXICO 88260**

EFFECTIVE DATE OF VALUE: MARCH 20, 2026

**PREPARED BY

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
STEVEN M. SPARKS, MAI, CEI
5109 82ND STREET, SUITE 7, PMB: #210
LUBBOCK, TEXAS 79424**

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
REAL ESTATE APPRAISING & CONSULTING

Steven M. Sparks, MAI, CEI

May 14, 2026

Attn.: Crystal R. Ball
City of Lovington
201 S. Main Street
Lovington, New Mexico 88260

Re: Appraisal – 7,000 SF Lot (Lot 11,
Block 6) on west side of Chaves
Street, south of Van Buren
Avenue, Lovington, New Mexico.

I have inspected and appraised the property described herein. Conditions pertinent to or indicative of the value of the property were investigated. The subject of this report is a 7,000 SF lot, being lot 11 of Block 6, located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico.

This appraisal report sets forth my findings and conclusions derived therefrom, together with plats, maps, photographs, etc., as are considered essential to explain the process followed in preparing the appraisal. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. Steven M. Sparks is currently certified under this program. The appraisal has been made in compliance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. To the best of my knowledge, this appraisal conforms to FDIC Rules and Regulations codified in 12 C.F.R. 323, and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and FIRREA.

The estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the Market Value (As Is) of the subject real property as of the effective date, the fee simple interest. Market value is defined as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER (CLIENT) & USE OF REPORT: For the sole purpose of assisting The City of Lovington (Client) and/or assigns in estimating the market value of the subject property for decision making purposes.

INTEREST VALUED: Fee Simple Interest – Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition (Chicago: Appraisal Institute, 2022), as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

EFFECTIVE DATE OF VALUE: March 20, 2026

DATE OF REPORT: May 14, 2026

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected the subject on 3/20/2026
- gathered information on comparable land sales, which is necessary in the appraisal process.
- confirmed and analyzed the data and applied the sales comparison approach. Within the sales comparison approach, the appraiser employed the price per square foot methodology.

The subject is land, with the income and cost approach not being typically employed. The subject was valued on a price per lot basis after conversations with local participants and analysis of the local data indicating that lots sell on a per lot basis.

Per USPAP 2026-2027, this is an Appraisal Report. It is presented in a summarized format with supporting documentation retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2026/2027 Edition).

SALES HISTORY: The property is currently owned by the City of Lovington. The subject has not undergone any transactions over the past three years (3/20/2023 – 3/20/2026). I am not aware of any listings, options or contracts regarding the subject property.

DESCRIPTION OF REAL ESTATE APPRAISED:

Regional Area Analysis – The subject property is located in Lovington, New Mexico. Lovington is the county seat of Lea County, being geographically located in the east central section of New Mexico. Lovington is 100 miles southwest of Lubbock, Texas; 20 miles northwest of Hobbs, New Mexico; and 75 miles northeast of Carlsbad, New Mexico.

The primary mode of transportation for Lea County, New Mexico, is via automobile, with the area being served by several state highways. U.S. Highway 82, U.S. Highway 380, State Highways 18, 206, and 214 allow for easy access to and through the region. The principal transportation route is U.S. Highway 82, which allows passage to Lubbock (northeast), plus Artesia (west) and Alamogordo (southwest).

The following chart reflects the civilian labor force (CLF) and unemployment rate relative to the State of New Mexico and Lea County.

UNEMPLOYMENT DATA				
Region	February 2025		February 2026	
	Rate	CLF	Rate	CLF
State of New Mexico	4.1%	987,239	4.7%	983,966
Lea County	3.4%	35,496	4.4%	35,155

It should be noted that the price of oil has increased significantly from previous low levels; however, the impact this will have on the local economy is not known at this time. WTI Crude Oil is currently trading for around \$98/bbl. The expected recovery is also dependent upon current inflation and recession worries, plus the war in Ukraine and increased interest rates. At this time, one can only speculate as to what the impact "may" be; however, time will be the final arbiter. At this point, there have been no noticeable indicators that point to declining values or market rental levels in the real estate sector.

The overall backbone of the Lea County, New Mexico, economy remains the oil and gas industry, farming, and ranching. Wholesale and retail distribution also play an important role. Additionally, the food processing industry has shown recent growth in the region, with an increase in the dairy industry. Being centrally located in Eastern New Mexico, plus being in proximity to several larger communities, should continue to enhance the overall growth and economic outlook for the region. In conclusion, the overall Lea County economy has been somewhat stable in the past and should remain so in the future.

Neighborhood Analysis – The subject property is located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico. The subject neighborhood boundaries are well defined and are believed to be the Lovington City Limits in all directions, plus surrounding areas.

Passage to and through the neighborhood is considered to be good. The neighborhood maintains two primary thoroughfares. Main Street (Highway 82/18) bisects the neighborhood in a north/south direction, while Avenue D (U.S. Highway 82/83) bisects the neighborhood in an east/west direction. Each of these roadways also allows regional passage. This access is considered to be one of the most positive influences for the neighborhood. Interior secondary roadways also traverse the neighborhood and typically extend from these primary thoroughfares, allowing interior access. Overall, the subject neighborhood maintains an adequate transportation system, and each of these roadways has been well-maintained and is in good condition.

The neighborhood is estimated to be approximately 85% developed, with the uses being a mix of office, commercial/retail, and residential type development. The subject neighborhood is considered to be in a mature stage, although some new construction has occurred over the past several years.

As previously discussed, Main Street is the most heavily developed commercial/retail corridor in the City of Lovington. Main Street is a shallow corridor with commercial/retail and office-type improvements concentrated along the roadway, while residential uses exist within the interior or core of the neighborhood, except within the central business district. Commercial/retail development along Main Street includes several nationally or regionally recognized fast-food restaurants, auto service stations, office buildings, and a number of single-tenant commercial buildings. Development and uses are similar along Avenue D, while the overall density is less than Main Street. Additionally, as these roadways extend out of Lovington, development includes a mix of light industrial (oil field-related) uses, scattered single-family homes, and vacant land.

The primary residential developments in the area are within its core. Single-family homes in this district are older construction, which are generally in average to good condition. New single-family home construction is underway at this time, and is of good quality.

There are several tracts of vacant land, primarily located along Main Street in the central sector of the neighborhood, with only a limited amount of vacant land within the interior areas, while an extensive amount of vacant land is located outside the city limits. Interior areas of vacant land are generally zoned for commercial use, while areas just outside are in agricultural production.

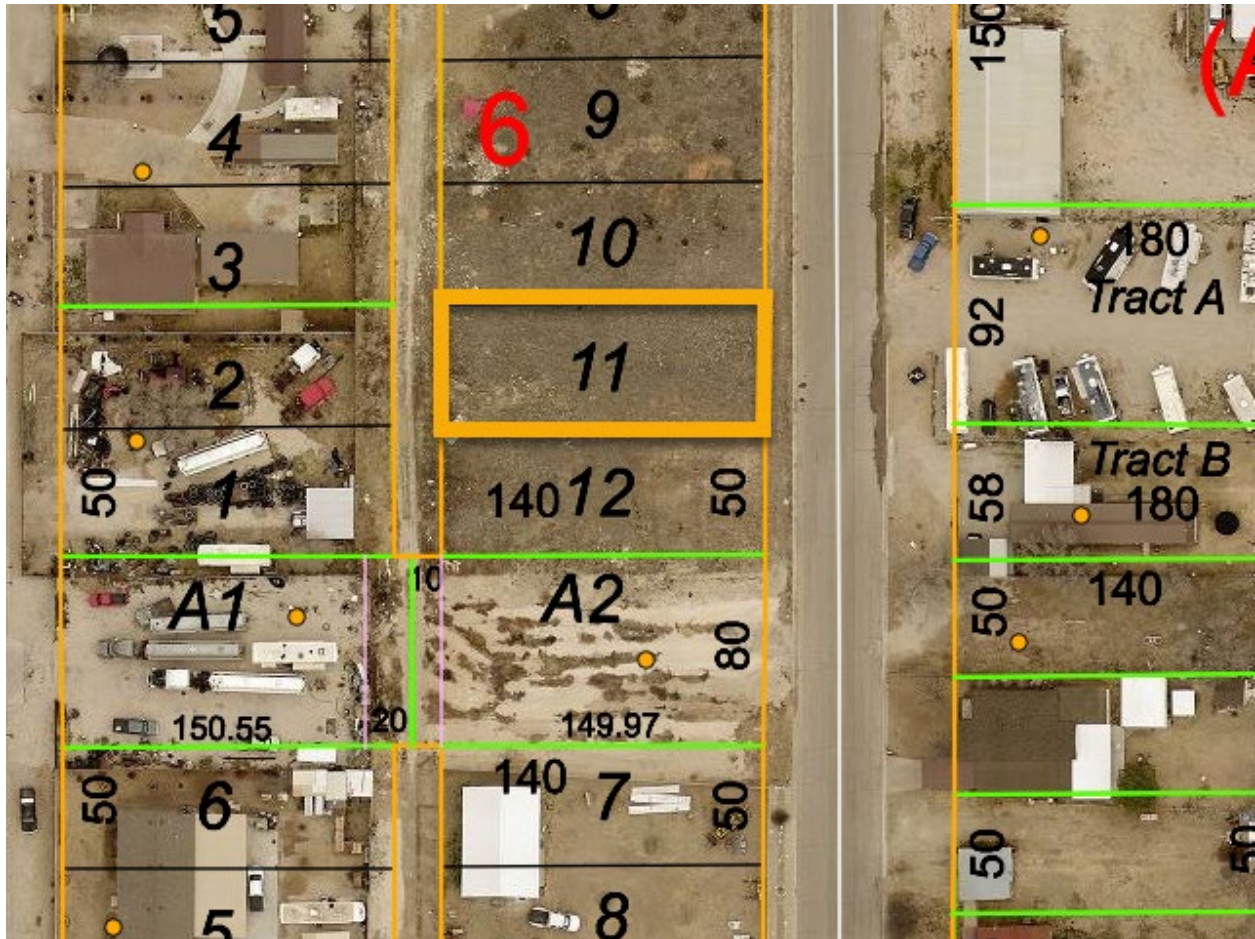
The subject's surrounding development includes vacant land to the north and south, plus single-family residential to the east and west.

Site Description – A survey or legal description was not made available to the appraiser in this instance. However, based on the Lea County Assessor records, the subject property is briefly legally described as follows:

"Lot 11, Block 6, Section 3, Township 16 South, Range 36 East, City of Lovington, Lea County, New Mexico."

The subject tract contains 7,000 SF (0.16 Acres), based on the Lea County Assessor records. The subject maintains 50' of frontage along Chaves Street and 140' of depth, lending to a frontage to depth ratio of 0.36:1. Chaves Street is an asphalt-paved, interior roadway.

The subject site is rectangular in shape, while the topography is level. Based on my physical inspection, no adverse easements impact the subject, which is assumed to be correct. However, a survey and title policy is required for a final determination. The following image shows the shape of the tract (outlined in orange).



Based on the latest FEMA information (Map # 35025C0955D, 12/16/2008), the subject site is not located in a designated flood hazard area, being in Zone X, described as an area with minimal flood potential. However, this statement cannot be warranted, and flood certification should be obtained for final and proper determination.

Based upon maps obtained from the United States Department of Agriculture, Soil Conservation Service, there appear to be two soil types located within the confines of the subject property, shown in the chart below. The soil types are suitable for most forms of development.

SOIL	% OF SITE	SOIL PROFILE
Kimbrough-Lea complex, 0 to 3 percent slopes	62.5%	0" to 3": gravelly loam 3" to 10": loam 10" to 80"; cemented material
Lea loam	37.5%	0" to 26": loam 26" to 36": cemented material

Being located within the city limits, all utilities are available and in adequate supply.

The subject site is located within the City of Lovington and is currently zoned "C", Commercial Zone district, which generally allows for most commercial uses. The subject is a legal conforming use in this district. In addition, the appraiser is not aware of any land use regulations. No study concerning deed restrictions has been conducted by the appraiser. Only a detailed search by a title company or attorney can provide positive assurance of the existence or absence of deed restrictions. However, for the purpose of this appraisal, it is assumed that there are no deed restrictions that adversely affect the development of the subject site.

The appraiser is not aware that a Phase I Environmental Site Assessment has been performed at the subject location. Based on my overall physical inspection only, no serious hazardous materials exist within the subject site or the surrounding area. Relative to a final determination, it is suggested that some form of environmental site assessment be performed.

Tax Analysis – The owner number (parcel number) associated with the subject is 20700 (4-000-207-220-002), however it should be noted that this account includes land not associated with the subject. The subject is taxed as being non-residential property inside the Lovington city limits. The 2025 combined mill rate is \$38.333/\$1,000. Within New Mexico, the taxable value is one-third of the full value. The current full market value for the subject is \$286,074 (land @ \$45,609; improvements @ \$240,465), while the taxable value is \$95,358. Based on the current taxable value and mill rates, taxes are equal to \$3,655 (rounded). According to Lea County Treasurer records, no past taxes are due.

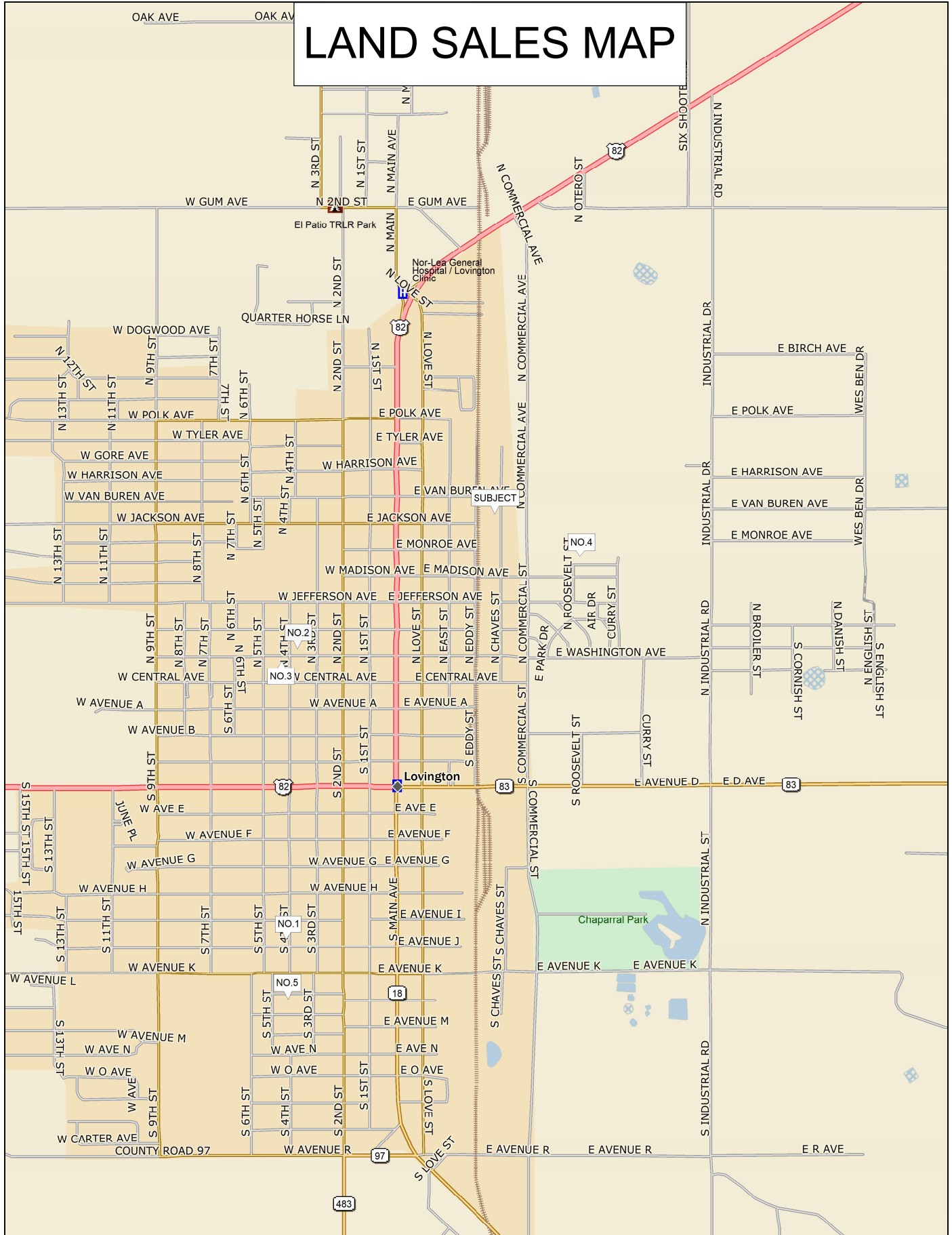
HIGHEST AND BEST USE:

Highest and Best use as though vacant – The physical characteristics associated with the subject site are adequate for most forms of single-family residential development due to the smaller size of the lots limiting commercial uses. The subject site is located within the City of Lovington and is currently zoned “C”, Commercial Zone district, which allows for commercial uses, while also allowing for cumulative uses, including single and multi-family residential uses. All these factors are believed to be adequate. When considering the locational attributes of the subject and the size of the lots, a single-family use is believed to be maximally productive and the highest and best use.

SUMMARY OF ANALYSIS AND VALUATION:

Sales Comparison Approach - Value of the site "As Is", being vacant land, was estimated employing the Sales Comparison approach. There have been a limited number of land sales in the immediate or competitive areas. Details associated with the employed comparables are located in the Addendum as Exhibit C. A map and summary of the land sales are as follows:

LAND SALES MAP



Data use subject to license.

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www.delorme.com



Scale 1 : 22,400



1" = 1,866.7 ft

Data Zoom 13-2

Land Sales

1		1010 S 4th St Lovington, NM 88260	\$35,000 8/5/2025 Closed	7,423 SF \$4.72/SF 0.1704 Acres \$205,399/Acre	Single-Family B zoning Rectangular Generally Level
2		NEC of W. Washington Avenue & N. 4th Street Lovington, NM 88260	\$35,000 2/5/2026 Closed	14,490 SF \$2.42/SF 0.3326 Acres \$105,232/Acre	Single-Family B zoning Rectangular Generally Level
3		SWC of W. Washington Avenue and N. Fourth Street Lovington, NM 88260	\$35,000 3/3/2026 Closed	10,434 SF \$3.35/SF 0.2395 Acres \$146,138/Acre	Single-Family B zoning Rectangular Generally Level
4		812 E Monroe Ave Lovington, NM 88260	\$30,000 3/20/2026 Closed	16,553 SF \$1.81/SF 0.38 Acres \$78,947/Acre	Single-Family B zoning Rectangular Generally Level
5		401 W Ave L Lovington, NM 88260	\$30,000 4/17/2026 Closed	6,662 SF \$4.50/SF 0.1529 Acres \$196,207/Acre	Single-Family A zoning Rectangular Generally Level

	Adjusted Price ¹	Land SF	Land AC	Price/SF	Price/AC
Low	\$30,000	6,662	0.15	\$1.81	\$78,947
Average	\$33,000	11,112	0.26	\$3.36	\$146,384
High	\$35,000	16,553	0.38	\$4.72	\$205,399

¹Adjusted price is based on expenditures immediately after the sale.

The following analyzes the most comparable properties as compared to the subject property ("+" adjustments indicate that the comparable is inferior to the subject and must be adjusted upward; "-" adjustments indicate that the comparable is superior to the subject and must be adjusted downward; and "0" indicates that the comparable and subject are similar overall in this factor of comparison and no adjustment is warranted). The sales available and obtained by the appraiser are the most comparable in this market and are believed to be a good indication of a range in value. Sales Nos. 1, 3 & 5 are considered most comparable and will be employed in the adjustment chart.

ADJUSTMENT GRID				
	Subject	No. 1	No. 3	No. 5
Price/Lot		\$35,000	\$35,000	\$30,000
Market Conditions Adjustment		8/25 -0-	3/26 -0-	4/26 -0-
Property Rights Adjustment		Fee Simple -0-	Fee Simple -0-	Fee Simple -0-
Financing Adjustment		Cash -0-	Cash -0-	Cash -0-
Conditions of Sale Adjustment		Typical -0-	Typical -0-	Typical -0-
Adj. Price		\$35,000	\$35,000	\$30,000
Size/SF Adj.	7,000	7,423 -0-	10,434 -0-	6,662 -0-
Location Adj.	Average	Similar -0-	Similar -0-	Similar -0-
Zoning Adj.	Commercial	Multi-Family -0-	Multi-Family -0-	Single-Family -0-
Utility Frontage Shape Utilities Adj.	Good 1 Side Rectangular All	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Similar 1 Side (-0-) Rect. (-0-) All (-0-) -0-
Total Net Adjustment		-10%	-10%	-0-
Adjusted Sale Price		\$31,500	\$31,500	\$30,000
ADJUSTMENT ANALYSIS				
Number of Adjustments		1	1	0
Total Gross Adjustment		10%	10%	0%

EXPLANATION OF ADJUSTMENTS

Date of Sale/Time – The effective date of this appraisal is March 20, 2026. The sales utilized in this analysis occurred between August 2025 and April 2026, being the most comparable sales found. Each sale is considered to be an accurate reflection of current market levels, with no adjustments warranted.

Conditions of Sale – Each of the adjusted sales was believed to be fee simple, cash or equivalent, and arm's length transactions, with no adjustment necessary for conditions of sale.

Size - The subject site contains 7,000 SF, being similar to each of the sales, which range in size from 6,662 SF to 10,434 SF. Thus, each of the sales did not need adjustments for size.

Location – The subject is located on the west side of Chaves Street, south of E. Van Buren Avenue in Lovington. Chaves Street is an asphalt-paved, interior roadway, providing passage to the interior of the subject neighborhood. The surrounding development consists of vacant land and single-family residential. Overall, the subject location is considered to be average.

Each of the sales are located along interior roadways in the City of Lovington in residential areas. Thus, each of the sales are similar and did not need adjustments for location.

Zoning – The highest and best uses, plus the allowed uses at each site, are similar. Thus, no adjustments are required for zoning.

Utility (Nos. 1 & 3) – In comparing the utility or usefulness of the comparables to the subject site, I have considered road frontage, shape, flood plain status, and availability of utilities. The subject is rectangular in shape, maintains frontage on one side, is not located in the flood zone and maintains access to all utilities. Therefore, the overall utility is good.

With regard to frontage, Nos. 1 & 3 have two sides of frontage, being superior, while No. 5 has one side and is similar to the subject.

Overall, Nos. 1 & 3 are superior and warranted negative adjustments, while No. 5 is similar and did not warrant an adjustment for utility.

Site Value Conclusion:

The range of prices after adjustments varied from a low on Sale No. 5 of \$30,000/Lot to a high of \$31,500/Lot on Sale Nos. 1 & 3. Adjustments were necessary for utility (Nos. 1 & 3). As a result, Sale Nos. 1 & 3 required the greatest (one) number of adjustments, followed by No. 5 with the smallest (zero) number of adjustments. Additionally, Sale Nos. 1 & 3 required the greatest (10%) total net adjustment, followed by No. 5 (0%). No. 5 was given primary emphasis, while Nos. 1 & 3 were given secondary emphasis.

After all adjustments and considering the physical factors of the subject site (utility), a value of **\$30,000/Lot** is considered reasonable and valid for the subject site. Thus, the subject site land value is calculated as follows:

SIZE/LOT		PRICE/SF		INDICATED VALUE
1	X	\$30,000	=	\$30,000
ROUNDED TO \$30,000				

Reconciliation and Value Conclusion:

Sales Comparison: **\$30,000**

The Sales Comparison Approach was given sole and primary consideration in this analysis, due to the fact that the subject is vacant land. Overall, based on my analysis of the subject property, the estimated "As Is" fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

Marketing/Exposure Period

Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject maintains an average location with frontage on Chaves Street. Therefore, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

It is assumed that title to the property herein appraised is good and merchantable, and in fee simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. A rent roll was not provided to the appraiser. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by SMS Appraisal Services and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Steven M. Sparks of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to the those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in this matter and unless it is specified otherwise in the report, the value conclusion

assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

None.

CERTIFICATE

- I certify that, to the best of my knowledge and belief....
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include 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, I, Steven M. Sparks have completed the requirements under the continuing education program of the Appraisal Institute.
- Garrett T. Sparks personally inspected the property that is the subject of this report. Steven M. Sparks & Garrett T. Sparks prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certification.

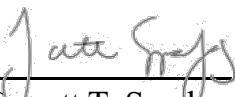
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the Market Value in fee simple of the subject, as of March 20, 2026, considering all assumptions and limiting conditions, was:

\$30,000

THIRTY THOUSAND DOLLARS



Steven M. Sparks, MAI, CEI
#NM-1114-G (Expires 4/30/2028)



Garrett T. Sparks,
#REA-2024-0105 (Expires 4/30/2028)

REAL ESTATE APPRAISAL QUALIFICATIONS
OF STEVEN M. SPARKS, MAI, CEI

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute (#8985)

Certified General Real Estate Appraiser in Texas (#TX-1322593-G), and New Mexico (001114-G).

Realtor, Lubbock Association of Realtors

Certified Environmental Inspector (CEI), Environmental Assessment Association

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standard of this program are awarded periodic educational certification. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

EDUCATION

Graduate of Texas Tech University, B.B.A., Petroleum Land Management 1983

Courses include: Farm and Ranch Appraisal, Real Estate Law, Corp. Finance I and II, Real Estate Fundamentals. General background in management finance, marketing, business law, accounting and economics; Dean's List.

Professional Courses - Appraisal Institute: Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory & Techniques Part A, Capitalization Theory & Techniques Part B, Standards in Professional Practice, Case Studies, Report Writing, Demonstration Report and Comprehensive Exam.

Resolution Trust Corporation - Affordable Housing Appraisal Seminar

Residential Case Study - Appraisal Institute (2/94)

Performing Phase I Site Assessments - EAA (5/94)

Fair Lending and the Appraiser - Appraisal Institute (10/94)

Market Extractions - Appraisal Institute (1/96)

Appraisal of Retail Properties - Appraisal Institute (10/96)

The High Tech Appraisal Office - Appraisal Institute (1/96)

Appraising Nursing Home Facilities - Appraisal Institute (2/97)

EXPERIENCE

1984-Present:

- Appraisal/Environmental of all types of Commercial, Residential, Farm and Ranch Real Estate.
- Appraisal/Environmental experience to include single-family residences, apartments, shopping centers, hotels, office buildings, movie theaters, industrial buildings, land developments, single family subdivisions and vacant land. Past experience in the overbuilt markets of Dallas/Fort Worth (1984-1992) and New England (4/92-6/93).



State of New Mexico



Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven M. Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1114-G

Issued 09/07/1994

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

QUALIFICATIONS OF GARRETT T. SPARKS

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1381276-G
State Authorized – Certified General Real Estate Appraiser (New Mexico) #REA-2024-0105

EDUCATION

Bachelors of Science – Agricultural & Economics
– Texas A&M University, College Station, Texas – 2018

Courses Include: Farm & Ranch Appraisal, Agriculture Law, Statistics and Business Calculus. General Background in economics, marketing, business, accounting and management.

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Market Analysis Highest and Best Use; General Appraiser Site Valuation and Cost Approach; General Appraiser Sales Comparison Approach; General Report Writing and Case Studies; Statistics, Modeling, and Finance.

PROFESSIONAL EXPERIENCE

06/2018 – 07/2021	Appraiser Trainee – CBRE – Valuation & Advisory Services
07/2021 – 1/2023	Appraisal Trainee – SMS Appraisal/Environmental Services, Inc.
1/2023 – Present	Certified General Appraiser – SMS Appraisal/Environmental Services, Inc.



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Garrett Tate Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2024-0105

Issued 06/12/2024

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

ADDENDUM

Exhibit A

ENGAGEMENT LETTER

Date of Agreement: Thursday, March 12, 2026

City of Lovington
Crystal R. Ball
201 S. Main Street
Lovington, NM 88260

cball@lovington.org

SMS Appraisal and Environmental
Steve Sparks, MAI, CEI
5109 82nd Street, Suite 7, #210
Lubbock, Texas 79424
(806) 855-2527
appraisals@smswt.com

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

This Professional Services Agreement (this "Agreement") is made and entered into on March 9, 2026 (the "Effective Date"), by and between SMS Appraisal & Environmental and City of Lovington (herein referred to as "Client").

Project Name	Vacant Land - 1.1184 Acres (7 Lots)
Property Identification	705 Chaves Street, Lovington, NM 88260
Property Type	Land
Interest Valued	Fee Simple Interest
Intended User(s)	The appraisal will be prepared for the above-mentioned client. Intended users include the client.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

The client is also hereby informed that if this engagement is directly with the owner of the Property, the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance and would likely not be accepted for future financing of said property.

Intended Use	The report to be performed under this Agreement ("Appraisal") is intended for Decision-Making/Internal.
---------------------	---

Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

Type of Value	As-Is
Date of Value	Date of inspection
Report Type	Appraisal Report
Level of Analysis	Summary

Professional Fee	\$1,500
-------------------------	----------------

Expenses	Fees include all associated expenses.
-----------------	---------------------------------------

Payment Terms	Client agrees to remit payment for services rendered pursuant to this Agreement in full prior to the scheduled property inspection. Appraiser shall issue an invoice detailing the fees specified in this Agreement, and payment must be received by Appraiser no later than two (2) business days before the inspection date. Failure to provide payment within this timeframe may result in delays or cancellation of the scheduled services.
----------------------	---

SCOPE OF WORK

Site Inspection	Interior and exterior observation, on-site
Valuation Approaches	Appraiser will provide the Appraisal in accordance with Uniform Standards of Professional Appraisal (USPAP), The Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and State Licensing Laws. Appraiser will research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. <i>Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.</i>
Delivery	<u>3 weeks</u> (effective from the date of the signed/returned engagement contract)
Number of Reports	One (1) Electronic Final Appraisal
Acceptance Date	These specifications are subject to modification based on client acceptance.

PROPERTY DATA REQUEST

Please forward any additional materials you would consider relevant in the analysis of the subject property. Such items may include, as applicable, an accurate property description, site survey, current rent roll, copies of leases, at least three years of historical operating statements, purchase and sale agreement(s) within the last three years, title report, any environmental reports or other third party reports, or any other sources of information known to exist that may impact the valuation of the property.

Our ability to honor the terms of this Agreement will require Client's prompt response. If you have questions regarding the enclosed, please feel free to contact me. SMS Appraisal & Environmental appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Crystal R. Ball, agree to the above stated terms and authorize SMS Appraisal & Environmental to prepare the above referenced appraisal.

_____ Date: _____

Crystal R. Ball

Respectfully,

SMS APPRAISAL & ENVIRONMENTAL



Steve Sparks, MAI, CEI
Senior Appraiser

TERMS AND CONDITIONS

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to

the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect. Template for Agreement for Professional Valuation Services

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

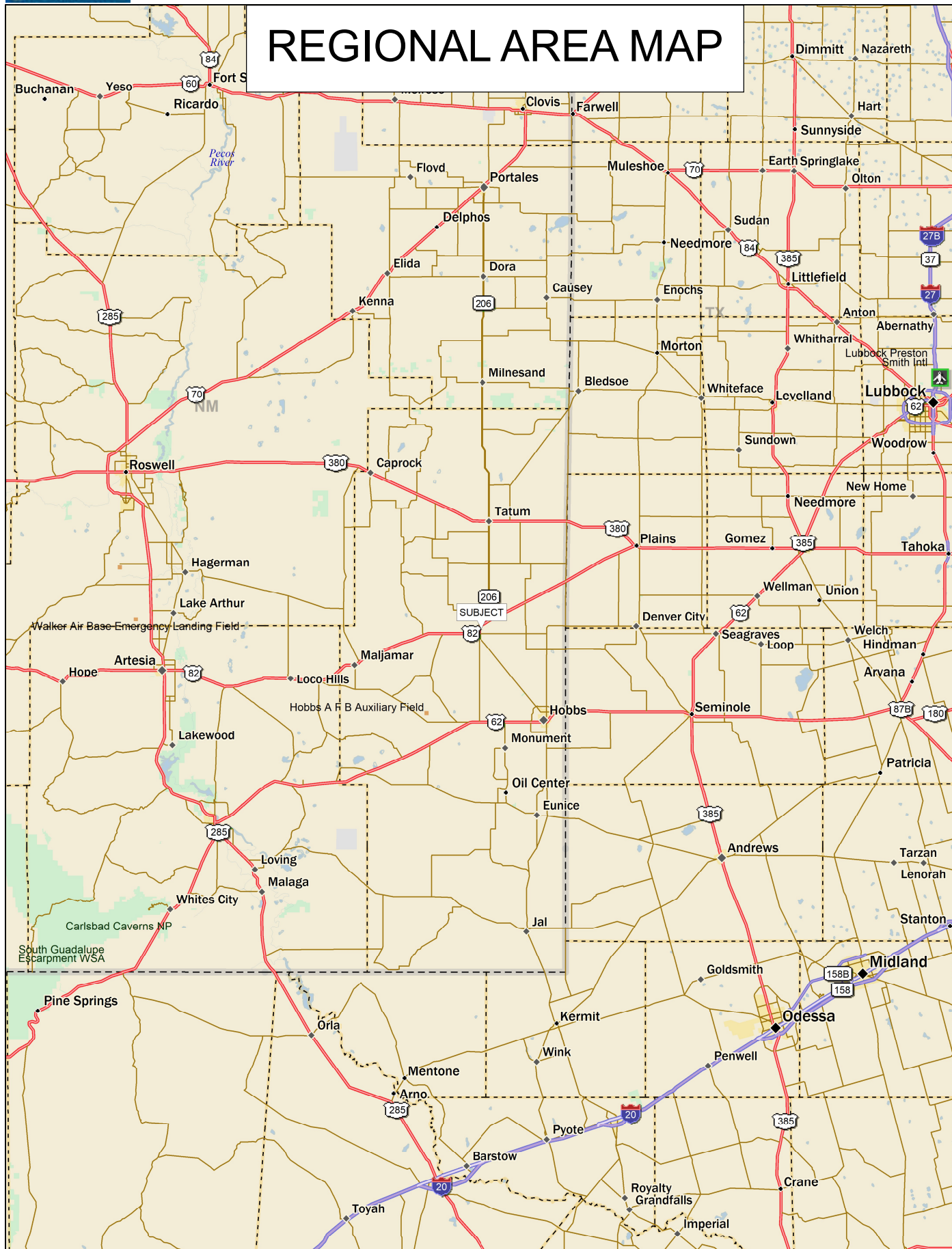
Appendix A: Extraordinary Assumptions and Hypothetical Conditions contained within the appraisal report

Appendix B: Information Request

Exhibit B

MAPS, PLATS, & PHOTOGRAPHS

REGIONAL AREA MAP



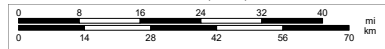
Data use subject to license.

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www.delorme.com



Scale 1 : 1,600,000



1" = 25.25 mi

Data Zoom 7-0

NEIGHBORHOOD MAP

www.delorme.com

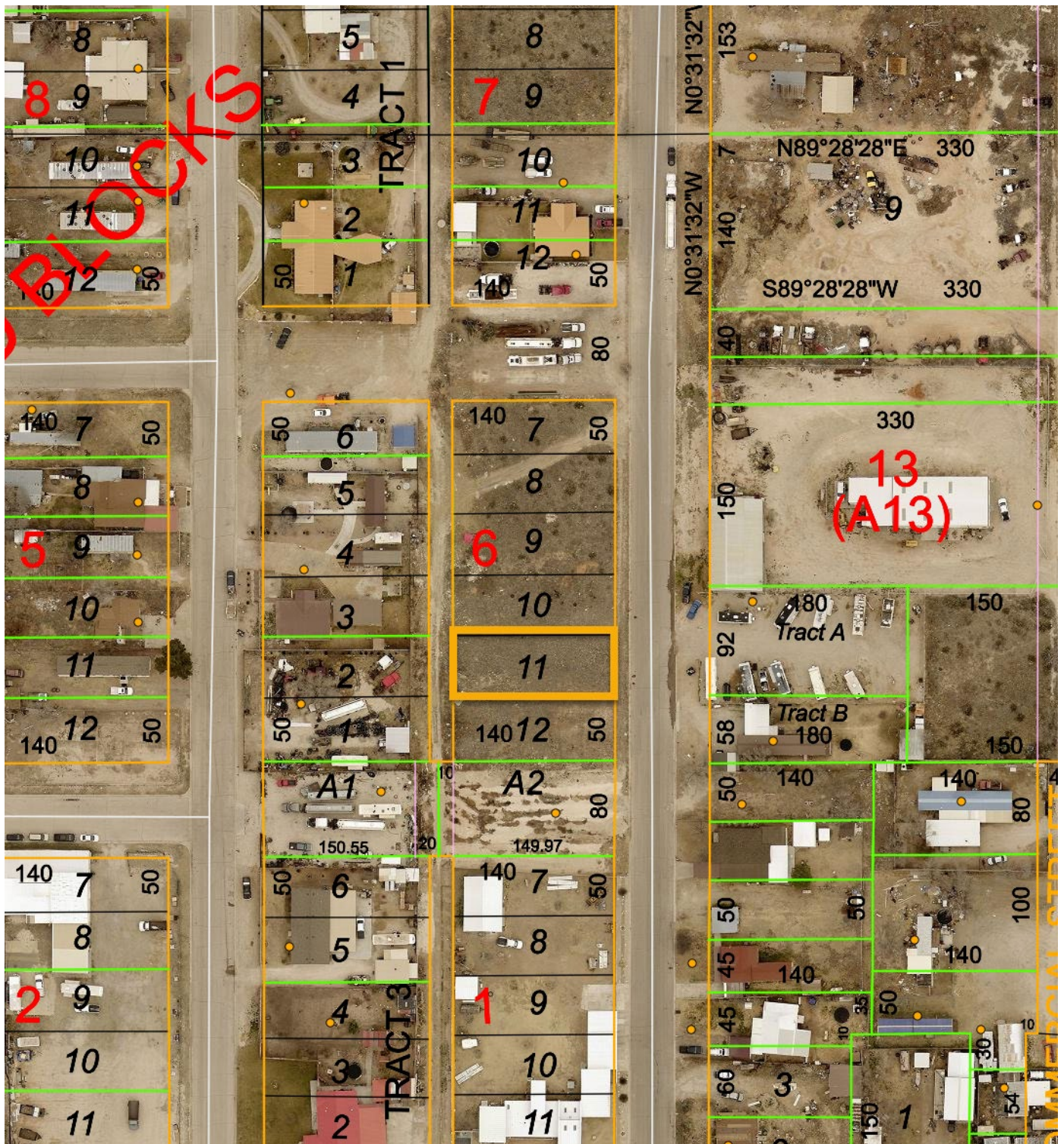


Figure 1 is a horizontal bar chart showing the distribution of the number of species per genus (n) for 10 genera. The x-axis has two scales: the top scale is in feet (0 to 3000) and the bottom scale is in meters (0 to 1000). The bars represent the number of species per genus for each of the 10 genera, with the top scale being the primary one.

$$1'' = 2,083.3 \text{ ft}$$

Data Zoom 13-0

COUNTY PLAT MAP



ZONING MAP

8,784 views
Published on December 5, 2024

[SHARE](#)



Zone A - Single Family

-  Zone A - Single Family (SW Section)
-  Zone A - Single Family (NW Section)
-  Zone A - Single Family (Dencoe Section)
-  Zone C - Commercial District



Zone B - Multi-Family



-  Zone B - Multi-Family Residential (Colonial/Jac...)
-  Zone B - Multi-Family Residential (Jackson Sec...)
-  Zone B - Multi-Family Residential (Jefferson Se...)
-  Zone B - Multi-Family Residential (17th Section)
- ... 9 more



Zone C - Commercial

-  Zone C - Commercial (East Hwy 18 Section)
-  Zone C - Commercial (SE Section)
-  Zone C - Commercial (NW Section)
-  Zone C - Commercial (SE Section)
-  Zone C - Commercial (NE Section)



Zone D - Industrial

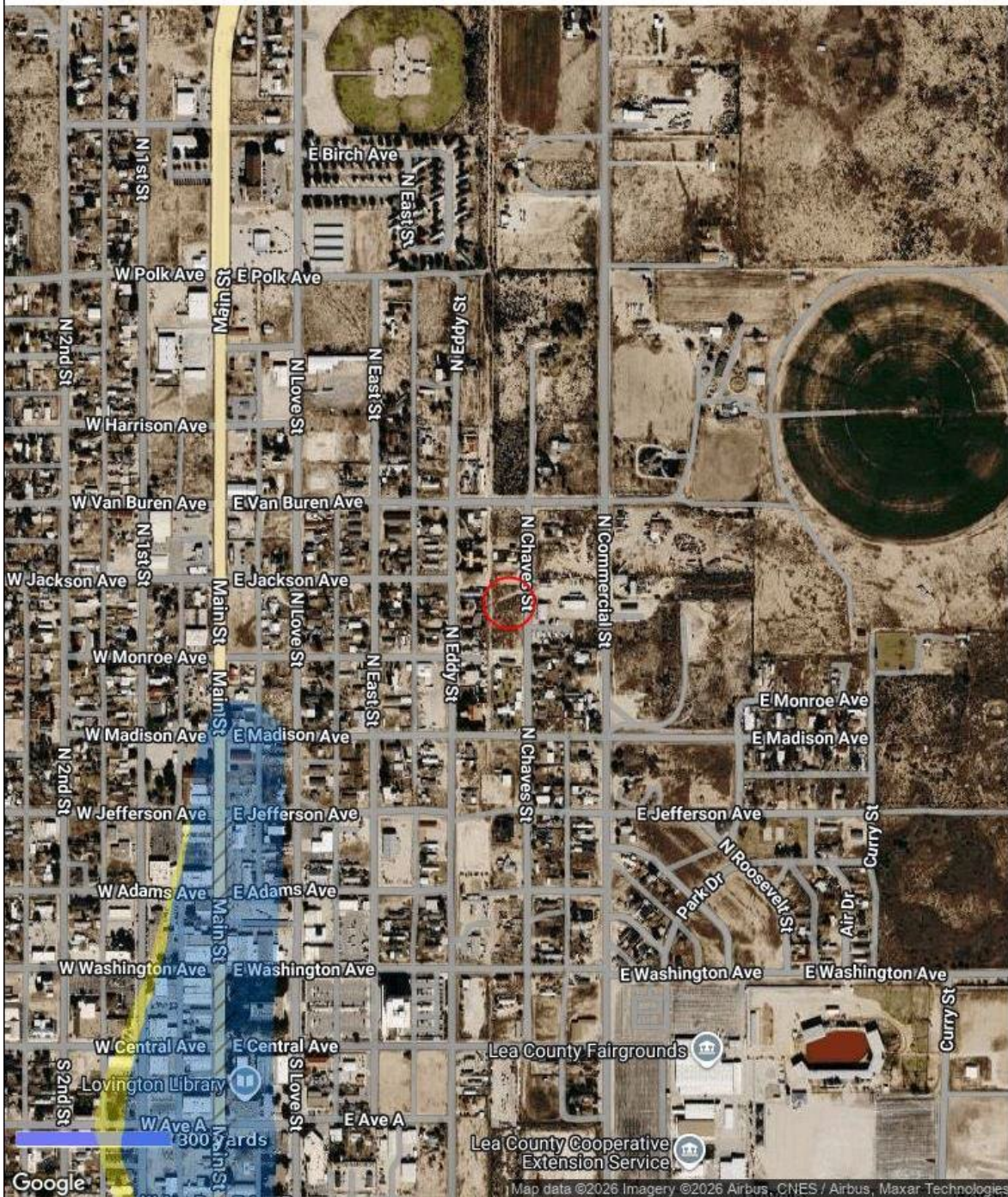
-  Zone D - Industrial (Railroad Section)
-  Zone D - Industrial (N. Commercial Section)
-  Zone D - Industrial (S. Commercial Section)



Zone E - Economic

-  Zone E - Economic Zone (Avenue D Section)
-  Zone E - Economic Zone





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 35025C0955D
Zone: X
Map Date: December 16, 2008
FIPS: 35025

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

Powered by CoreLogic®

Map data ©2026 Imagery ©2026 Airbus, CNES / Airbus, Maxar Technologies

AERIAL PHOTOGRAPH



NEIGHBORHOOD PHOTOGRAPHS



1. Facing south along Chaves Street from the subject vicinity.



2. Facing north along Chaves Street from the subject vicinity.

SUBJECT PHOTOGRAPHS



1. Typical view of the subject.

Exhibit C

DETAILED LAND SALES

1010 S 4th St

Comparable 1

Sale Information

Buyer	Fabiola A. Sepulveda	
Seller	Marisol Verdeja Gonzales, PR	
Sale Date	8/5/2025	
Transaction Status	Closed	
Sale Price	\$35,000	\$4.72 /SF Land
Analysis Price	\$35,000	\$4.72 /SF Land
Recording Number	2243/901	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1704 Acres (7,423 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' S. 4th Street, 50' W. Avenue J
Flood Zones	No Flood Zones



1010 S 4th St
Lovington, NM 88260

County
Lea

APN
4 000 233 940 001



Confirmation

Date 5/8/2026

Remarks

This lot was free and clear of any improvements at the time of sale.

NEC of W. Washington Avenue & N. 4th Street

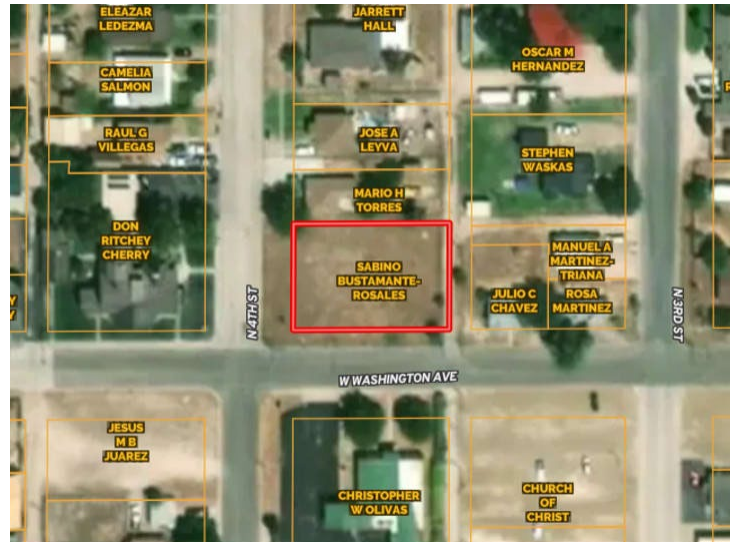
Comparable 2

Sale Information

Buyer	Sabino Bustamante-Rosales & Esther Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	2/5/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$2.42 /SF Land
Analysis Price	\$35,000	\$2.42 /SF Land
Recording Number	2251/454	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

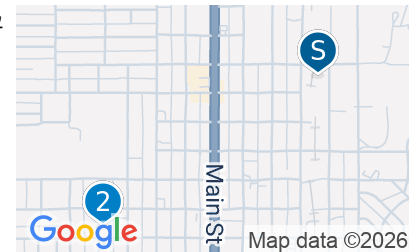
Land Area	0.3326 Acres (14,490 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 100' N. Fourth Street
Flood Zones	No Flood Zones



NEC of W. Washington Avenue &
N. 4th Street
Lovington, NM 88260

County
Lea County

APN
4 000 204 930 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

SWC of W. Washington Avenue and N. Fourth Street

Comparable 3

Sale Information

Buyer	Jesus Manuel Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	3/3/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$3.35 /SF Land
Analysis Price	\$35,000	\$3.35 /SF Land
Recording Number	2252/694	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

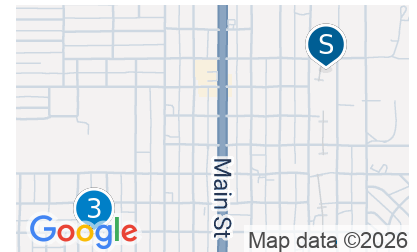
Land Area	0.2395 Acres (10,434 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 75' N. Fourth Street
Flood Zones	No Flood Zones



SWC of W. Washington Avenue
and N. Fourth Street
Lovington, NM 88260

County
Lea County

APN
4 000 200 680 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

812 E Monroe Ave

Comparable 4

Sale Information

Buyer	Lucio Lopez	
Seller	Adan Marquez	
Sale Date	3/20/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$1.81 /SF Land
Analysis Price	\$30,000	\$1.81 /SF Land
Recording Number	2253/453	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

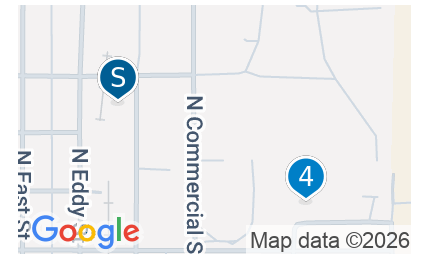
Land Area	0.38 Acres (16,553 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	79' E. Monroe Avenue
Flood Zones	No Flood Zones



812 E Monroe Ave
Lovington, NM 88260

County
Lea

APN
4 000 763 040 001



Confirmation

Date 5/8/2026

Remarks

The subject has a depth of 210.0', leading to a frontage-to-depth ratio of 0.38:1.

401 W Ave L

Comparable 5

Sale Information

Buyer	Marcelo Castaneda Ramirez	
Seller	The Estate of Beryl Pauline Moody	
Sale Date	4/17/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$4.50 /SF Land
Analysis Price	\$30,000	\$4.50 /SF Land
Recording Number	2254/826	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1529 Acres (6,662 SF)
Number of Parcels	1
Zoning	A – Single-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	60' W. Avenue L
Flood Zones	No Flood Zones



401 W Ave L
Lovington, NM 88260

County
Lea

APN
4 000 221 760 001



Confirmation

Date 5/8/2026

Remarks

The site maintains 110' of depth, lending to a frontage to depth ratio of 0.55:1.

**FILE NO. 26-031907-1
APPRAISAL REPORT**

**7,000 SF LOT (LOT 8, BLOCK 6)
W/S OF CHAVES STREET, S. OF VAN BUREN AVENUE
LOVINGTON, NEW MEXICO**

**OWNER OF RECORD:
CITY OF LOVINGTON**

**PREPARED FOR

CRYSTAL R. BALL
CITY OF LOVINGTON
201 S. MAIN STREET
LOVINGTON, NEW MEXICO 88260**

EFFECTIVE DATE OF VALUE: MARCH 20, 2026

**PREPARED BY

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
STEVEN M. SPARKS, MAI, CEI
5109 82ND STREET, SUITE 7, PMB: #210
LUBBOCK, TEXAS 79424**

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
REAL ESTATE APPRAISING & CONSULTING

Steven M. Sparks, MAI, CEI

May 14, 2026

Attn.: Crystal R. Ball
City of Lovington
201 S. Main Street
Lovington, New Mexico 88260

Re: Appraisal – 7,000 SF Lot (Lot 8,
Block 6) on west side of Chaves
Street, south of Van Buren
Avenue, Lovington, New Mexico.

I have inspected and appraised the property described herein. Conditions pertinent to or indicative of the value of the property were investigated. The subject of this report is a 7,000 SF lot, being lot 8 of Block 6, located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico.

This appraisal report sets forth my findings and conclusions derived therefrom, together with plats, maps, photographs, etc., as are considered essential to explain the process followed in preparing the appraisal. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. Steven M. Sparks is currently certified under this program. The appraisal has been made in compliance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. To the best of my knowledge, this appraisal conforms to FDIC Rules and Regulations codified in 12 C.F.R. 323, and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and FIRREA.

The estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the Market Value (As Is) of the subject real property as of the effective date, the fee simple interest. Market value is defined as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER (CLIENT) & USE OF REPORT: For the sole purpose of assisting The City of Lovington (Client) and/or assigns in estimating the market value of the subject property for decision making purposes.

INTEREST VALUED: Fee Simple Interest – Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition (Chicago: Appraisal Institute, 2022), as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

EFFECTIVE DATE OF VALUE: March 20, 2026

DATE OF REPORT: May 14, 2026

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected the subject on 3/20/2026
- gathered information on comparable land sales, which is necessary in the appraisal process.
- confirmed and analyzed the data and applied the sales comparison approach. Within the sales comparison approach, the appraiser employed the price per square foot methodology.

The subject is land, with the income and cost approach not being typically employed. The subject was valued on a price per lot basis after conversations with local participants and analysis of the local data indicating that lots sell on a per lot basis.

Per USPAP 2026-2027, this is an Appraisal Report. It is presented in a summarized format with supporting documentation retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2026/2027 Edition).

SALES HISTORY: The property is currently owned by the City of Lovington. The subject has not undergone any transactions over the past three years (3/20/2023 – 3/20/2026). I am not aware of any listings, options or contracts regarding the subject property.

DESCRIPTION OF REAL ESTATE APPRAISED:

Regional Area Analysis – The subject property is located in Lovington, New Mexico. Lovington is the county seat of Lea County, being geographically located in the east central section of New Mexico. Lovington is 100 miles southwest of Lubbock, Texas; 20 miles northwest of Hobbs, New Mexico; and 75 miles northeast of Carlsbad, New Mexico.

The primary mode of transportation for Lea County, New Mexico, is via automobile, with the area being served by several state highways. U.S. Highway 82, U.S. Highway 380, State Highways 18, 206, and 214 allow for easy access to and through the region. The principal transportation route is U.S. Highway 82, which allows passage to Lubbock (northeast), plus Artesia (west) and Alamogordo (southwest).

The following chart reflects the civilian labor force (CLF) and unemployment rate relative to the State of New Mexico and Lea County.

UNEMPLOYMENT DATA				
Region	February 2025		February 2026	
	Rate	CLF	Rate	CLF
State of New Mexico	4.1%	987,239	4.7%	983,966
Lea County	3.4%	35,496	4.4%	35,155

It should be noted that the price of oil has increased significantly from previous low levels; however, the impact this will have on the local economy is not known at this time. WTI Crude Oil is currently trading for around \$98/bbl. The expected recovery is also dependent upon current inflation and recession worries, plus the war in Ukraine and increased interest rates. At this time, one can only speculate as to what the impact "may" be; however, time will be the final arbiter. At this point, there have been no noticeable indicators that point to declining values or market rental levels in the real estate sector.

The overall backbone of the Lea County, New Mexico, economy remains the oil and gas industry, farming, and ranching. Wholesale and retail distribution also play an important role. Additionally, the food processing industry has shown recent growth in the region, with an increase in the dairy industry. Being centrally located in Eastern New Mexico, plus being in proximity to several larger communities, should continue to enhance the overall growth and economic outlook for the region. In conclusion, the overall Lea County economy has been somewhat stable in the past and should remain so in the future.

Neighborhood Analysis – The subject property is located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico. The subject neighborhood boundaries are well defined and are believed to be the Lovington City Limits in all directions, plus surrounding areas.

Passage to and through the neighborhood is considered to be good. The neighborhood maintains two primary thoroughfares. Main Street (Highway 82/18) bisects the neighborhood in a north/south direction, while Avenue D (U.S. Highway 82/83) bisects the neighborhood in an east/west direction. Each of these roadways also allows regional passage. This access is considered to be one of the most positive influences for the neighborhood. Interior secondary roadways also traverse the neighborhood and typically extend from these primary thoroughfares, allowing interior access. Overall, the subject neighborhood maintains an adequate transportation system, and each of these roadways has been well-maintained and is in good condition.

The neighborhood is estimated to be approximately 85% developed, with the uses being a mix of office, commercial/retail, and residential type development. The subject neighborhood is considered to be in a mature stage, although some new construction has occurred over the past several years.

As previously discussed, Main Street is the most heavily developed commercial/retail corridor in the City of Lovington. Main Street is a shallow corridor with commercial/retail and office-type improvements concentrated along the roadway, while residential uses exist within the interior or core of the neighborhood, except within the central business district. Commercial/retail development along Main Street includes several nationally or regionally recognized fast-food restaurants, auto service stations, office buildings, and a number of single-tenant commercial buildings. Development and uses are similar along Avenue D, while the overall density is less than Main Street. Additionally, as these roadways extend out of Lovington, development includes a mix of light industrial (oil field-related) uses, scattered single-family homes, and vacant land.

The primary residential developments in the area are within its core. Single-family homes in this district are older construction, which are generally in average to good condition. New single-family home construction is underway at this time, and is of good quality.

There are several tracts of vacant land, primarily located along Main Street in the central sector of the neighborhood, with only a limited amount of vacant land within the interior areas, while an extensive amount of vacant land is located outside the city limits. Interior areas of vacant land are generally zoned for commercial use, while areas just outside are in agricultural production.

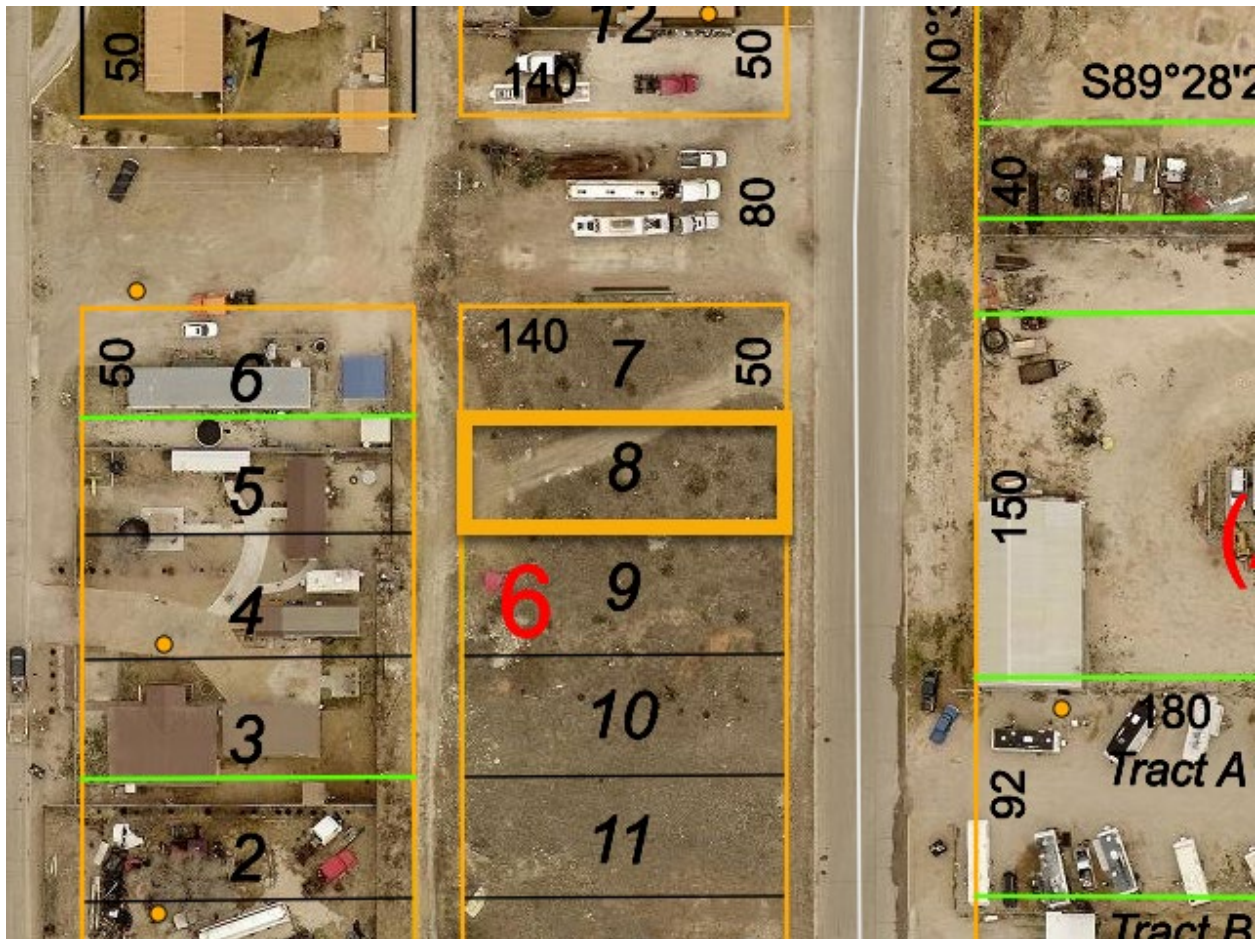
The subject's surrounding development includes vacant land to the north and south, plus single-family residential to the east and west.

Site Description – A survey or legal description was not made available to the appraiser in this instance. However, based on the Lea County Assessor records, the subject property is briefly legally described as follows:

"Lot 8, Block 6, Section 3, Township 16 South, Range 36 East, City of Lovington, Lea County, New Mexico."

The subject tract contains 7,000 SF (0.16 Acres), based on the Lea County Assessor records. The subject maintains 50' of frontage along Chaves Street and 140' of depth, lending to a frontage to depth ratio of 0.36:1. Chaves Street is an asphalt-paved, interior roadway.

The subject site is rectangular in shape, while the topography is level. Based on my physical inspection, no adverse easements impact the subject, which is assumed to be correct. However, a survey and title policy is required for a final determination. The following image shows the shape of the tract (outlined in orange).



Based on the latest FEMA information (Map # 35025C0955D, 12/16/2008), the subject site is not located in a designated flood hazard area, being in Zone X, described as an area with minimal flood potential. However, this statement cannot be warranted, and flood certification should be obtained for final and proper determination.

Based upon maps obtained from the United States Department of Agriculture, Soil Conservation Service, there appear to be two soil types located within the confines of the subject property, shown in the chart below. The soil types are suitable for most forms of development.

SOIL	% OF SITE	SOIL PROFILE
Kimbrough-Lea complex, 0 to 3 percent slopes	86.67%	0" to 3": gravelly loam 3" to 10": loam 10" to 80"; cemented material
Lea loam	13.33%	0" to 26": loam 26" to 36": cemented material

Being located within the city limits, all utilities are available and in adequate supply.

The subject site is located within the City of Lovington and is currently zoned "C", Commercial Zone district, which generally allows for most commercial uses. The subject is a legal conforming use in this district. In addition, the appraiser is not aware of any land use regulations. No study concerning deed restrictions has been conducted by the appraiser. Only a detailed search by a title company or attorney can provide positive assurance of the existence or absence of deed restrictions. However, for the purpose of this appraisal, it is assumed that there are no deed restrictions that adversely affect the development of the subject site.

The appraiser is not aware that a Phase I Environmental Site Assessment has been performed at the subject location. Based on my overall physical inspection only, no serious hazardous materials exist within the subject site or the surrounding area. Relative to a final determination, it is suggested that some form of environmental site assessment be performed.

Tax Analysis – The owner number (parcel number) associated with the subject is 20700 (4-000-207-220-002), however it should be noted that this account includes land not associated with the subject. The subject is taxed as being non-residential property inside the Lovington city limits. The 2025 combined mill rate is \$38.333/\$1,000. Within New Mexico, the taxable value is one-third of the full value. The current full market value for the subject is \$286,074 (land @ \$45,609; improvements @ \$240,465), while the taxable value is \$95,358. Based on the current taxable value and mill rates, taxes are equal to \$3,655 (rounded). According to Lea County Treasurer records, no past taxes are due.

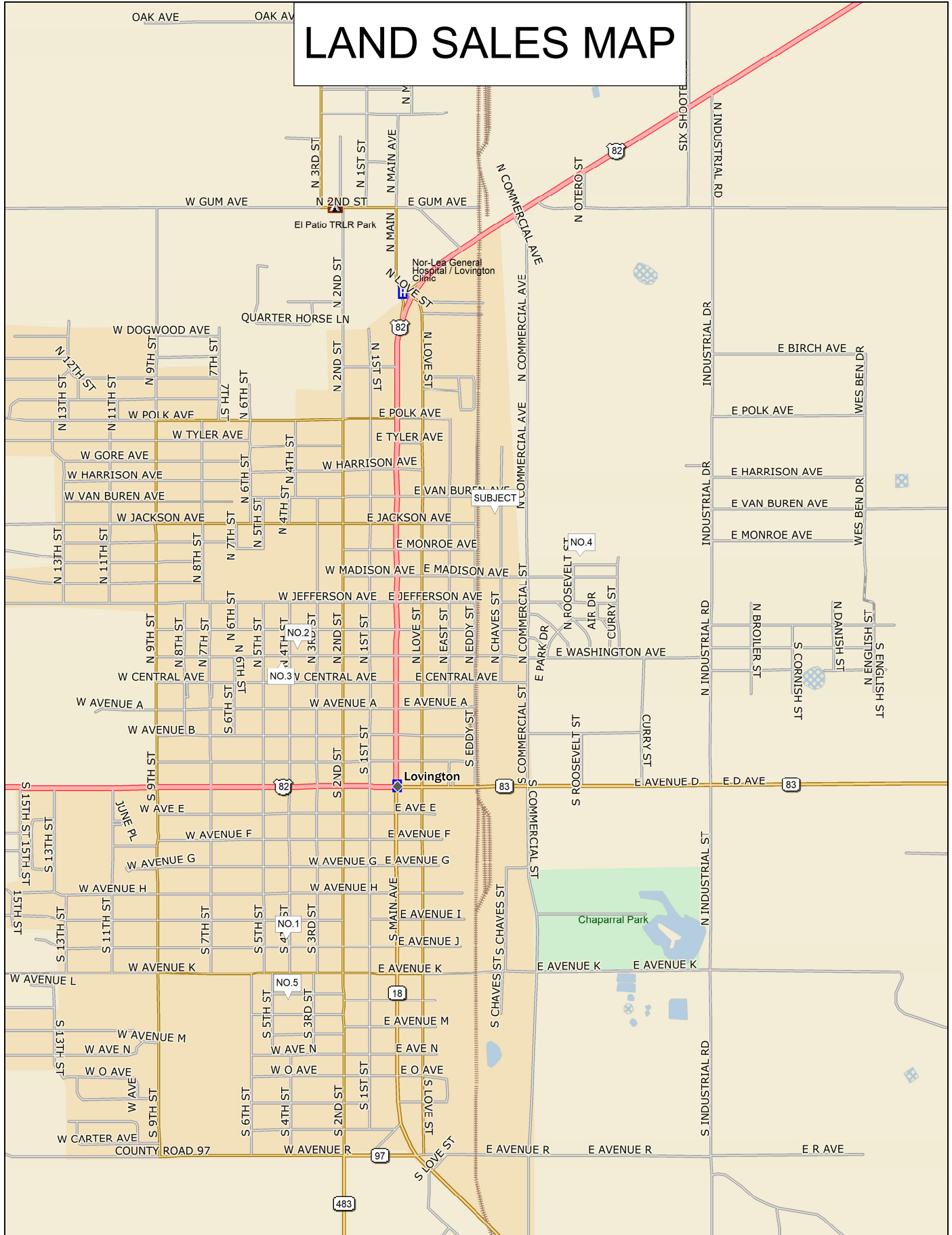
HIGHEST AND BEST USE:

Highest and Best use as though vacant – The physical characteristics associated with the subject site are adequate for most forms of single-family residential development due to the smaller size of the lots limiting commercial uses. The subject site is located within the City of Lovington and is currently zoned “C”, Commercial Zone district, which allows for commercial uses, while also allowing for cumulative uses, including single and multi-family residential uses. All these factors are believed to be adequate. When considering the locational attributes of the subject and the size of the lots, a single-family use is believed to be maximally productive and the highest and best use.

SUMMARY OF ANALYSIS AND VALUATION:

Sales Comparison Approach - Value of the site "As Is", being vacant land, was estimated employing the Sales Comparison approach. There have been a limited number of land sales in the immediate or competitive areas. Details associated with the employed comparables are located in the Addendum as Exhibit C. A map and summary of the land sales are as follows:

LAND SALES MAP



Data use subject to license.

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www.delorme.com



Scale 1 : 22,400



1" = 1,866.7 ft

Data Zoom 13-2

Land Sales

1		1010 S 4th St Lovington, NM 88260	\$35,000 8/5/2025 Closed	7,423 SF \$4.72/SF 0.1704 Acres \$205,399/Acre	Single-Family B zoning Rectangular Generally Level
2		NEC of W. Washington Avenue & N. 4th Street Lovington, NM 88260	\$35,000 2/5/2026 Closed	14,490 SF \$2.42/SF 0.3326 Acres \$105,232/Acre	Single-Family B zoning Rectangular Generally Level
3		SWC of W. Washington Avenue and N. Fourth Street Lovington, NM 88260	\$35,000 3/3/2026 Closed	10,434 SF \$3.35/SF 0.2395 Acres \$146,138/Acre	Single-Family B zoning Rectangular Generally Level
4		812 E Monroe Ave Lovington, NM 88260	\$30,000 3/20/2026 Closed	16,553 SF \$1.81/SF 0.38 Acres \$78,947/Acre	Single-Family B zoning Rectangular Generally Level
5		401 W Ave L Lovington, NM 88260	\$30,000 4/17/2026 Closed	6,662 SF \$4.50/SF 0.1529 Acres \$196,207/Acre	Single-Family A zoning Rectangular Generally Level

	Adjusted Price ¹	Land SF	Land AC	Price/SF	Price/AC
Low	\$30,000	6,662	0.15	\$1.81	\$78,947
Average	\$33,000	11,112	0.26	\$3.36	\$146,384
High	\$35,000	16,553	0.38	\$4.72	\$205,399

¹Adjusted price is based on expenditures immediately after the sale.

The following analyzes the most comparable properties as compared to the subject property ("+" adjustments indicate that the comparable is inferior to the subject and must be adjusted upward; "-" adjustments indicate that the comparable is superior to the subject and must be adjusted downward; and "0" indicates that the comparable and subject are similar overall in this factor of comparison and no adjustment is warranted). The sales available and obtained by the appraiser are the most comparable in this market and are believed to be a good indication of a range in value. Sales Nos. 1, 3 & 5 are considered most comparable and will be employed in the adjustment chart.

ADJUSTMENT GRID				
	Subject	No. 1	No. 3	No. 5
Price/Lot		\$35,000	\$35,000	\$30,000
Market Conditions Adjustment		8/25 -0-	3/26 -0-	4/26 -0-
Property Rights Adjustment		Fee Simple -0-	Fee Simple -0-	Fee Simple -0-
Financing Adjustment		Cash -0-	Cash -0-	Cash -0-
Conditions of Sale Adjustment		Typical -0-	Typical -0-	Typical -0-
Adj. Price		\$35,000	\$35,000	\$30,000
Size/SF Adj.	7,000	7,423 -0-	10,434 -0-	6,662 -0-
Location Adj.	Average	Similar -0-	Similar -0-	Similar -0-
Zoning Adj.	Commercial	Multi-Family -0-	Multi-Family -0-	Single-Family -0-
Utility Frontage Shape Utilities Adj.	Good 1 Side Rectangular All	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Similar 1 Side (-0-) Rect. (-0-) All (-0-) -0-
Total Net Adjustment		-10%	-10%	-0-
Adjusted Sale Price		\$31,500	\$31,500	\$30,000
ADJUSTMENT ANALYSIS				
Number of Adjustments		1	1	0
Total Gross Adjustment		10%	10%	0%

EXPLANATION OF ADJUSTMENTS

Date of Sale/Time – The effective date of this appraisal is March 20, 2026. The sales utilized in this analysis occurred between August 2025 and April 2026, being the most comparable sales found. Each sale is considered to be an accurate reflection of current market levels, with no adjustments warranted.

Conditions of Sale – Each of the adjusted sales was believed to be fee simple, cash or equivalent, and arm's length transactions, with no adjustment necessary for conditions of sale.

Size - The subject site contains 7,000 SF, being similar to each of the sales, which range in size from 6,662 SF to 10,434 SF. Thus, each of the sales did not need adjustments for size.

Location – The subject is located on the west side of Chaves Street, south of E. Van Buren Avenue in Lovington. Chaves Street is an asphalt-paved, interior roadway, providing passage to the interior of the subject neighborhood. The surrounding development consists of vacant land and single-family residential. Overall, the subject location is considered to be average.

Each of the sales are located along interior roadways in the City of Lovington in residential areas. Thus, each of the sales are similar and did not need adjustments for location.

Zoning – The highest and best uses, plus the allowed uses at each site, are similar. Thus, no adjustments are required for zoning.

Utility (Nos. 1 & 3) – In comparing the utility or usefulness of the comparables to the subject site, I have considered road frontage, shape, flood plain status, and availability of utilities. The subject is rectangular in shape, maintains frontage on one side, is not located in the flood zone and maintains access to all utilities. Therefore, the overall utility is good.

With regard to frontage, Nos. 1 & 3 have two sides of frontage, being superior, while No. 5 has one side and is similar to the subject.

Overall, Nos. 1 & 3 are superior and warranted negative adjustments, while No. 5 is similar and did not warrant an adjustment for utility.

Site Value Conclusion:

The range of prices after adjustments varied from a low on Sale No. 5 of \$30,000/Lot to a high of \$31,500/Lot on Sale Nos. 1 & 3. Adjustments were necessary for utility (Nos. 1 & 3). As a result, Sale Nos. 1 & 3 required the greatest (one) number of adjustments, followed by No. 5 with the smallest (zero) number of adjustments. Additionally, Sale Nos. 1 & 3 required the greatest (10%) total net adjustment, followed by No. 5 (0%). No. 5 was given primary emphasis, while Nos. 1 & 3 were given secondary emphasis.

After all adjustments and considering the physical factors of the subject site (utility), a value of **\$30,000/Lot** is considered reasonable and valid for the subject site. Thus, the subject site land value is calculated as follows:

SIZE/LOT		PRICE/SF		INDICATED VALUE
1	X	\$30,000	=	\$30,000
ROUNDED TO \$30,000				

Reconciliation and Value Conclusion:

Sales Comparison:

\$30,000

The Sales Comparison Approach was given sole and primary consideration in this analysis, due to the fact that the subject is vacant land. Overall, based on my analysis of the subject property, the estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

Marketing/Exposure Period

Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject maintains an average location with frontage on Chaves Street. Therefore, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

It is assumed that title to the property herein appraised is good and merchantable, and in fee simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. A rent roll was not provided to the appraiser. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by SMS Appraisal Services and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Steven M. Sparks of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to the those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in this matter and unless it is specified otherwise in the report, the value conclusion

assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

None.

CERTIFICATE

- I certify that, to the best of my knowledge and belief....
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include 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, I, Steven M. Sparks have completed the requirements under the continuing education program of the Appraisal Institute.
- Garrett T. Sparks personally inspected the property that is the subject of this report. Steven M. Sparks & Garrett T. Sparks prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certification.

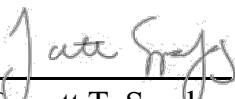
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the Market Value in fee simple of the subject, as of March 20, 2026, considering all assumptions and limiting conditions, was:

\$30,000

THIRTY THOUSAND DOLLARS



Steven M. Sparks, MAI, CEI
#NM-1114-G (Expires 4/30/2028)



Garrett T. Sparks,
#REA-2024-0105 (Expires 4/30/2028)

REAL ESTATE APPRAISAL QUALIFICATIONS
OF STEVEN M. SPARKS, MAI, CEI

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute (#8985)

Certified General Real Estate Appraiser in Texas (#TX-1322593-G), and New Mexico (001114-G).

Realtor, Lubbock Association of Realtors

Certified Environmental Inspector (CEI), Environmental Assessment Association

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standard of this program are awarded periodic educational certification. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

EDUCATION

Graduate of Texas Tech University, B.B.A., Petroleum Land Management 1983

Courses include: Farm and Ranch Appraisal, Real Estate Law, Corp. Finance I and II, Real Estate Fundamentals. General background in management finance, marketing, business law, accounting and economics; Dean's List.

Professional Courses - Appraisal Institute: Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory & Techniques Part A, Capitalization Theory & Techniques Part B, Standards in Professional Practice, Case Studies, Report Writing, Demonstration Report and Comprehensive Exam.

Resolution Trust Corporation - Affordable Housing Appraisal Seminar

Residential Case Study - Appraisal Institute (2/94)

Performing Phase I Site Assessments - EAA (5/94)

Fair Lending and the Appraiser - Appraisal Institute (10/94)

Market Extractions - Appraisal Institute (1/96)

Appraisal of Retail Properties - Appraisal Institute (10/96)

The High Tech Appraisal Office - Appraisal Institute (1/96)

Appraising Nursing Home Facilities - Appraisal Institute (2/97)

EXPERIENCE

1984-Present:

- Appraisal/Environmental of all types of Commercial, Residential, Farm and Ranch Real Estate.
- Appraisal/Environmental experience to include single-family residences, apartments, shopping centers, hotels, office buildings, movie theaters, industrial buildings, land developments, single family subdivisions and vacant land. Past experience in the overbuilt markets of Dallas/Fort Worth (1984-1992) and New England (4/92-6/93).



State of New Mexico



Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven M. Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1114-G

Issued 09/07/1994

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

QUALIFICATIONS OF GARRETT T. SPARKS

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1381276-G
State Authorized – Certified General Real Estate Appraiser (New Mexico) #REA-2024-0105

EDUCATION

Bachelors of Science – Agricultural & Economics
– Texas A&M University, College Station, Texas – 2018

Courses Include: Farm & Ranch Appraisal, Agriculture Law, Statistics and Business Calculus. General Background in economics, marketing, business, accounting and management.

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Market Analysis Highest and Best Use; General Appraiser Site Valuation and Cost Approach; General Appraiser Sales Comparison Approach; General Report Writing and Case Studies; Statistics, Modeling, and Finance.

PROFESSIONAL EXPERIENCE

06/2018 – 07/2021	Appraiser Trainee – CBRE – Valuation & Advisory Services
07/2021 – 1/2023	Appraisal Trainee – SMS Appraisal/Environmental Services, Inc.
1/2023 – Present	Certified General Appraiser – SMS Appraisal/Environmental Services, Inc.



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Garrett Tate Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2024-0105

Issued 06/12/2024

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

ADDENDUM

Exhibit A

ENGAGEMENT LETTER

Date of Agreement: Thursday, March 12, 2026

City of Lovington
Crystal R. Ball
201 S. Main Street
Lovington, NM 88260

cball@lovington.org

SMS Appraisal and Environmental
Steve Sparks, MAI, CEI
5109 82nd Street, Suite 7, #210
Lubbock, Texas 79424
(806) 855-2527
appraisals@smswt.com

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

This Professional Services Agreement (this "Agreement") is made and entered into on March 9, 2026 (the "Effective Date"), by and between SMS Appraisal & Environmental and City of Lovington (herein referred to as "Client").

Project Name	Vacant Land - 1.1184 Acres (7 Lots)
Property Identification	705 Chaves Street, Lovington, NM 88260
Property Type	Land
Interest Valued	Fee Simple Interest
Intended User(s)	The appraisal will be prepared for the above-mentioned client. Intended users include the client.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

The client is also hereby informed that if this engagement is directly with the owner of the Property, the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance and would likely not be accepted for future financing of said property.

Intended Use	The report to be performed under this Agreement ("Appraisal") is intended for Decision-Making/Internal.
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Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

Type of Value	As-Is
Date of Value	Date of inspection
Report Type	Appraisal Report
Level of Analysis	Summary

Professional Fee	\$1,500
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Expenses	Fees include all associated expenses.
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Payment Terms	Client agrees to remit payment for services rendered pursuant to this Agreement in full prior to the scheduled property inspection. Appraiser shall issue an invoice detailing the fees specified in this Agreement, and payment must be received by Appraiser no later than two (2) business days before the inspection date. Failure to provide payment within this timeframe may result in delays or cancellation of the scheduled services.
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SCOPE OF WORK

Site Inspection	Interior and exterior observation, on-site
Valuation Approaches	Appraiser will provide the Appraisal in accordance with Uniform Standards of Professional Appraisal (USPAP), The Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and State Licensing Laws. Appraiser will research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. <i>Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.</i>
Delivery	<u>3 weeks</u> (effective from the date of the signed/returned engagement contract)
Number of Reports	One (1) Electronic Final Appraisal
Acceptance Date	These specifications are subject to modification based on client acceptance.

PROPERTY DATA REQUEST

Please forward any additional materials you would consider relevant in the analysis of the subject property. Such items may include, as applicable, an accurate property description, site survey, current rent roll, copies of leases, at least three years of historical operating statements, purchase and sale agreement(s) within the last three years, title report, any environmental reports or other third party reports, or any other sources of information known to exist that may impact the valuation of the property.

Our ability to honor the terms of this Agreement will require Client's prompt response. If you have questions regarding the enclosed, please feel free to contact me. SMS Appraisal & Environmental appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Crystal R. Ball, agree to the above stated terms and authorize SMS Appraisal & Environmental to prepare the above referenced appraisal.

_____ Date: _____

Crystal R. Ball

Respectfully,

SMS APPRAISAL & ENVIRONMENTAL



Steve Sparks, MAI, CEI
Senior Appraiser

TERMS AND CONDITIONS

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to

the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect. Template for Agreement for Professional Valuation Services

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

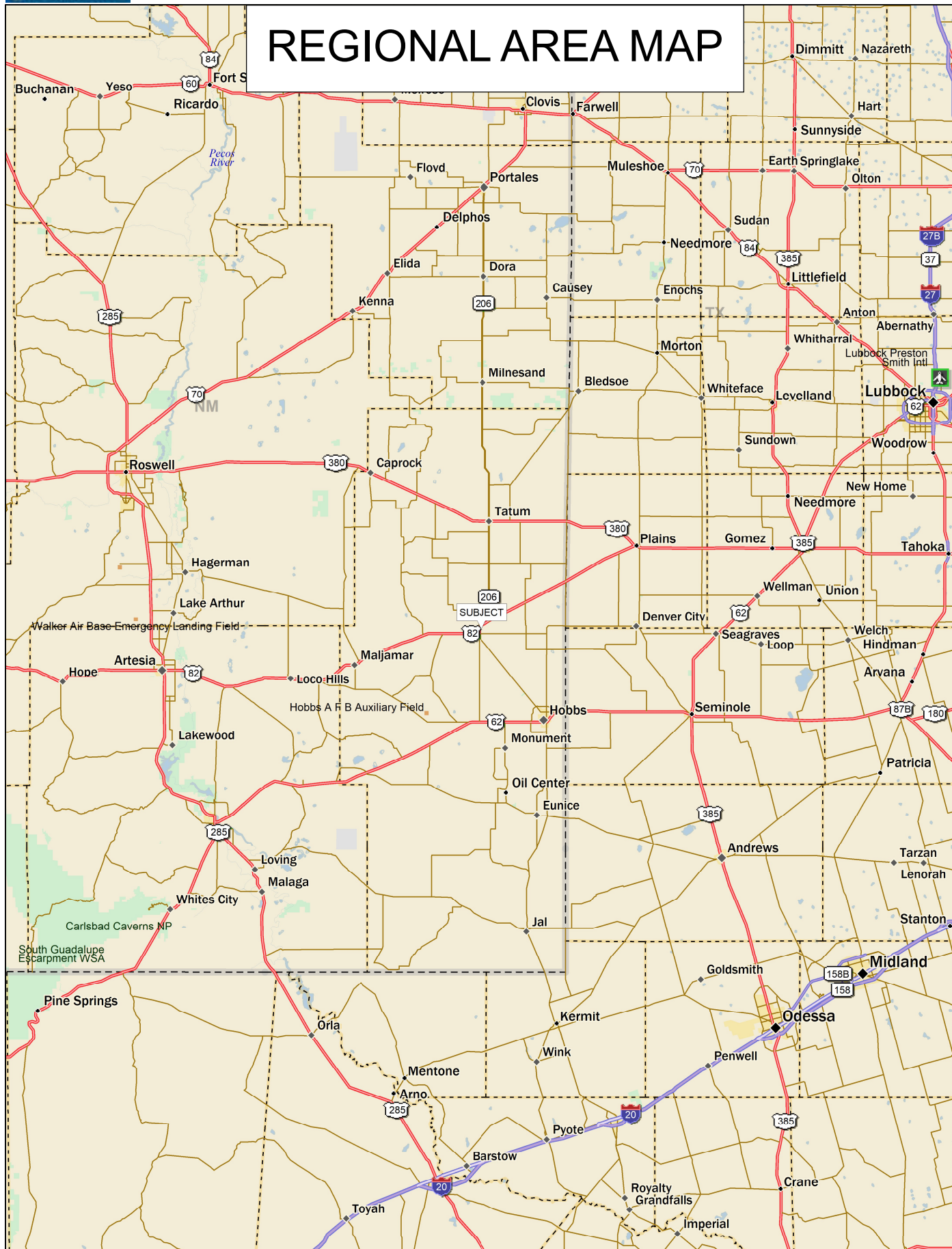
Appendix A: Extraordinary Assumptions and Hypothetical Conditions contained within the appraisal report

Appendix B: Information Request

Exhibit B

MAPS, PLATS, & PHOTOGRAPHS

REGIONAL AREA MAP



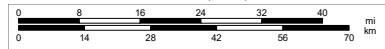
Data use subject to license.

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www.delorme.com



Scale 1 : 1,600,000



1" = 25.25 mi

Data Zoom 7-0

NEIGHBORHOOD MAP

www.delorme.com


$$1'' = 2,083.3 \text{ ft}$$

Data Zoom 13-0

ZONING MAP

8,784 views
Published on December 5, 2024

[SHARE](#)



Zone A - Single Family

- Zone A - Single Family (SW Section)
- Zone A - Single Family (NW Section)
- Zone A - Single Family (Dencoe Section)
- Zone C - Commercial District



Zone B - Multi-Family



- Zone B - Multi-Family Residential (Colonial/Jac...)
- Zone B - Multi-Family Residential (Jackson Sec...)
- Zone B - Multi-Family Residential (Jefferson Se...)
- Zone B - Multi-Family Residential (17th Section)
- ... 9 more



Zone C - Commercial

- Zone C - Commercial (East Hwy 18 Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NW Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NE Section)



Zone D - Industrial

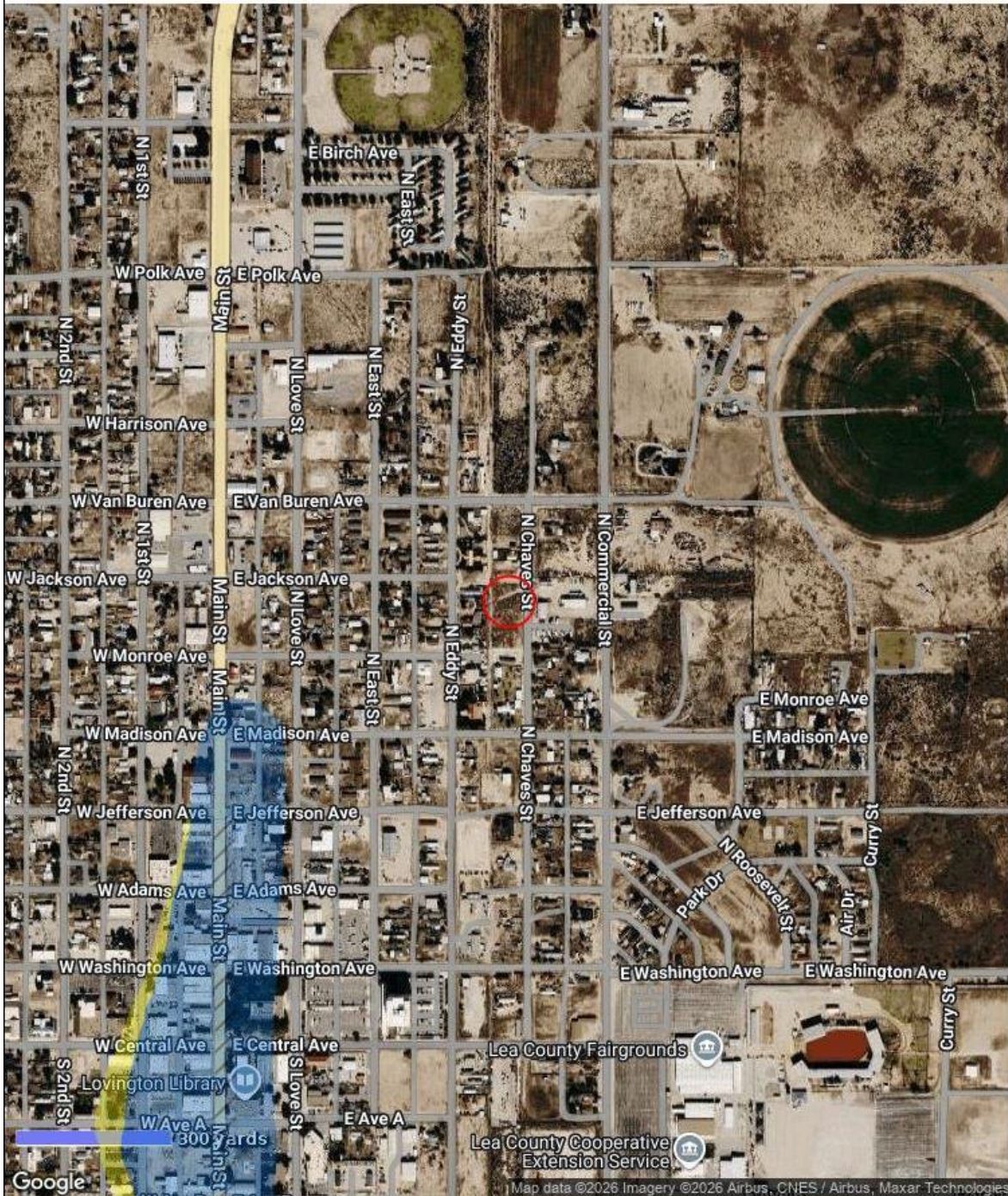
- Zone D - Industrial (Railroad Section)
- Zone D - Industrial (N. Commercial Section)
- Zone D - Industrial (S. Commercial Section)



Zone E - Economic

- Zone E - Economic Zone (Avenue D Section)
- Zone E - Economic Zone





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 35025C0955D
Zone: X
Map Date: December 16, 2008
FIPS: 35025

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

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AERIAL PHOTOGRAPH



NEIGHBORHOOD PHOTOGRAPHS



1. Facing south along Chaves Street from the subject vicinity.



2. Facing north along Chaves Street from the subject vicinity.

SUBJECT PHOTOGRAPHS



1. Typical view of the subject.

Exhibit C

DETAILED LAND SALES

1010 S 4th St

Comparable 1

Sale Information

Buyer	Fabiola A. Sepulveda	
Seller	Marisol Verdeja Gonzales, PR	
Sale Date	8/5/2025	
Transaction Status	Closed	
Sale Price	\$35,000	\$4.72 /SF Land
Analysis Price	\$35,000	\$4.72 /SF Land
Recording Number	2243/901	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1704 Acres (7,423 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' S. 4th Street, 50' W. Avenue J
Flood Zones	No Flood Zones



1010 S 4th St
Lovington, NM 88260

County
Lea

APN
4 000 233 940 001



Confirmation

Date 5/8/2026

Remarks

This lot was free and clear of any improvements at the time of sale.

NEC of W. Washington Avenue & N. 4th Street

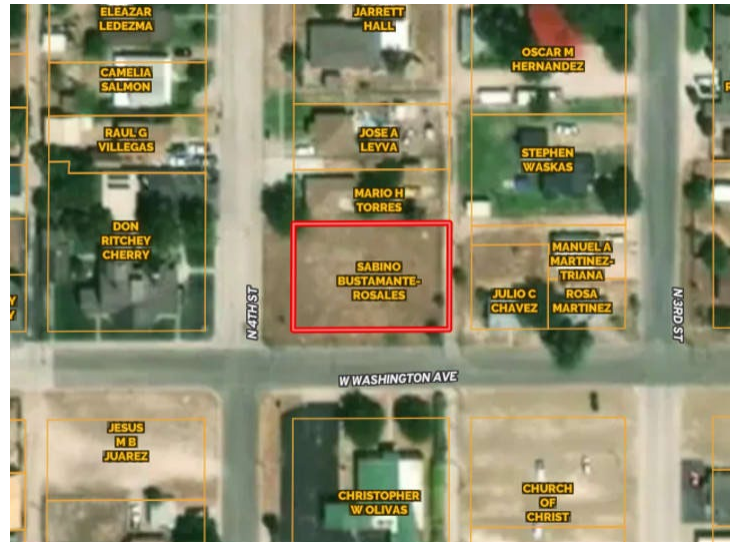
Comparable 2

Sale Information

Buyer	Sabino Bustamante-Rosales & Esther Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	2/5/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$2.42 /SF Land
Analysis Price	\$35,000	\$2.42 /SF Land
Recording Number	2251/454	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

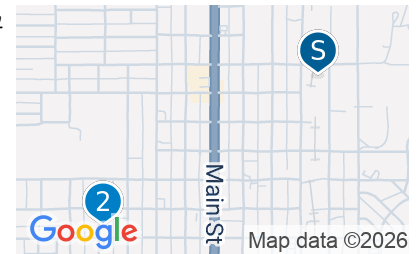
Land Area	0.3326 Acres (14,490 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 100' N. Fourth Street
Flood Zones	No Flood Zones



NEC of W. Washington Avenue &
N. 4th Street
Lovington, NM 88260

County
Lea County

APN
4 000 204 930 001



Confirmation

Date 5/8/2026

SWC of W. Washington Avenue and N. Fourth Street

Comparable 3

Sale Information

Buyer	Jesus Manuel Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	3/3/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$3.35 /SF Land
Analysis Price	\$35,000	\$3.35 /SF Land
Recording Number	2252/694	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

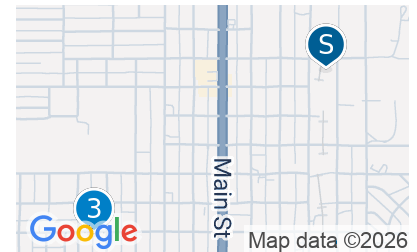
Land Area	0.2395 Acres (10,434 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 75' N. Fourth Street
Flood Zones	No Flood Zones



SWC of W. Washington Avenue
and N. Fourth Street
Lovington, NM 88260

County
Lea County

APN
4 000 200 680 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

812 E Monroe Ave

Comparable 4

Sale Information

Buyer	Lucio Lopez	
Seller	Adan Marquez	
Sale Date	3/20/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$1.81 /SF Land
Analysis Price	\$30,000	\$1.81 /SF Land
Recording Number	2253/453	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

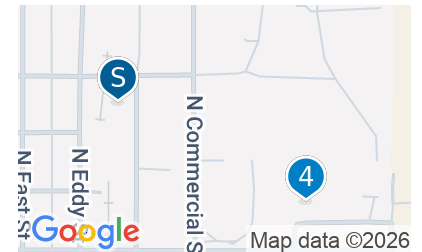
Land Area	0.38 Acres (16,553 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	79' E. Monroe Avenue
Flood Zones	No Flood Zones



812 E Monroe Ave
Lovington, NM 88260

County
Lea

APN
4 000 763 040 001



Confirmation

Date 5/8/2026

Remarks

The subject has a depth of 210.0', leading to a frontage-to-depth ratio of 0.38:1.

401 W Ave L

Comparable 5

Sale Information

Buyer	Marcelo Castaneda Ramirez	
Seller	The Estate of Beryl Pauline Moody	
Sale Date	4/17/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$4.50 /SF Land
Analysis Price	\$30,000	\$4.50 /SF Land
Recording Number	2254/826	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1529 Acres (6,662 SF)
Number of Parcels	1
Zoning	A – Single-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	60' W. Avenue L
Flood Zones	No Flood Zones



401 W Ave L
Lovington, NM 88260

County
Lea

APN
4 000 221 760 001



Confirmation

Date 5/8/2026

Remarks

The site maintains 110' of depth, lending to a frontage to depth ratio of 0.55:1.

**FILE NO. 26-031907-1
APPRAISAL REPORT**

**7,000 SF LOT (LOT 10, BLOCK 7)
W/S OF CHAVES STREET, S. OF VAN BUREN AVENUE
LOVINGTON, NEW MEXICO**

**OWNER OF RECORD:
CITY OF LOVINGTON**

**PREPARED FOR

CRYSTAL R. BALL
CITY OF LOVINGTON
201 S. MAIN STREET
LOVINGTON, NEW MEXICO 88260**

EFFECTIVE DATE OF VALUE: MARCH 20, 2026

**PREPARED BY

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
STEVEN M. SPARKS, MAI, CEI
5109 82ND STREET, SUITE 7, PMB: #210
LUBBOCK, TEXAS 79424**

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
REAL ESTATE APPRAISING & CONSULTING

Steven M. Sparks, MAI, CEI

May 14, 2026

Attn.: Crystal R. Ball

City of Lovington

201 S. Main Street

Lovington, New Mexico 88260

Re: Appraisal – 7,000 SF Lot (Lot 10,
Block 7) on west side of Chaves
Street, south of Van Buren
Avenue, Lovington, New Mexico.

I have inspected and appraised the property described herein. Conditions pertinent to or indicative of the value of the property were investigated. The subject of this report is a 7,000 SF lot, being lot 10 of Block 7, located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico.

This appraisal report sets forth my findings and conclusions derived therefrom, together with plats, maps, photographs, etc., as are considered essential to explain the process followed in preparing the appraisal. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. Steven M. Sparks is currently certified under this program. The appraisal has been made in compliance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. To the best of my knowledge, this appraisal conforms to FDIC Rules and Regulations codified in 12 C.F.R. 323, and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and FIRREA.

The estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the Market Value (As Is) of the subject real property as of the effective date, the fee simple interest. Market value is defined as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER (CLIENT) & USE OF REPORT: For the sole purpose of assisting The City of Lovington (Client) and/or assigns in estimating the market value of the subject property for decision making purposes.

INTEREST VALUED: Fee Simple Interest – Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition (Chicago: Appraisal Institute, 2022), as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

EFFECTIVE DATE OF VALUE: March 20, 2026

DATE OF REPORT: May 14, 2026

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected the subject on 3/20/2026
- gathered information on comparable land sales, which is necessary in the appraisal process.
- confirmed and analyzed the data and applied the sales comparison approach. Within the sales comparison approach, the appraiser employed the price per square foot methodology.

The subject is land, with the income and cost approach not being typically employed. The subject was valued on a price per lot basis after conversations with local participants and analysis of the local data indicating that lots sell on a per lot basis.

Per USPAP 2026-2027, this is an Appraisal Report. It is presented in a summarized format with supporting documentation retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2026/2027 Edition).

SALES HISTORY: The property is currently owned by the City of Lovington. The subject has not undergone any transactions over the past three years (3/20/2023 – 3/20/2026). I am not aware of any listings, options or contracts regarding the subject property.

DESCRIPTION OF REAL ESTATE APPRAISED:

Regional Area Analysis – The subject property is located in Lovington, New Mexico. Lovington is the county seat of Lea County, being geographically located in the east central section of New Mexico. Lovington is 100 miles southwest of Lubbock, Texas; 20 miles northwest of Hobbs, New Mexico; and 75 miles northeast of Carlsbad, New Mexico.

The primary mode of transportation for Lea County, New Mexico, is via automobile, with the area being served by several state highways. U.S. Highway 82, U.S. Highway 380, State Highways 18, 206, and 214 allow for easy access to and through the region. The principal transportation route is U.S. Highway 82, which allows passage to Lubbock (northeast), plus Artesia (west) and Alamogordo (southwest).

The following chart reflects the civilian labor force (CLF) and unemployment rate relative to the State of New Mexico and Lea County.

UNEMPLOYMENT DATA				
Region	February 2025		February 2026	
	Rate	CLF	Rate	CLF
State of New Mexico	4.1%	987,239	4.7%	983,966
Lea County	3.4%	35,496	4.4%	35,155

It should be noted that the price of oil has increased significantly from previous low levels; however, the impact this will have on the local economy is not known at this time. WTI Crude Oil is currently trading for around \$98/bbl. The expected recovery is also dependent upon current inflation and recession worries, plus the war in Ukraine and increased interest rates. At this time, one can only speculate as to what the impact "may" be; however, time will be the final arbiter. At this point, there have been no noticeable indicators that point to declining values or market rental levels in the real estate sector.

The overall backbone of the Lea County, New Mexico, economy remains the oil and gas industry, farming, and ranching. Wholesale and retail distribution also play an important role. Additionally, the food processing industry has shown recent growth in the region, with an increase in the dairy industry. Being centrally located in Eastern New Mexico, plus being in proximity to several larger communities, should continue to enhance the overall growth and economic outlook for the region. In conclusion, the overall Lea County economy has been somewhat stable in the past and should remain so in the future.

Neighborhood Analysis – The subject property is located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico. The subject neighborhood boundaries are well defined and are believed to be the Lovington City Limits in all directions, plus surrounding areas.

Passage to and through the neighborhood is considered to be good. The neighborhood maintains two primary thoroughfares. Main Street (Highway 82/18) bisects the neighborhood in a north/south direction, while Avenue D (U.S. Highway 82/83) bisects the neighborhood in an east/west direction. Each of these roadways also allows regional passage. This access is considered to be one of the most positive influences for the neighborhood. Interior secondary roadways also traverse the neighborhood and typically extend from these primary thoroughfares, allowing interior access. Overall, the subject neighborhood maintains an adequate transportation system, and each of these roadways has been well-maintained and is in good condition.

The neighborhood is estimated to be approximately 85% developed, with the uses being a mix of office, commercial/retail, and residential type development. The subject neighborhood is considered to be in a mature stage, although some new construction has occurred over the past several years.

As previously discussed, Main Street is the most heavily developed commercial/retail corridor in the City of Lovington. Main Street is a shallow corridor with commercial/retail and office-type improvements concentrated along the roadway, while residential uses exist within the interior or core of the neighborhood, except within the central business district. Commercial/retail development along Main Street includes several nationally or regionally recognized fast-food restaurants, auto service stations, office buildings, and a number of single-tenant commercial buildings. Development and uses are similar along Avenue D, while the overall density is less than Main Street. Additionally, as these roadways extend out of Lovington, development includes a mix of light industrial (oil field-related) uses, scattered single-family homes, and vacant land.

The primary residential developments in the area are within its core. Single-family homes in this district are older construction, which are generally in average to good condition. New single-family home construction is underway at this time, and is of good quality.

There are several tracts of vacant land, primarily located along Main Street in the central sector of the neighborhood, with only a limited amount of vacant land within the interior areas, while an extensive amount of vacant land is located outside the city limits. Interior areas of vacant land are generally zoned for commercial use, while areas just outside are in agricultural production.

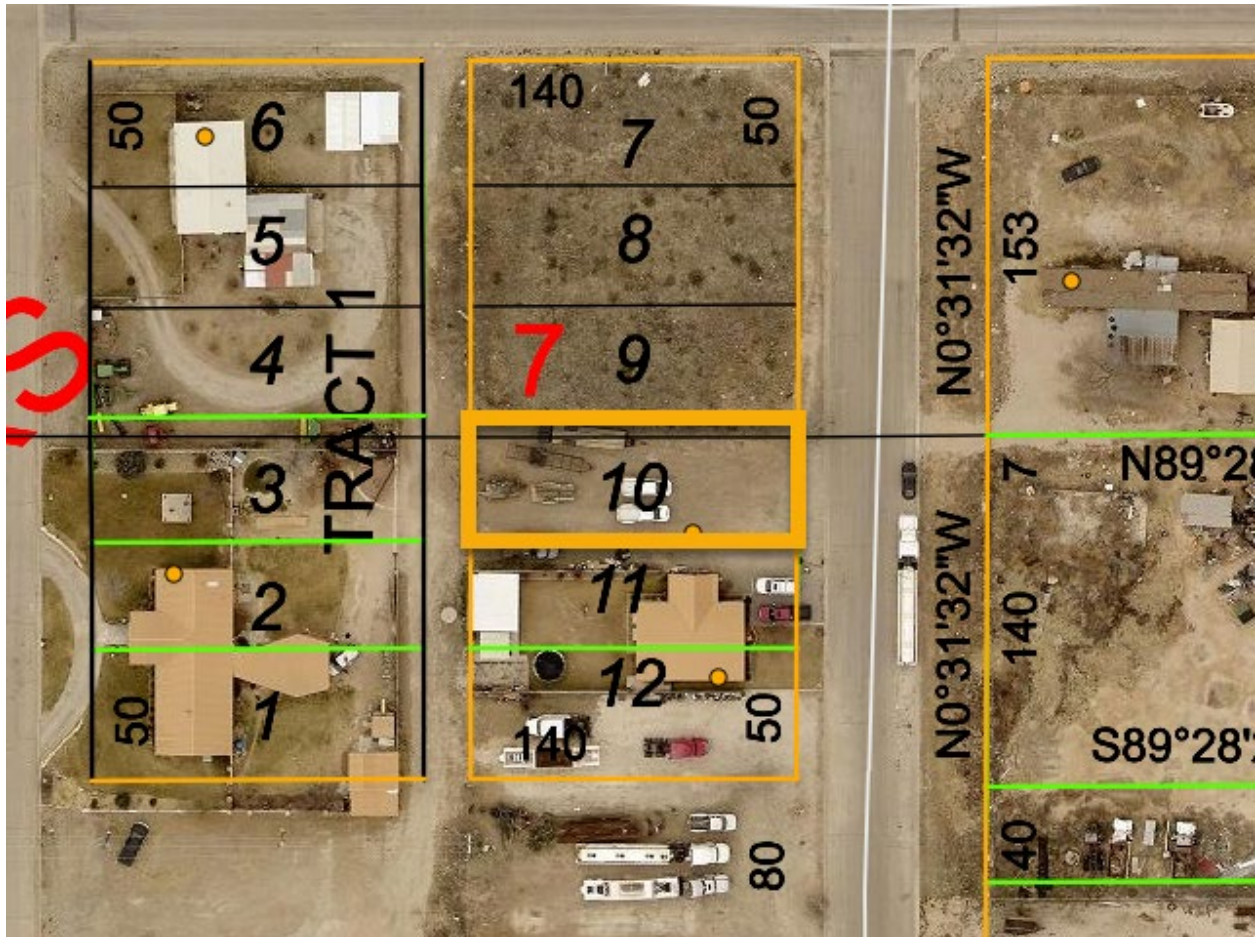
The subject's surrounding development includes undeveloped right-of-way to the north, vacant land to south, plus commercial and single-family residential to the east and west.

Site Description – A survey or legal description was not made available to the appraiser in this instance. However, based on the Lea County Assessor records, the subject property is briefly legally described as follows:

"Lot 10, Block 7, Section 3, Township 16 South, Range 36 East, City of Lovington, Lea County, New Mexico."

The subject tract contains 7,000 SF (0.16 Acres), based on the Lea County Assessor records. The subject maintains 50' of frontage along Chaves Street and 140' of depth, lending to a frontage to depth ratio of 0.36:1. Chaves Street is an asphalt-paved, interior roadway.

The subject site is rectangular in shape, while the topography is level. Based on my physical inspection, no adverse easements impact the subject, which is assumed to be correct. However, a survey and title policy is required for a final determination. The following image shows the shape of the tract (outlined in orange).



Based on the latest FEMA information (Map # 35025C0955D, 12/16/2008), the subject site is not located in a designated flood hazard area, being in Zone X, described as an area with minimal flood potential. However, this statement cannot be warranted, and flood certification should be obtained for final and proper determination.

Based upon maps obtained from the United States Department of Agriculture, Soil Conservation Service, there appear to be two soil types located within the confines of the subject property, shown in the chart below. The soil types are suitable for most forms of development.

SOIL	% OF SITE	SOIL PROFILE
Lea loam	100%	0" to 26": loam 26" to 36": cemented material

Being located within the city limits, all utilities are available and in adequate supply.

The subject site is located within the City of Lovington and is currently zoned "C", Commercial Zone district, which generally allows for most commercial uses. The subject is a legal conforming use in this district. In addition, the appraiser is not aware of any land use regulations. No study concerning deed restrictions has been conducted by the appraiser. Only a detailed search by a title company or attorney can provide positive assurance of the existence or absence of deed restrictions. However, for the purpose of this appraisal, it is assumed that there are no deed restrictions that adversely affect the development of the subject site.

The appraiser is not aware that a Phase I Environmental Site Assessment has been performed at the subject location. Based on my overall physical inspection only, no serious hazardous materials exist within the subject site or the surrounding area. Relative to a final determination, it is suggested that some form of environmental site assessment be performed.

Tax Analysis – The owner number (parcel number) associated with the subject is 20700 (4-000-207-220-002), however it should be noted that this account includes land not associated with the subject. The subject is taxed as being non-residential property inside the Lovington city limits. The 2025 combined mill rate is \$38.333/\$1,000. Within New Mexico, the taxable value is one-third of the full value. The current full market value for the subject is \$286,074 (land @ \$45,609; improvements @ \$240,465), while the taxable value is \$95,358. Based on the current taxable value and mill rates, taxes are equal to \$3,655 (rounded). According to Lea County Treasurer records, no past taxes are due.

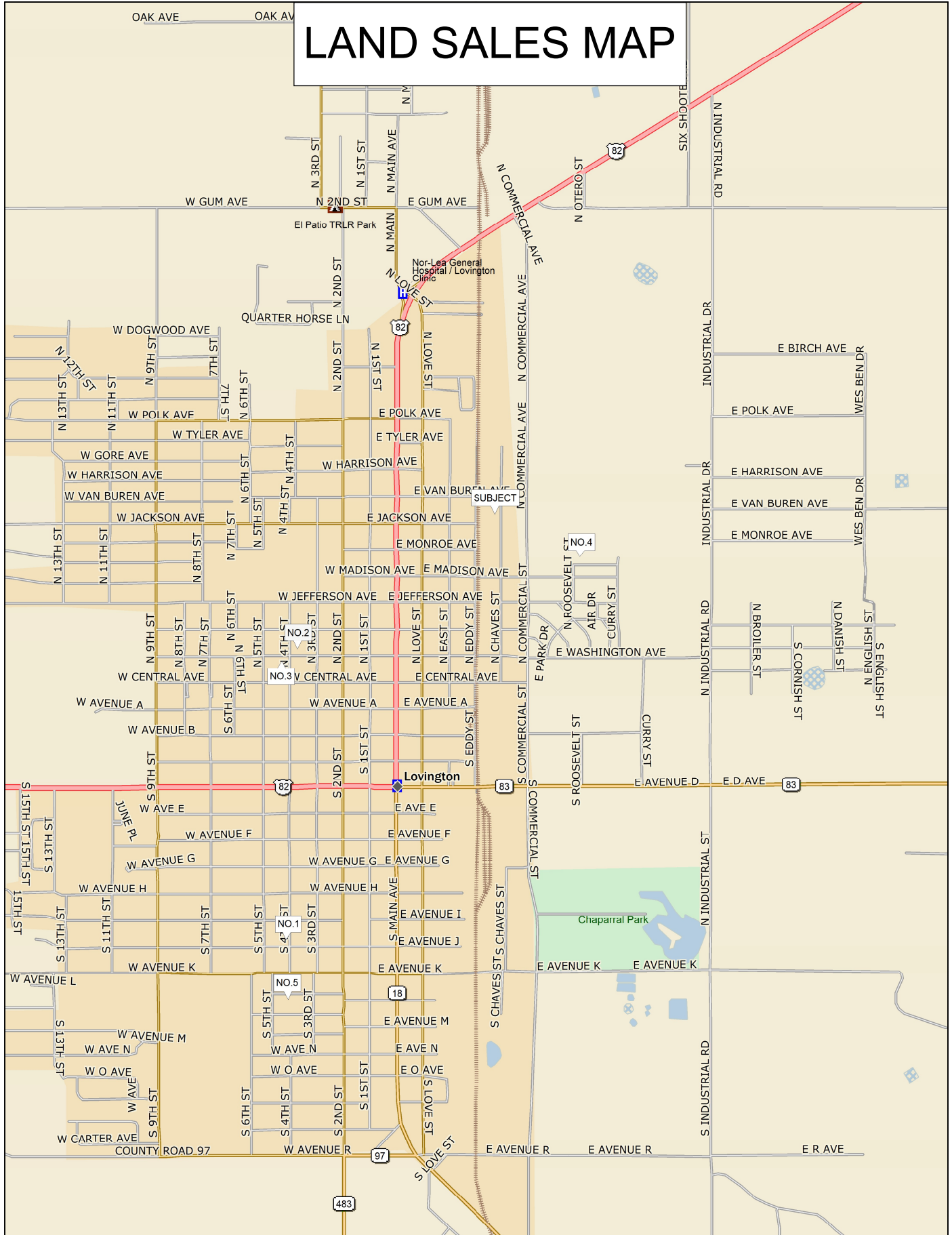
HIGHEST AND BEST USE:

Highest and Best use as though vacant – The physical characteristics associated with the subject site are adequate for most forms of single-family residential development due to the smaller size of the lots limiting commercial uses. The subject site is located within the City of Lovington and is currently zoned “C”, Commercial Zone district, which allows for commercial uses, while also allowing for cumulative uses, including single and multi-family residential uses. All these factors are believed to be adequate. When considering the locational attributes of the subject and the size of the lots, a single-family use is believed to be maximally productive and the highest and best use.

SUMMARY OF ANALYSIS AND VALUATION:

Sales Comparison Approach - Value of the site "As Is", being vacant land, was estimated employing the Sales Comparison approach. There have been a limited number of land sales in the immediate or competitive areas. Details associated with the employed comparables are located in the Addendum as Exhibit C. A map and summary of the land sales are as follows:

LAND SALES MAP



Data use subject to license.

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www.delorme.com



Scale 1 : 22,400



1" = 1,866.7 ft

Data Zoom 13-2

Land Sales

1		1010 S 4th St Lovington, NM 88260	\$35,000 8/5/2025 Closed	7,423 SF \$4.72/SF 0.1704 Acres \$205,399/Acre	Single-Family B zoning Rectangular Generally Level
2		NEC of W. Washington Avenue & N. 4th Street Lovington, NM 88260	\$35,000 2/5/2026 Closed	14,490 SF \$2.42/SF 0.3326 Acres \$105,232/Acre	Single-Family B zoning Rectangular Generally Level
3		SWC of W. Washington Avenue and N. Fourth Street Lovington, NM 88260	\$35,000 3/3/2026 Closed	10,434 SF \$3.35/SF 0.2395 Acres \$146,138/Acre	Single-Family B zoning Rectangular Generally Level
4		812 E Monroe Ave Lovington, NM 88260	\$30,000 3/20/2026 Closed	16,553 SF \$1.81/SF 0.38 Acres \$78,947/Acre	Single-Family B zoning Rectangular Generally Level
5		401 W Ave L Lovington, NM 88260	\$30,000 4/17/2026 Closed	6,662 SF \$4.50/SF 0.1529 Acres \$196,207/Acre	Single-Family A zoning Rectangular Generally Level

	Adjusted Price ¹	Land SF	Land AC	Price/SF	Price/AC
Low	\$30,000	6,662	0.15	\$1.81	\$78,947
Average	\$33,000	11,112	0.26	\$3.36	\$146,384
High	\$35,000	16,553	0.38	\$4.72	\$205,399

¹Adjusted price is based on expenditures immediately after the sale.

The following analyzes the most comparable properties as compared to the subject property ("+" adjustments indicate that the comparable is inferior to the subject and must be adjusted upward; "-" adjustments indicate that the comparable is superior to the subject and must be adjusted downward; and "0" indicates that the comparable and subject are similar overall in this factor of comparison and no adjustment is warranted). The sales available and obtained by the appraiser are the most comparable in this market and are believed to be a good indication of a range in value. Sales Nos. 1, 3 & 5 are considered most comparable and will be employed in the adjustment chart.

ADJUSTMENT GRID				
	Subject	No. 1	No. 3	No. 5
Price/Lot		\$35,000	\$35,000	\$30,000
Market Conditions Adjustment		8/25 -0-	3/26 -0-	4/26 -0-
Property Rights Adjustment		Fee Simple -0-	Fee Simple -0-	Fee Simple -0-
Financing Adjustment		Cash -0-	Cash -0-	Cash -0-
Conditions of Sale Adjustment		Typical -0-	Typical -0-	Typical -0-
Adj. Price		\$35,000	\$35,000	\$30,000
Size/SF Adj.	7,000	7,423 -0-	10,434 -0-	6,662 -0-
Location Adj.	Average	Similar -0-	Similar -0-	Similar -0-
Zoning Adj.	Commercial	Multi-Family -0-	Multi-Family -0-	Single-Family -0-
Utility Frontage Shape Utilities Adj.	Good 1 Side Rectangular All	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Similar 1 Side (-0-) Rect. (-0-) All (-0-) -0-
Total Net Adjustment		-10%	-10%	-0-
Adjusted Sale Price		\$31,500	\$31,500	\$30,000
ADJUSTMENT ANALYSIS				
Number of Adjustments		1	1	0
Total Gross Adjustment		10%	10%	0%

EXPLANATION OF ADJUSTMENTS

Date of Sale/Time – The effective date of this appraisal is March 20, 2026. The sales utilized in this analysis occurred between August 2025 and April 2026, being the most comparable sales found. Each sale is considered to be an accurate reflection of current market levels, with no adjustments warranted.

Conditions of Sale – Each of the adjusted sales was believed to be fee simple, cash or equivalent, and arm's length transactions, with no adjustment necessary for conditions of sale.

Size - The subject site contains 7,000 SF, being similar to each of the sales, which range in size from 6,662 SF to 10,434 SF. Thus, each of the sales did not need adjustments for size.

Location – The subject is located on the west side of Chaves Street, south of E. Van Buren Avenue in Lovington. Chaves Street is an asphalt-paved, interior roadway, providing passage to the interior of the subject neighborhood. The surrounding development consists of vacant land and single-family residential. Overall, the subject location is considered to be average.

Each of the sales are located along interior roadways in the City of Lovington in residential areas. Thus, each of the sales are similar and did not need adjustments for location.

Zoning – The highest and best uses, plus the allowed uses at each site, are similar. Thus, no adjustments are required for zoning.

Utility (Nos. 1 & 3) – In comparing the utility or usefulness of the comparables to the subject site, I have considered road frontage, shape, flood plain status, and availability of utilities. The subject is rectangular in shape, maintains frontage on one side, is not located in the flood zone and maintains access to all utilities. Therefore, the overall utility is good.

With regard to frontage, Nos. 1 & 3 have two sides of frontage, being superior, while No. 5 has one side and is similar to the subject.

Overall, Nos. 1 & 3 are superior and warranted negative adjustments, while No. 5 is similar and did not warrant an adjustment for utility.

Site Value Conclusion:

The range of prices after adjustments varied from a low on Sale No. 5 of \$30,000/Lot to a high of \$31,500/Lot on Sale Nos. 1 & 3. Adjustments were necessary for utility (Nos. 1 & 3). As a result, Sale Nos. 1 & 3 required the greatest (one) number of adjustments, followed by No. 5 with the smallest (zero) number of adjustments. Additionally, Sale Nos. 1 & 3 required the greatest (10%) total net adjustment, followed by No. 5 (0%). No. 5 was given primary emphasis, while Nos. 1 & 3 were given secondary emphasis.

After all adjustments and considering the physical factors of the subject site (utility), a value of **\$30,000/Lot** is considered reasonable and valid for the subject site. Thus, the subject site land value is calculated as follows:

SIZE/LOT		PRICE/SF		INDICATED VALUE
1	X	\$30,000	=	\$30,000
ROUNDED TO \$30,000				

Reconciliation and Value Conclusion:

Sales Comparison:

\$30,000

The Sales Comparison Approach was given sole and primary consideration in this analysis, due to the fact that the subject is vacant land. Overall, based on my analysis of the subject property, the estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

Marketing/Exposure Period

Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject maintains an average location with frontage on Chaves Street. Therefore, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

It is assumed that title to the property herein appraised is good and merchantable, and in fee simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. A rent roll was not provided to the appraiser. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by SMS Appraisal Services and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Steven M. Sparks of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to the those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in this matter and unless it is specified otherwise in the report, the value conclusion

assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

None.

CERTIFICATE

- I certify that, to the best of my knowledge and belief....
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include 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, I, Steven M. Sparks have completed the requirements under the continuing education program of the Appraisal Institute.
- Garrett T. Sparks personally inspected the property that is the subject of this report. Steven M. Sparks & Garrett T. Sparks prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certification.

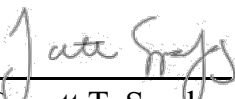
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the Market Value in fee simple of the subject, as of March 20, 2026, considering all assumptions and limiting conditions, was:

\$30,000

THIRTY THOUSAND DOLLARS



Steven M. Sparks, MAI, CEI
#NM-1114-G (Expires 4/30/2028)



Garrett T. Sparks,
#REA-2024-0105 (Expires 4/30/2028)

REAL ESTATE APPRAISAL QUALIFICATIONS
OF STEVEN M. SPARKS, MAI, CEI

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute (#8985)

Certified General Real Estate Appraiser in Texas (#TX-1322593-G), and New Mexico (001114-G).

Realtor, Lubbock Association of Realtors

Certified Environmental Inspector (CEI), Environmental Assessment Association

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standard of this program are awarded periodic educational certification. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

EDUCATION

Graduate of Texas Tech University, B.B.A., Petroleum Land Management 1983

Courses include: Farm and Ranch Appraisal, Real Estate Law, Corp. Finance I and II, Real Estate Fundamentals. General background in management finance, marketing, business law, accounting and economics; Dean's List.

Professional Courses - Appraisal Institute: Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory & Techniques Part A, Capitalization Theory & Techniques Part B, Standards in Professional Practice, Case Studies, Report Writing, Demonstration Report and Comprehensive Exam.

Resolution Trust Corporation - Affordable Housing Appraisal Seminar

Residential Case Study - Appraisal Institute (2/94)

Performing Phase I Site Assessments - EAA (5/94)

Fair Lending and the Appraiser - Appraisal Institute (10/94)

Market Extractions - Appraisal Institute (1/96)

Appraisal of Retail Properties - Appraisal Institute (10/96)

The High Tech Appraisal Office - Appraisal Institute (1/96)

Appraising Nursing Home Facilities - Appraisal Institute (2/97)

EXPERIENCE

1984-Present:

- Appraisal/Environmental of all types of Commercial, Residential, Farm and Ranch Real Estate.
- Appraisal/Environmental experience to include single-family residences, apartments, shopping centers, hotels, office buildings, movie theaters, industrial buildings, land developments, single family subdivisions and vacant land. Past experience in the overbuilt markets of Dallas/Fort Worth (1984-1992) and New England (4/92-6/93).



State of New Mexico



Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven M. Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1114-G

Issued 09/07/1994

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

QUALIFICATIONS OF GARRETT T. SPARKS

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1381276-G
State Authorized – Certified General Real Estate Appraiser (New Mexico) #REA-2024-0105

EDUCATION

Bachelors of Science – Agricultural & Economics
– Texas A&M University, College Station, Texas – 2018

Courses Include: Farm & Ranch Appraisal, Agriculture Law, Statistics and Business Calculus. General Background in economics, marketing, business, accounting and management.

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Market Analysis Highest and Best Use; General Appraiser Site Valuation and Cost Approach; General Appraiser Sales Comparison Approach; General Report Writing and Case Studies; Statistics, Modeling, and Finance.

PROFESSIONAL EXPERIENCE

06/2018 – 07/2021	Appraiser Trainee – CBRE – Valuation & Advisory Services
07/2021 – 1/2023	Appraisal Trainee – SMS Appraisal/Environmental Services, Inc.
1/2023 – Present	Certified General Appraiser – SMS Appraisal/Environmental Services, Inc.



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Garrett Tate Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2024-0105

Issued 06/12/2024

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

ADDENDUM

Exhibit A

ENGAGEMENT LETTER

Date of Agreement: Thursday, March 12, 2026

City of Lovington
Crystal R. Ball
201 S. Main Street
Lovington, NM 88260

cball@lovington.org

SMS Appraisal and Environmental
Steve Sparks, MAI, CEI
5109 82nd Street, Suite 7, #210
Lubbock, Texas 79424
(806) 855-2527
appraisals@smswt.com

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

This Professional Services Agreement (this "Agreement") is made and entered into on March 9, 2026 (the "Effective Date"), by and between SMS Appraisal & Environmental and City of Lovington (herein referred to as "Client").

Project Name	Vacant Land - 1.1184 Acres (7 Lots)
Property Identification	705 Chaves Street, Lovington, NM 88260
Property Type	Land
Interest Valued	Fee Simple Interest
Intended User(s)	The appraisal will be prepared for the above-mentioned client. Intended users include the client.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

The client is also hereby informed that if this engagement is directly with the owner of the Property, the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance and would likely not be accepted for future financing of said property.

Intended Use	The report to be performed under this Agreement ("Appraisal") is intended for Decision-Making/Internal.
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Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

Type of Value	As-Is
Date of Value	Date of inspection
Report Type	Appraisal Report
Level of Analysis	Summary

Professional Fee	\$1,500
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Expenses	Fees include all associated expenses.
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Payment Terms	Client agrees to remit payment for services rendered pursuant to this Agreement in full prior to the scheduled property inspection. Appraiser shall issue an invoice detailing the fees specified in this Agreement, and payment must be received by Appraiser no later than two (2) business days before the inspection date. Failure to provide payment within this timeframe may result in delays or cancellation of the scheduled services.
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SCOPE OF WORK

Site Inspection	Interior and exterior observation, on-site
Valuation Approaches	Appraiser will provide the Appraisal in accordance with Uniform Standards of Professional Appraisal (USPAP), The Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and State Licensing Laws. Appraiser will research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. <i>Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.</i>
Delivery	<u>3 weeks</u> (effective from the date of the signed/returned engagement contract)
Number of Reports	One (1) Electronic Final Appraisal
Acceptance Date	These specifications are subject to modification based on client acceptance.

PROPERTY DATA REQUEST

Please forward any additional materials you would consider relevant in the analysis of the subject property. Such items may include, as applicable, an accurate property description, site survey, current rent roll, copies of leases, at least three years of historical operating statements, purchase and sale agreement(s) within the last three years, title report, any environmental reports or other third party reports, or any other sources of information known to exist that may impact the valuation of the property.

Our ability to honor the terms of this Agreement will require Client's prompt response. If you have questions regarding the enclosed, please feel free to contact me. SMS Appraisal & Environmental appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Crystal R. Ball, agree to the above stated terms and authorize SMS Appraisal & Environmental to prepare the above referenced appraisal.

_____ Date: _____

Crystal R. Ball

Respectfully,

SMS APPRAISAL & ENVIRONMENTAL



Steve Sparks, MAI, CEI
Senior Appraiser

TERMS AND CONDITIONS

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to

the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect. Template for Agreement for Professional Valuation Services

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

Appendix A: Extraordinary Assumptions and Hypothetical Conditions contained within the appraisal report

Appendix B: Information Request

Exhibit B

MAPS, PLATS, & PHOTOGRAPHS

This is a detailed regional map of West Texas. The map shows a grid of major highways, including Interstate 40 (I-40) running horizontally across the top, Interstate 20 (I-20) running diagonally from the bottom left towards the center, and Interstate 70 (I-70) running horizontally across the middle. Numerous smaller cities and towns are marked with dots and labeled, such as Amarillo, Lubbock, Midland, and Odessa. The map also shows geographical features like the Pecos River and the Permian Basin. A large white box with the text "REGIONAL AREA MAP" is overlaid on the top right portion of the map.

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Scale 1:1,000,000

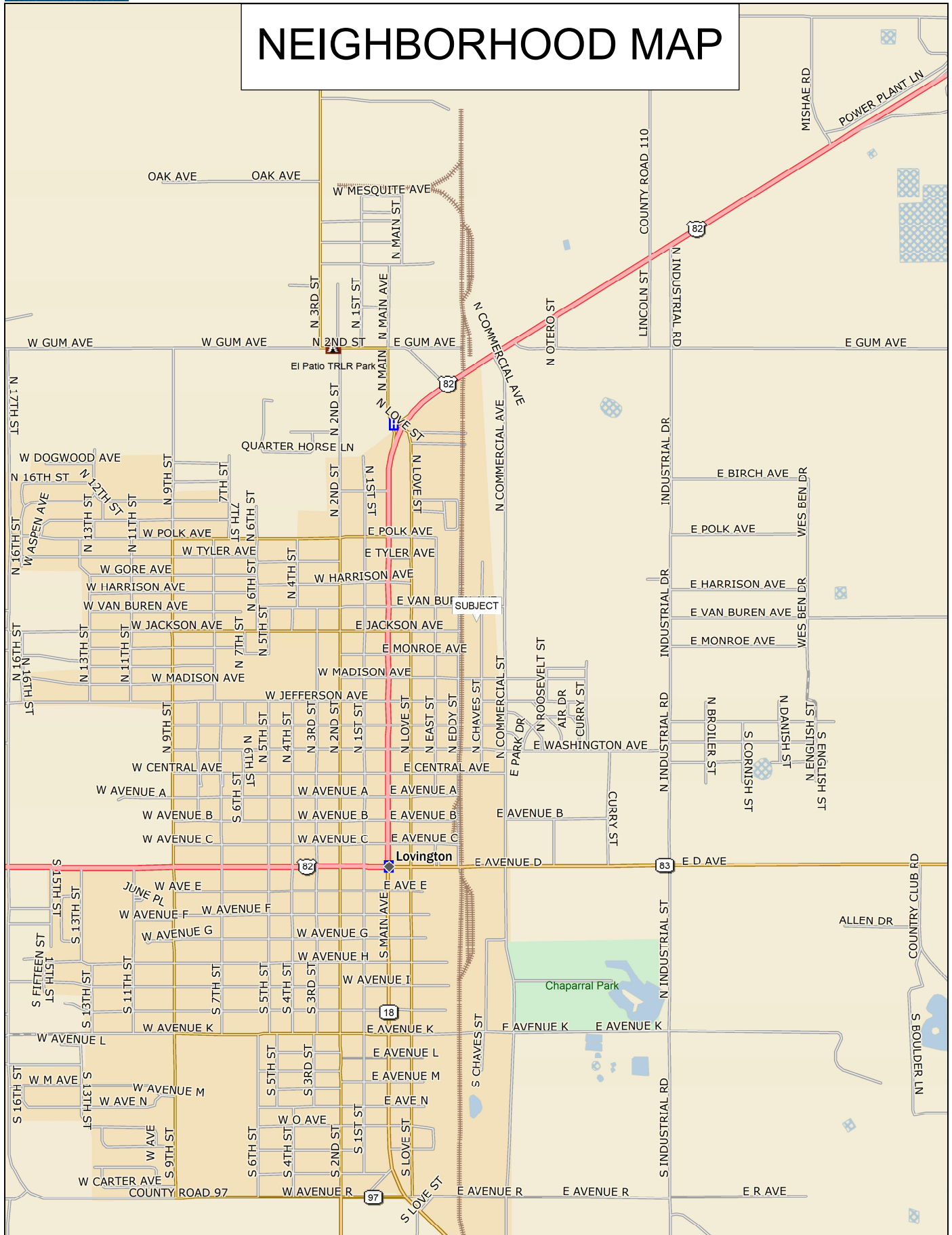
0 8 16 24 32 40 mi

0 14 28 42 56 70 km

$$1'' = 25.25 \text{ mi}$$

Data Zoom 7-0

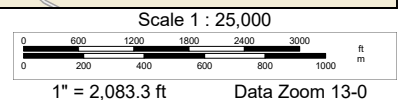
NEIGHBORHOOD MAP



Data use subject to license.

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COUNTY PLAT MAP



ZONING MAP

8,784 views
Published on December 5, 2024

[SHARE](#)



Zone A - Single Family

- Zone A - Single Family (SW Section)
- Zone A - Single Family (NW Section)
- Zone A - Single Family (Dencoe Section)
- Zone C - Commercial District



Zone B - Multi-Family



- Zone B - Multi-Family Residential (Colonial/Jac...)
- Zone B - Multi-Family Residential (Jackson Sec...)
- Zone B - Multi-Family Residential (Jefferson Se...)
- Zone B - Multi-Family Residential (17th Section)
- ... 9 more



Zone C - Commercial

- Zone C - Commercial (East Hwy 18 Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NW Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NE Section)



Zone D - Industrial

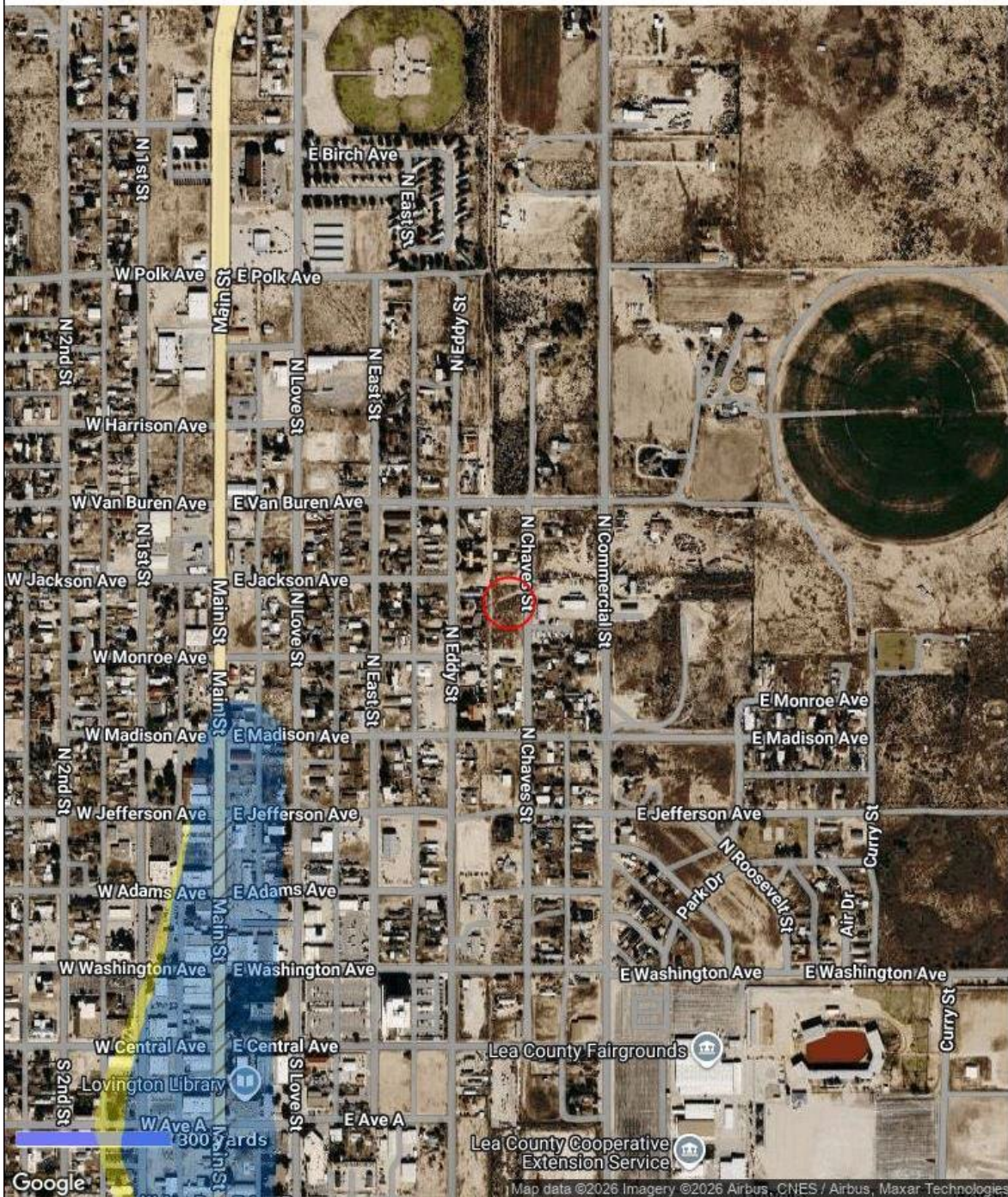
- Zone D - Industrial (Railroad Section)
- Zone D - Industrial (N. Commercial Section)
- Zone D - Industrial (S. Commercial Section)



Zone E - Economic

- Zone E - Economic Zone (Avenue D Section)
- Zone E - Economic Zone





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 35025C0955D
Zone: X
Map Date: December 16, 2008
FIPS: 35025

MAP LEGEND

Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard

Protected Areas
Floodway
Subject Area

Powered by CoreLogic®

Image © 2026 Airbus

NEIGHBORHOOD PHOTOGRAPHS



1. Facing south along Chaves Street from the subject vicinity.



2. Facing north along Chaves Street from the subject vicinity.

SUBJECT PHOTOGRAPHS



1. Typical view of the subject.

Exhibit C

DETAILED LAND SALES

1010 S 4th St

Comparable 1

Sale Information

Buyer	Fabiola A. Sepulveda	
Seller	Marisol Verdeja Gonzales, PR	
Sale Date	8/5/2025	
Transaction Status	Closed	
Sale Price	\$35,000	\$4.72 /SF Land
Analysis Price	\$35,000	\$4.72 /SF Land
Recording Number	2243/901	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1704 Acres (7,423 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' S. 4th Street, 50' W. Avenue J
Flood Zones	No Flood Zones



1010 S 4th St
Lovington, NM 88260

County
Lea

APN
4 000 233 940 001



Confirmation

Date 5/8/2026

Remarks

This lot was free and clear of any improvements at the time of sale.

NEC of W. Washington Avenue & N. 4th Street

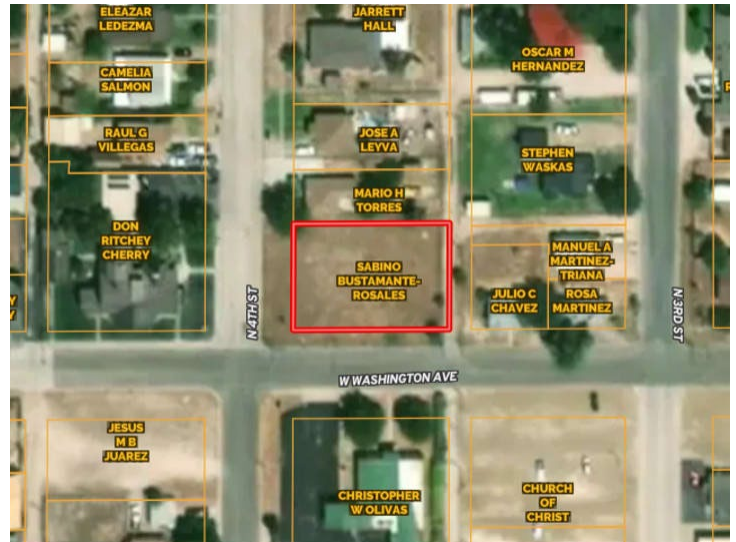
Comparable 2

Sale Information

Buyer	Sabino Bustamante-Rosales & Esther Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	2/5/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$2.42 /SF Land
Analysis Price	\$35,000	\$2.42 /SF Land
Recording Number	2251/454	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

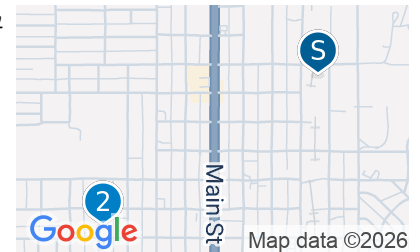
Land Area	0.3326 Acres (14,490 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 100' N. Fourth Street
Flood Zones	No Flood Zones



NEC of W. Washington Avenue &
N. 4th Street
Lovington, NM 88260

County
Lea County

APN
4 000 204 930 001



Confirmation

Date 5/8/2026

SWC of W. Washington Avenue and N. Fourth Street

Comparable 3

Sale Information

Buyer	Jesus Manuel Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	3/3/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$3.35 /SF Land
Analysis Price	\$35,000	\$3.35 /SF Land
Recording Number	2252/694	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

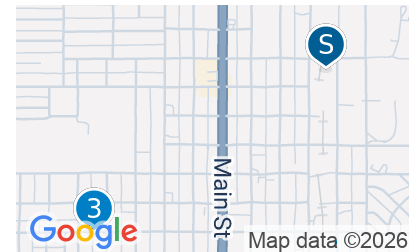
Land Area	0.2395 Acres (10,434 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 75' N. Fourth Street
Flood Zones	No Flood Zones



SWC of W. Washington Avenue
and N. Fourth Street
Lovington, NM 88260

County
Lea County

APN
4 000 200 680 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

812 E Monroe Ave

Comparable 4

Sale Information

Buyer	Lucio Lopez	
Seller	Adan Marquez	
Sale Date	3/20/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$1.81 /SF Land
Analysis Price	\$30,000	\$1.81 /SF Land
Recording Number	2253/453	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

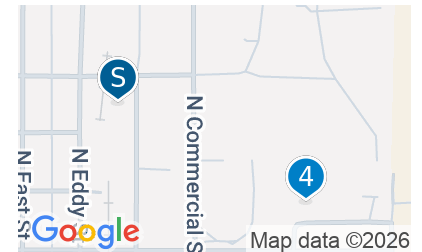
Land Area	0.38 Acres (16,553 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	79' E. Monroe Avenue
Flood Zones	No Flood Zones



812 E Monroe Ave
Lovington, NM 88260

County
Lea

APN
4 000 763 040 001



Confirmation

Date 5/8/2026

Remarks

The subject has a depth of 210.0', leading to a frontage-to-depth ratio of 0.38:1.

401 W Ave L

Comparable 5

Sale Information

Buyer	Marcelo Castaneda Ramirez	
Seller	The Estate of Beryl Pauline Moody	
Sale Date	4/17/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$4.50 /SF Land
Analysis Price	\$30,000	\$4.50 /SF Land
Recording Number	2254/826	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1529 Acres (6,662 SF)
Number of Parcels	1
Zoning	A – Single-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	60' W. Avenue L
Flood Zones	No Flood Zones



401 W Ave L
Lovington, NM 88260

County
Lea

APN
4 000 221 760 001



Confirmation

Date 5/8/2026

Remarks

The site maintains 110' of depth, lending to a frontage to depth ratio of 0.55:1.

**FILE NO. 26-031907-1
APPRAISAL REPORT**

**7,000 SF LOT (LOT 7, BLOCK 6)
W/S OF CHAVES STREET, S. OF VAN BUREN AVENUE
LOVINGTON, NEW MEXICO**

**OWNER OF RECORD:
CITY OF LOVINGTON**

**PREPARED FOR

CRYSTAL R. BALL
CITY OF LOVINGTON
201 S. MAIN STREET
LOVINGTON, NEW MEXICO 88260**

EFFECTIVE DATE OF VALUE: MARCH 20, 2026

**PREPARED BY

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
STEVEN M. SPARKS, MAI, CEI
5109 82ND STREET, SUITE 7, PMB: #210
LUBBOCK, TEXAS 79424**

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
REAL ESTATE APPRAISING & CONSULTING

Steven M. Sparks, MAI, CEI

May 14, 2026

Attn.: Crystal R. Ball
City of Lovington
201 S. Main Street
Lovington, New Mexico 88260

Re: Appraisal – 7,000 SF Lot (Lot 7,
Block 6) on west side of Chaves
Street, south of Van Buren
Avenue, Lovington, New Mexico.

I have inspected and appraised the property described herein. Conditions pertinent to or indicative of the value of the property were investigated. The subject of this report is a 7,000 SF lot, being lot 7 of Block 6, located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico.

This appraisal report sets forth my findings and conclusions derived therefrom, together with plats, maps, photographs, etc., as are considered essential to explain the process followed in preparing the appraisal. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. Steven M. Sparks is currently certified under this program. The appraisal has been made in compliance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. To the best of my knowledge, this appraisal conforms to FDIC Rules and Regulations codified in 12 C.F.R. 323, and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and FIRREA.

The estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the Market Value (As Is) of the subject real property as of the effective date, the fee simple interest. Market value is defined as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER (CLIENT) & USE OF REPORT: For the sole purpose of assisting The City of Lovington (Client) and/or assigns in estimating the market value of the subject property for decision making purposes.

INTEREST VALUED: Fee Simple Interest – Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition (Chicago: Appraisal Institute, 2022), as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

EFFECTIVE DATE OF VALUE: March 20, 2026

DATE OF REPORT: May 14, 2026

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected the subject on 3/20/2026
- gathered information on comparable land sales, which is necessary in the appraisal process.
- confirmed and analyzed the data and applied the sales comparison approach. Within the sales comparison approach, the appraiser employed the price per square foot methodology.

The subject is land, with the income and cost approach not being typically employed. The subject was valued on a price per lot basis after conversations with local participants and analysis of the local data indicating that lots sell on a per lot basis.

Per USPAP 2026-2027, this is an Appraisal Report. It is presented in a summarized format with supporting documentation retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2026/2027 Edition).

SALES HISTORY: The property is currently owned by the City of Lovington. The subject has not undergone any transactions over the past three years (3/20/2023 – 3/20/2026). I am not aware of any listings, options or contracts regarding the subject property.

DESCRIPTION OF REAL ESTATE APPRAISED:

Regional Area Analysis – The subject property is located in Lovington, New Mexico. Lovington is the county seat of Lea County, being geographically located in the east central section of New Mexico. Lovington is 100 miles southwest of Lubbock, Texas; 20 miles northwest of Hobbs, New Mexico; and 75 miles northeast of Carlsbad, New Mexico.

The primary mode of transportation for Lea County, New Mexico, is via automobile, with the area being served by several state highways. U.S. Highway 82, U.S. Highway 380, State Highways 18, 206, and 214 allow for easy access to and through the region. The principal transportation route is U.S. Highway 82, which allows passage to Lubbock (northeast), plus Artesia (west) and Alamogordo (southwest).

The following chart reflects the civilian labor force (CLF) and unemployment rate relative to the State of New Mexico and Lea County.

UNEMPLOYMENT DATA				
Region	February 2025		February 2026	
	Rate	CLF	Rate	CLF
State of New Mexico	4.1%	987,239	4.7%	983,966
Lea County	3.4%	35,496	4.4%	35,155

It should be noted that the price of oil has increased significantly from previous low levels; however, the impact this will have on the local economy is not known at this time. WTI Crude Oil is currently trading for around \$98/bbl. The expected recovery is also dependent upon current inflation and recession worries, plus the war in Ukraine and increased interest rates. At this time, one can only speculate as to what the impact "may" be; however, time will be the final arbiter. At this point, there have been no noticeable indicators that point to declining values or market rental levels in the real estate sector.

The overall backbone of the Lea County, New Mexico, economy remains the oil and gas industry, farming, and ranching. Wholesale and retail distribution also play an important role. Additionally, the food processing industry has shown recent growth in the region, with an increase in the dairy industry. Being centrally located in Eastern New Mexico, plus being in proximity to several larger communities, should continue to enhance the overall growth and economic outlook for the region. In conclusion, the overall Lea County economy has been somewhat stable in the past and should remain so in the future.

Neighborhood Analysis – The subject property is located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico. The subject neighborhood boundaries are well defined and are believed to be the Lovington City Limits in all directions, plus surrounding areas.

Passage to and through the neighborhood is considered to be good. The neighborhood maintains two primary thoroughfares. Main Street (Highway 82/18) bisects the neighborhood in a north/south direction, while Avenue D (U.S. Highway 82/83) bisects the neighborhood in an east/west direction. Each of these roadways also allows regional passage. This access is considered to be one of the most positive influences for the neighborhood. Interior secondary roadways also traverse the neighborhood and typically extend from these primary thoroughfares, allowing interior access. Overall, the subject neighborhood maintains an adequate transportation system, and each of these roadways has been well-maintained and is in good condition.

The neighborhood is estimated to be approximately 85% developed, with the uses being a mix of office, commercial/retail, and residential type development. The subject neighborhood is considered to be in a mature stage, although some new construction has occurred over the past several years.

As previously discussed, Main Street is the most heavily developed commercial/retail corridor in the City of Lovington. Main Street is a shallow corridor with commercial/retail and office-type improvements concentrated along the roadway, while residential uses exist within the interior or core of the neighborhood, except within the central business district. Commercial/retail development along Main Street includes several nationally or regionally recognized fast-food restaurants, auto service stations, office buildings, and a number of single-tenant commercial buildings. Development and uses are similar along Avenue D, while the overall density is less than Main Street. Additionally, as these roadways extend out of Lovington, development includes a mix of light industrial (oil field-related) uses, scattered single-family homes, and vacant land.

The primary residential developments in the area are within its core. Single-family homes in this district are older construction, which are generally in average to good condition. New single-family home construction is underway at this time, and is of good quality.

There are several tracts of vacant land, primarily located along Main Street in the central sector of the neighborhood, with only a limited amount of vacant land within the interior areas, while an extensive amount of vacant land is located outside the city limits. Interior areas of vacant land are generally zoned for commercial use, while areas just outside are in agricultural production.

The subject's surrounding development includes undeveloped right-of-way to the north, vacant land to south, plus commercial and single-family residential to the east and west.

Site Description – A survey or legal description was not made available to the appraiser in this instance. However, based on the Lea County Assessor records, the subject property is briefly legally described as follows:

"Lot 7, Block 6, Section 3, Township 16 South, Range 36 East, City of Lovington, Lea County, New Mexico."

The subject tract contains 7,000 SF (0.16 Acres), based on the Lea County Assessor records. The subject maintains 50' of frontage along Chaves Street and 140' of depth, lending to a frontage to depth ratio of 0.36:1. Chaves Street is an asphalt-paved, interior roadway. It should be noted that the subject has 140' of frontage along E. Jackson Avenue along the north boundary. However, E. Jackson Avenue is not yet developed, terminating to the west of the subject at N. Eddy Street. Due to the fact that Jackson Avenue is not currently developed, the subject only maintains one side of frontage.

The subject site is rectangular in shape, while the topography is level. Based on my physical inspection, no adverse easements impact the subject, which is assumed to be correct. However, a survey and title policy is required for a final determination. The following image shows the shape of the tract (outlined in orange).



Based on the latest FEMA information (Map # 35025C0955D, 12/16/2008), the subject site is not located in a designated flood hazard area, being in Zone X, described as an area with minimal flood potential. However, this statement cannot be warranted, and flood certification should be obtained for final and proper determination.

Based upon maps obtained from the United States Department of Agriculture, Soil Conservation Service, there appear to be two soil types located within the confines of the subject property, shown in the chart below. The soil types are suitable for most forms of development.

SOIL	% OF SITE	SOIL PROFILE
Kimbrough-Lea complex, 0 to 3 percent slopes	87.5%	0" to 3": gravelly loam 3" to 10": loam 10" to 80"; cemented material
Lea loam	12.5%	0" to 26": loam 26" to 36": cemented material

Being located within the city limits, all utilities are available and in adequate supply.

The subject site is located within the City of Lovington and is currently zoned "C", Commercial Zone district, which generally allows for most commercial uses. The subject is a legal conforming use in this district. In addition, the appraiser is not aware of any land use regulations. No study concerning deed restrictions has been conducted by the appraiser. Only a detailed search by a title company or attorney can provide positive assurance of the existence or absence of deed restrictions. However, for the purpose of this appraisal, it is assumed that there are no deed restrictions that adversely affect the development of the subject site.

The appraiser is not aware that a Phase I Environmental Site Assessment has been performed at the subject location. Based on my overall physical inspection only, no serious hazardous materials exist within the subject site or the surrounding area. Relative to a final determination, it is suggested that some form of environmental site assessment be performed.

Tax Analysis – The owner number (parcel number) associated with the subject is 20700 (4-000-207-220-002), however it should be noted that this account includes land not associated with the subject. The subject is taxed as being non-residential property inside the Lovington city limits. The 2025 combined mill rate is \$38.333/\$1,000. Within New Mexico, the taxable value is one-third of the full value. The current full market value for the subject is \$286,074 (land @ \$45,609; improvements @ \$240,465), while the taxable value is \$95,358. Based on the current taxable value and mill rates, taxes are equal to \$3,655 (rounded). According to Lea County Treasurer records, no past taxes are due.

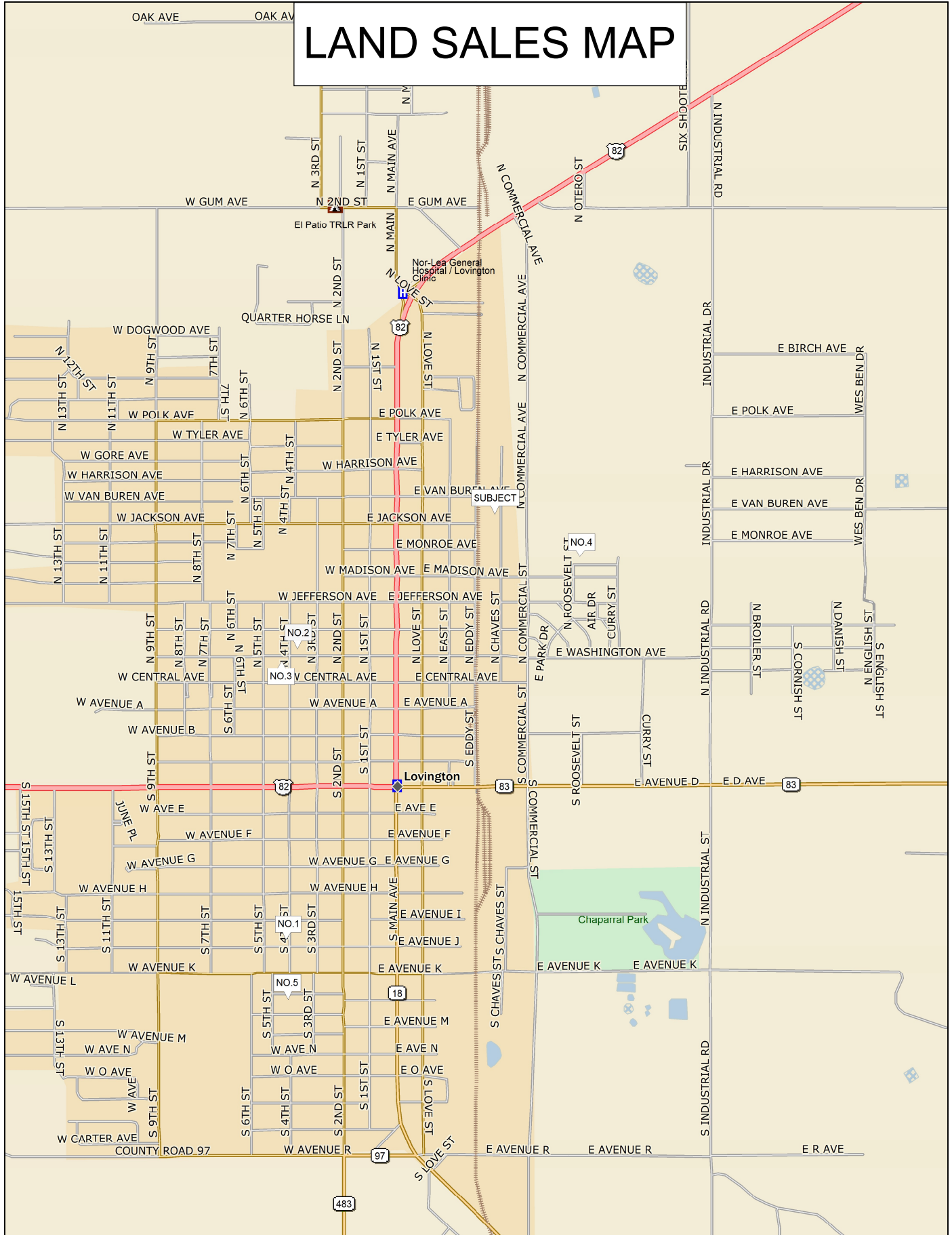
HIGHEST AND BEST USE:

Highest and Best use as though vacant – The physical characteristics associated with the subject site are adequate for most forms of single-family residential development due to the smaller size of the lots limiting commercial uses. The subject site is located within the City of Lovington and is currently zoned “C”, Commercial Zone district, which allows for commercial uses, while also allowing for cumulative uses, including single and multi-family residential uses. All these factors are believed to be adequate. When considering the locational attributes of the subject and the size of the lots, a single-family use is believed to be maximally productive and the highest and best use.

SUMMARY OF ANALYSIS AND VALUATION:

Sales Comparison Approach - Value of the site "As Is", being vacant land, was estimated employing the Sales Comparison approach. There have been a limited number of land sales in the immediate or competitive areas. Details associated with the employed comparables are located in the Addendum as Exhibit C. A map and summary of the land sales are as follows:

LAND SALES MAP



Data use subject to license.

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Scale 1 : 22,400



1" = 1,866.7 ft

Data Zoom 13-2

Land Sales

1		1010 S 4th St Lovington, NM 88260	\$35,000 8/5/2025 Closed	7,423 SF \$4.72/SF 0.1704 Acres \$205,399/Acre	Single-Family B zoning Rectangular Generally Level
2		NEC of W. Washington Avenue & N. 4th Street Lovington, NM 88260	\$35,000 2/5/2026 Closed	14,490 SF \$2.42/SF 0.3326 Acres \$105,232/Acre	Single-Family B zoning Rectangular Generally Level
3		SWC of W. Washington Avenue and N. Fourth Street Lovington, NM 88260	\$35,000 3/3/2026 Closed	10,434 SF \$3.35/SF 0.2395 Acres \$146,138/Acre	Single-Family B zoning Rectangular Generally Level
4		812 E Monroe Ave Lovington, NM 88260	\$30,000 3/20/2026 Closed	16,553 SF \$1.81/SF 0.38 Acres \$78,947/Acre	Single-Family B zoning Rectangular Generally Level
5		401 W Ave L Lovington, NM 88260	\$30,000 4/17/2026 Closed	6,662 SF \$4.50/SF 0.1529 Acres \$196,207/Acre	Single-Family A zoning Rectangular Generally Level

	Adjusted Price ¹	Land SF	Land AC	Price/SF	Price/AC
Low	\$30,000	6,662	0.15	\$1.81	\$78,947
Average	\$33,000	11,112	0.26	\$3.36	\$146,384
High	\$35,000	16,553	0.38	\$4.72	\$205,399

¹Adjusted price is based on expenditures immediately after the sale.

The following analyzes the most comparable properties as compared to the subject property ("+" adjustments indicate that the comparable is inferior to the subject and must be adjusted upward; "-" adjustments indicate that the comparable is superior to the subject and must be adjusted downward; and "0" indicates that the comparable and subject are similar overall in this factor of comparison and no adjustment is warranted). The sales available and obtained by the appraiser are the most comparable in this market and are believed to be a good indication of a range in value. Sales Nos. 1, 3 & 5 are considered most comparable and will be employed in the adjustment chart.

ADJUSTMENT GRID				
	Subject	No. 1	No. 3	No. 5
Price/Lot		\$35,000	\$35,000	\$30,000
Market Conditions Adjustment		8/25 -0-	3/26 -0-	4/26 -0-
Property Rights Adjustment		Fee Simple -0-	Fee Simple -0-	Fee Simple -0-
Financing Adjustment		Cash -0-	Cash -0-	Cash -0-
Conditions of Sale Adjustment		Typical -0-	Typical -0-	Typical -0-
Adj. Price		\$35,000	\$35,000	\$30,000
Size/SF Adj.	7,000	7,423 -0-	10,434 -0-	6,662 -0-
Location Adj.	Average	Similar -0-	Similar -0-	Similar -0-
Zoning Adj.	Commercial	Multi-Family -0-	Multi-Family -0-	Single-Family -0-
Utility Frontage Shape Utilities Adj.	Good 1 Side Rectangular All	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Similar 1 Side (-0-) Rect. (-0-) All (-0-) -0-
Total Net Adjustment		-10%	-10%	-0-
Adjusted Sale Price		\$31,500	\$31,500	\$30,000
ADJUSTMENT ANALYSIS				
Number of Adjustments		1	1	0
Total Gross Adjustment		10%	10%	0%

EXPLANATION OF ADJUSTMENTS

Date of Sale/Time – The effective date of this appraisal is March 20, 2026. The sales utilized in this analysis occurred between August 2025 and April 2026, being the most comparable sales found. Each sale is considered to be an accurate reflection of current market levels, with no adjustments warranted.

Conditions of Sale – Each of the adjusted sales was believed to be fee simple, cash or equivalent, and arm's length transactions, with no adjustment necessary for conditions of sale.

Size - The subject site contains 7,000 SF, being similar to each of the sales, which range in size from 6,662 SF to 10,434 SF. Thus, each of the sales did not need adjustments for size.

Location – The subject is located on the west side of Chaves Street, south of E. Van Buren Avenue in Lovington. Chaves Street is an asphalt-paved, interior roadway, providing passage to the interior of the subject neighborhood. The surrounding development consists of vacant land and single-family residential. Overall, the subject location is considered to be average.

Each of the sales are located along interior roadways in the City of Lovington in residential areas. Thus, each of the sales are similar and did not need adjustments for location.

Zoning – The highest and best uses, plus the allowed uses at each site, are similar. Thus, no adjustments are required for zoning.

Utility (Nos. 1 & 3) – In comparing the utility or usefulness of the comparables to the subject site, I have considered road frontage, shape, flood plain status, and availability of utilities. The subject is rectangular in shape, maintains frontage on one side, is not located in the flood zone and maintains access to all utilities. Therefore, the overall utility is good.

With regard to frontage, Nos. 1 & 3 have two sides of frontage, being superior, while No. 5 has one side and is similar to the subject.

Overall, Nos. 1 & 3 are superior and warranted negative adjustments, while No. 5 is similar and did not warrant an adjustment for utility.

Site Value Conclusion:

The range of prices after adjustments varied from a low on Sale No. 5 of \$30,000/Lot to a high of \$31,500/Lot on Sale Nos. 1 & 3. Adjustments were necessary for utility (Nos. 1 & 3). As a result, Sale Nos. 1 & 3 required the greatest (one) number of adjustments, followed by No. 5 with the smallest (zero) number of adjustments. Additionally, Sale Nos. 1 & 3 required the greatest (10%) total net adjustment, followed by No. 5 (0%). No. 5 was given primary emphasis, while Nos. 1 & 3 were given secondary emphasis.

After all adjustments and considering the physical factors of the subject site (utility), a value of **\$30,000/Lot** is considered reasonable and valid for the subject site. Thus, the subject site land value is calculated as follows:

SIZE/LOT		PRICE/SF		INDICATED VALUE
1	X	\$30,000	=	\$30,000
ROUNDED TO \$30,000				

Reconciliation and Value Conclusion:

Sales Comparison: **\$30,000**

The Sales Comparison Approach was given sole and primary consideration in this analysis, due to the fact that the subject is vacant land. Overall, based on my analysis of the subject property, the estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

Marketing/Exposure Period

Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject maintains an average location with frontage on Chaves Street. Therefore, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

It is assumed that title to the property herein appraised is good and merchantable, and in fee simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. A rent roll was not provided to the appraiser. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by SMS Appraisal Services and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Steven M. Sparks of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to the those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in this matter and unless it is specified otherwise in the report, the value conclusion

assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

None.

CERTIFICATE

- I certify that, to the best of my knowledge and belief....
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include 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, I, Steven M. Sparks have completed the requirements under the continuing education program of the Appraisal Institute.
- Garrett T. Sparks personally inspected the property that is the subject of this report. Steven M. Sparks & Garrett T. Sparks prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certification.

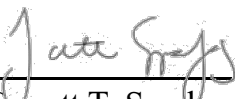
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the Market Value in fee simple of the subject, as of March 20, 2026, considering all assumptions and limiting conditions, was:

\$30,000

THIRTY THOUSAND DOLLARS



Steven M. Sparks, MAI, CEI
#NM-1114-G (Expires 4/30/2028)



Garrett T. Sparks,
#REA-2024-0105 (Expires 4/30/2028)

REAL ESTATE APPRAISAL QUALIFICATIONS
OF STEVEN M. SPARKS, MAI, CEI

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute (#8985)

Certified General Real Estate Appraiser in Texas (#TX-1322593-G), and New Mexico (001114-G).

Realtor, Lubbock Association of Realtors

Certified Environmental Inspector (CEI), Environmental Assessment Association

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standard of this program are awarded periodic educational certification. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

EDUCATION

Graduate of Texas Tech University, B.B.A., Petroleum Land Management 1983

Courses include: Farm and Ranch Appraisal, Real Estate Law, Corp. Finance I and II, Real Estate Fundamentals. General background in management finance, marketing, business law, accounting and economics; Dean's List.

Professional Courses - Appraisal Institute: Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory & Techniques Part A, Capitalization Theory & Techniques Part B, Standards in Professional Practice, Case Studies, Report Writing, Demonstration Report and Comprehensive Exam.

Resolution Trust Corporation - Affordable Housing Appraisal Seminar

Residential Case Study - Appraisal Institute (2/94)

Performing Phase I Site Assessments - EAA (5/94)

Fair Lending and the Appraiser - Appraisal Institute (10/94)

Market Extractions - Appraisal Institute (1/96)

Appraisal of Retail Properties - Appraisal Institute (10/96)

The High Tech Appraisal Office - Appraisal Institute (1/96)

Appraising Nursing Home Facilities - Appraisal Institute (2/97)

EXPERIENCE

1984-Present:

- Appraisal/Environmental of all types of Commercial, Residential, Farm and Ranch Real Estate.
- Appraisal/Environmental experience to include single-family residences, apartments, shopping centers, hotels, office buildings, movie theaters, industrial buildings, land developments, single family subdivisions and vacant land. Past experience in the overbuilt markets of Dallas/Fort Worth (1984-1992) and New England (4/92-6/93).



State of New Mexico



Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven M. Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1114-G

Issued 09/07/1994

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

QUALIFICATIONS OF GARRETT T. SPARKS

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1381276-G
State Authorized – Certified General Real Estate Appraiser (New Mexico) #REA-2024-0105

EDUCATION

Bachelors of Science – Agricultural & Economics
– Texas A&M University, College Station, Texas – 2018

Courses Include: Farm & Ranch Appraisal, Agriculture Law, Statistics and Business Calculus. General Background in economics, marketing, business, accounting and management.

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Market Analysis Highest and Best Use; General Appraiser Site Valuation and Cost Approach; General Appraiser Sales Comparison Approach; General Report Writing and Case Studies; Statistics, Modeling, and Finance.

PROFESSIONAL EXPERIENCE

06/2018 – 07/2021	Appraiser Trainee – CBRE – Valuation & Advisory Services
07/2021 – 1/2023	Appraisal Trainee – SMS Appraisal/Environmental Services, Inc.
1/2023 – Present	Certified General Appraiser – SMS Appraisal/Environmental Services, Inc.



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Garrett Tate Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2024-0105

Issued 06/12/2024

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

ADDENDUM

Exhibit A

ENGAGEMENT LETTER

Date of Agreement: Thursday, March 12, 2026

City of Lovington
Crystal R. Ball
201 S. Main Street
Lovington, NM 88260

cball@lovington.org

SMS Appraisal and Environmental
Steve Sparks, MAI, CEI
5109 82nd Street, Suite 7, #210
Lubbock, Texas 79424
(806) 855-2527
appraisals@smswt.com

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

This Professional Services Agreement (this "Agreement") is made and entered into on March 9, 2026 (the "Effective Date"), by and between SMS Appraisal & Environmental and City of Lovington (herein referred to as "Client").

Project Name	Vacant Land - 1.1184 Acres (7 Lots)
Property Identification	705 Chaves Street, Lovington, NM 88260
Property Type	Land
Interest Valued	Fee Simple Interest
Intended User(s)	The appraisal will be prepared for the above-mentioned client. Intended users include the client.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

The client is also hereby informed that if this engagement is directly with the owner of the Property, the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance and would likely not be accepted for future financing of said property.

Intended Use	The report to be performed under this Agreement ("Appraisal") is intended for Decision-Making/Internal.
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Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

Type of Value	As-Is
Date of Value	Date of inspection
Report Type	Appraisal Report
Level of Analysis	Summary

Professional Fee	\$1,500
-------------------------	----------------

Expenses	Fees include all associated expenses.
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Payment Terms	Client agrees to remit payment for services rendered pursuant to this Agreement in full prior to the scheduled property inspection. Appraiser shall issue an invoice detailing the fees specified in this Agreement, and payment must be received by Appraiser no later than two (2) business days before the inspection date. Failure to provide payment within this timeframe may result in delays or cancellation of the scheduled services.
----------------------	---

SCOPE OF WORK

Site Inspection	Interior and exterior observation, on-site
Valuation Approaches	Appraiser will provide the Appraisal in accordance with Uniform Standards of Professional Appraisal (USPAP), The Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and State Licensing Laws. Appraiser will research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. <i>Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.</i>
Delivery	<u>3 weeks</u> (effective from the date of the signed/returned engagement contract)
Number of Reports	One (1) Electronic Final Appraisal
Acceptance Date	These specifications are subject to modification based on client acceptance.

PROPERTY DATA REQUEST

Please forward any additional materials you would consider relevant in the analysis of the subject property. Such items may include, as applicable, an accurate property description, site survey, current rent roll, copies of leases, at least three years of historical operating statements, purchase and sale agreement(s) within the last three years, title report, any environmental reports or other third party reports, or any other sources of information known to exist that may impact the valuation of the property.

Our ability to honor the terms of this Agreement will require Client's prompt response. If you have questions regarding the enclosed, please feel free to contact me. SMS Appraisal & Environmental appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Crystal R. Ball, agree to the above stated terms and authorize SMS Appraisal & Environmental to prepare the above referenced appraisal.

_____ Date: _____

Crystal R. Ball

Respectfully,

SMS APPRAISAL & ENVIRONMENTAL



Steve Sparks, MAI, CEI
Senior Appraiser

TERMS AND CONDITIONS

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to

the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect. Template for Agreement for Professional Valuation Services

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

Appendix A: Extraordinary Assumptions and Hypothetical Conditions contained within the appraisal report

Appendix B: Information Request

Exhibit B

MAPS, PLATS, & PHOTOGRAPHS

This is a detailed regional map of West Texas. The map shows a grid of major highways, including Interstate 40 (I-40) running horizontally across the top, Interstate 20 (I-20) running diagonally from the bottom left towards the center, and Interstate 70 (I-70) running horizontally across the middle. Numerous smaller cities and towns are marked with dots and labeled, such as Amarillo, Lubbock, Midland, and Odessa. The map also shows geographical features like the Pecos River and the Permian Basin. A large white box at the top center contains the text "REGIONAL AREA MAP".

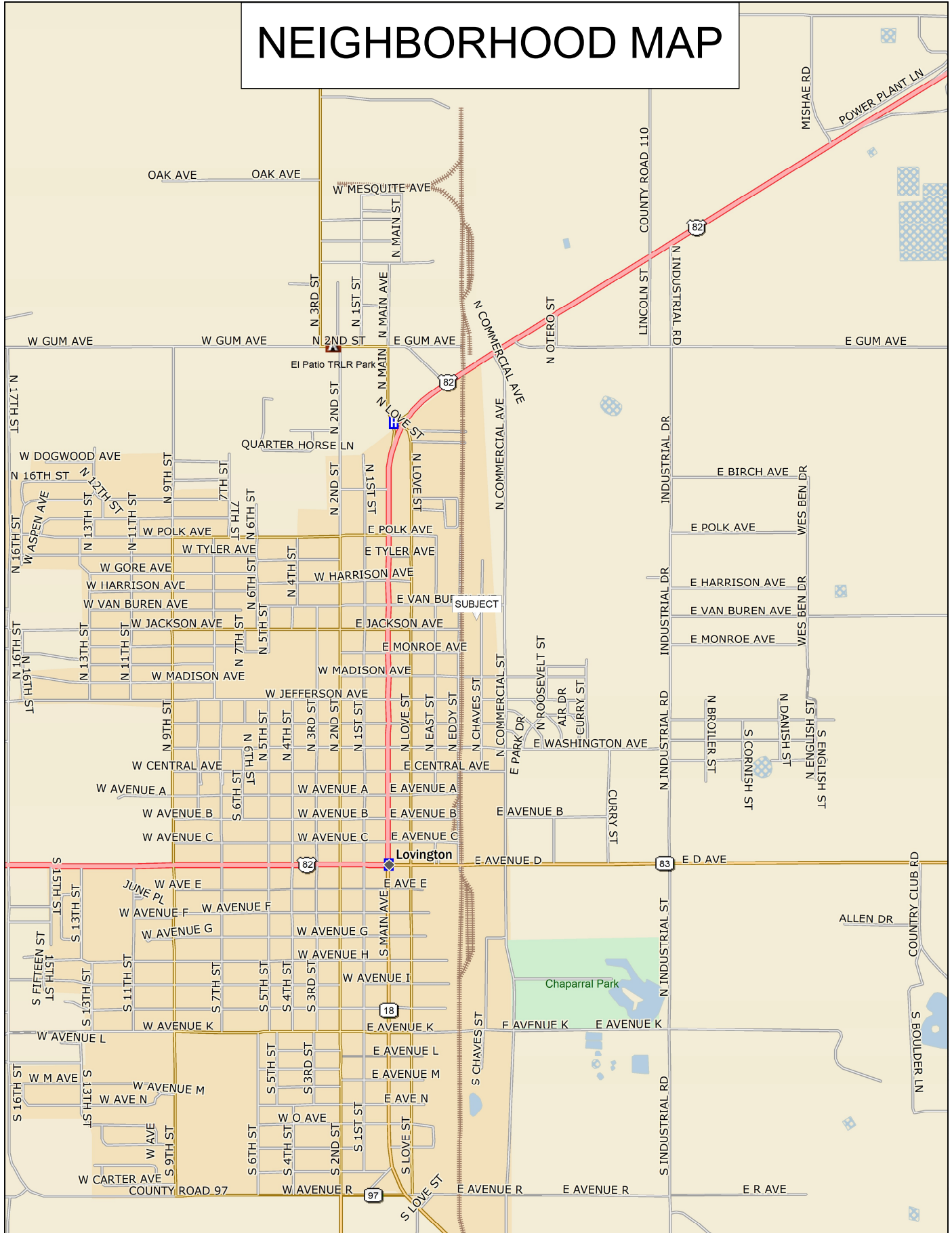
www.delorme.com



$$1'' = 25.25 \text{ mi}$$

Data Zoom 7-0

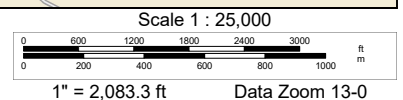
NEIGHBORHOOD MAP



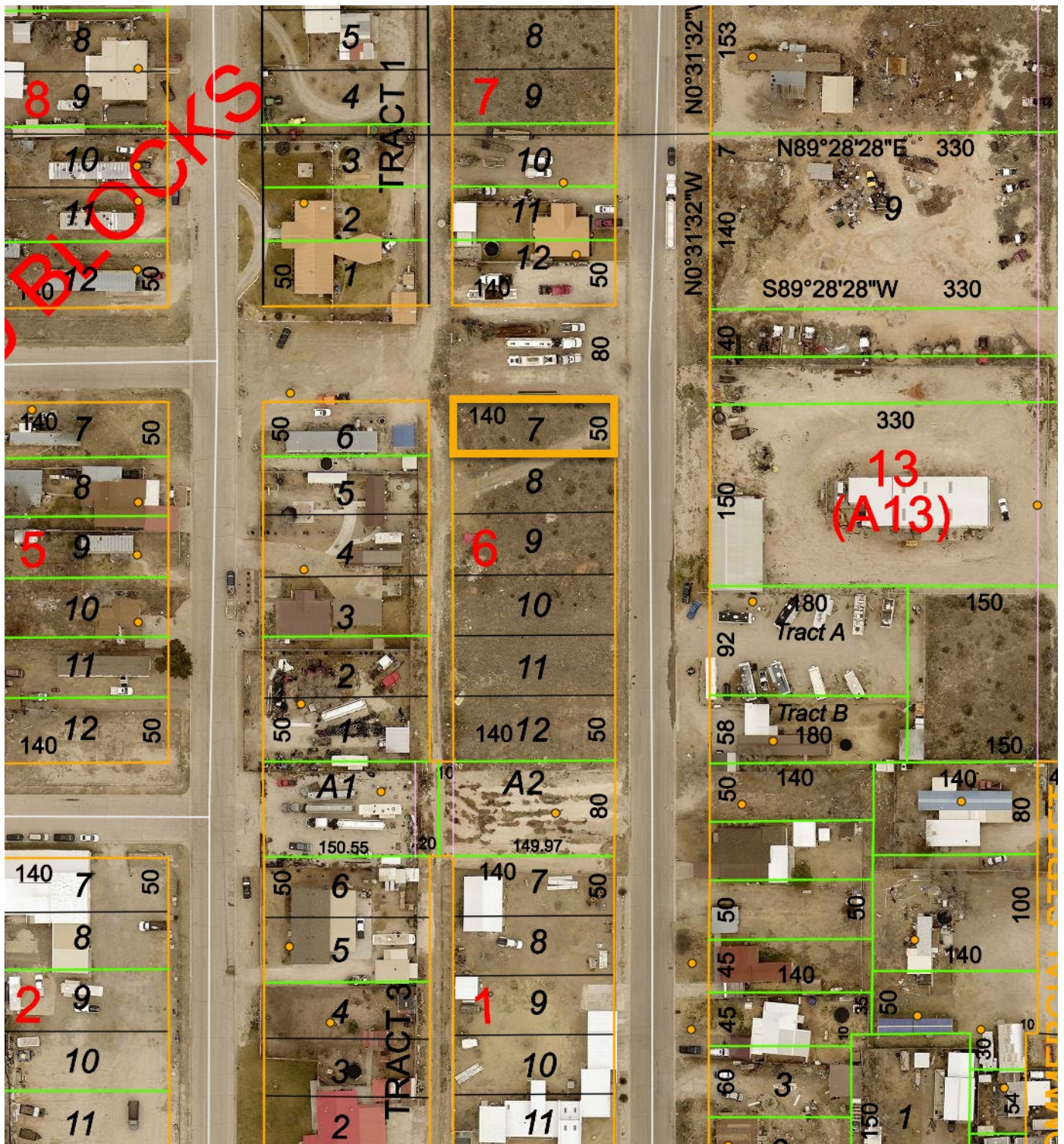
Data use subject to license.

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www.delorme.com



COUNTY PLAT MAP



ZONING MAP

8,784 views
Published on December 5, 2024

[SHARE](#)



Zone A - Single Family

-  Zone A - Single Family (SW Section)
-  Zone A - Single Family (NW Section)
-  Zone A - Single Family (Dencoe Section)
-  Zone C - Commercial District



Zone B - Multi-Family



-  Zone B - Multi-Family Residential (Colonial/Jac...
-  Zone B - Multi-Family Residential (Jackson Sec...
-  Zone B - Multi-Family Residential (Jefferson Se...
-  Zone B - Multi-Family Residential (17th Section)
- ... 9 more



Zone C - Commercial

-  Zone C - Commercial (East Hwy 18 Section)
-  Zone C - Commercial (SE Section)
-  Zone C - Commercial (NW Section)
-  Zone C - Commercial (SE Section)
-  Zone C - Commercial (NE Section)



Zone D - Industrial

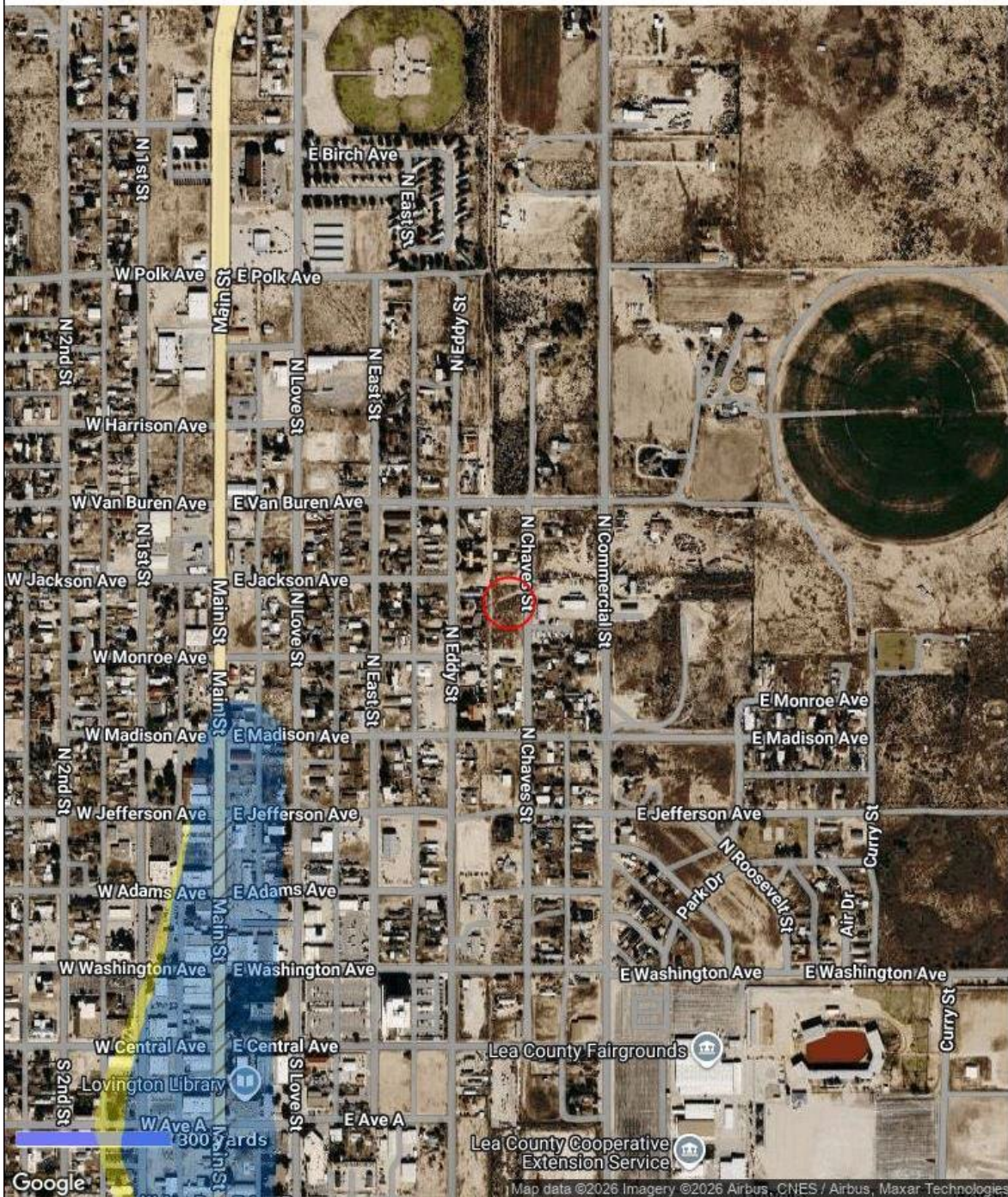
-  Zone D - Industrial (Railroad Section)
-  Zone D - Industrial (N. Commercial Section)
-  Zone D - Industrial (S. Commercial Section)



Zone E - Economic

-  Zone E - Economic Zone (Avenue D Section)
-  Zone E - Economic Zone





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 35025C0955D
Zone: X
Map Date: December 16, 2008
FIPS: 35025

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

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AERIAL PHOTOGRAPH



NEIGHBORHOOD PHOTOGRAPHS



1. Facing south along Chaves Street from the subject vicinity.



2. Facing north along Chaves Street from the subject vicinity.

SUBJECT PHOTOGRAPHS



1. Typical view of the subject.

Exhibit C

DETAILED LAND SALES

1010 S 4th St

Comparable 1

Sale Information

Buyer	Fabiola A. Sepulveda	
Seller	Marisol Verdeja Gonzales, PR	
Sale Date	8/5/2025	
Transaction Status	Closed	
Sale Price	\$35,000	\$4.72 /SF Land
Analysis Price	\$35,000	\$4.72 /SF Land
Recording Number	2243/901	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1704 Acres (7,423 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' S. 4th Street, 50' W. Avenue J
Flood Zones	No Flood Zones



1010 S 4th St
Lovington, NM 88260

County
Lea

APN
4 000 233 940 001



Confirmation

Date 5/8/2026

Remarks

This lot was free and clear of any improvements at the time of sale.

NEC of W. Washington Avenue & N. 4th Street

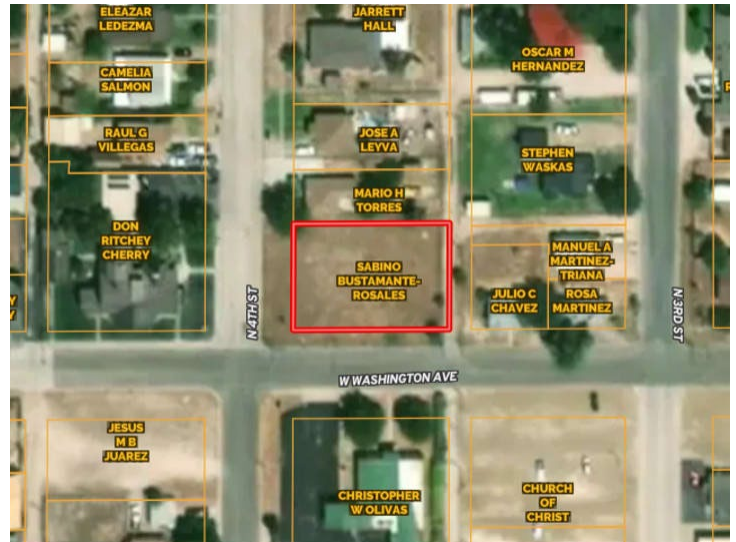
Comparable 2

Sale Information

Buyer	Sabino Bustamante-Rosales & Esther Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	2/5/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$2.42 /SF Land
Analysis Price	\$35,000	\$2.42 /SF Land
Recording Number	2251/454	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

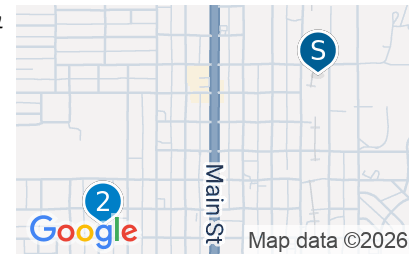
Land Area	0.3326 Acres (14,490 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 100' N. Fourth Street
Flood Zones	No Flood Zones



NEC of W. Washington Avenue &
N. 4th Street
Lovington, NM 88260

County
Lea County

APN
4 000 204 930 001



Confirmation

Date 5/8/2026

SWC of W. Washington Avenue and N. Fourth Street

Comparable 3

Sale Information

Buyer	Jesus Manuel Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	3/3/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$3.35 /SF Land
Analysis Price	\$35,000	\$3.35 /SF Land
Recording Number	2252/694	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

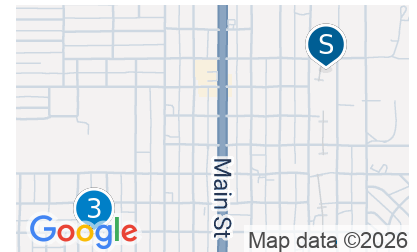
Land Area	0.2395 Acres (10,434 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 75' N. Fourth Street
Flood Zones	No Flood Zones



SWC of W. Washington Avenue
and N. Fourth Street
Lovington, NM 88260

County
Lea County

APN
4 000 200 680 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

812 E Monroe Ave

Comparable 4

Sale Information

Buyer	Lucio Lopez	
Seller	Adan Marquez	
Sale Date	3/20/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$1.81 /SF Land
Analysis Price	\$30,000	\$1.81 /SF Land
Recording Number	2253/453	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

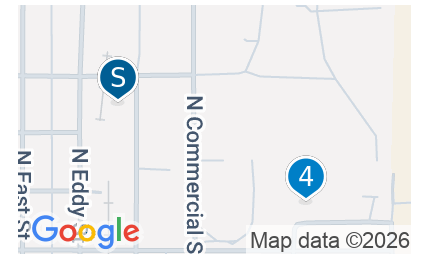
Land Area	0.38 Acres (16,553 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	79' E. Monroe Avenue
Flood Zones	No Flood Zones



812 E Monroe Ave
Lovington, NM 88260

County
Lea

APN
4 000 763 040 001



Confirmation

Date 5/8/2026

Remarks

The subject has a depth of 210.0', leading to a frontage-to-depth ratio of 0.38:1.

401 W Ave L

Comparable 5

Sale Information

Buyer	Marcelo Castaneda Ramirez	
Seller	The Estate of Beryl Pauline Moody	
Sale Date	4/17/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$4.50 /SF Land
Analysis Price	\$30,000	\$4.50 /SF Land
Recording Number	2254/826	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1529 Acres (6,662 SF)
Number of Parcels	1
Zoning	A – Single-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	60' W. Avenue L
Flood Zones	No Flood Zones



401 W Ave L
Lovington, NM 88260

County
Lea

APN
4 000 221 760 001



Confirmation

Date 5/8/2026

Remarks

The site maintains 110' of depth, lending to a frontage to depth ratio of 0.55:1.

**FILE NO. 26-031907-1
APPRAISAL REPORT**

**7,000 SF LOT (LOT 12, BLOCK 6)
W/S OF CHAVES STREET, S. OF VAN BUREN AVENUE
LOVINGTON, NEW MEXICO**

**OWNER OF RECORD:
CITY OF LOVINGTON**

**PREPARED FOR

CRYSTAL R. BALL
CITY OF LOVINGTON
201 S. MAIN STREET
LOVINGTON, NEW MEXICO 88260**

EFFECTIVE DATE OF VALUE: MARCH 20, 2026

**PREPARED BY

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
STEVEN M. SPARKS, MAI, CEI
5109 82ND STREET, SUITE 7, PMB: #210
LUBBOCK, TEXAS 79424**

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
REAL ESTATE APPRAISING & CONSULTING

Steven M. Sparks, MAI, CEI

May 14, 2026

Attn.: Crystal R. Ball
City of Lovington
201 S. Main Street
Lovington, New Mexico 88260

Re: Appraisal – 7,000 SF Lot (Lot 12,
Block 6) on west side of Chaves
Street, south of Van Buren
Avenue, Lovington, New Mexico.

I have inspected and appraised the property described herein. Conditions pertinent to or indicative of the value of the property were investigated. The subject of this report is a 7,000 SF lot, being lot 12 of Block 6, located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico.

This appraisal report sets forth my findings and conclusions derived therefrom, together with plats, maps, photographs, etc., as are considered essential to explain the process followed in preparing the appraisal. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. Steven M. Sparks is currently certified under this program. The appraisal has been made in compliance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. To the best of my knowledge, this appraisal conforms to FDIC Rules and Regulations codified in 12 C.F.R. 323, and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and FIRREA.

The estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the Market Value (As Is) of the subject real property as of the effective date, the fee simple interest. Market value is defined as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER (CLIENT) & USE OF REPORT: For the sole purpose of assisting The City of Lovington (Client) and/or assigns in estimating the market value of the subject property for decision making purposes.

INTEREST VALUED: Fee Simple Interest – Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition (Chicago: Appraisal Institute, 2022), as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

EFFECTIVE DATE OF VALUE: March 20, 2026

DATE OF REPORT: May 14, 2026

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected the subject on 3/20/2026
- gathered information on comparable land sales, which is necessary in the appraisal process.
- confirmed and analyzed the data and applied the sales comparison approach. Within the sales comparison approach, the appraiser employed the price per square foot methodology.

The subject is land, with the income and cost approach not being typically employed. The subject was valued on a price per lot basis after conversations with local participants and analysis of the local data indicating that lots sell on a per lot basis.

Per USPAP 2026-2027, this is an Appraisal Report. It is presented in a summarized format with supporting documentation retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2026/2027 Edition).

SALES HISTORY: The property is currently owned by the City of Lovington. The subject has not undergone any transactions over the past three years (3/20/2023 – 3/20/2026). I am not aware of any listings, options or contracts regarding the subject property.

DESCRIPTION OF REAL ESTATE APPRAISED:

Regional Area Analysis – The subject property is located in Lovington, New Mexico. Lovington is the county seat of Lea County, being geographically located in the east central section of New Mexico. Lovington is 100 miles southwest of Lubbock, Texas; 20 miles northwest of Hobbs, New Mexico; and 75 miles northeast of Carlsbad, New Mexico.

The primary mode of transportation for Lea County, New Mexico, is via automobile, with the area being served by several state highways. U.S. Highway 82, U.S. Highway 380, State Highways 18, 206, and 214 allow for easy access to and through the region. The principal transportation route is U.S. Highway 82, which allows passage to Lubbock (northeast), plus Artesia (west) and Alamogordo (southwest).

The following chart reflects the civilian labor force (CLF) and unemployment rate relative to the State of New Mexico and Lea County.

UNEMPLOYMENT DATA				
Region	February 2025		February 2026	
	Rate	CLF	Rate	CLF
State of New Mexico	4.1%	987,239	4.7%	983,966
Lea County	3.4%	35,496	4.4%	35,155

It should be noted that the price of oil has increased significantly from previous low levels; however, the impact this will have on the local economy is not known at this time. WTI Crude Oil is currently trading for around \$98/bbl. The expected recovery is also dependent upon current inflation and recession worries, plus the war in Ukraine and increased interest rates. At this time, one can only speculate as to what the impact "may" be; however, time will be the final arbiter. At this point, there have been no noticeable indicators that point to declining values or market rental levels in the real estate sector.

The overall backbone of the Lea County, New Mexico, economy remains the oil and gas industry, farming, and ranching. Wholesale and retail distribution also play an important role. Additionally, the food processing industry has shown recent growth in the region, with an increase in the dairy industry. Being centrally located in Eastern New Mexico, plus being in proximity to several larger communities, should continue to enhance the overall growth and economic outlook for the region. In conclusion, the overall Lea County economy has been somewhat stable in the past and should remain so in the future.

Neighborhood Analysis – The subject property is located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico. The subject neighborhood boundaries are well defined and are believed to be the Lovington City Limits in all directions, plus surrounding areas.

Passage to and through the neighborhood is considered to be good. The neighborhood maintains two primary thoroughfares. Main Street (Highway 82/18) bisects the neighborhood in a north/south direction, while Avenue D (U.S. Highway 82/83) bisects the neighborhood in an east/west direction. Each of these roadways also allows regional passage. This access is considered to be one of the most positive influences for the neighborhood. Interior secondary roadways also traverse the neighborhood and typically extend from these primary thoroughfares, allowing interior access. Overall, the subject neighborhood maintains an adequate transportation system, and each of these roadways has been well-maintained and is in good condition.

The neighborhood is estimated to be approximately 85% developed, with the uses being a mix of office, commercial/retail, and residential type development. The subject neighborhood is considered to be in a mature stage, although some new construction has occurred over the past several years.

As previously discussed, Main Street is the most heavily developed commercial/retail corridor in the City of Lovington. Main Street is a shallow corridor with commercial/retail and office-type improvements concentrated along the roadway, while residential uses exist within the interior or core of the neighborhood, except within the central business district. Commercial/retail development along Main Street includes several nationally or regionally recognized fast-food restaurants, auto service stations, office buildings, and a number of single-tenant commercial buildings. Development and uses are similar along Avenue D, while the overall density is less than Main Street. Additionally, as these roadways extend out of Lovington, development includes a mix of light industrial (oil field-related) uses, scattered single-family homes, and vacant land.

The primary residential developments in the area are within its core. Single-family homes in this district are older construction, which are generally in average to good condition. New single-family home construction is underway at this time, and is of good quality.

There are several tracts of vacant land, primarily located along Main Street in the central sector of the neighborhood, with only a limited amount of vacant land within the interior areas, while an extensive amount of vacant land is located outside the city limits. Interior areas of vacant land are generally zoned for commercial use, while areas just outside are in agricultural production.

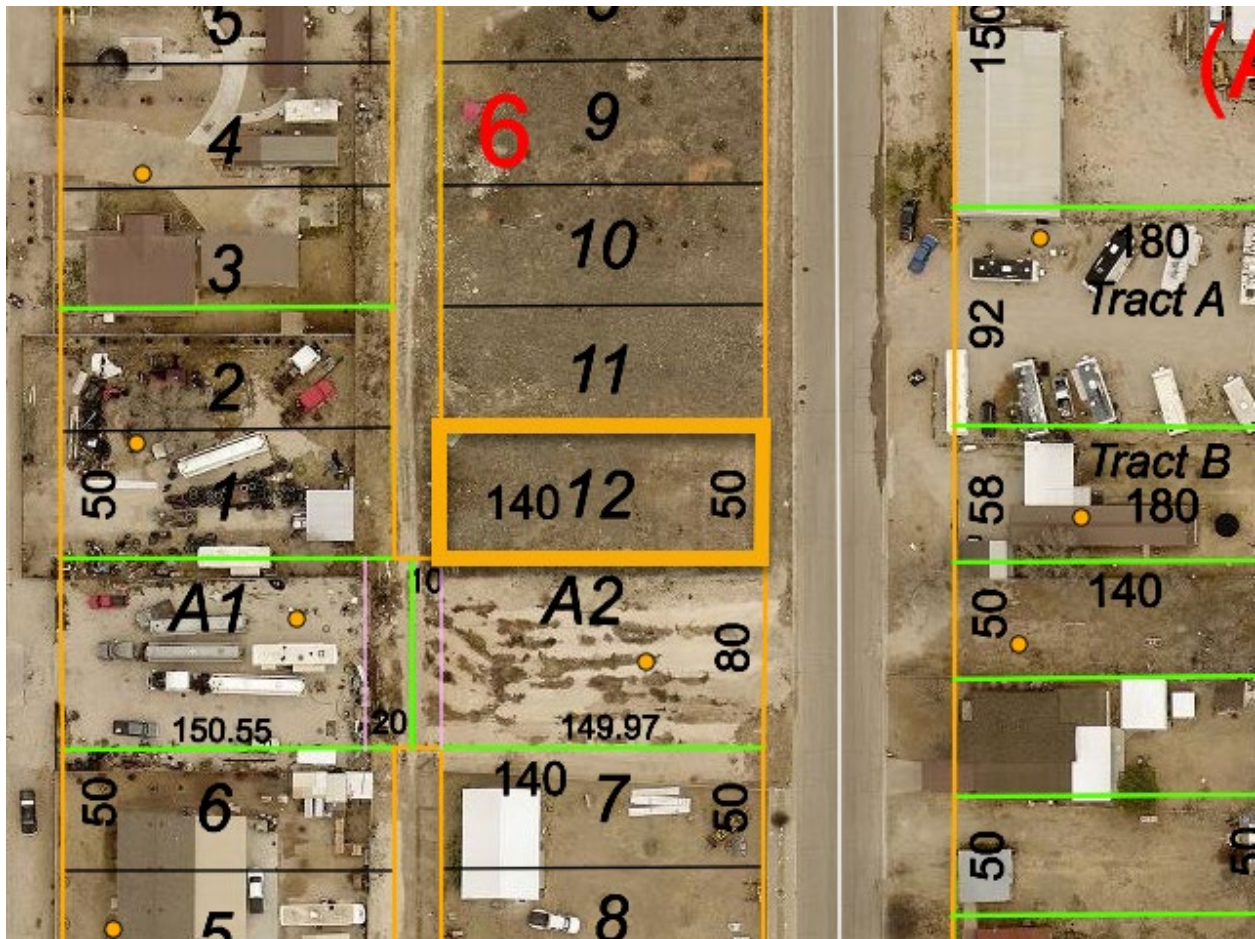
The subject's surrounding development includes vacant land to the north and south, plus single-family residential to the east and west.

Site Description – A survey or legal description was not made available to the appraiser in this instance. However, based on the Lea County Assessor records, the subject property is briefly legally described as follows:

"Lot 12, Block 6, Section 3, Township 16 South, Range 36
East, City of Lovington, Lea County, New Mexico."

The subject tract contains 7,000 SF (0.16 Acres), based on the Lea County Assessor records. The subject maintains 50' of frontage along Chaves Street and 140' of depth, lending to a frontage to depth ratio of 0.36:1. Chaves Street is an asphalt-paved, interior roadway.

The subject site is rectangular in shape, while the topography is level. Based on my physical inspection, no adverse easements impact the subject, which is assumed to be correct. However, a survey and title policy is required for a final determination. The following image shows the shape of the tract (outlined in orange).



Based on the latest FEMA information (Map # 35025C0955D, 12/16/2008), the subject site is not located in a designated flood hazard area, being in Zone X, described as an area with minimal flood potential. However, this statement cannot be warranted, and flood certification should be obtained for final and proper determination.

Based upon maps obtained from the United States Department of Agriculture, Soil Conservation Service, there appear to be two soil types located within the confines of the subject property, shown in the chart below. The soil types are suitable for most forms of development.

SOIL	% OF SITE	SOIL PROFILE
Kimbrough-Lea complex, 0 to 3 percent slopes	31.25%	0" to 3": gravelly loam 3" to 10": loam 10" to 80"; cemented material
Lea loam	68.75%	0" to 26": loam 26" to 36": cemented material

Being located within the city limits, all utilities are available and in adequate supply.

The subject site is located within the City of Lovington and is currently zoned "C", Commercial Zone district, which generally allows for most commercial uses. The subject is a legal conforming use in this district. In addition, the appraiser is not aware of any land use regulations. No study concerning deed restrictions has been conducted by the appraiser. Only a detailed search by a title company or attorney can provide positive assurance of the existence or absence of deed restrictions. However, for the purpose of this appraisal, it is assumed that there are no deed restrictions that adversely affect the development of the subject site.

The appraiser is not aware that a Phase I Environmental Site Assessment has been performed at the subject location. Based on my overall physical inspection only, no serious hazardous materials exist within the subject site or the surrounding area. Relative to a final determination, it is suggested that some form of environmental site assessment be performed.

Tax Analysis – The owner number (parcel number) associated with the subject is 20700 (4-000-207-220-002), however it should be noted that this account includes land not associated with the subject. The subject is taxed as being non-residential property inside the Lovington city limits. The 2025 combined mill rate is \$38.333/\$1,000. Within New Mexico, the taxable value is one-third of the full value. The current full market value for the subject is \$286,074 (land @ \$45,609; improvements @ \$240,465), while the taxable value is \$95,358. Based on the current taxable value and mill rates, taxes are equal to \$3,655 (rounded). According to Lea County Treasurer records, no past taxes are due.

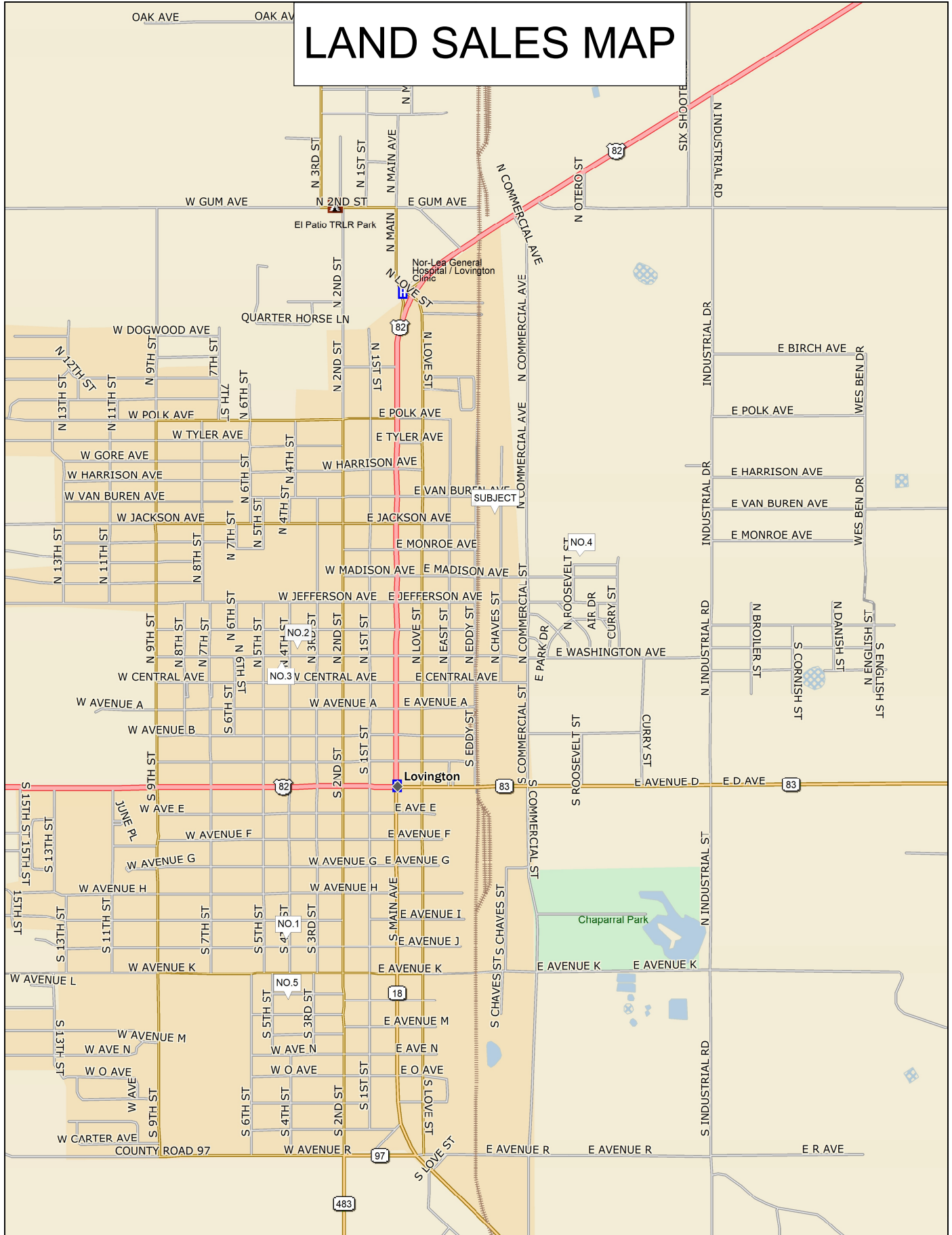
HIGHEST AND BEST USE:

Highest and Best use as though vacant – The physical characteristics associated with the subject site are adequate for most forms of single-family residential development due to the smaller size of the lots limiting commercial uses. The subject site is located within the City of Lovington and is currently zoned “C”, Commercial Zone district, which allows for commercial uses, while also allowing for cumulative uses, including single and multi-family residential uses. All these factors are believed to be adequate. When considering the locational attributes of the subject and the size of the lots, a single-family use is believed to be maximally productive and the highest and best use.

SUMMARY OF ANALYSIS AND VALUATION:

Sales Comparison Approach - Value of the site "As Is", being vacant land, was estimated employing the Sales Comparison approach. There have been a limited number of land sales in the immediate or competitive areas. Details associated with the employed comparables are located in the Addendum as Exhibit C. A map and summary of the land sales are as follows:

LAND SALES MAP



Data use subject to license.

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www.delorme.com



Scale 1 : 22,400



1" = 1,866.7 ft

Data Zoom 13-2

Land Sales

1		1010 S 4th St Lovington, NM 88260	\$35,000 8/5/2025 Closed	7,423 SF \$4.72/SF 0.1704 Acres \$205,399/Acre	Single-Family B zoning Rectangular Generally Level
2		NEC of W. Washington Avenue & N. 4th Street Lovington, NM 88260	\$35,000 2/5/2026 Closed	14,490 SF \$2.42/SF 0.3326 Acres \$105,232/Acre	Single-Family B zoning Rectangular Generally Level
3		SWC of W. Washington Avenue and N. Fourth Street Lovington, NM 88260	\$35,000 3/3/2026 Closed	10,434 SF \$3.35/SF 0.2395 Acres \$146,138/Acre	Single-Family B zoning Rectangular Generally Level
4		812 E Monroe Ave Lovington, NM 88260	\$30,000 3/20/2026 Closed	16,553 SF \$1.81/SF 0.38 Acres \$78,947/Acre	Single-Family B zoning Rectangular Generally Level
5		401 W Ave L Lovington, NM 88260	\$30,000 4/17/2026 Closed	6,662 SF \$4.50/SF 0.1529 Acres \$196,207/Acre	Single-Family A zoning Rectangular Generally Level

	Adjusted Price ¹	Land SF	Land AC	Price/SF	Price/AC
Low	\$30,000	6,662	0.15	\$1.81	\$78,947
Average	\$33,000	11,112	0.26	\$3.36	\$146,384
High	\$35,000	16,553	0.38	\$4.72	\$205,399

¹Adjusted price is based on expenditures immediately after the sale.

The following analyzes the most comparable properties as compared to the subject property ("+" adjustments indicate that the comparable is inferior to the subject and must be adjusted upward; "-" adjustments indicate that the comparable is superior to the subject and must be adjusted downward; and "0" indicates that the comparable and subject are similar overall in this factor of comparison and no adjustment is warranted). The sales available and obtained by the appraiser are the most comparable in this market and are believed to be a good indication of a range in value. Sales Nos. 1, 3 & 5 are considered most comparable and will be employed in the adjustment chart.

ADJUSTMENT GRID				
	Subject	No. 1	No. 3	No. 5
Price/Lot		\$35,000	\$35,000	\$30,000
Market Conditions Adjustment		8/25 -0-	3/26 -0-	4/26 -0-
Property Rights Adjustment		Fee Simple -0-	Fee Simple -0-	Fee Simple -0-
Financing Adjustment		Cash -0-	Cash -0-	Cash -0-
Conditions of Sale Adjustment		Typical -0-	Typical -0-	Typical -0-
Adj. Price		\$35,000	\$35,000	\$30,000
Size/SF Adj.	7,000	7,423 -0-	10,434 -0-	6,662 -0-
Location Adj.	Average	Similar -0-	Similar -0-	Similar -0-
Zoning Adj.	Commercial	Multi-Family -0-	Multi-Family -0-	Single-Family -0-
Utility Frontage Shape Utilities Adj.	Good 1 Side Rectangular All	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Similar 1 Side (-0-) Rect. (-0-) All (-0-) -0-
Total Net Adjustment		-10%	-10%	-0-
Adjusted Sale Price		\$31,500	\$31,500	\$30,000
ADJUSTMENT ANALYSIS				
Number of Adjustments		1	1	0
Total Gross Adjustment		10%	10%	0%

EXPLANATION OF ADJUSTMENTS

Date of Sale/Time – The effective date of this appraisal is March 20, 2026. The sales utilized in this analysis occurred between August 2025 and April 2026, being the most comparable sales found. Each sale is considered to be an accurate reflection of current market levels, with no adjustments warranted.

Conditions of Sale – Each of the adjusted sales was believed to be fee simple, cash or equivalent, and arm's length transactions, with no adjustment necessary for conditions of sale.

Size - The subject site contains 7,000 SF, being similar to each of the sales, which range in size from 6,662 SF to 10,434 SF. Thus, each of the sales did not need adjustments for size.

Location – The subject is located on the west side of Chaves Street, south of E. Van Buren Avenue in Lovington. Chaves Street is an asphalt-paved, interior roadway, providing passage to the interior of the subject neighborhood. The surrounding development consists of vacant land and single-family residential. Overall, the subject location is considered to be average.

Each of the sales are located along interior roadways in the City of Lovington in residential areas. Thus, each of the sales are similar and did not need adjustments for location.

Zoning – The highest and best uses, plus the allowed uses at each site, are similar. Thus, no adjustments are required for zoning.

Utility (Nos. 1 & 3) – In comparing the utility or usefulness of the comparables to the subject site, I have considered road frontage, shape, flood plain status, and availability of utilities. The subject is rectangular in shape, maintains frontage on one side, is not located in the flood zone and maintains access to all utilities. Therefore, the overall utility is good.

With regard to frontage, Nos. 1 & 3 have two sides of frontage, being superior, while No. 5 has one side and is similar to the subject.

Overall, Nos. 1 & 3 are superior and warranted negative adjustments, while No. 5 is similar and did not warrant an adjustment for utility.

Site Value Conclusion:

The range of prices after adjustments varied from a low on Sale No. 5 of \$30,000/Lot to a high of \$31,500/Lot on Sale Nos. 1 & 3. Adjustments were necessary for utility (Nos. 1 & 3). As a result, Sale Nos. 1 & 3 required the greatest (one) number of adjustments, followed by No. 5 with the smallest (zero) number of adjustments. Additionally, Sale Nos. 1 & 3 required the greatest (10%) total net adjustment, followed by No. 5 (0%). No. 5 was given primary emphasis, while Nos. 1 & 3 were given secondary emphasis.

After all adjustments and considering the physical factors of the subject site (utility), a value of **\$30,000/Lot** is considered reasonable and valid for the subject site. Thus, the subject site land value is calculated as follows:

SIZE/LOT		PRICE/SF		INDICATED VALUE
1	X	\$30,000	=	\$30,000
ROUNDED TO \$30,000				

Reconciliation and Value Conclusion:

Sales Comparison:

\$30,000

The Sales Comparison Approach was given sole and primary consideration in this analysis, due to the fact that the subject is vacant land. Overall, based on my analysis of the subject property, the estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

Marketing/Exposure Period

Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject maintains an average location with frontage on Chaves Street. Therefore, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

It is assumed that title to the property herein appraised is good and merchantable, and in fee simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. A rent roll was not provided to the appraiser. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by SMS Appraisal Services and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Steven M. Sparks of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to the those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in this matter and unless it is specified otherwise in the report, the value conclusion

assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

None.

CERTIFICATE

- I certify that, to the best of my knowledge and belief....
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include 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, I, Steven M. Sparks have completed the requirements under the continuing education program of the Appraisal Institute.
- Garrett T. Sparks personally inspected the property that is the subject of this report. Steven M. Sparks & Garrett T. Sparks prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certification.

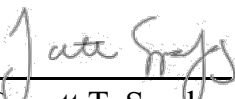
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the Market Value in fee simple of the subject, as of March 20, 2026, considering all assumptions and limiting conditions, was:

\$30,000

THIRTY THOUSAND DOLLARS



Steven M. Sparks, MAI, CEI
#NM-1114-G (Expires 4/30/2028)



Garrett T. Sparks,
#REA-2024-0105 (Expires 4/30/2028)

REAL ESTATE APPRAISAL QUALIFICATIONS
OF STEVEN M. SPARKS, MAI, CEI

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute (#8985)

Certified General Real Estate Appraiser in Texas (#TX-1322593-G), and New Mexico (001114-G).

Realtor, Lubbock Association of Realtors

Certified Environmental Inspector (CEI), Environmental Assessment Association

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standard of this program are awarded periodic educational certification. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

EDUCATION

Graduate of Texas Tech University, B.B.A., Petroleum Land Management 1983

Courses include: Farm and Ranch Appraisal, Real Estate Law, Corp. Finance I and II, Real Estate Fundamentals. General background in management finance, marketing, business law, accounting and economics; Dean's List.

Professional Courses - Appraisal Institute: Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory & Techniques Part A, Capitalization Theory & Techniques Part B, Standards in Professional Practice, Case Studies, Report Writing, Demonstration Report and Comprehensive Exam.

Resolution Trust Corporation - Affordable Housing Appraisal Seminar

Residential Case Study - Appraisal Institute (2/94)

Performing Phase I Site Assessments - EAA (5/94)

Fair Lending and the Appraiser - Appraisal Institute (10/94)

Market Extractions - Appraisal Institute (1/96)

Appraisal of Retail Properties - Appraisal Institute (10/96)

The High Tech Appraisal Office - Appraisal Institute (1/96)

Appraising Nursing Home Facilities - Appraisal Institute (2/97)

EXPERIENCE

1984-Present:

- Appraisal/Environmental of all types of Commercial, Residential, Farm and Ranch Real Estate.
- Appraisal/Environmental experience to include single-family residences, apartments, shopping centers, hotels, office buildings, movie theaters, industrial buildings, land developments, single family subdivisions and vacant land. Past experience in the overbuilt markets of Dallas/Fort Worth (1984-1992) and New England (4/92-6/93).



State of New Mexico



Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven M. Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1114-G

Issued 09/07/1994

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

QUALIFICATIONS OF GARRETT T. SPARKS

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1381276-G
State Authorized – Certified General Real Estate Appraiser (New Mexico) #REA-2024-0105

EDUCATION

Bachelors of Science – Agricultural & Economics
– Texas A&M University, College Station, Texas – 2018

Courses Include: Farm & Ranch Appraisal, Agriculture Law, Statistics and Business Calculus. General Background in economics, marketing, business, accounting and management.

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Market Analysis Highest and Best Use; General Appraiser Site Valuation and Cost Approach; General Appraiser Sales Comparison Approach; General Report Writing and Case Studies; Statistics, Modeling, and Finance.

PROFESSIONAL EXPERIENCE

06/2018 – 07/2021	Appraiser Trainee – CBRE – Valuation & Advisory Services
07/2021 – 1/2023	Appraisal Trainee – SMS Appraisal/Environmental Services, Inc.
1/2023 – Present	Certified General Appraiser – SMS Appraisal/Environmental Services, Inc.



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Garrett Tate Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2024-0105

Issued 06/12/2024

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

ADDENDUM

Exhibit A

ENGAGEMENT LETTER

Date of Agreement: Thursday, March 12, 2026

City of Lovington
Crystal R. Ball
201 S. Main Street
Lovington, NM 88260

cball@lovington.org

SMS Appraisal and Environmental
Steve Sparks, MAI, CEI
5109 82nd Street, Suite 7, #210
Lubbock, Texas 79424
(806) 855-2527
appraisals@smswt.com

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

This Professional Services Agreement (this "Agreement") is made and entered into on March 9, 2026 (the "Effective Date"), by and between SMS Appraisal & Environmental and City of Lovington (herein referred to as "Client").

Project Name	Vacant Land - 1.1184 Acres (7 Lots)
Property Identification	705 Chaves Street, Lovington, NM 88260
Property Type	Land
Interest Valued	Fee Simple Interest
Intended User(s)	The appraisal will be prepared for the above-mentioned client. Intended users include the client.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

The client is also hereby informed that if this engagement is directly with the owner of the Property, the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance and would likely not be accepted for future financing of said property.

Intended Use	The report to be performed under this Agreement ("Appraisal") is intended for Decision-Making/Internal.
---------------------	---

Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

Type of Value	As-Is
Date of Value	Date of inspection
Report Type	Appraisal Report
Level of Analysis	Summary

Professional Fee	\$1,500
-------------------------	----------------

Expenses	Fees include all associated expenses.
-----------------	---------------------------------------

Payment Terms	Client agrees to remit payment for services rendered pursuant to this Agreement in full prior to the scheduled property inspection. Appraiser shall issue an invoice detailing the fees specified in this Agreement, and payment must be received by Appraiser no later than two (2) business days before the inspection date. Failure to provide payment within this timeframe may result in delays or cancellation of the scheduled services.
----------------------	---

SCOPE OF WORK

Site Inspection	Interior and exterior observation, on-site
Valuation Approaches	Appraiser will provide the Appraisal in accordance with Uniform Standards of Professional Appraisal (USPAP), The Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and State Licensing Laws. Appraiser will research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. <i>Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.</i>
Delivery	<u>3 weeks</u> (effective from the date of the signed/returned engagement contract)
Number of Reports	One (1) Electronic Final Appraisal
Acceptance Date	These specifications are subject to modification based on client acceptance.

PROPERTY DATA REQUEST

Please forward any additional materials you would consider relevant in the analysis of the subject property. Such items may include, as applicable, an accurate property description, site survey, current rent roll, copies of leases, at least three years of historical operating statements, purchase and sale agreement(s) within the last three years, title report, any environmental reports or other third party reports, or any other sources of information known to exist that may impact the valuation of the property.

Our ability to honor the terms of this Agreement will require Client's prompt response. If you have questions regarding the enclosed, please feel free to contact me. SMS Appraisal & Environmental appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Crystal R. Ball, agree to the above stated terms and authorize SMS Appraisal & Environmental to prepare the above referenced appraisal.

_____ Date: _____

Crystal R. Ball

Respectfully,

SMS APPRAISAL & ENVIRONMENTAL



Steve Sparks, MAI, CEI
Senior Appraiser

TERMS AND CONDITIONS

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to

the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect. Template for Agreement for Professional Valuation Services

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

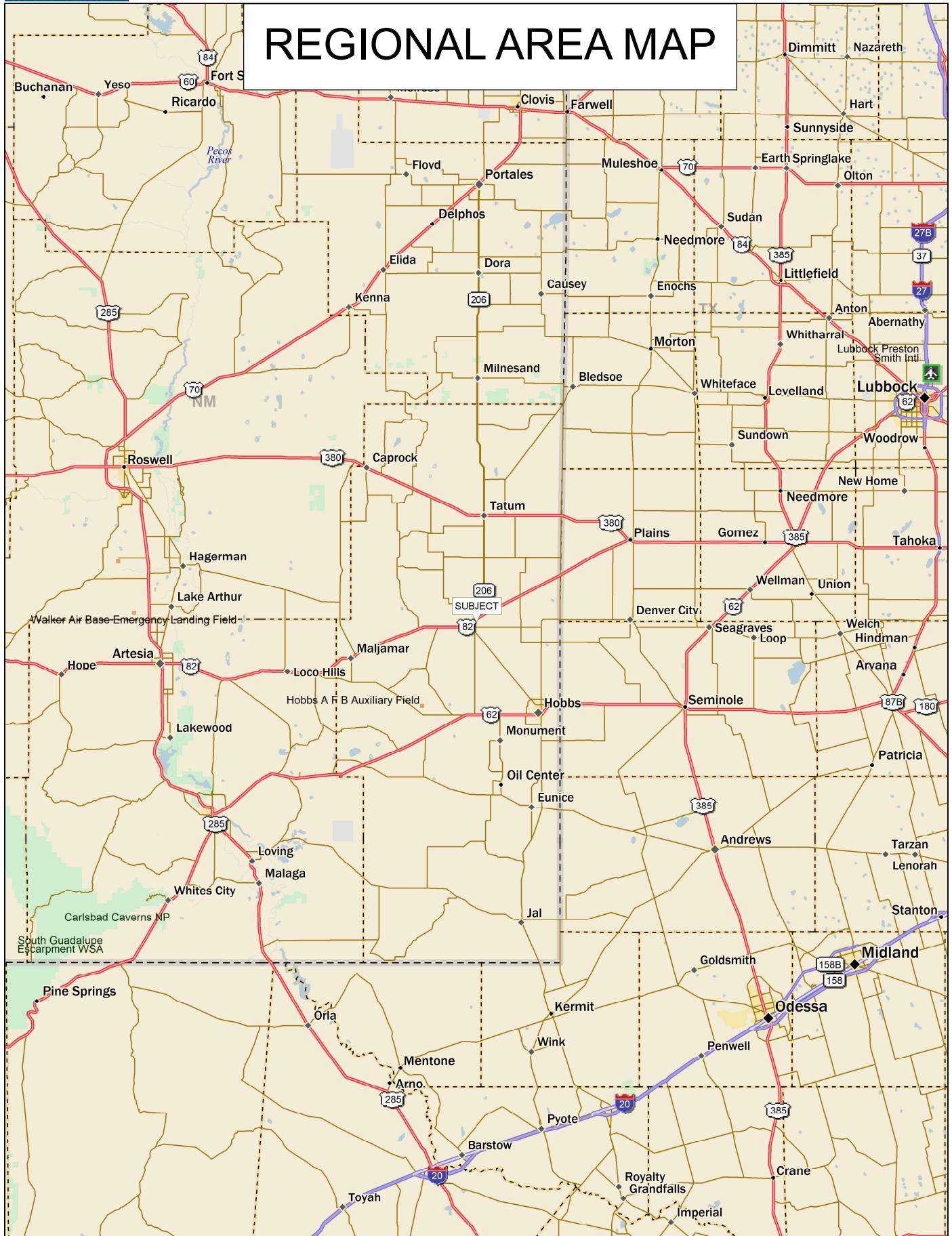
Appendix A: Extraordinary Assumptions and Hypothetical Conditions contained within the appraisal report

Appendix B: Information Request

Exhibit B

MAPS, PLATS, & PHOTOGRAPHS

REGIONAL AREA MAP



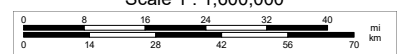
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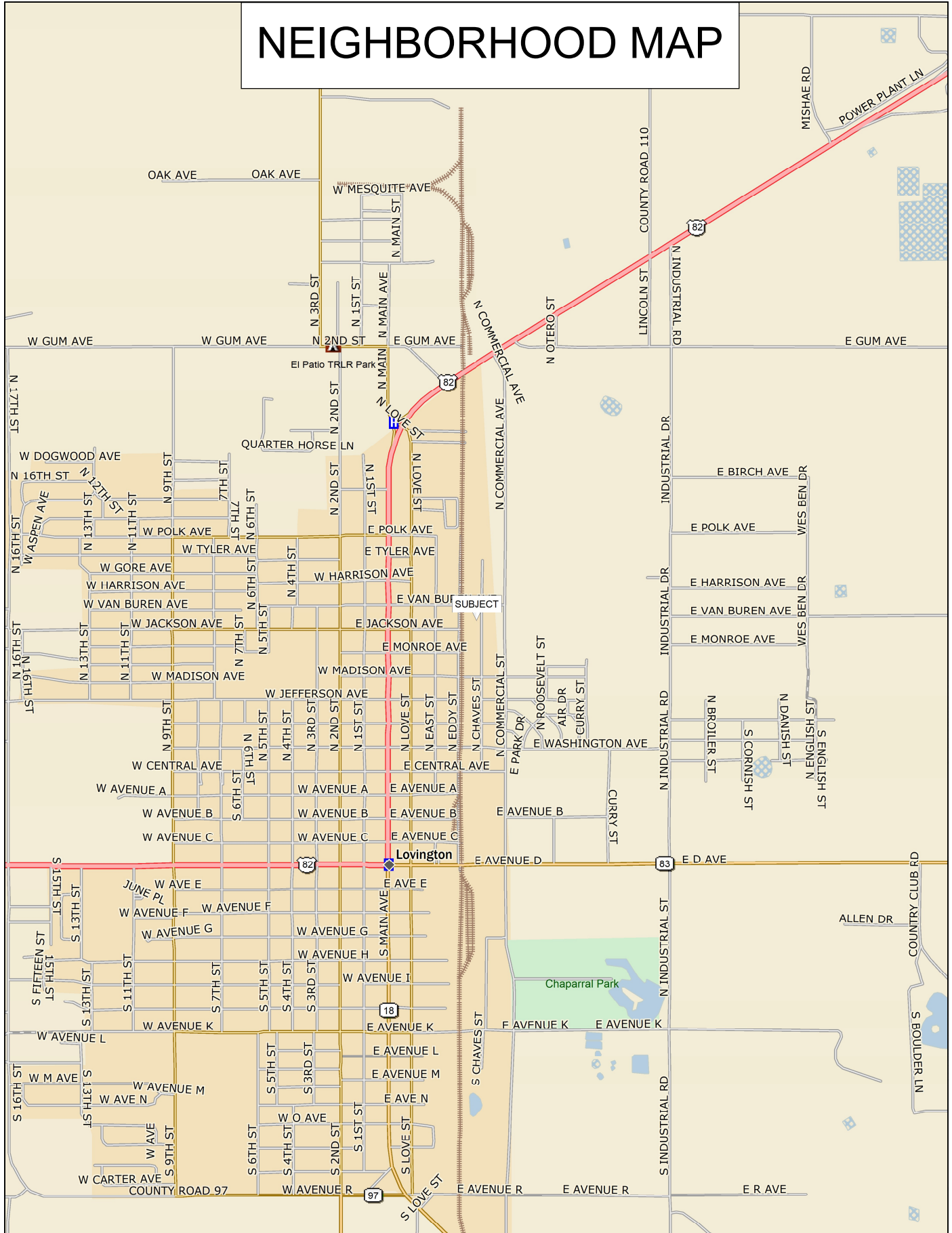
Scale 1 : 1,600,000



1" = 25.25 mi

Data Zoom 7-0

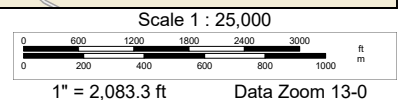
NEIGHBORHOOD MAP



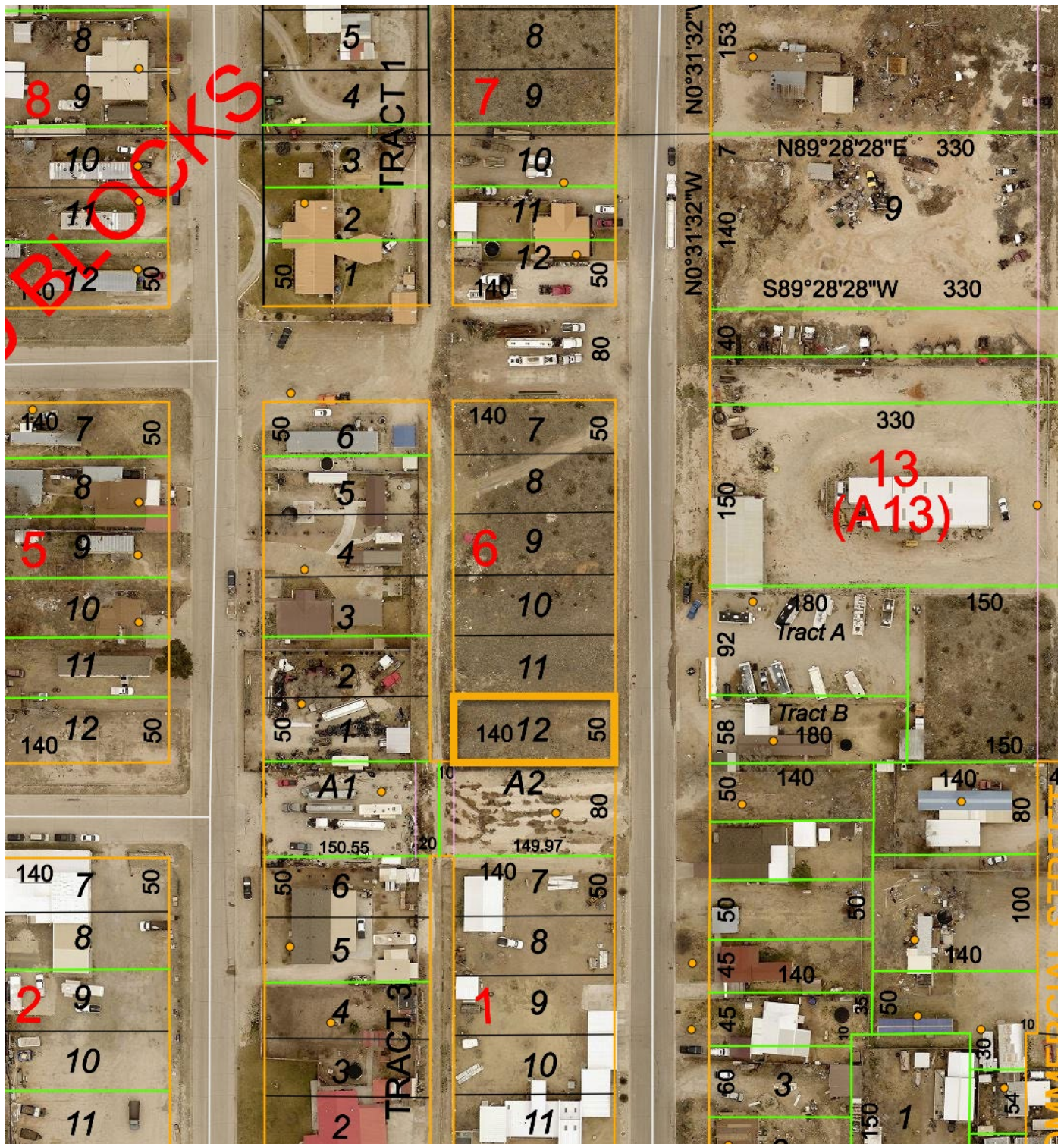
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COUNTY PLAT MAP



ZONING MAP

8,784 views
Published on December 5, 2024

[SHARE](#)



Zone A - Single Family

- Zone A - Single Family (SW Section)
- Zone A - Single Family (NW Section)
- Zone A - Single Family (Dencoe Section)
- Zone C - Commercial District



Zone B - Multi-Family



- Zone B - Multi-Family Residential (Colonial/Jac...
- Zone B - Multi-Family Residential (Jackson Sec...
- Zone B - Multi-Family Residential (Jefferson Se...
- Zone B - Multi-Family Residential (17th Section)
- ... 9 more



Zone C - Commercial

- Zone C - Commercial (East Hwy 18 Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NW Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NE Section)



Zone D - Industrial

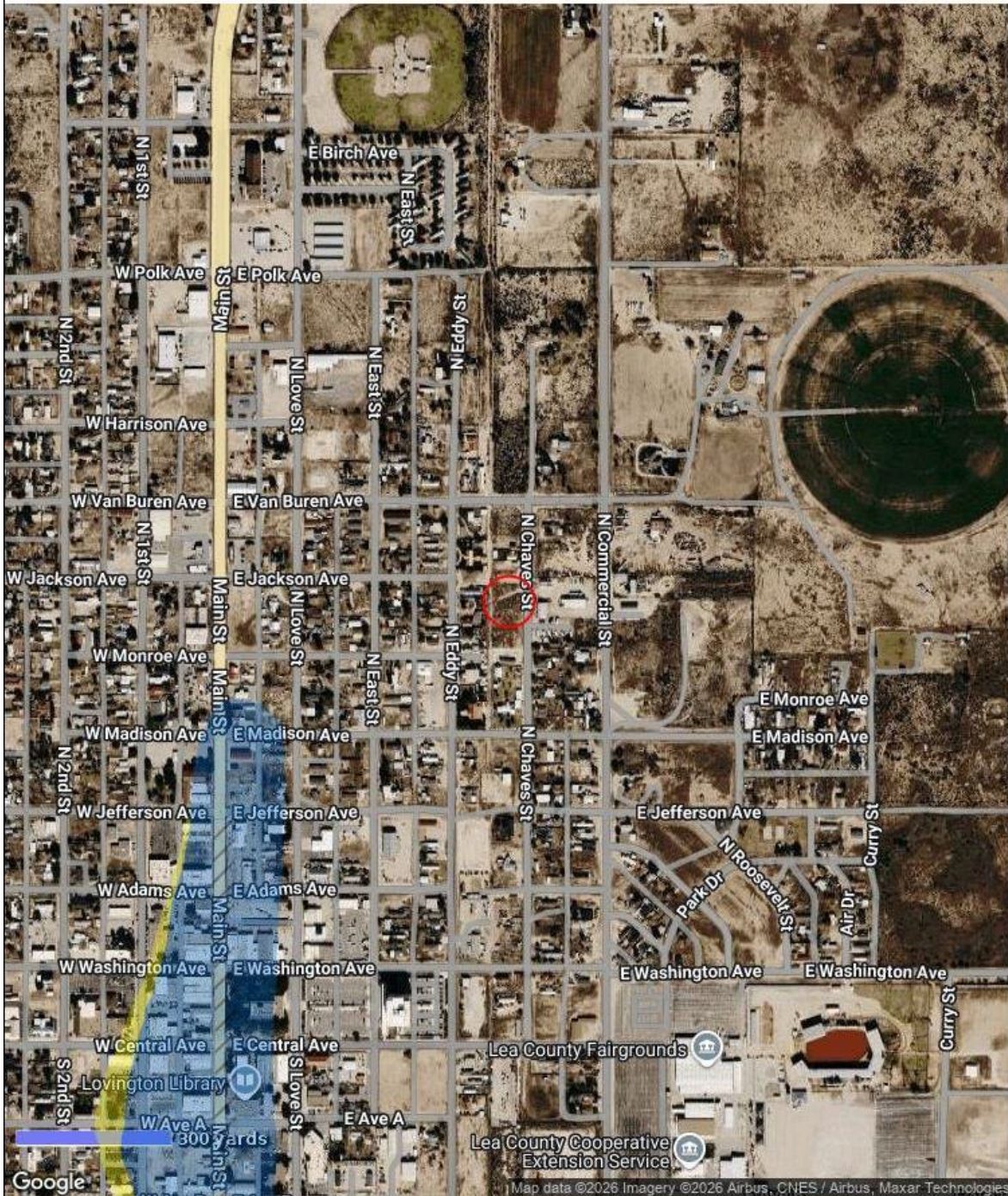
- Zone D - Industrial (Railroad Section)
- Zone D - Industrial (N. Commercial Section)
- Zone D - Industrial (S. Commercial Section)



Zone E - Economic

- Zone E - Economic Zone (Avenue D Section)
- Zone E - Economic Zone





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 35025C0955D
Zone: X
Map Date: December 16, 2008
FIPS: 35025

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

Powered by CoreLogic®

AERIAL PHOTOGRAPH



NEIGHBORHOOD PHOTOGRAPHS



1. Facing south along Chaves Street from the subject vicinity.



2. Facing north along Chaves Street from the subject vicinity.

SUBJECT PHOTOGRAPHS



1. Typical view of the subject.

Exhibit C

DETAILED LAND SALES

1010 S 4th St

Comparable 1

Sale Information

Buyer	Fabiola A. Sepulveda	
Seller	Marisol Verdeja Gonzales, PR	
Sale Date	8/5/2025	
Transaction Status	Closed	
Sale Price	\$35,000	\$4.72 /SF Land
Analysis Price	\$35,000	\$4.72 /SF Land
Recording Number	2243/901	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1704 Acres (7,423 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' S. 4th Street, 50' W. Avenue J
Flood Zones	No Flood Zones



1010 S 4th St
Lovington, NM 88260

County
Lea

APN
4 000 233 940 001



Confirmation

Date 5/8/2026

Remarks

This lot was free and clear of any improvements at the time of sale.

NEC of W. Washington Avenue & N. 4th Street

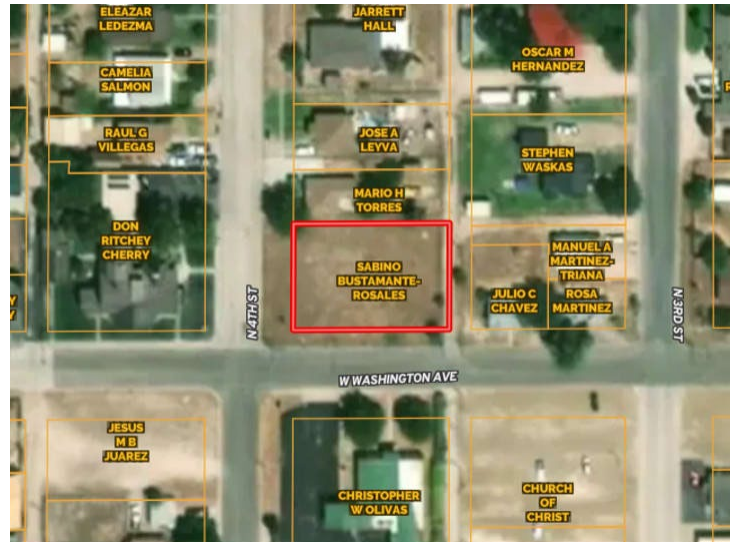
Comparable 2

Sale Information

Buyer	Sabino Bustamante-Rosales & Esther Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	2/5/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$2.42 /SF Land
Analysis Price	\$35,000	\$2.42 /SF Land
Recording Number	2251/454	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

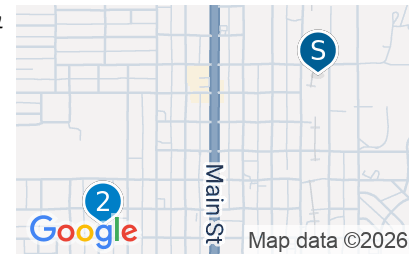
Land Area	0.3326 Acres (14,490 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 100' N. Fourth Street
Flood Zones	No Flood Zones



NEC of W. Washington Avenue &
N. 4th Street
Lovington, NM 88260

County
Lea County

APN
4 000 204 930 001



Confirmation

Date 5/8/2026

SWC of W. Washington Avenue and N. Fourth Street

Comparable 3

Sale Information

Buyer	Jesus Manuel Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	3/3/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$3.35 /SF Land
Analysis Price	\$35,000	\$3.35 /SF Land
Recording Number	2252/694	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

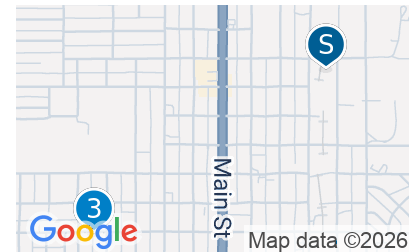
Land Area	0.2395 Acres (10,434 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 75' N. Fourth Street
Flood Zones	No Flood Zones



SWC of W. Washington Avenue
and N. Fourth Street
Lovington, NM 88260

County
Lea County

APN
4 000 200 680 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

812 E Monroe Ave

Comparable 4

Sale Information

Buyer	Lucio Lopez	
Seller	Adan Marquez	
Sale Date	3/20/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$1.81 /SF Land
Analysis Price	\$30,000	\$1.81 /SF Land
Recording Number	2253/453	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

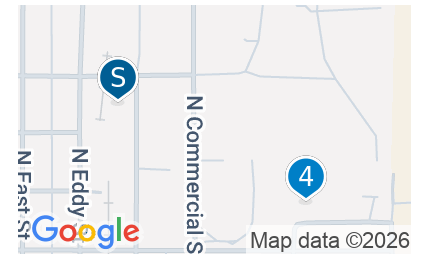
Land Area	0.38 Acres (16,553 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	79' E. Monroe Avenue
Flood Zones	No Flood Zones



812 E Monroe Ave
Lovington, NM 88260

County
Lea

APN
4 000 763 040 001



Confirmation

Date 5/8/2026

Remarks

The subject has a depth of 210.0', leading to a frontage-to-depth ratio of 0.38:1.

401 W Ave L

Comparable 5

Sale Information

Buyer	Marcelo Castaneda Ramirez	
Seller	The Estate of Beryl Pauline Moody	
Sale Date	4/17/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$4.50 /SF Land
Analysis Price	\$30,000	\$4.50 /SF Land
Recording Number	2254/826	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1529 Acres (6,662 SF)
Number of Parcels	1
Zoning	A – Single-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	60' W. Avenue L
Flood Zones	No Flood Zones



401 W Ave L
Lovington, NM 88260

County
Lea

APN
4 000 221 760 001



Confirmation

Date 5/8/2026

Remarks

The site maintains 110' of depth, lending to a frontage to depth ratio of 0.55:1.

**FILE NO. 26-031907-1
APPRAISAL REPORT**

**7,000 SF LOT (LOT 9, BLOCK 6)
W/S OF CHAVES STREET, S. OF VAN BUREN AVENUE
LOVINGTON, NEW MEXICO**

**OWNER OF RECORD:
CITY OF LOVINGTON**

**PREPARED FOR

CRYSTAL R. BALL
CITY OF LOVINGTON
201 S. MAIN STREET
LOVINGTON, NEW MEXICO 88260**

EFFECTIVE DATE OF VALUE: MARCH 20, 2026

**PREPARED BY

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
STEVEN M. SPARKS, MAI, CEI
5109 82ND STREET, SUITE 7, PMB: #210
LUBBOCK, TEXAS 79424**

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
REAL ESTATE APPRAISING & CONSULTING

Steven M. Sparks, MAI, CEI

May 14, 2026

Attn.: Crystal R. Ball
City of Lovington
201 S. Main Street
Lovington, New Mexico 88260

Re: Appraisal – 7,000 SF Lot (Lot 9,
Block 6) on west side of Chaves
Street, south of Van Buren
Avenue, Lovington, New Mexico.

I have inspected and appraised the property described herein. Conditions pertinent to or indicative of the value of the property were investigated. The subject of this report is a 7,000 SF lot, being lot 9 of Block 6, located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico.

This appraisal report sets forth my findings and conclusions derived therefrom, together with plats, maps, photographs, etc., as are considered essential to explain the process followed in preparing the appraisal. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. Steven M. Sparks is currently certified under this program. The appraisal has been made in compliance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. To the best of my knowledge, this appraisal conforms to FDIC Rules and Regulations codified in 12 C.F.R. 323, and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and FIRREA.

The estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the Market Value (As Is) of the subject real property as of the effective date, the fee simple interest. Market value is defined as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER (CLIENT) & USE OF REPORT: For the sole purpose of assisting The City of Lovington (Client) and/or assigns in estimating the market value of the subject property for decision making purposes.

INTEREST VALUED: Fee Simple Interest – Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition (Chicago: Appraisal Institute, 2022), as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

EFFECTIVE DATE OF VALUE: March 20, 2026

DATE OF REPORT: May 14, 2026

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected the subject on 3/20/2026
- gathered information on comparable land sales, which is necessary in the appraisal process.
- confirmed and analyzed the data and applied the sales comparison approach. Within the sales comparison approach, the appraiser employed the price per square foot methodology.

The subject is land, with the income and cost approach not being typically employed. The subject was valued on a price per lot basis after conversations with local participants and analysis of the local data indicating that lots sell on a per lot basis.

Per USPAP 2026-2027, this is an Appraisal Report. It is presented in a summarized format with supporting documentation retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2026/2027 Edition).

SALES HISTORY: The property is currently owned by the City of Lovington. The subject has not undergone any transactions over the past three years (3/20/2023 – 3/20/2026). I am not aware of any listings, options or contracts regarding the subject property.

DESCRIPTION OF REAL ESTATE APPRAISED:

Regional Area Analysis – The subject property is located in Lovington, New Mexico. Lovington is the county seat of Lea County, being geographically located in the east central section of New Mexico. Lovington is 100 miles southwest of Lubbock, Texas; 20 miles northwest of Hobbs, New Mexico; and 75 miles northeast of Carlsbad, New Mexico.

The primary mode of transportation for Lea County, New Mexico, is via automobile, with the area being served by several state highways. U.S. Highway 82, U.S. Highway 380, State Highways 18, 206, and 214 allow for easy access to and through the region. The principal transportation route is U.S. Highway 82, which allows passage to Lubbock (northeast), plus Artesia (west) and Alamogordo (southwest).

The following chart reflects the civilian labor force (CLF) and unemployment rate relative to the State of New Mexico and Lea County.

UNEMPLOYMENT DATA				
Region	February 2025		February 2026	
	Rate	CLF	Rate	CLF
State of New Mexico	4.1%	987,239	4.7%	983,966
Lea County	3.4%	35,496	4.4%	35,155

It should be noted that the price of oil has increased significantly from previous low levels; however, the impact this will have on the local economy is not known at this time. WTI Crude Oil is currently trading for around \$98/bbl. The expected recovery is also dependent upon current inflation and recession worries, plus the war in Ukraine and increased interest rates. At this time, one can only speculate as to what the impact "may" be; however, time will be the final arbiter. At this point, there have been no noticeable indicators that point to declining values or market rental levels in the real estate sector.

The overall backbone of the Lea County, New Mexico, economy remains the oil and gas industry, farming, and ranching. Wholesale and retail distribution also play an important role. Additionally, the food processing industry has shown recent growth in the region, with an increase in the dairy industry. Being centrally located in Eastern New Mexico, plus being in proximity to several larger communities, should continue to enhance the overall growth and economic outlook for the region. In conclusion, the overall Lea County economy has been somewhat stable in the past and should remain so in the future.

Neighborhood Analysis – The subject property is located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico. The subject neighborhood boundaries are well defined and are believed to be the Lovington City Limits in all directions, plus surrounding areas.

Passage to and through the neighborhood is considered to be good. The neighborhood maintains two primary thoroughfares. Main Street (Highway 82/18) bisects the neighborhood in a north/south direction, while Avenue D (U.S. Highway 82/83) bisects the neighborhood in an east/west direction. Each of these roadways also allows regional passage. This access is considered to be one of the most positive influences for the neighborhood. Interior secondary roadways also traverse the neighborhood and typically extend from these primary thoroughfares, allowing interior access. Overall, the subject neighborhood maintains an adequate transportation system, and each of these roadways has been well-maintained and is in good condition.

The neighborhood is estimated to be approximately 85% developed, with the uses being a mix of office, commercial/retail, and residential type development. The subject neighborhood is considered to be in a mature stage, although some new construction has occurred over the past several years.

As previously discussed, Main Street is the most heavily developed commercial/retail corridor in the City of Lovington. Main Street is a shallow corridor with commercial/retail and office-type improvements concentrated along the roadway, while residential uses exist within the interior or core of the neighborhood, except within the central business district. Commercial/retail development along Main Street includes several nationally or regionally recognized fast-food restaurants, auto service stations, office buildings, and a number of single-tenant commercial buildings. Development and uses are similar along Avenue D, while the overall density is less than Main Street. Additionally, as these roadways extend out of Lovington, development includes a mix of light industrial (oil field-related) uses, scattered single-family homes, and vacant land.

The primary residential developments in the area are within its core. Single-family homes in this district are older construction, which are generally in average to good condition. New single-family home construction is underway at this time, and is of good quality.

There are several tracts of vacant land, primarily located along Main Street in the central sector of the neighborhood, with only a limited amount of vacant land within the interior areas, while an extensive amount of vacant land is located outside the city limits. Interior areas of vacant land are generally zoned for commercial use, while areas just outside are in agricultural production.

The subject's surrounding development includes vacant land to the north and south, plus single-family residential to the east and west.

Site Description – A survey or legal description was not made available to the appraiser in this instance. However, based on the Lea County Assessor records, the subject property is briefly legally described as follows:

"Lot 9, Block 6, Section 3, Township 16 South, Range 36 East, City of Lovington, Lea County, New Mexico."

The subject tract contains 7,000 SF (0.16 Acres), based on the Lea County Assessor records. The subject maintains 50' of frontage along Chaves Street and 140' of depth, lending to a frontage to depth ratio of 0.36:1. Chaves Street is an asphalt-paved, interior roadway.

The subject site is rectangular in shape, while the topography is level. Based on my physical inspection, no adverse easements impact the subject, which is assumed to be correct. However, a survey and title policy is required for a final determination. The following image shows the shape of the tract (outlined in orange).



Based on the latest FEMA information (Map # 35025C0955D, 12/16/2008), the subject site is not located in a designated flood hazard area, being in Zone X, described as an area with minimal flood potential. However, this statement cannot be warranted, and flood certification should be obtained for final and proper determination.

Based upon maps obtained from the United States Department of Agriculture, Soil Conservation Service, there appear to be two soil types located within the confines of the subject property, shown in the chart below. The soil types are suitable for most forms of development.

SOIL	% OF SITE	SOIL PROFILE
Kimbrough-Lea complex, 0 to 3 percent slopes	81.25%	0" to 3": gravelly loam 3" to 10": loam 10" to 80"; cemented material
Lea loam	18.75%	0" to 26": loam 26" to 36": cemented material

Being located within the city limits, all utilities are available and in adequate supply.

The subject site is located within the City of Lovington and is currently zoned "C", Commercial Zone district, which generally allows for most commercial uses. The subject is a legal conforming use in this district. In addition, the appraiser is not aware of any land use regulations. No study concerning deed restrictions has been conducted by the appraiser. Only a detailed search by a title company or attorney can provide positive assurance of the existence or absence of deed restrictions. However, for the purpose of this appraisal, it is assumed that there are no deed restrictions that adversely affect the development of the subject site.

The appraiser is not aware that a Phase I Environmental Site Assessment has been performed at the subject location. Based on my overall physical inspection only, no serious hazardous materials exist within the subject site or the surrounding area. Relative to a final determination, it is suggested that some form of environmental site assessment be performed.

Tax Analysis – The owner number (parcel number) associated with the subject is 20700 (4-000-207-220-002), however it should be noted that this account includes land not associated with the subject. The subject is taxed as being non-residential property inside the Lovington city limits. The 2025 combined mill rate is \$38.333/\$1,000. Within New Mexico, the taxable value is one-third of the full value. The current full market value for the subject is \$286,074 (land @ \$45,609; improvements @ \$240,465), while the taxable value is \$95,358. Based on the current taxable value and mill rates, taxes are equal to \$3,655 (rounded). According to Lea County Treasurer records, no past taxes are due.

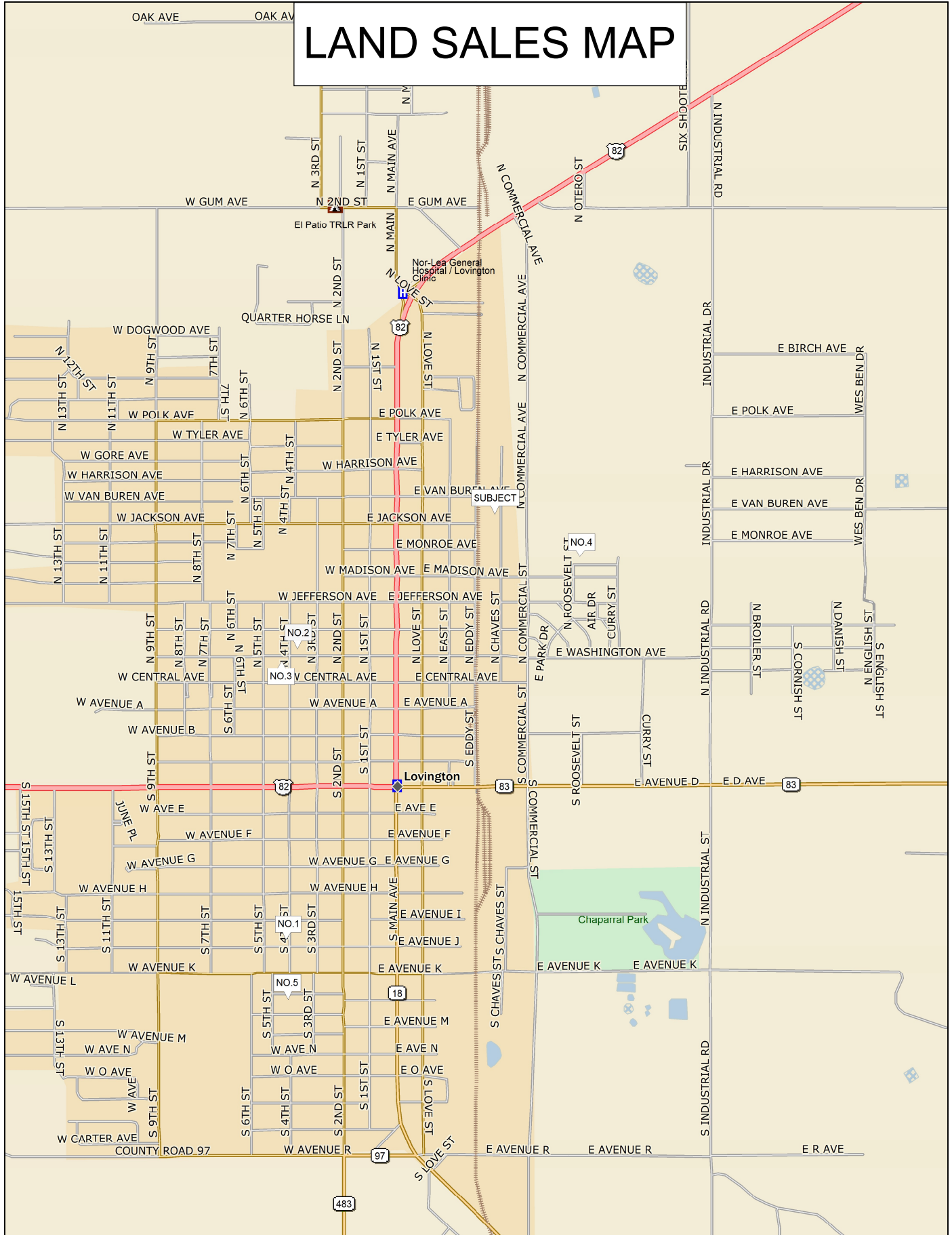
HIGHEST AND BEST USE:

Highest and Best use as though vacant – The physical characteristics associated with the subject site are adequate for most forms of single-family residential development due to the smaller size of the lots limiting commercial uses. The subject site is located within the City of Lovington and is currently zoned “C”, Commercial Zone district, which allows for commercial uses, while also allowing for cumulative uses, including single and multi-family residential uses. All these factors are believed to be adequate. When considering the locational attributes of the subject and the size of the lots, a single-family use is believed to be maximally productive and the highest and best use.

SUMMARY OF ANALYSIS AND VALUATION:

Sales Comparison Approach - Value of the site "As Is", being vacant land, was estimated employing the Sales Comparison approach. There have been a limited number of land sales in the immediate or competitive areas. Details associated with the employed comparables are located in the Addendum as Exhibit C. A map and summary of the land sales are as follows:

LAND SALES MAP



Data use subject to license.

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www.delorme.com



Scale 1 : 22,400



1" = 1,866.7 ft

Data Zoom 13-2

Land Sales

1		1010 S 4th St Lovington, NM 88260	\$35,000 8/5/2025 Closed	7,423 SF \$4.72/SF 0.1704 Acres \$205,399/Acre	Single-Family B zoning Rectangular Generally Level
2		NEC of W. Washington Avenue & N. 4th Street Lovington, NM 88260	\$35,000 2/5/2026 Closed	14,490 SF \$2.42/SF 0.3326 Acres \$105,232/Acre	Single-Family B zoning Rectangular Generally Level
3		SWC of W. Washington Avenue and N. Fourth Street Lovington, NM 88260	\$35,000 3/3/2026 Closed	10,434 SF \$3.35/SF 0.2395 Acres \$146,138/Acre	Single-Family B zoning Rectangular Generally Level
4		812 E Monroe Ave Lovington, NM 88260	\$30,000 3/20/2026 Closed	16,553 SF \$1.81/SF 0.38 Acres \$78,947/Acre	Single-Family B zoning Rectangular Generally Level
5		401 W Ave L Lovington, NM 88260	\$30,000 4/17/2026 Closed	6,662 SF \$4.50/SF 0.1529 Acres \$196,207/Acre	Single-Family A zoning Rectangular Generally Level

	Adjusted Price ¹	Land SF	Land AC	Price/SF	Price/AC
Low	\$30,000	6,662	0.15	\$1.81	\$78,947
Average	\$33,000	11,112	0.26	\$3.36	\$146,384
High	\$35,000	16,553	0.38	\$4.72	\$205,399

¹Adjusted price is based on expenditures immediately after the sale.

The following analyzes the most comparable properties as compared to the subject property ("+" adjustments indicate that the comparable is inferior to the subject and must be adjusted upward; "-" adjustments indicate that the comparable is superior to the subject and must be adjusted downward; and "0" indicates that the comparable and subject are similar overall in this factor of comparison and no adjustment is warranted). The sales available and obtained by the appraiser are the most comparable in this market and are believed to be a good indication of a range in value. Sales Nos. 1, 3 & 5 are considered most comparable and will be employed in the adjustment chart.

ADJUSTMENT GRID				
	Subject	No. 1	No. 3	No. 5
Price/Lot		\$35,000	\$35,000	\$30,000
Market Conditions Adjustment		8/25 -0-	3/26 -0-	4/26 -0-
Property Rights Adjustment		Fee Simple -0-	Fee Simple -0-	Fee Simple -0-
Financing Adjustment		Cash -0-	Cash -0-	Cash -0-
Conditions of Sale Adjustment		Typical -0-	Typical -0-	Typical -0-
Adj. Price		\$35,000	\$35,000	\$30,000
Size/SF Adj.	7,000	7,423 -0-	10,434 -0-	6,662 -0-
Location Adj.	Average	Similar -0-	Similar -0-	Similar -0-
Zoning Adj.	Commercial	Multi-Family -0-	Multi-Family -0-	Single-Family -0-
Utility Frontage Shape Utilities Adj.	Good 1 Side Rectangular All	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Similar 1 Side (-0-) Rect. (-0-) All (-0-) -0-
Total Net Adjustment		-10%	-10%	-0-
Adjusted Sale Price		\$31,500	\$31,500	\$30,000
ADJUSTMENT ANALYSIS				
Number of Adjustments		1	1	0
Total Gross Adjustment		10%	10%	0%

EXPLANATION OF ADJUSTMENTS

Date of Sale/Time – The effective date of this appraisal is March 20, 2026. The sales utilized in this analysis occurred between August 2025 and April 2026, being the most comparable sales found. Each sale is considered to be an accurate reflection of current market levels, with no adjustments warranted.

Conditions of Sale – Each of the adjusted sales was believed to be fee simple, cash or equivalent, and arm's length transactions, with no adjustment necessary for conditions of sale.

Size - The subject site contains 7,000 SF, being similar to each of the sales, which range in size from 6,662 SF to 10,434 SF. Thus, each of the sales did not need adjustments for size.

Location – The subject is located on the west side of Chaves Street, south of E. Van Buren Avenue in Lovington. Chaves Street is an asphalt-paved, interior roadway, providing passage to the interior of the subject neighborhood. The surrounding development consists of vacant land and single-family residential. Overall, the subject location is considered to be average.

Each of the sales are located along interior roadways in the City of Lovington in residential areas. Thus, each of the sales are similar and did not need adjustments for location.

Zoning – The highest and best uses, plus the allowed uses at each site, are similar. Thus, no adjustments are required for zoning.

Utility (Nos. 1 & 3) – In comparing the utility or usefulness of the comparables to the subject site, I have considered road frontage, shape, flood plain status, and availability of utilities. The subject is rectangular in shape, maintains frontage on one side, is not located in the flood zone and maintains access to all utilities. Therefore, the overall utility is good.

With regard to frontage, Nos. 1 & 3 have two sides of frontage, being superior, while No. 5 has one side and is similar to the subject.

Overall, Nos. 1 & 3 are superior and warranted negative adjustments, while No. 5 is similar and did not warrant an adjustment for utility.

Site Value Conclusion:

The range of prices after adjustments varied from a low on Sale No. 5 of \$30,000/Lot to a high of \$31,500/Lot on Sale Nos. 1 & 3. Adjustments were necessary for utility (Nos. 1 & 3). As a result, Sale Nos. 1 & 3 required the greatest (one) number of adjustments, followed by No. 5 with the smallest (zero) number of adjustments. Additionally, Sale Nos. 1 & 3 required the greatest (10%) total net adjustment, followed by No. 5 (0%). No. 5 was given primary emphasis, while Nos. 1 & 3 were given secondary emphasis.

After all adjustments and considering the physical factors of the subject site (utility), a value of **\$30,000/Lot** is considered reasonable and valid for the subject site. Thus, the subject site land value is calculated as follows:

SIZE/LOT		PRICE/SF		INDICATED VALUE
1	X	\$30,000	=	\$30,000
ROUNDED TO \$30,000				

Reconciliation and Value Conclusion:

Sales Comparison:

\$30,000

The Sales Comparison Approach was given sole and primary consideration in this analysis, due to the fact that the subject is vacant land. Overall, based on my analysis of the subject property, the estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

Marketing/Exposure Period

Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject maintains an average location with frontage on Chaves Street. Therefore, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

It is assumed that title to the property herein appraised is good and merchantable, and in fee simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. A rent roll was not provided to the appraiser. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by SMS Appraisal Services and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Steven M. Sparks of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to the those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in this matter and unless it is specified otherwise in the report, the value conclusion

assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

None.

CERTIFICATE

- I certify that, to the best of my knowledge and belief....
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include 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, I, Steven M. Sparks have completed the requirements under the continuing education program of the Appraisal Institute.
- Garrett T. Sparks personally inspected the property that is the subject of this report. Steven M. Sparks & Garrett T. Sparks prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certification.

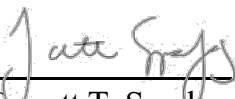
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the Market Value in fee simple of the subject, as of March 20, 2026, considering all assumptions and limiting conditions, was:

\$30,000

THIRTY THOUSAND DOLLARS



Steven M. Sparks, MAI, CEI
#NM-1114-G (Expires 4/30/2028)



Garrett T. Sparks,
#REA-2024-0105 (Expires 4/30/2028)

REAL ESTATE APPRAISAL QUALIFICATIONS
OF STEVEN M. SPARKS, MAI, CEI

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute (#8985)

Certified General Real Estate Appraiser in Texas (#TX-1322593-G), and New Mexico (001114-G).

Realtor, Lubbock Association of Realtors

Certified Environmental Inspector (CEI), Environmental Assessment Association

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standard of this program are awarded periodic educational certification. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

EDUCATION

Graduate of Texas Tech University, B.B.A., Petroleum Land Management 1983

Courses include: Farm and Ranch Appraisal, Real Estate Law, Corp. Finance I and II, Real Estate Fundamentals. General background in management finance, marketing, business law, accounting and economics; Dean's List.

Professional Courses - Appraisal Institute: Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory & Techniques Part A, Capitalization Theory & Techniques Part B, Standards in Professional Practice, Case Studies, Report Writing, Demonstration Report and Comprehensive Exam.

Resolution Trust Corporation - Affordable Housing Appraisal Seminar

Residential Case Study - Appraisal Institute (2/94)

Performing Phase I Site Assessments - EAA (5/94)

Fair Lending and the Appraiser - Appraisal Institute (10/94)

Market Extractions - Appraisal Institute (1/96)

Appraisal of Retail Properties - Appraisal Institute (10/96)

The High Tech Appraisal Office - Appraisal Institute (1/96)

Appraising Nursing Home Facilities - Appraisal Institute (2/97)

EXPERIENCE

1984-Present:

- Appraisal/Environmental of all types of Commercial, Residential, Farm and Ranch Real Estate.
- Appraisal/Environmental experience to include single-family residences, apartments, shopping centers, hotels, office buildings, movie theaters, industrial buildings, land developments, single family subdivisions and vacant land. Past experience in the overbuilt markets of Dallas/Fort Worth (1984-1992) and New England (4/92-6/93).



State of New Mexico



Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven M. Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1114-G

Issued 09/07/1994

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

QUALIFICATIONS OF GARRETT T. SPARKS

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1381276-G
State Authorized – Certified General Real Estate Appraiser (New Mexico) #REA-2024-0105

EDUCATION

Bachelors of Science – Agricultural & Economics
– Texas A&M University, College Station, Texas – 2018

Courses Include: Farm & Ranch Appraisal, Agriculture Law, Statistics and Business Calculus. General Background in economics, marketing, business, accounting and management.

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Market Analysis Highest and Best Use; General Appraiser Site Valuation and Cost Approach; General Appraiser Sales Comparison Approach; General Report Writing and Case Studies; Statistics, Modeling, and Finance.

PROFESSIONAL EXPERIENCE

06/2018 – 07/2021	Appraiser Trainee – CBRE – Valuation & Advisory Services
07/2021 – 1/2023	Appraisal Trainee – SMS Appraisal/Environmental Services, Inc.
1/2023 – Present	Certified General Appraiser – SMS Appraisal/Environmental Services, Inc.



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Garrett Tate Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2024-0105

Issued 06/12/2024

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

ADDENDUM

Exhibit A

ENGAGEMENT LETTER

Date of Agreement: Thursday, March 12, 2026

City of Lovington
Crystal R. Ball
201 S. Main Street
Lovington, NM 88260

cball@lovington.org

SMS Appraisal and Environmental
Steve Sparks, MAI, CEI
5109 82nd Street, Suite 7, #210
Lubbock, Texas 79424
(806) 855-2527
appraisals@smswt.com

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

This Professional Services Agreement (this "Agreement") is made and entered into on March 9, 2026 (the "Effective Date"), by and between SMS Appraisal & Environmental and City of Lovington (herein referred to as "Client").

Project Name	Vacant Land - 1.1184 Acres (7 Lots)
Property Identification	705 Chaves Street, Lovington, NM 88260
Property Type	Land
Interest Valued	Fee Simple Interest
Intended User(s)	The appraisal will be prepared for the above-mentioned client. Intended users include the client.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

The client is also hereby informed that if this engagement is directly with the owner of the Property, the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance and would likely not be accepted for future financing of said property.

Intended Use	The report to be performed under this Agreement ("Appraisal") is intended for Decision-Making/Internal.
---------------------	---

Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

Type of Value	As-Is
Date of Value	Date of inspection
Report Type	Appraisal Report
Level of Analysis	Summary

Professional Fee	\$1,500
-------------------------	----------------

Expenses	Fees include all associated expenses.
-----------------	---------------------------------------

Payment Terms	Client agrees to remit payment for services rendered pursuant to this Agreement in full prior to the scheduled property inspection. Appraiser shall issue an invoice detailing the fees specified in this Agreement, and payment must be received by Appraiser no later than two (2) business days before the inspection date. Failure to provide payment within this timeframe may result in delays or cancellation of the scheduled services.
----------------------	---

SCOPE OF WORK

Site Inspection	Interior and exterior observation, on-site
Valuation Approaches	Appraiser will provide the Appraisal in accordance with Uniform Standards of Professional Appraisal (USPAP), The Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and State Licensing Laws. Appraiser will research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. <i>Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.</i>
Delivery	<u>3 weeks</u> (effective from the date of the signed/returned engagement contract)
Number of Reports	One (1) Electronic Final Appraisal
Acceptance Date	These specifications are subject to modification based on client acceptance.

PROPERTY DATA REQUEST

Please forward any additional materials you would consider relevant in the analysis of the subject property. Such items may include, as applicable, an accurate property description, site survey, current rent roll, copies of leases, at least three years of historical operating statements, purchase and sale agreement(s) within the last three years, title report, any environmental reports or other third party reports, or any other sources of information known to exist that may impact the valuation of the property.

Our ability to honor the terms of this Agreement will require Client's prompt response. If you have questions regarding the enclosed, please feel free to contact me. SMS Appraisal & Environmental appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Crystal R. Ball, agree to the above stated terms and authorize SMS Appraisal & Environmental to prepare the above referenced appraisal.

_____ Date: _____

Crystal R. Ball

Respectfully,

SMS APPRAISAL & ENVIRONMENTAL



Steve Sparks, MAI, CEI
Senior Appraiser

TERMS AND CONDITIONS

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to

the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect. Template for Agreement for Professional Valuation Services

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

Appendix A: Extraordinary Assumptions and Hypothetical Conditions contained within the appraisal report

Appendix B: Information Request

Exhibit B

MAPS, PLATS, & PHOTOGRAPHS

This is a detailed regional map of West Texas. The map shows a grid of major highways, including Interstate 40 (I-40) running horizontally across the top, Interstate 20 (I-20) running diagonally from the bottom left towards the center, and Interstate 70 (I-70) running horizontally across the middle. Numerous smaller cities and towns are marked with dots and labeled, such as Amarillo, Lubbock, Midland, and Odessa. The map also shows geographical features like the Pecos River and the Permian Basin. A large white box with the text "REGIONAL AREA MAP" is overlaid on the top right portion of the map.

www.delorme.com



$$1'' = 25.25 \text{ mi}$$

Data Zoom 7-0

NEIGHBORHOOD MAP

www.delorme.com


$$1'' = 2,083.3 \text{ ft}$$

Data Zoom 13-0

ZONING MAP

8,784 views
Published on December 5, 2024

[SHARE](#)



Zone A - Single Family

-  Zone A - Single Family (SW Section)
-  Zone A - Single Family (NW Section)
-  Zone A - Single Family (Dencoe Section)
-  Zone C - Commercial District



Zone B - Multi-Family



-  Zone B - Multi-Family Residential (Colonial/Jac...
-  Zone B - Multi-Family Residential (Jackson Sec...
-  Zone B - Multi-Family Residential (Jefferson Se...
-  Zone B - Multi-Family Residential (17th Section)
- ... 9 more



Zone C - Commercial

-  Zone C - Commercial (East Hwy 18 Section)
-  Zone C - Commercial (SE Section)
-  Zone C - Commercial (NW Section)
-  Zone C - Commercial (SE Section)
-  Zone C - Commercial (NE Section)



Zone D - Industrial

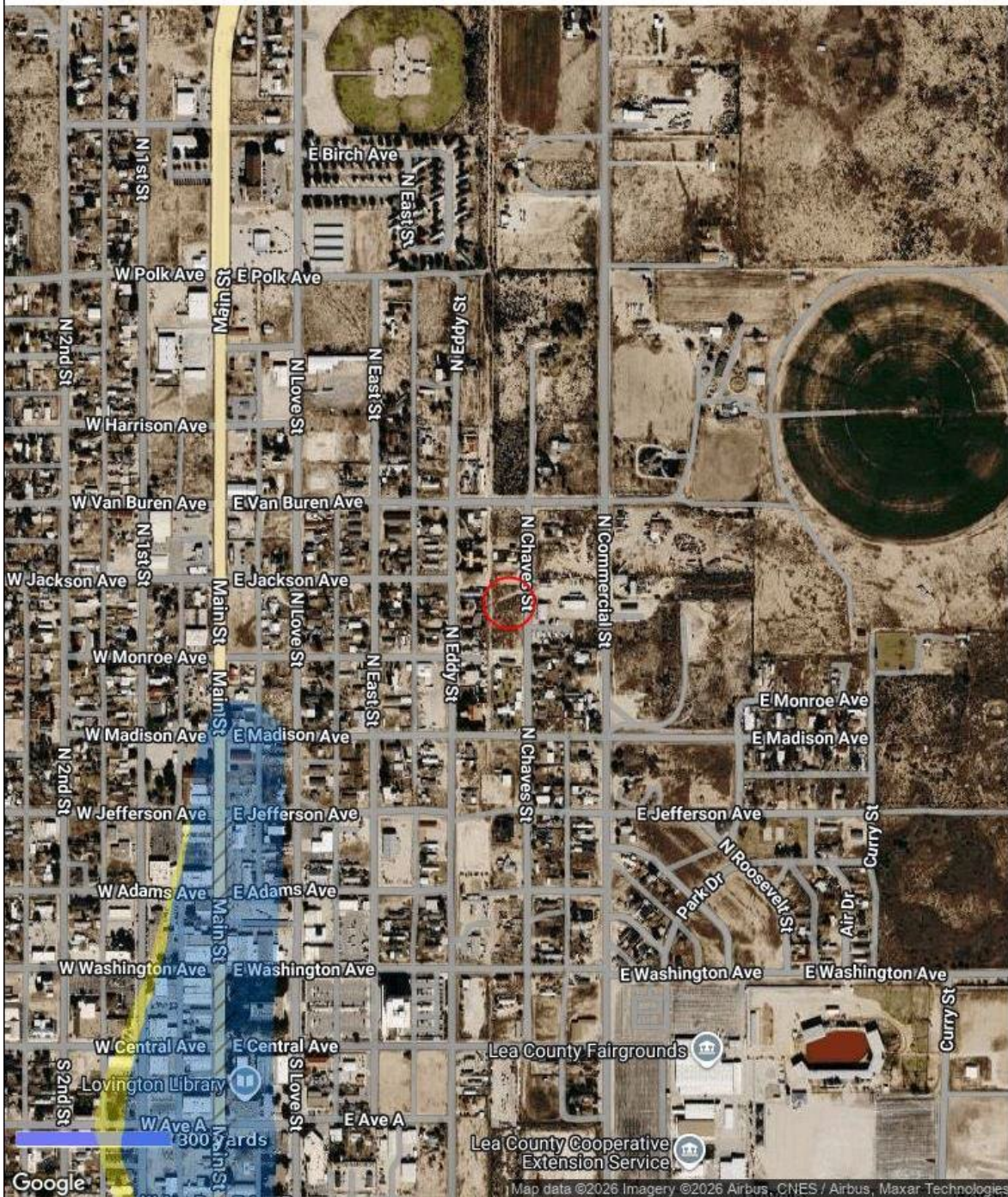
-  Zone D - Industrial (Railroad Section)
-  Zone D - Industrial (N. Commercial Section)
-  Zone D - Industrial (S. Commercial Section)



Zone E - Economic

-  Zone E - Economic Zone (Avenue D Section)
-  Zone E - Economic Zone





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 35025C0955D
Zone: X
Map Date: December 16, 2008
FIPS: 35025

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

Powered by CoreLogic®

AERIAL PHOTOGRAPH



NEIGHBORHOOD PHOTOGRAPHS



1. Facing south along Chaves Street from the subject vicinity.



2. Facing north along Chaves Street from the subject vicinity.

SUBJECT PHOTOGRAPHS



1. Typical view of the subject.

Exhibit C

DETAILED LAND SALES

1010 S 4th St

Comparable 1

Sale Information

Buyer	Fabiola A. Sepulveda	
Seller	Marisol Verdeja Gonzales, PR	
Sale Date	8/5/2025	
Transaction Status	Closed	
Sale Price	\$35,000	\$4.72 /SF Land
Analysis Price	\$35,000	\$4.72 /SF Land
Recording Number	2243/901	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1704 Acres (7,423 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' S. 4th Street, 50' W. Avenue J
Flood Zones	No Flood Zones



1010 S 4th St
Lovington, NM 88260

County
Lea

APN
4 000 233 940 001



Confirmation

Date 5/8/2026

Remarks

This lot was free and clear of any improvements at the time of sale.

NEC of W. Washington Avenue & N. 4th Street

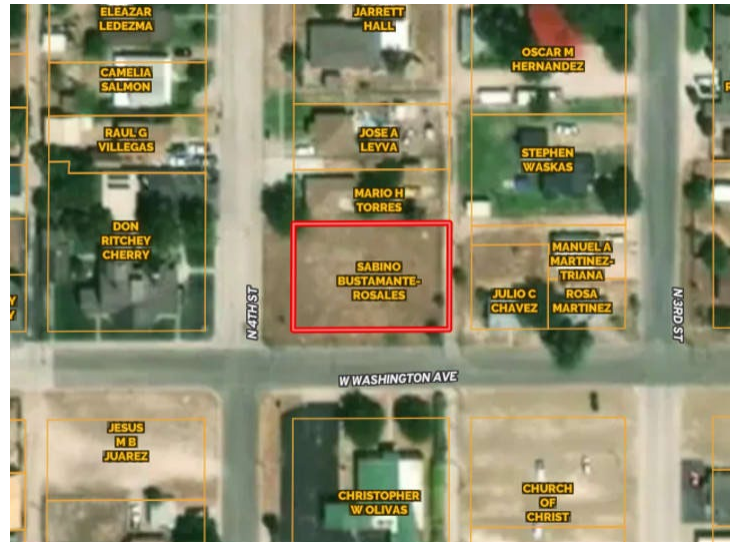
Comparable 2

Sale Information

Buyer	Sabino Bustamante-Rosales & Esther Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	2/5/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$2.42 /SF Land
Analysis Price	\$35,000	\$2.42 /SF Land
Recording Number	2251/454	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

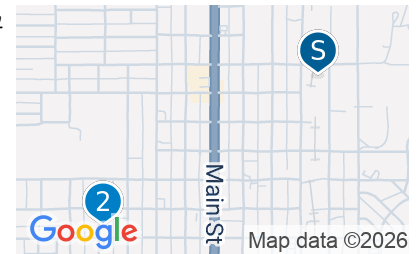
Land Area	0.3326 Acres (14,490 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 100' N. Fourth Street
Flood Zones	No Flood Zones



NEC of W. Washington Avenue &
N. 4th Street
Lovington, NM 88260

County
Lea County

APN
4 000 204 930 001



Confirmation

Date 5/8/2026

SWC of W. Washington Avenue and N. Fourth Street

Comparable 3

Sale Information

Buyer	Jesus Manuel Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	3/3/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$3.35 /SF Land
Analysis Price	\$35,000	\$3.35 /SF Land
Recording Number	2252/694	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

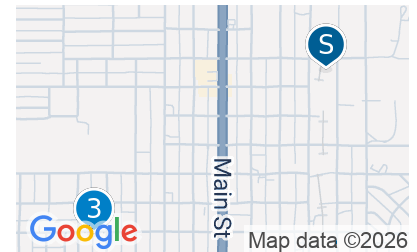
Land Area	0.2395 Acres (10,434 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 75' N. Fourth Street
Flood Zones	No Flood Zones



SWC of W. Washington Avenue
and N. Fourth Street
Lovington, NM 88260

County
Lea County

APN
4 000 200 680 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

812 E Monroe Ave

Comparable 4

Sale Information

Buyer	Lucio Lopez	
Seller	Adan Marquez	
Sale Date	3/20/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$1.81 /SF Land
Analysis Price	\$30,000	\$1.81 /SF Land
Recording Number	2253/453	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

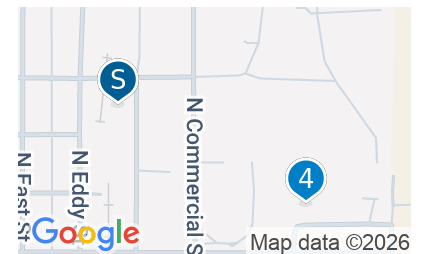
Land Area	0.38 Acres (16,553 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	79' E. Monroe Avenue
Flood Zones	No Flood Zones



812 E Monroe Ave
Lovington, NM 88260

County
Lea

APN
4 000 763 040 001



Confirmation

Date 5/8/2026

Remarks

The subject has a depth of 210.0', leading to a frontage-to-depth ratio of 0.38:1.

401 W Ave L

Comparable 5

Sale Information

Buyer	Marcelo Castaneda Ramirez	
Seller	The Estate of Beryl Pauline Moody	
Sale Date	4/17/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$4.50 /SF Land
Analysis Price	\$30,000	\$4.50 /SF Land
Recording Number	2254/826	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1529 Acres (6,662 SF)
Number of Parcels	1
Zoning	A – Single-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	60' W. Avenue L
Flood Zones	No Flood Zones



401 W Ave L
Lovington, NM 88260

County
Lea

APN
4 000 221 760 001



Confirmation

Date 5/8/2026

Remarks

The site maintains 110' of depth, lending to a frontage to depth ratio of 0.55:1.

**FILE NO. 26-031907-1
APPRAISAL REPORT**

**7,000 SF LOT (LOT 10, BLOCK 6)
W/S OF CHAVES STREET, S. OF VAN BUREN AVENUE
LOVINGTON, NEW MEXICO**

**OWNER OF RECORD:
CITY OF LOVINGTON**

PREPARED FOR

**CRYSTAL R. BALL
CITY OF LOVINGTON
201 S. MAIN STREET
LOVINGTON, NEW MEXICO 88260**

EFFECTIVE DATE OF VALUE: MARCH 20, 2026

PREPARED BY

**SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
STEVEN M. SPARKS, MAI, CEI
5109 82ND STREET, SUITE 7, PMB: #210
LUBBOCK, TEXAS 79424**

SMS APPRAISAL/ENVIRONMENTAL SERVICES, INC.
REAL ESTATE APPRAISING & CONSULTING

Steven M. Sparks, MAI, CEI

May 14, 2026

Attn.: Crystal R. Ball
City of Lovington
201 S. Main Street
Lovington, New Mexico 88260

Re: Appraisal – 7,000 SF Lot (Lot 10,
Block 6) on west side of Chaves
Street, south of Van Buren
Avenue, Lovington, New Mexico.

I have inspected and appraised the property described herein. Conditions pertinent to or indicative of the value of the property were investigated. The subject of this report is a 7,000 SF lot, being lot 10 of Block 6, located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico.

This appraisal report sets forth my findings and conclusions derived therefrom, together with plats, maps, photographs, etc., as are considered essential to explain the process followed in preparing the appraisal. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. Steven M. Sparks is currently certified under this program. The appraisal has been made in compliance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. To the best of my knowledge, this appraisal conforms to FDIC Rules and Regulations codified in 12 C.F.R. 323, and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and FIRREA.

The estimated “As Is” fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the Market Value (As Is) of the subject real property as of the effective date, the fee simple interest. Market value is defined as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USER (CLIENT) & USE OF REPORT: For the sole purpose of assisting The City of Lovington (Client) and/or assigns in estimating the market value of the subject property for decision making purposes.

INTEREST VALUED: Fee Simple Interest – Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th Edition (Chicago: Appraisal Institute, 2022), as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

EFFECTIVE DATE OF VALUE: March 20, 2026

DATE OF REPORT: May 14, 2026

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected the subject on 3/20/2026
- gathered information on comparable land sales, which is necessary in the appraisal process.
- confirmed and analyzed the data and applied the sales comparison approach. Within the sales comparison approach, the appraiser employed the price per square foot methodology.

The subject is land, with the income and cost approach not being typically employed. The subject was valued on a price per lot basis after conversations with local participants and analysis of the local data indicating that lots sell on a per lot basis.

Per USPAP 2026-2027, this is an Appraisal Report. It is presented in a summarized format with supporting documentation retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2026/2027 Edition).

SALES HISTORY: The property is currently owned by the City of Lovington. The subject has not undergone any transactions over the past three years (3/20/2023 – 3/20/2026). I am not aware of any listings, options or contracts regarding the subject property.

DESCRIPTION OF REAL ESTATE APPRAISED:

Regional Area Analysis – The subject property is located in Lovington, New Mexico. Lovington is the county seat of Lea County, being geographically located in the east central section of New Mexico. Lovington is 100 miles southwest of Lubbock, Texas; 20 miles northwest of Hobbs, New Mexico; and 75 miles northeast of Carlsbad, New Mexico.

The primary mode of transportation for Lea County, New Mexico, is via automobile, with the area being served by several state highways. U.S. Highway 82, U.S. Highway 380, State Highways 18, 206, and 214 allow for easy access to and through the region. The principal transportation route is U.S. Highway 82, which allows passage to Lubbock (northeast), plus Artesia (west) and Alamogordo (southwest).

The following chart reflects the civilian labor force (CLF) and unemployment rate relative to the State of New Mexico and Lea County.

UNEMPLOYMENT DATA				
Region	February 2025		February 2026	
	Rate	CLF	Rate	CLF
State of New Mexico	4.1%	987,239	4.7%	983,966
Lea County	3.4%	35,496	4.4%	35,155

It should be noted that the price of oil has increased significantly from previous low levels; however, the impact this will have on the local economy is not known at this time. WTI Crude Oil is currently trading for around \$98/bbl. The expected recovery is also dependent upon current inflation and recession worries, plus the war in Ukraine and increased interest rates. At this time, one can only speculate as to what the impact "may" be; however, time will be the final arbiter. At this point, there have been no noticeable indicators that point to declining values or market rental levels in the real estate sector.

The overall backbone of the Lea County, New Mexico, economy remains the oil and gas industry, farming, and ranching. Wholesale and retail distribution also play an important role. Additionally, the food processing industry has shown recent growth in the region, with an increase in the dairy industry. Being centrally located in Eastern New Mexico, plus being in proximity to several larger communities, should continue to enhance the overall growth and economic outlook for the region. In conclusion, the overall Lea County economy has been somewhat stable in the past and should remain so in the future.

Neighborhood Analysis – The subject property is located on the west side of Chaves Street, south of Van Buren Avenue in Lovington, New Mexico. The subject neighborhood boundaries are well defined and are believed to be the Lovington City Limits in all directions, plus surrounding areas.

Passage to and through the neighborhood is considered to be good. The neighborhood maintains two primary thoroughfares. Main Street (Highway 82/18) bisects the neighborhood in a north/south direction, while Avenue D (U.S. Highway 82/83) bisects the neighborhood in an east/west direction. Each of these roadways also allows regional passage. This access is considered to be one of the most positive influences for the neighborhood. Interior secondary roadways also traverse the neighborhood and typically extend from these primary thoroughfares, allowing interior access. Overall, the subject neighborhood maintains an adequate transportation system, and each of these roadways has been well-maintained and is in good condition.

The neighborhood is estimated to be approximately 85% developed, with the uses being a mix of office, commercial/retail, and residential type development. The subject neighborhood is considered to be in a mature stage, although some new construction has occurred over the past several years.

As previously discussed, Main Street is the most heavily developed commercial/retail corridor in the City of Lovington. Main Street is a shallow corridor with commercial/retail and office-type improvements concentrated along the roadway, while residential uses exist within the interior or core of the neighborhood, except within the central business district. Commercial/retail development along Main Street includes several nationally or regionally recognized fast-food restaurants, auto service stations, office buildings, and a number of single-tenant commercial buildings. Development and uses are similar along Avenue D, while the overall density is less than Main Street. Additionally, as these roadways extend out of Lovington, development includes a mix of light industrial (oil field-related) uses, scattered single-family homes, and vacant land.

The primary residential developments in the area are within its core. Single-family homes in this district are older construction, which are generally in average to good condition. New single-family home construction is underway at this time, and is of good quality.

There are several tracts of vacant land, primarily located along Main Street in the central sector of the neighborhood, with only a limited amount of vacant land within the interior areas, while an extensive amount of vacant land is located outside the city limits. Interior areas of vacant land are generally zoned for commercial use, while areas just outside are in agricultural production.

The subject's surrounding development includes vacant land to the north and south, plus single-family residential to the east and west.

Site Description – A survey or legal description was not made available to the appraiser in this instance. However, based on the Lea County Assessor records, the subject property is briefly legally described as follows:

"Lot 10, Block 6, Section 3, Township 16 South, Range 36 East, City of Lovington, Lea County, New Mexico."

The subject tract contains 7,000 SF (0.16 Acres), based on the Lea County Assessor records. The subject maintains 50' of frontage along Chaves Street and 140' of depth, lending to a frontage to depth ratio of 0.36:1. Chaves Street is an asphalt-paved, interior roadway.

The subject site is rectangular in shape, while the topography is level. Based on my physical inspection, no adverse easements impact the subject, which is assumed to be correct. However, a survey and title policy is required for a final determination. The following image shows the shape of the tract (outlined in orange).



Based on the latest FEMA information (Map # 35025C0955D, 12/16/2008), the subject site is not located in a designated flood hazard area, being in Zone X, described as an area with minimal flood potential. However, this statement cannot be warranted, and flood certification should be obtained for final and proper determination.

Based upon maps obtained from the United States Department of Agriculture, Soil Conservation Service, there appear to be two soil types located within the confines of the subject property, shown in the chart below. The soil types are suitable for most forms of development.

SOIL	% OF SITE	SOIL PROFILE
Kimbrough-Lea complex, 0 to 3 percent slopes	81.25%	0" to 3": gravelly loam 3" to 10": loam 10" to 80"; cemented material
Lea loam	18.75%	0" to 26": loam 26" to 36": cemented material

Being located within the city limits, all utilities are available and in adequate supply.

The subject site is located within the City of Lovington and is currently zoned "C", Commercial Zone district, which generally allows for most commercial uses. The subject is a legal conforming use in this district. In addition, the appraiser is not aware of any land use regulations. No study concerning deed restrictions has been conducted by the appraiser. Only a detailed search by a title company or attorney can provide positive assurance of the existence or absence of deed restrictions. However, for the purpose of this appraisal, it is assumed that there are no deed restrictions that adversely affect the development of the subject site.

The appraiser is not aware that a Phase I Environmental Site Assessment has been performed at the subject location. Based on my overall physical inspection only, no serious hazardous materials exist within the subject site or the surrounding area. Relative to a final determination, it is suggested that some form of environmental site assessment be performed.

Tax Analysis – The owner number (parcel number) associated with the subject is 20700 (4-000-207-220-002), however it should be noted that this account includes land not associated with the subject. The subject is taxed as being non-residential property inside the Lovington city limits. The 2025 combined mill rate is \$38.333/\$1,000. Within New Mexico, the taxable value is one-third of the full value. The current full market value for the subject is \$286,074 (land @ \$45,609; improvements @ \$240,465), while the taxable value is \$95,358. Based on the current taxable value and mill rates, taxes are equal to \$3,655 (rounded). According to Lea County Treasurer records, no past taxes are due.

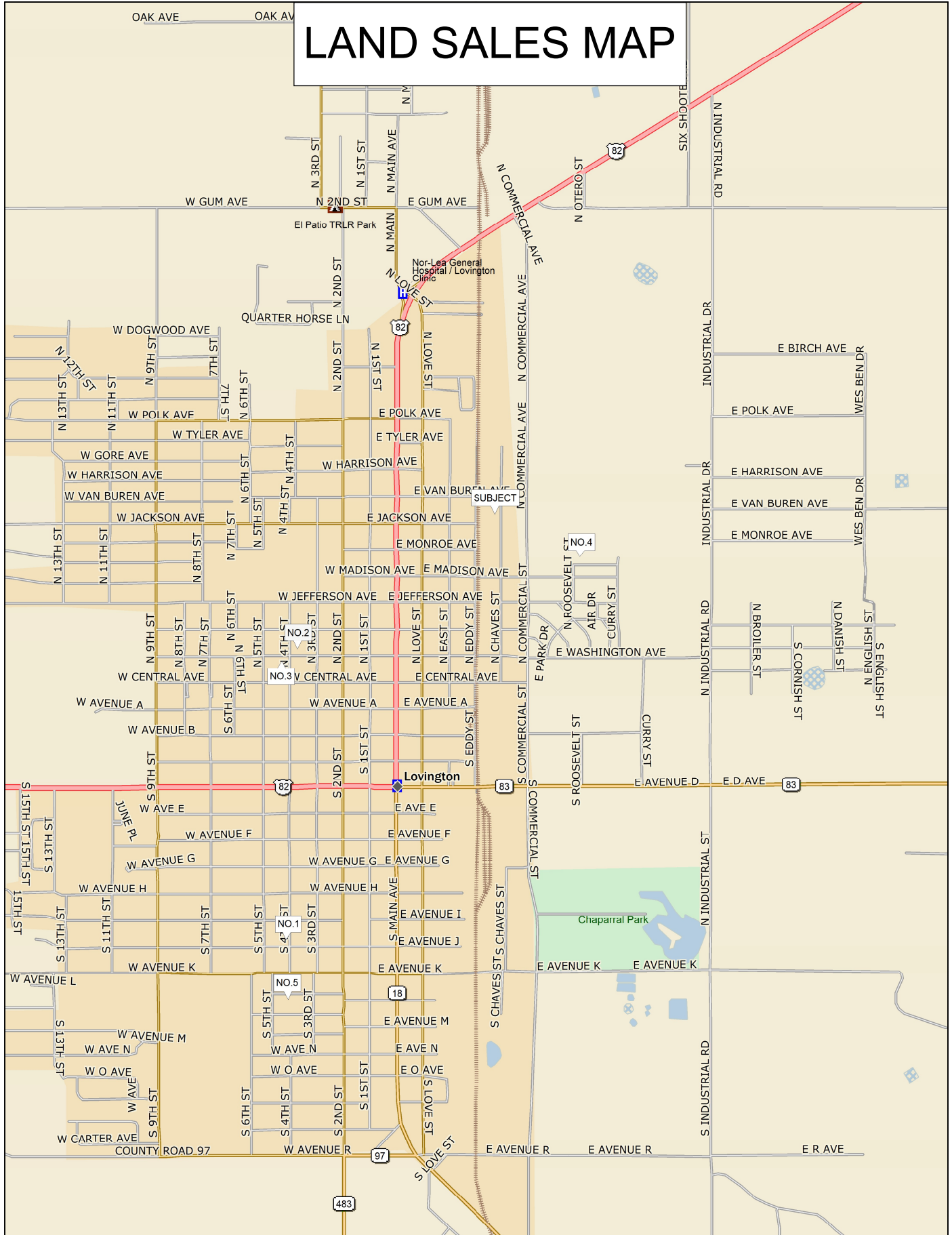
HIGHEST AND BEST USE:

Highest and Best use as though vacant – The physical characteristics associated with the subject site are adequate for most forms of single-family residential development due to the smaller size of the lots limiting commercial uses. The subject site is located within the City of Lovington and is currently zoned “C”, Commercial Zone district, which allows for commercial uses, while also allowing for cumulative uses, including single and multi-family residential uses. All these factors are believed to be adequate. When considering the locational attributes of the subject and the size of the lots, a single-family use is believed to be maximally productive and the highest and best use.

SUMMARY OF ANALYSIS AND VALUATION:

Sales Comparison Approach - Value of the site "As Is", being vacant land, was estimated employing the Sales Comparison approach. There have been a limited number of land sales in the immediate or competitive areas. Details associated with the employed comparables are located in the Addendum as Exhibit C. A map and summary of the land sales are as follows:

LAND SALES MAP



Data use subject to license.

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www.delorme.com



Scale 1 : 22,400



1" = 1,866.7 ft

Data Zoom 13-2

Land Sales

1		1010 S 4th St Lovington, NM 88260	\$35,000 8/5/2025 Closed	7,423 SF \$4.72/SF 0.1704 Acres \$205,399/Acre	Single-Family B zoning Rectangular Generally Level
2		NEC of W. Washington Avenue & N. 4th Street Lovington, NM 88260	\$35,000 2/5/2026 Closed	14,490 SF \$2.42/SF 0.3326 Acres \$105,232/Acre	Single-Family B zoning Rectangular Generally Level
3		SWC of W. Washington Avenue and N. Fourth Street Lovington, NM 88260	\$35,000 3/3/2026 Closed	10,434 SF \$3.35/SF 0.2395 Acres \$146,138/Acre	Single-Family B zoning Rectangular Generally Level
4		812 E Monroe Ave Lovington, NM 88260	\$30,000 3/20/2026 Closed	16,553 SF \$1.81/SF 0.38 Acres \$78,947/Acre	Single-Family B zoning Rectangular Generally Level
5		401 W Ave L Lovington, NM 88260	\$30,000 4/17/2026 Closed	6,662 SF \$4.50/SF 0.1529 Acres \$196,207/Acre	Single-Family A zoning Rectangular Generally Level

	Adjusted Price ¹	Land SF	Land AC	Price/SF	Price/AC
Low	\$30,000	6,662	0.15	\$1.81	\$78,947
Average	\$33,000	11,112	0.26	\$3.36	\$146,384
High	\$35,000	16,553	0.38	\$4.72	\$205,399

¹Adjusted price is based on expenditures immediately after the sale.

The following analyzes the most comparable properties as compared to the subject property ("+" adjustments indicate that the comparable is inferior to the subject and must be adjusted upward; "-" adjustments indicate that the comparable is superior to the subject and must be adjusted downward; and "0" indicates that the comparable and subject are similar overall in this factor of comparison and no adjustment is warranted). The sales available and obtained by the appraiser are the most comparable in this market and are believed to be a good indication of a range in value. Sales Nos. 1, 3 & 5 are considered most comparable and will be employed in the adjustment chart.

ADJUSTMENT GRID				
	Subject	No. 1	No. 3	No. 5
Price/Lot		\$35,000	\$35,000	\$30,000
Market Conditions Adjustment		8/25 -0-	3/26 -0-	4/26 -0-
Property Rights Adjustment		Fee Simple -0-	Fee Simple -0-	Fee Simple -0-
Financing Adjustment		Cash -0-	Cash -0-	Cash -0-
Conditions of Sale Adjustment		Typical -0-	Typical -0-	Typical -0-
Adj. Price		\$35,000	\$35,000	\$30,000
Size/SF Adj.	7,000	7,423 -0-	10,434 -0-	6,662 -0-
Location Adj.	Average	Similar -0-	Similar -0-	Similar -0-
Zoning Adj.	Commercial	Multi-Family -0-	Multi-Family -0-	Single-Family -0-
Utility Frontage Shape Utilities Adj.	Good 1 Side Rectangular All	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Superior 2 Sides (-10%) Rect. (-0-) All (-0-) -10%	Similar 1 Side (-0-) Rect. (-0-) All (-0-) -0-
Total Net Adjustment		-10%	-10%	-0-
Adjusted Sale Price		\$31,500	\$31,500	\$30,000
ADJUSTMENT ANALYSIS				
Number of Adjustments		1	1	0
Total Gross Adjustment		10%	10%	0%

EXPLANATION OF ADJUSTMENTS

Date of Sale/Time – The effective date of this appraisal is March 20, 2026. The sales utilized in this analysis occurred between August 2025 and April 2026, being the most comparable sales found. Each sale is considered to be an accurate reflection of current market levels, with no adjustments warranted.

Conditions of Sale – Each of the adjusted sales was believed to be fee simple, cash or equivalent, and arm's length transactions, with no adjustment necessary for conditions of sale.

Size - The subject site contains 7,000 SF, being similar to each of the sales, which range in size from 6,662 SF to 10,434 SF. Thus, each of the sales did not need adjustments for size.

Location – The subject is located on the west side of Chaves Street, south of E. Van Buren Avenue in Lovington. Chaves Street is an asphalt-paved, interior roadway, providing passage to the interior of the subject neighborhood. The surrounding development consists of vacant land and single-family residential. Overall, the subject location is considered to be average.

Each of the sales are located along interior roadways in the City of Lovington in residential areas. Thus, each of the sales are similar and did not need adjustments for location.

Zoning – The highest and best uses, plus the allowed uses at each site, are similar. Thus, no adjustments are required for zoning.

Utility (Nos. 1 & 3) – In comparing the utility or usefulness of the comparables to the subject site, I have considered road frontage, shape, flood plain status, and availability of utilities. The subject is rectangular in shape, maintains frontage on one side, is not located in the flood zone and maintains access to all utilities. Therefore, the overall utility is good.

With regard to frontage, Nos. 1 & 3 have two sides of frontage, being superior, while No. 5 has one side and is similar to the subject.

Overall, Nos. 1 & 3 are superior and warranted negative adjustments, while No. 5 is similar and did not warrant an adjustment for utility.

Site Value Conclusion:

The range of prices after adjustments varied from a low on Sale No. 5 of \$30,000/Lot to a high of \$31,500/Lot on Sale Nos. 1 & 3. Adjustments were necessary for utility (Nos. 1 & 3). As a result, Sale Nos. 1 & 3 required the greatest (one) number of adjustments, followed by No. 5 with the smallest (zero) number of adjustments. Additionally, Sale Nos. 1 & 3 required the greatest (10%) total net adjustment, followed by No. 5 (0%). No. 5 was given primary emphasis, while Nos. 1 & 3 were given secondary emphasis.

After all adjustments and considering the physical factors of the subject site (utility), a value of **\$30,000/Lot** is considered reasonable and valid for the subject site. Thus, the subject site land value is calculated as follows:

SIZE/LOT		PRICE/SF		INDICATED VALUE
1	X	\$30,000	=	\$30,000
ROUNDED TO \$30,000				

Reconciliation and Value Conclusion:

Sales Comparison: **\$30,000**

The Sales Comparison Approach was given sole and primary consideration in this analysis, due to the fact that the subject is vacant land. Overall, based on my analysis of the subject property, the estimated "As Is" fee simple market value of the subject, as of March 20, 2026, subject to all assumptions and limiting conditions stated herein, was **\$30,000**.

Marketing/Exposure Period

Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject maintains an average location with frontage on Chaves Street. Therefore, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

It is assumed that title to the property herein appraised is good and merchantable, and in fee simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. A rent roll was not provided to the appraiser. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by SMS Appraisal Services and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Steven M. Sparks of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to the those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in this matter and unless it is specified otherwise in the report, the value conclusion

assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

None.

CERTIFICATE

- I certify that, to the best of my knowledge and belief....
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include 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, I, Steven M. Sparks have completed the requirements under the continuing education program of the Appraisal Institute.
- Garrett T. Sparks personally inspected the property that is the subject of this report. Steven M. Sparks & Garrett T. Sparks prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certification.

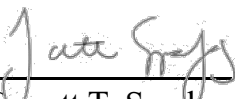
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the Market Value in fee simple of the subject, as of March 20, 2026, considering all assumptions and limiting conditions, was:

\$30,000

THIRTY THOUSAND DOLLARS



Steven M. Sparks, MAI, CEI
#NM-1114-G (Expires 4/30/2028)



Garrett T. Sparks,
#REA-2024-0105 (Expires 4/30/2028)

REAL ESTATE APPRAISAL QUALIFICATIONS
OF STEVEN M. SPARKS, MAI, CEI

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute (#8985)

Certified General Real Estate Appraiser in Texas (#TX-1322593-G), and New Mexico (001114-G).

Realtor, Lubbock Association of Realtors

Certified Environmental Inspector (CEI), Environmental Assessment Association

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's and SRA's who meet the minimum standard of this program are awarded periodic educational certification. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

EDUCATION

Graduate of Texas Tech University, B.B.A., Petroleum Land Management 1983

Courses include: Farm and Ranch Appraisal, Real Estate Law, Corp. Finance I and II, Real Estate Fundamentals. General background in management finance, marketing, business law, accounting and economics; Dean's List.

Professional Courses - Appraisal Institute: Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory & Techniques Part A, Capitalization Theory & Techniques Part B, Standards in Professional Practice, Case Studies, Report Writing, Demonstration Report and Comprehensive Exam.

Resolution Trust Corporation - Affordable Housing Appraisal Seminar

Residential Case Study - Appraisal Institute (2/94)

Performing Phase I Site Assessments - EAA (5/94)

Fair Lending and the Appraiser - Appraisal Institute (10/94)

Market Extractions - Appraisal Institute (1/96)

Appraisal of Retail Properties - Appraisal Institute (10/96)

The High Tech Appraisal Office - Appraisal Institute (1/96)

Appraising Nursing Home Facilities - Appraisal Institute (2/97)

EXPERIENCE

1984-Present:

- Appraisal/Environmental of all types of Commercial, Residential, Farm and Ranch Real Estate.
- Appraisal/Environmental experience to include single-family residences, apartments, shopping centers, hotels, office buildings, movie theaters, industrial buildings, land developments, single family subdivisions and vacant land. Past experience in the overbuilt markets of Dallas/Fort Worth (1984-1992) and New England (4/92-6/93).



State of New Mexico



Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven M. Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1114-G

Issued 09/07/1994

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

QUALIFICATIONS OF GARRETT T. SPARKS

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1381276-G
State Authorized – Certified General Real Estate Appraiser (New Mexico) #REA-2024-0105

EDUCATION

Bachelors of Science – Agricultural & Economics
– Texas A&M University, College Station, Texas – 2018

Courses Include: Farm & Ranch Appraisal, Agriculture Law, Statistics and Business Calculus. General Background in economics, marketing, business, accounting and management.

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Market Analysis Highest and Best Use; General Appraiser Site Valuation and Cost Approach; General Appraiser Sales Comparison Approach; General Report Writing and Case Studies; Statistics, Modeling, and Finance.

PROFESSIONAL EXPERIENCE

06/2018 – 07/2021	Appraiser Trainee – CBRE – Valuation & Advisory Services
07/2021 – 1/2023	Appraisal Trainee – SMS Appraisal/Environmental Services, Inc.
1/2023 – Present	Certified General Appraiser – SMS Appraisal/Environmental Services, Inc.



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Garrett Tate Sparks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2024-0105

Issued 06/12/2024

Expires 04/30/2028

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

ADDENDUM

Exhibit A

ENGAGEMENT LETTER

Date of Agreement: Thursday, March 12, 2026

City of Lovington
Crystal R. Ball
201 S. Main Street
Lovington, NM 88260

cball@lovington.org

SMS Appraisal and Environmental
Steve Sparks, MAI, CEI
5109 82nd Street, Suite 7, #210
Lubbock, Texas 79424
(806) 855-2527
appraisals@smswt.com

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

This Professional Services Agreement (this "Agreement") is made and entered into on March 9, 2026 (the "Effective Date"), by and between SMS Appraisal & Environmental and City of Lovington (herein referred to as "Client").

Project Name	Vacant Land - 1.1184 Acres (7 Lots)
Property Identification	705 Chaves Street, Lovington, NM 88260
Property Type	Land
Interest Valued	Fee Simple Interest
Intended User(s)	The appraisal will be prepared for the above-mentioned client. Intended users include the client.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

The client is also hereby informed that if this engagement is directly with the owner of the Property, the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance and would likely not be accepted for future financing of said property.

Intended Use	The report to be performed under this Agreement ("Appraisal") is intended for Decision-Making/Internal.
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Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

Type of Value	As-Is
Date of Value	Date of inspection
Report Type	Appraisal Report
Level of Analysis	Summary

Professional Fee	\$1,500
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Expenses	Fees include all associated expenses.
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Payment Terms	Client agrees to remit payment for services rendered pursuant to this Agreement in full prior to the scheduled property inspection. Appraiser shall issue an invoice detailing the fees specified in this Agreement, and payment must be received by Appraiser no later than two (2) business days before the inspection date. Failure to provide payment within this timeframe may result in delays or cancellation of the scheduled services.
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SCOPE OF WORK

Site Inspection	Interior and exterior observation, on-site
Valuation Approaches	Appraiser will provide the Appraisal in accordance with Uniform Standards of Professional Appraisal (USPAP), The Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and State Licensing Laws. Appraiser will research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request. <i>Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.</i>
Delivery	<u>3 weeks</u> (effective from the date of the signed/returned engagement contract)
Number of Reports	One (1) Electronic Final Appraisal
Acceptance Date	These specifications are subject to modification based on client acceptance.

PROPERTY DATA REQUEST

Please forward any additional materials you would consider relevant in the analysis of the subject property. Such items may include, as applicable, an accurate property description, site survey, current rent roll, copies of leases, at least three years of historical operating statements, purchase and sale agreement(s) within the last three years, title report, any environmental reports or other third party reports, or any other sources of information known to exist that may impact the valuation of the property.

Our ability to honor the terms of this Agreement will require Client's prompt response. If you have questions regarding the enclosed, please feel free to contact me. SMS Appraisal & Environmental appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Crystal R. Ball, agree to the above stated terms and authorize SMS Appraisal & Environmental to prepare the above referenced appraisal.

_____ Date: _____

Crystal R. Ball

Respectfully,

SMS APPRAISAL & ENVIRONMENTAL



Steve Sparks, MAI, CEI
Senior Appraiser

TERMS AND CONDITIONS

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to

the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect. Template for Agreement for Professional Valuation Services

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

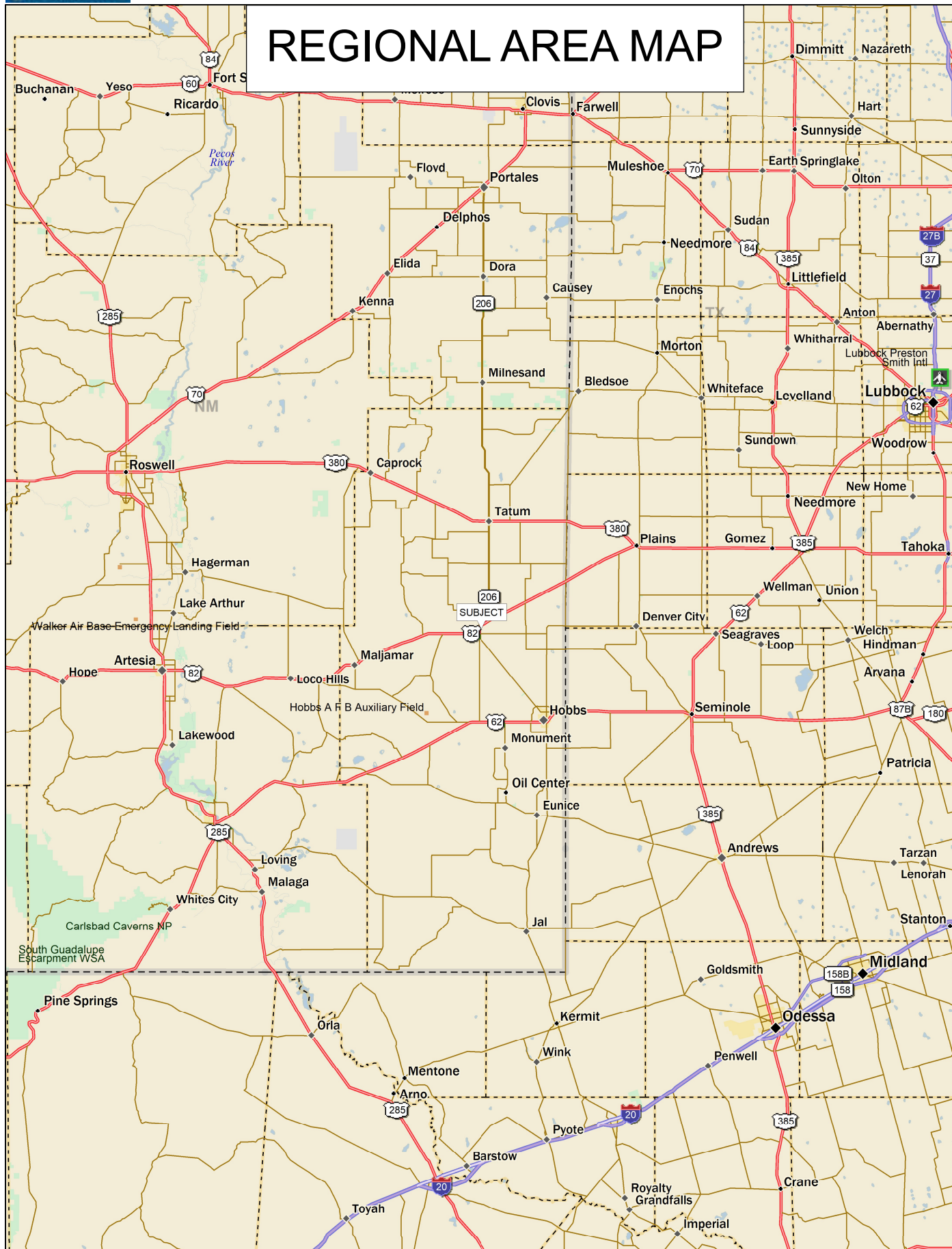
Appendix A: Extraordinary Assumptions and Hypothetical Conditions contained within the appraisal report

Appendix B: Information Request

Exhibit B

MAPS, PLATS, & PHOTOGRAPHS

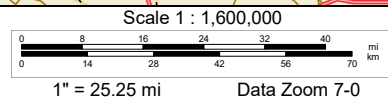
REGIONAL AREA MAP



Data use subject to license.

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www.delorme.com



NEIGHBORHOOD MAP

www.delorme.com


$$1'' = 2,083.3 \text{ ft}$$

Data Zoom 13-0

COUNTY PLAT MAP



ZONING MAP

8,784 views
Published on December 5, 2024

[SHARE](#)



Zone A - Single Family

- Zone A - Single Family (SW Section)
- Zone A - Single Family (NW Section)
- Zone A - Single Family (Dencoe Section)
- Zone C - Commercial District



Zone B - Multi-Family



- Zone B - Multi-Family Residential (Colonial/Jac...)
- Zone B - Multi-Family Residential (Jackson Sec...)
- Zone B - Multi-Family Residential (Jefferson Se...)
- Zone B - Multi-Family Residential (17th Section)
- ... 9 more



Zone C - Commercial

- Zone C - Commercial (East Hwy 18 Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NW Section)
- Zone C - Commercial (SE Section)
- Zone C - Commercial (NE Section)



Zone D - Industrial

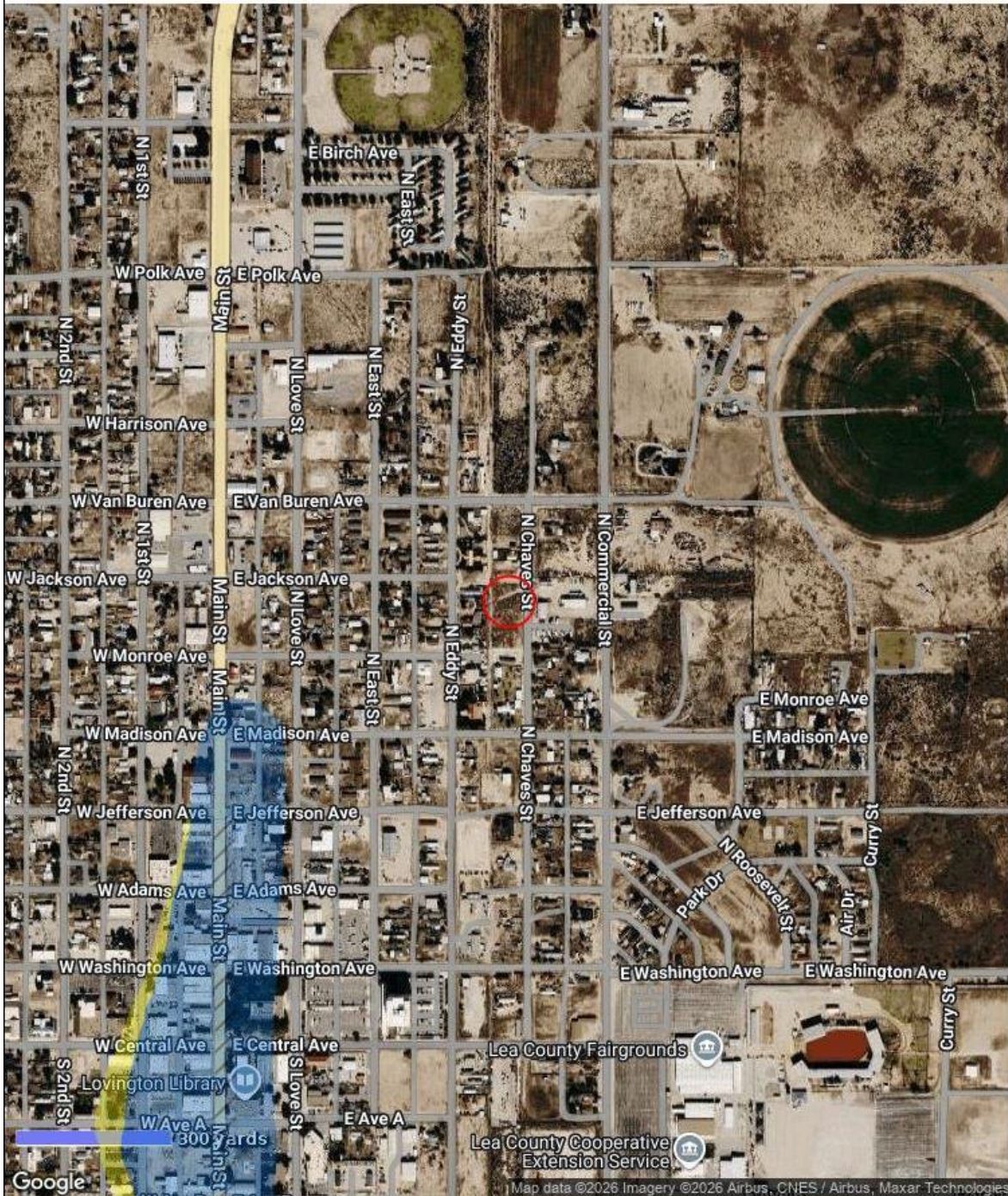
- Zone D - Industrial (Railroad Section)
- Zone D - Industrial (N. Commercial Section)
- Zone D - Industrial (S. Commercial Section)



Zone E - Economic

- Zone E - Economic Zone (Avenue D Section)
- Zone E - Economic Zone





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 35025C0955D
Zone: X
Map Date: December 16, 2008
FIPS: 35025

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

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AERIAL PHOTOGRAPH



NEIGHBORHOOD PHOTOGRAPHS



1. Facing south along Chaves Street from the subject vicinity.



2. Facing north along Chaves Street from the subject vicinity.

SUBJECT PHOTOGRAPHS



1. Typical view of the subject.

Exhibit C

DETAILED LAND SALES

1010 S 4th St

Comparable 1

Sale Information

Buyer	Fabiola A. Sepulveda	
Seller	Marisol Verdeja Gonzales, PR	
Sale Date	8/5/2025	
Transaction Status	Closed	
Sale Price	\$35,000	\$4.72 /SF Land
Analysis Price	\$35,000	\$4.72 /SF Land
Recording Number	2243/901	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1704 Acres (7,423 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' S. 4th Street, 50' W. Avenue J
Flood Zones	No Flood Zones



1010 S 4th St
Lovington, NM 88260

County
Lea

APN
4 000 233 940 001



Confirmation

Date 5/8/2026

Remarks

This lot was free and clear of any improvements at the time of sale.

NEC of W. Washington Avenue & N. 4th Street

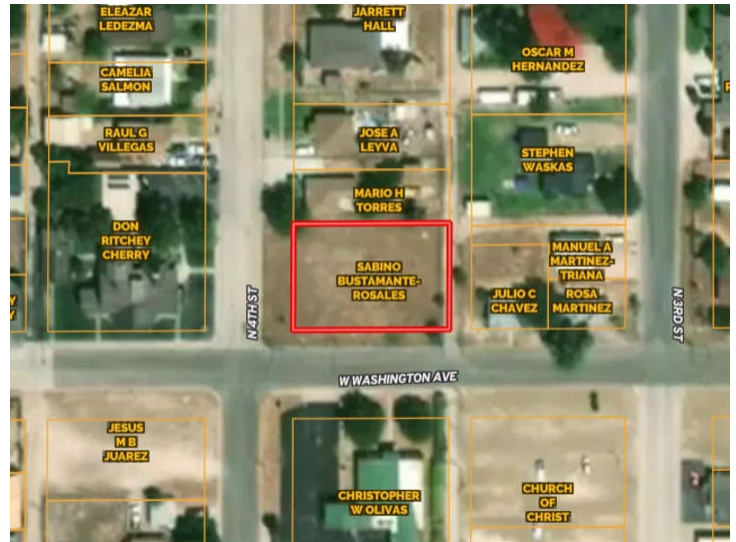
Comparable 2

Sale Information

Buyer	Sabino Bustamante-Rosales & Esther Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	2/5/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$2.42 /SF Land
Analysis Price	\$35,000	\$2.42 /SF Land
Recording Number	2251/454	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

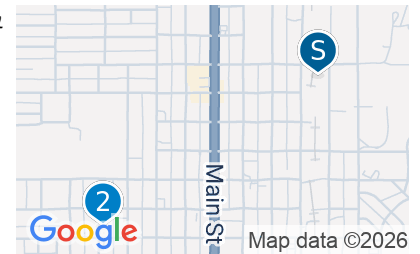
Land Area	0.3326 Acres (14,490 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 100' N. Fourth Street
Flood Zones	No Flood Zones



NEC of W. Washington Avenue &
N. 4th Street
Lovington, NM 88260

County
Lea County

APN
4 000 204 930 001



Confirmation

Date 5/8/2026

SWC of W. Washington Avenue and N. Fourth Street

Comparable 3

Sale Information

Buyer	Jesus Manuel Bustamante-Juarez	
Seller	Christopher William Olivas	
Sale Date	3/3/2026	
Transaction Status	Closed	
Sale Price	\$35,000	\$3.35 /SF Land
Analysis Price	\$35,000	\$3.35 /SF Land
Recording Number	2252/694	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

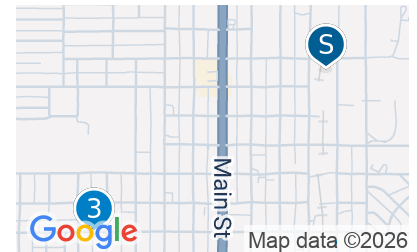
Land Area	0.2395 Acres (10,434 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	Yes
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	140' W. Washington Avenue, 75' N. Fourth Street
Flood Zones	No Flood Zones



SWC of W. Washington Avenue
and N. Fourth Street
Lovington, NM 88260

County
Lea County

APN
4 000 200 680 001



Confirmation

Date 5/8/2026

Prepared by Tate Sparks

8067869843

tate.sparks@smswt.com

812 E Monroe Ave

Comparable 4

Sale Information

Buyer	Lucio Lopez	
Seller	Adan Marquez	
Sale Date	3/20/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$1.81 /SF Land
Analysis Price	\$30,000	\$1.81 /SF Land
Recording Number	2253/453	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

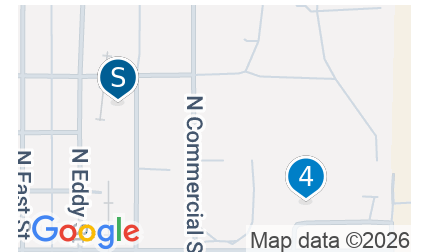
Land Area	0.38 Acres (16,553 SF)
Number of Parcels	1
Zoning	B – Multi-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	79' E. Monroe Avenue
Flood Zones	No Flood Zones



812 E Monroe Ave
Lovington, NM 88260

County
Lea

APN
4 000 763 040 001



Confirmation

Date 5/8/2026

Remarks

The subject has a depth of 210.0', leading to a frontage-to-depth ratio of 0.38:1.

401 W Ave L

Comparable 5

Sale Information

Buyer	Marcelo Castaneda Ramirez	
Seller	The Estate of Beryl Pauline Moody	
Sale Date	4/17/2026	
Transaction Status	Closed	
Sale Price	\$30,000	\$4.50 /SF Land
Analysis Price	\$30,000	\$4.50 /SF Land
Recording Number	2254/826	
Rights Transferred	Fee Simple	
Financing	Cash to seller	
Conditions of Sale	Market	

Property

Land Area	0.1529 Acres (6,662 SF)
Number of Parcels	1
Zoning	A – Single-Family
Shape	Rectangular
Topography	Generally Level
Corner	No
Proposed Land Use	Single-Family
Utilities	All Available
Frontage	60' W. Avenue L
Flood Zones	No Flood Zones



401 W Ave L
Lovington, NM 88260

County
Lea

APN
4 000 221 760 001



Confirmation

Date 5/8/2026

Remarks

The site maintains 110' of depth, lending to a frontage to depth ratio of 0.55:1.