

**RESOLUTION OF THE  
RESOURCES AND DEVELOPMENT COMMITTEE  
OF THE 23<sup>rd</sup> NAVAJO NATION COUNCIL --- FIRST YEAR, 2015**

**AN ACTION**

**RELATING TO RESOURCES AND DEVELOPMENT; APPROVING AND RECOMMENDING TO THE NAVAJO NATION COUNCIL THE PURCHASE OF AN INDIVIDUAL INDIAN TRUST ALLOTMENT NO. SF-060195 OFFERED FOR SALE TO THE NAVAJO NATION BY THE OWNER, EVELYN A BECENTI, 81.52 ACRES, LOCATED WITHIN THE CITY OF GALLUP, MCKINLEY COUNTY, NEW MEXICO FOR \$163,040**

**BE IT ENACTED:**

Section One. Findings

- A. Pursuant to 2 N.N.C. §501 (B)(4)(a) and 16 N.N.C. §7, the Resources and Development Committee of the Navajo Nation Council is authorized and empowered to investigate, negotiate and recommend all purchases and acquisitions of real estate by and for the Navajo Nation; and
- B. Pursuant to 2 N.N.C §501(B) (4)(a), and the Navajo Nation Policy on Acquisition of Lands "Land Acquisition Policy", 16 N.N.C. §§1-10, the Resources and Development Committee oversees the land acquisition proposals and recommends such proposals to the Navajo Nation Council; and
- C. The Navajo Nation Council by Resolution CJY-54-95 established a Land Acquisition Fund within the Navajo Land Department for the purchase of lands for the Navajo Nation according to the Land Acquisition Policy and Procedures and the Navajo Land Consolidation Act of 1988; and
- D. The owner, Evelyn A. Becenti, of the Individual Indian Allotment No. SF-060195 has expressed her desire to sell her allotment to the Navajo Nation with the Bureau of Indian Affairs, Eastern Navajo Agency Office, acting in its trust capacity; and
- E. On January 16, 2015, the owner confirmed and agreed to a purchase price of \$2,000 per acre or One Hundred Sixty-Three Thousand Forty Dollars (\$163,040) which is within the fair market value. Agreed purchase letter is attached hereto as

“Exhibit A” and legal description and maps as “Exhibit B” which are incorporated hereby by these references; and

- F. Pursuant to the Land Acquisition Policy and Resolution No. RCAG-28-84, the Navajo Land Department has obtained from the owner and Bureau of Indian Affairs information and data required to complete the purchase package for the acquisition of the Evelyn A. Becenti Allotment, surface and mineral rights, and participated in a tour and inspection of the said property; and.
- G. Pursuant to the Navajo Land Consolidation Act of 1988, the purchase of the said property is to consolidate ownership of Indian lands as trust for the Navajo Nation and lands within the City of Gallup; and.
- H. Funds are available from the Land Acquisition Trust Fund Business Unit 415000. A copy of the funds availability is attached hereto and incorporated herein as “Exhibit C”; and
- I. Pursuant to 16 N.N.C. §7, the Navajo Land Department has prepared an evaluation report, analysis, and recommendation, which confirm to Resolution No. RCAG-28-84, titled “Implementing the Navajo Tribal Policy on Acquisition of Lands”. The evaluation report recommends purchase approval of the Evelyn A Becenti allotment, which is attached hereto and incorporated herein as “Exhibit D”; and.
- J. The land proposed has been surveyed and said survey is attached hereto as “Exhibit E” and
- K. The proposed land acquisition has gone through all the appropriate clearances and reviews, including a review and a letter from the Navajo Land Department, a copy of which is attached hereto as “Exhibit F” and various reports attached as “Exhibit G”; and.
- L. The Resources and Development Committee of the Navajo Nation Council finds that the acquisition of this property is in the best interest of the Navajo Nation.

#### Section Two. Approval

- A. The Resources and Development Committee of the Navajo Nation hereby approves and recommends approval to the Navajo Nation Council of the purchase of Evelyn A. Becenti Allotment No. SF-060195, 80 acres, at \$163.040 plus any closing costs and expenses.

- B. The Resources and Development Committee of the Navajo Nation Council hereby recommends approval to the Navajo Nation Council the expenditure of the Business Unit 45000, Account 9000 Capital Outlay of the Land Acquisition Trust Fund FY2015 Budget in the Amount approved to purchase the Evelyn A. Becenti Allotment to benefit the Navajo Nation.
- D. The Resources and Development Committee of the Navajo Nation Council further approves and recommendation to the Navajo Nation Council that said land be used for the development of residential subdivision and/or community/economic development purposes.

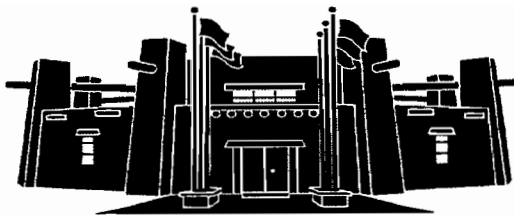
**CERTIFICATION**

**I, hereby, certify that the foregoing resolution was duly considered by the Resources and Development Committee of the 23<sup>rd</sup> Navajo Nation Council at a duly called meeting at Navajo Nation Department of Transportation Conference Room, Tse Bonito, Navajo Nation (New Mexico), at which quorum was present and that same was passed by a vote of 5 in favor, 0 opposed, 0 abstain this 20th day of May, 2015.**



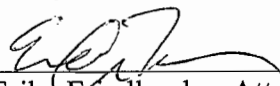
**Alton Joe Shepherd, Chairperson  
Resources and Development Committee  
Of the 23<sup>rd</sup> Navajo Nation Council**

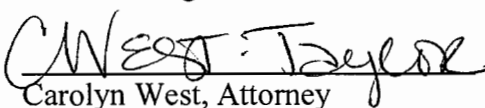
**Motion: Honorable Davis Filfred  
Second: Honorable Benjamin Bennett  
Vote: 5-0 (Chairman Not Voting)**



## MEMORANDUM

**TO:** Honorable Edmund Yazzie  
Navajo Nation Council

**FROM:**   
Erika Friedlander, Attorney  
Office of Legislative Counsel

**THRU:**   
Carolyn West, Attorney  
Office of Legislative Counsel

**DATE:** April 14, 2015

**SUBJECT:** LEGAL SURVEY ATTACHMENT AT EXHIBIT E

We have reviewed your legislation request and find that is legally sufficient pending the attachment of a legal survey that will provide the correct coordinates for the proposed land acquisition. As you can see from the attached memoranda from Mike Halona of the Navajo Land Department and Bidtah Becker of the Navajo Nation Department of Justice, a survey was obtained for the proposed land acquisition but it was not done by someone registered or certified. Before this legislation reaches the Resources and Development Committee, it will need to have a legal survey performed by a certified surveyor attached at Exhibit E.

Also, pursuant to Ms. Becker's memorandum, it was recommended by DOJ to get affidavit regarding land conditions from the Bureau of Indian Affairs. This affidavit is encouraged for the reasons outlined in Ms. Becker's memorandum. If you have further questions, please contact me at the Office of Legislative Counsel and advise me of changes you would like made to the proposed resolution. You may contact me at (928) 871-7166. Thank you.

OLC No. 15-305-1

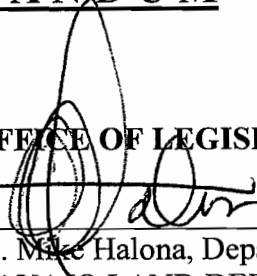
# THE NAVAJO NATION



BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT

## MEMORANDUM

TO: **OFFICE OF LEGISLATIVE COUNCIL**

FROM:   
W. Mike Halona, Department Manager III  
NAVAJO LAND DEPARTMENT  
Division of Natural Resources

DATE: March 9, 2015

SUBJECT: **DOCUMENT NO. 3395: PROPOSED ACQUISITION OF EVELYN BECENTI INDIAN ALLOTMENT LOCATED IN GALLUP, NEW MEXICO.**

Navajo Land Department (NLD) is pleased to inform your office that 164 Review Document No. 3395 has completed the administrative review process for the proposed acquisition of the Becenti Allotment from Evelyn A. Becenti and BIA, located in Gallup, New Mexico and prepared for the legislative process.

There are a couple of issues that you should be made aware of:

1. Upon DOJ review, it was recommended that NLD obtained an affidavit from BIA (Eastern Navajo Agency) regarding the environmental conditions of the land. BIA has informed us that they have made a field tour of the land and that they will be completing the affidavit and return to us.
2. A legal survey is still pending from the seller and/or BIA. The allottee, Ms. Becenti, made an attempt to obtain a survey. However, the person she hired to do the survey is not certified nor registered. Therefore, a survey map was provided with latitude and longitude (corner points of the 80 acres subject parcel). NLD will continue working with BIA in getting a legal survey.

Navajo Land Department finds the acquisition of the Becenti Allotment in the best interest for the Navajo Nation and highly recommends the purchase. Should you have any questions, please contact myself at 871-6440 or Shirley McCabe at 871-7041. Thank you.

Xc: Project File




**NAVAJO NATION DEPARTMENT OF JUSTICE**  
**OFFICE OF THE ATTORNEY GENERAL**

HARRISON TSOSIE  
ATTORNEY GENERAL

DANA L. BOBROFF  
DEPUTY ATTORNEY GENERAL

MEMORANDUM

TO: Shirley McCabe, Senior Appraiser  
Title Section, Navajo Land Department

FROM:   
Bidtah N. Becker, Assistant Attorney General  
Natural Resources Unit, Department of Justice

DATE: March 4, 2015

SUBJECT: **164 Document No. 003395: Proposed Acquisition – Individual Indian Allotment No. SF-060195**

The Department of Justice (DOJ) has reviewed the above referenced document and determines that it is legally sufficient.

DOJ takes this opportunity to continue to encourage the Land Department to obtain a Phase I Environmental Site Assessments for all land purchases. As the Land Department has pointed out, this is not a Navajo Nation legal requirement; rather this is a best practice to follow when purchasing land.

The reason for this encouragement is that a Phase 1 Environmental Site Assessment (“Assessment”) identifies, to the extent feasible, potential or existing environmental conditions of the land to be purchased and addresses both the underlying land and any physical improvements to the land. The Assessment includes a review of records and relevant databases and provides the Nation with information to help it determine if it wants to move forward with the purchase of the land.

This specific purchase is the purchase of an allotment that is natural desert. While it is unlikely that an Assessment will find areas of concern, it is not an impossibility. In the past because of the inability to obtain an Assessment for all land purchases, the Land Department has obtained affidavits from the allottee seller and the Bureau of Indian Affairs (BIA) reflecting their knowledge of the environmental conditions of the land. Ms. Evelyn Becenti, seller of this property has provided such an affidavit. As we have discussed, it would be in the Nation’s best interest to obtain from the BIA a similar affidavit.

Finally, as you know a legal survey is not contained in this packet. I understand that you will obtain one.

Please contact me with any questions or concerns. I can be reached at extension 6347 or [bbecker@nndoj.org](mailto:bbecker@nndoj.org).



# THE NAVAJO NATION



BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT

January 9, 2015

Evelyn A. Becenti  
2418 E. Highway 66, #232  
Gallup, NM 87301

**RE: ACCEPTANCE OF OFFER**

Dear Ms. Becenti:

This letter is the official acceptance of the 80 acres, offered to the Navajo Nation for \$160,000.00 on September 2, 2014, via Bureau of Indian Affairs, Eastern Navajo Agency. The Navajo Nation agrees to purchase the said land for **\$160,000.00**.

The Navajo Land Department, on behalf of the Navajo Nation, will process your offer through our land purchase system for final acceptance by the Resources & Development Committee and the Navajo Nation Council. Once this is complete, we can schedule the closing of the purchase escrow.

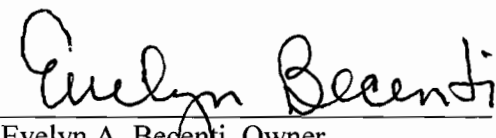
Please confirm the agreed purchase price of \$160,000 by returning a signed copy. Please be informed that the Navajo Nation Council must approve the purchase before it is considered final. If you have any questions, please contact Shirley McCabe at 928-871-7041.

Sincerely,

**NAVAJO NATION**

  
W. Mike Halona, Department Manager  
**NAVAJO LAND DEPARTMENT**  
DIVISION OF NATURAL RESOURCES

**CONFIRMATION:**

  
Evelyn A. Becenti, Owner

  
Date

Xc: Project File  
BIA, Navajo Eastern Agency, Crownpoint, NM

# THE NAVAJO NATION



BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT

September 23, 2014

Jerry DeGroat, Realty Officer  
Bureau of Indian Affairs  
Eastern Navajo Agency  
P. O. Box 328  
Crownpoint, NM 87313

Dear Mr. DeGroat:

The Navajo Land Department (NLD) is in receipt of the required documents for the proposed sale of allotment No. SF-060195 to the Navajo Nation (NN), which was received at our office on September 19, 2014. NLD reviewed the documents and we are offering the following responses:

1. Navajo Nation did not require a Phase I Environmental Site Assessment on prior acquisitions. However, NN Department of Justice is now requiring a Phase I ESA on all NN acquisitions. For this reason, we are requesting for Phase I ESA.
2. Before accepting and/or negotiating on the purchase price, Navajo Land Department will be securing an appraisal of the subject parcel. This will take anywhere between 6 to 10 weeks to complete.
3. Please provide this office with an official survey of the parcel that is being proposed for sale.
4. NLD will be viewing and inspecting the land within the next two months.

This letter is a response to your offer only and does not bind any of the parties mentioned herein. You have the obligation to sell anytime to other potential buyer(s) or withdraw. We ask that you notify NLD in writing if you should decide to sell to others or withdraw.

Sincerely,

NAVAJO NATION

  
W. Mike Halona, Department Manager III  
**Navajo Land Department**  
Division of Natural Resources

Cc: Project File  
Shirley McCabe, Senior Appraiser





**United States Department of the Interior  
Bureau of Indian Affairs  
Eastern Navajo Agency  
P. O. Box 328  
Crownpoint, New Mexico 87313**



In Reply, Refer to:  
4N420 - Real Estate Services

SEP 02 2014



Honorable Ben Shelly.

President, The Navajo Nation

Attention: The Navajo Nation Land Department

Dear President Shelly:

Enclosed for your review and favorable consideration are documents for the proposed Sale of Indian Trust Allotment No. SF-060195, located in the Southwest Quarter of Section 24, Township 15 North, Range 18 West, New Mexico Principle Meridian, McKinley County, New Mexico, consisting of 160.00 acres more or less. Sale 80.00 acres (W1/2NW/4) of Section 24. The owner of the property is Ms. Evelyn A. Becenti, C#101,006. The proposed sale price is \$160,000.00 for surface. Subsurface Mineral is \$0.00.

The following documents are transmitted:

1. Application for Sale of Indian Land
2. Consent to Sale
3. Deed to Restricted Indian Land
4. Addendum Sale of Allotment
5. Appraisal Report/Mineral Report
6. Title Status Report
7. Copy of Trust Patent and Supplement Patent
8. Categorical Exclusion Checklist

Please respond to our office within ninety (90) days from the date of this, as to whether the Navajo Nation desires to purpose said allotment.

If you have any questions, please contract Mr. Jerry DeGroat, Realty Officer at (505) 786-6122 or Bertha L. Shorty, Realty Specialist at (505)786-6120.

Sincerely,

  
Realty Officer

Enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

CONSENT TO SALE

WHEREAS, the undersigned, is the owner of an undivided 4/4 interest in those certain lands described as Northwest Quarter (NW¼) of Section 24, Township 15 North, Range 18 West, New Mexico Principal Meridian McKinley County, New Mexico which were allotted to NAH TA YILTH NI NE YAH deceased allottee No. SF-060195 of the Navajo Off Reservation, and

WHEREAS, I have been advised that under authority of the Act of June 25, 1910 (36 Stat. 855) and other applicable provisions of law, the Secretary of the Interior or his duly authorized representative proposes to sell the above-described land; on my behalf.

NOW THEREFORE, I hereby consent to the sale of said lands and request the Secretary of the Interior or his duly authorized representative to sell and convey all of my surface right, title and interest therein, and I hereby agree to accept the highest bid thereon provided it is not inconsistent with the present fair market value as indicated by this appraisal, subject to payment to me or deposit to my credit at the Office of Special Trustee, Attention: Office of Field Operations, Indian Agency of my proportionate share of the sale price. ~~It is agreed that rental payment (crop or cash) will accrue to the purchaser, effective as of the beginning of the next annual lease period and that all advance rental payments collected shall be deducted from the purchased price.~~

WITNESSES:

Evelyn A. Becenti  
Evelyn A. Becenti/Evelyn Becenti/Evelyn Ann  
Becenti, C#101,006

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

APPLICATION FOR ~~PATENT IN FEE OR~~ FOR THE SALE OF INDIAN LAND

Evelyn A. Becenti/Evelyn Becenti/Evelyn Ann Becenti, C#101,006  
Allottee NAH TA YILTH NINE YAH, No. SF-060195 Reservation Navajo Off

March 25, 2013  
(Date)

Application is hereby made for (~~patent in fee~~) (supervised sale)\* for the following described land: NW¼ of Section 24, Township 15 North, Range 18 West, New Mexico Principal Meridian, McKinley County, New Mexico containing 160.00 acres, more or less.

In justification of this application, true statements are made to the following items (item 15 only is applicable for the sale or inherited lands in multiple ownership):

1. Age 65
2. Date of birth 05/24/1947
3. Degree of Indian Blood 4/4
4. ~~Single~~  
Married (strike out one)
5. Education: Years in elementary school 8 High School 12 College 4
6. The following persons are dependent upon me for support (Give names, ages, and relationship) None
7. I am enrolled as a Navajo Indian  
(Name of Tribe)
8. Permanent address 2418 E Hwy 66, #232, Gallup, New Mexico 87301
9. The amount of my annual income is \$ 27,600.00
10. My income is obtained from the following sources: Retirement Benefit, & SS & Employment
11. If receiving public assistance grants from the State or general assistance from the Bureau of Indian Affairs, or funds from the Veterans Administration, Social Security, or any regular public benefit, state kind and amount. (If none, state none.) See above

\* Strike out words not applicable.

12. If indebted to the United States, state amount and purpose of indebtedness. (If not, state none.) None
13. I do (~~do not~~)\* live on or make personal use of the land covered by this application.
14. The land is leased and the annual rent received is \$ None (If no leased, state none.) None
15. (a) I intend to use the land for the following purposes after receiving a patent in fee which becomes taxable from date of issuance: N/A
- (b) I intend to use the proceeds of sale for the following purposes: N/A
- (c) I wish to sell my 80 acres of surface and sub-surface rights. The funds from the sale will be used for general living expenses and personal use.

I (we)\* authorize the sale of the land heretofore described and hereby accept the highest bid thereon provided it is not inconsistent with the present fair market value as indicated by the appraisal. ~~It is agreed that rental payment (crop or cash)\* will accrue to the purchaser, effective as of the beginning of the next annual lease period and that all advanced rental payments collected shall be deducted from the purchase price.~~

It is also agreed that the proceeds arising from the sale of this land may be disposed of in accordance with regulations prescribed by the Secretary of the Interior.

Subscribed and sworn before me this August 27<sup>th</sup> day of August, 2013.

I hereby certify that the effect of this application was explained to and fully understood by the applicants and the application is hereby approved.

Foster Prose  
(Title)  
Superintendent OIP, Eastern Navajo Agency

Evelyn A. Becenti  
Evelyn A. Becenti/Evelyn Becenti/Evelyn Ann Becenti, C#101,006

WITNESSES:

\* Strike out words not applicable

**ADDENDUM  
SALE OF ALLOTMENT TO THE  
NAVAJO TRIBE OF INDIANS**

DATE: April 30, 2013

A. ALLOTMENT No. SF-060195 NAME OF ALLOTTEE: Nat ta yil th ni ne yah, or  
Peter Becenti, C#7006

B. Legal Land Description: **SURFACE and subsurface RIGHTS** NW¼ of Section 24,  
Township 15 North, Range 18 West, NMPM, McKinley County, New Mexico.

C. Patent No. 1042061 Date of Patent: 11/10/1930

D. Information on Surface Uses and Land tenure:

1. Resident(s):

<u>Name:</u>	<u>Formal/Residential Lease</u>	<u>Term</u>	<u>Estimated Value of Improvements</u>
Francis Becenti	Residential Lease	50 years	
Priscilla Becenti	Residential Lease	50 years	

2. Other Leases and/or Permits:

<u>Name:</u>	<u>Type of Lease or Permit</u>	<u>Term:</u>
None		

3. Rights-of-Way:

<u>Name:</u>	<u>Type of Rights-of-Way</u>	<u>Term:</u>
Navajo Nation Land Department	Waterline	Perpetual

4. Other Improvements:

None

E. Information on:

1. Mortgages: None

2. Liens: None

3. Contracts or other improvements or uses affecting land: **None**

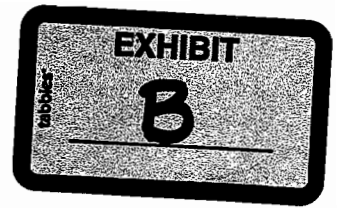
F. Documentation of Water Permits or claims: None of record

I (We) \* authorize the officials of the Navajo Tribe of Indians to have copies of the trust patent, deed or title evidence; allotment and Estate Record; information on any occupancies, leases, permits, rights-of-way, mortgages, liens, contracts or other instruments or uses affecting the land; list of improvements; documentation of water permits of claims and permission to inspect the property.

I (We) \* hereby ~~consent~~ / **do not** consent to the sale of the mineral interests.

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Evelyn A. Becenti/Evelyn Becenti/Evelyn Ann  
Becenti, C#101,006



**EVELYN A. BECENTI**

**INDIVIDUAL INDIAN ALLOTMENT NO. SF-060195**

**LEGAL DESCRIPTION**

The land, being sold, is described as follows:

Allotment No. 060195, West 1/2 of NW1/4 of Section 24, Township 15 North, Range 18 West, N.M.P.M., McKinley County, New Mexico, containing 80.00 acres, more or less.

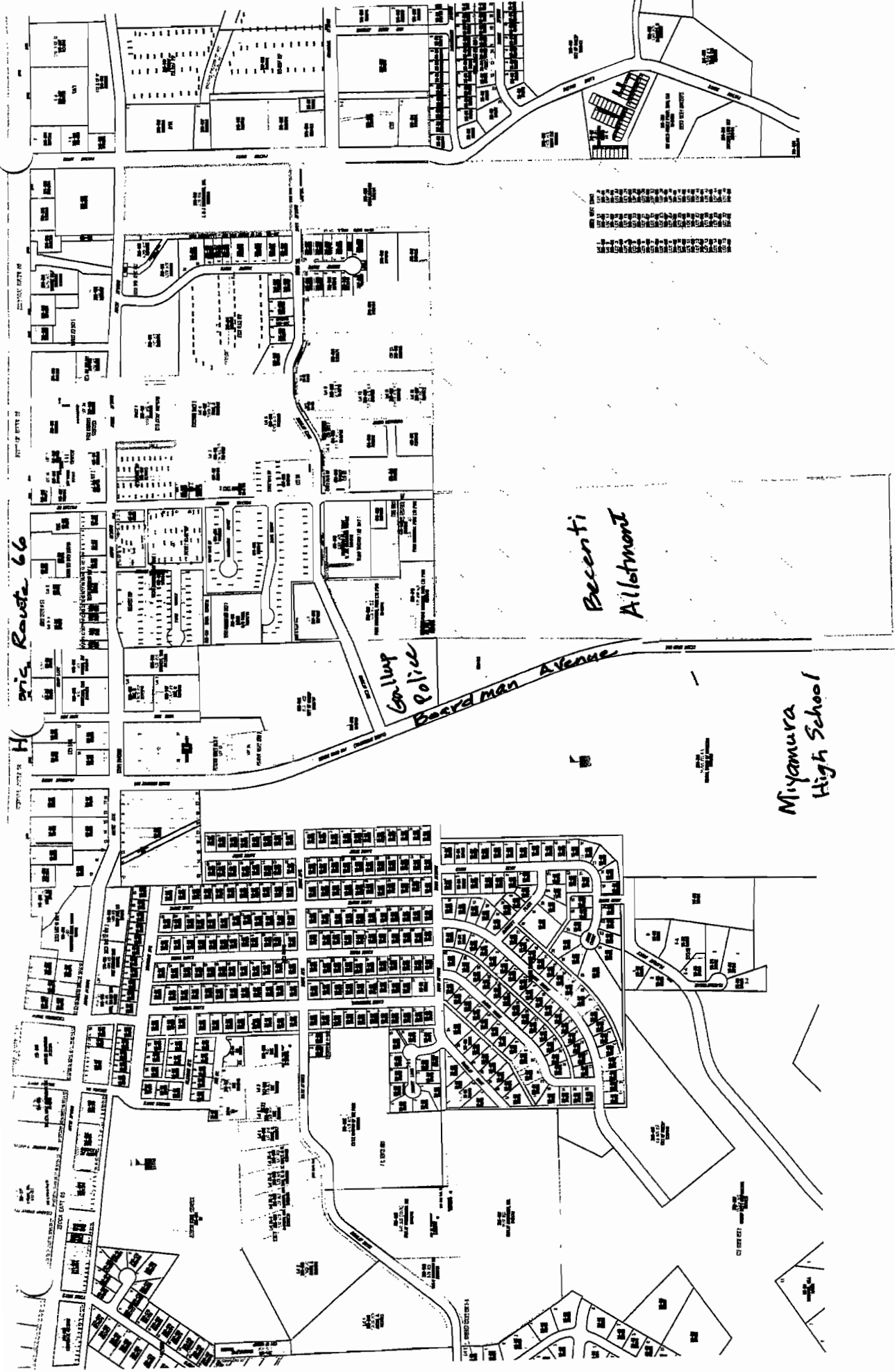
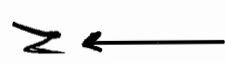




Evelyn A. Becenti Indian Allotment SF-060195, 80 acres



City of Gallup, New Mexico



orig. Route 66

Gallup Police

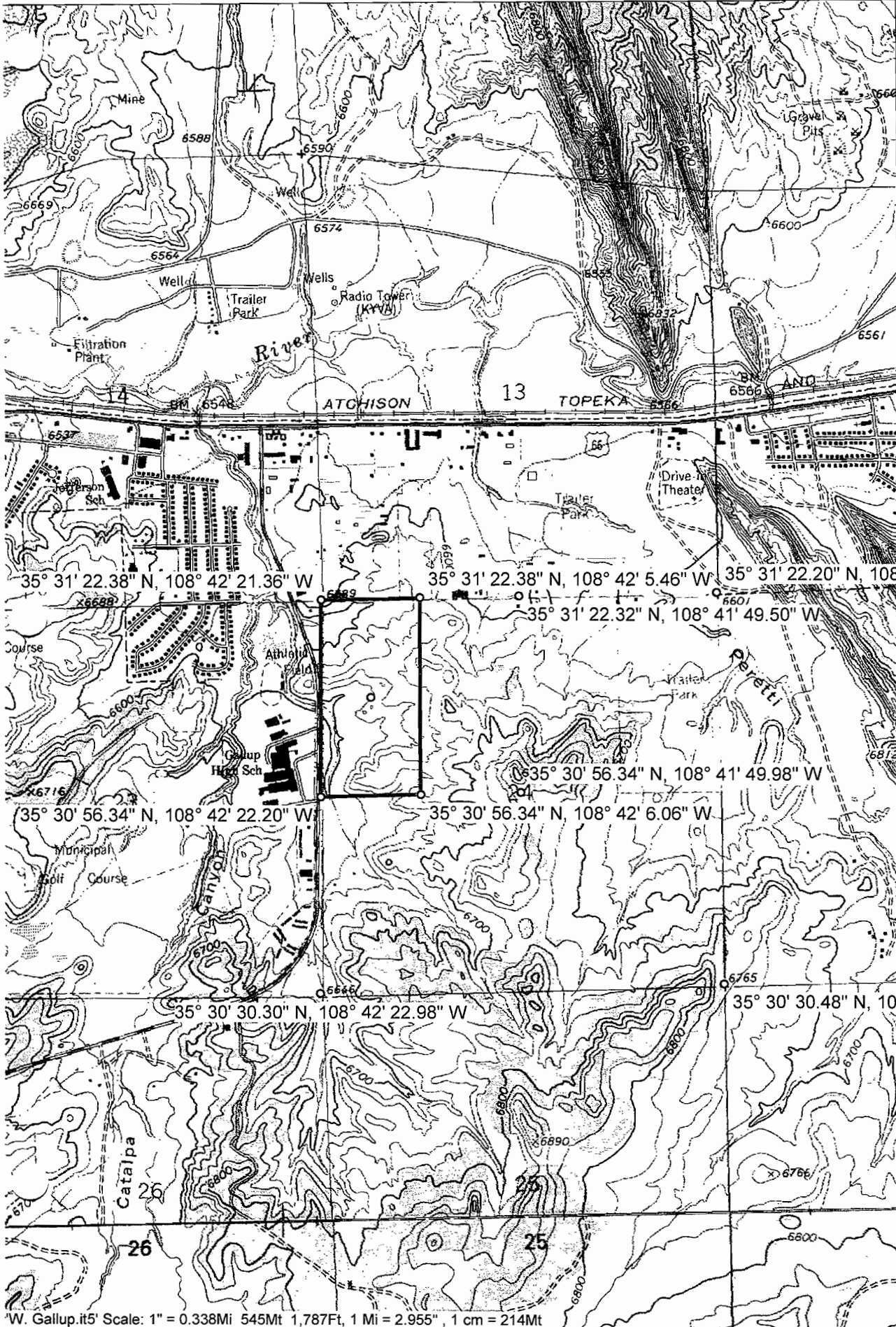
Boardman Avenue

Recent Allotment

Miyamura High School

108° 40' 46.314" W

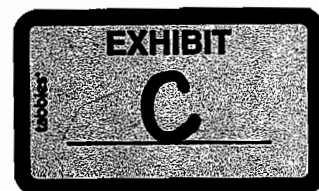
35° 32' 39.439" N



# THE NAVAJO NATION



BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT



## MEMORANDUM:

TO : 2 NNC § 164 Reviewers  
Delegates & 2 NNC '164 Reviewers  
Navajo Nation Government

FROM : Robert Willie  
Robert Willie, Accounting Manager  
Office of the Controller

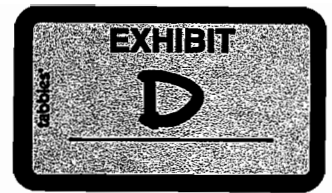
DATE : February 20, 2015

SUBJECT : 164 Review-003395-Proposed Acquisition Individual Indian Allotment No SF-060195

The Office of the Controller has reviewed the above referenced document.

1. The Balance in the Land Acquisition Fund business unit 415000, capital outlay line item, is \$840,280.42 as of February 20, 2015.
2. Department requesting the amount of \$160,000 to acquire Individual Indian Allotment No SF-060195.

If you should have any questions you can contact me at tribal extension X6125.



# EVALUATION REPORT AND RECOMMENDATION

Prepared by Shirley McCabe, Senior Appraiser, Land Acquisition Trust  
Fund, Navajo Land Department, Division of Natural Resources



1/26/2015

Proposed Individual Indian Allotment Purchase

Evelyn A. Becenti, Owner of Individual Indian Allotment No. SF-060195,  
wishes to sell to the Navajo Nation, 80 acres, located within the City of  
Gallup, McKinley County, New Mexico.

# Evaluation Report and Recommendation

## PROPOSED INDIVIDUAL INDIAN ALLOTMENT PURCHASE

### INTRODUCTION

The Navajo Land Department administers the Navajo Nation Administrative Requirements and Procedures for land acquisitions. The acquisition of Individual Indian Allotment (IIA) is contained in the policy and conforms to the major purposes as stated in Title 16, Navajo Nation Code, Chapter 1, Section 1, which reads as follows:

The Navajo Nation's major purposes in acquiring new lands shall be:

1. Consolidate Indian holding in "checkerboard" areas wherever the best interests of the Navajos residing in the area and the welfare of the Navajo Nation are served thereby;
2. Provide grazing lands for members of the Navajo Nation who do not have grazing permits;
3. Provide additional or substitute lands for members of the Navajo Nation who reside in overcrowded areas of the Reservation;
4. Relieve Reservation land resources from excessive use; and
5. Provide land necessary for approved Navajo Nation Enterprises.

Purchasing the said IIA will consolidate Indian Land Holdings within the McKinley County, as well as provide additional lands for the Navajo Nation.

### INDIVIDUAL INDIAN ALLOTMENT OFFER TO THE NAVAJO NATION

Evelyn A. Becenti, owner, made an offer to the Navajo Nation to sell her Individual Indian Allotment # SF-060195 on March 25, 2013. Her offer to the Navajo Nation for the 80 acres (**surface and mineral rights**) is for \$160,000 or \$2,000 per acre. The offer was made with the Bureau of Indian Affairs, Eastern Navajo Agency, acting as the Federal Trustee. Individual Indian Allotments are lands held by the United States of America, in trust for individual Indians. Navajo Land Department, on behalf of the Navajo Nation, accepts and agrees to the offer price of \$160,000, based on the appraisal,





prepared for BIA, Eastern Navajo Agency, by Alfonso Montoya, NM General Certified Appraiser.

**AVAILABILITY OF FUNDS**

Funds to purchase the Becenti IIA are available from the Land Acquisition Trust Fund, FY2015 Budget Business Unit 415000 – 9010 Capital Outlay/Land & Improvements. Copy of the budget status report is attached in Exhibit "E", Tab 2.



**TITLE STATUS REPORT – Proof of Ownership**

Bureau of Indian Affairs provided a Title Status Report (TSR) dated September 24, 2001. The title confirms that Evelyn Ann Becenti is the legal owner of the 160 acres at 100% interest. Ms. Becenti is selling 80 acres to the Navajo Nation. There are two residential leases listed on the TSR. These leases are not located on the said 80 acres. There is an existing water line located on the east side of the 80 acres. The water line right-of-way is shown as perpetual, issued by the Navajo Land Department.



SW4 of NW4 marker of Section 24, T15N, R18W, Gallup, NM

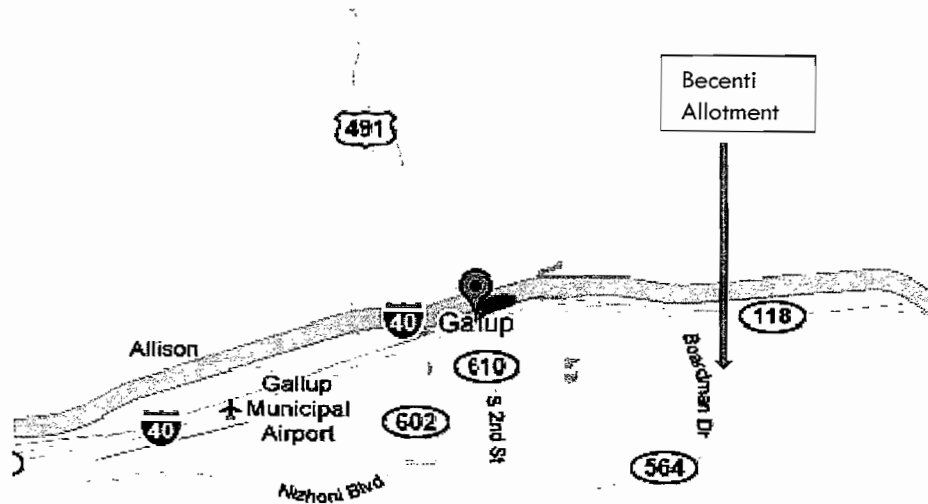


Looking northwest (Gallup Police) from the northwest corner

**INSPECTION REPORT by Navajo Land Department**

Navajo Land Department inspected the Becenti Allotment on October 22, 2014. The land is vacant, undeveloped with no improvements or encroachments. The 80 acres is located within the City of Gallup,

east of the Boardman Drive or east of the downtown Gallup. Parcel to the east of the subject land is the remaining 80 acres of Becenti Allotment. Properties to the north include Williams Street with some industrial buildings, Gallup police and McKinley School bus yard. Boardman Drive is to the west of the said allotment with several schools beyond the road, including Hirosh Miyamura High School. To the south is another Indian Allotment with several homes on it. Inspection report is attached.



POWERED BY  
Google

Map data ©2010 Google

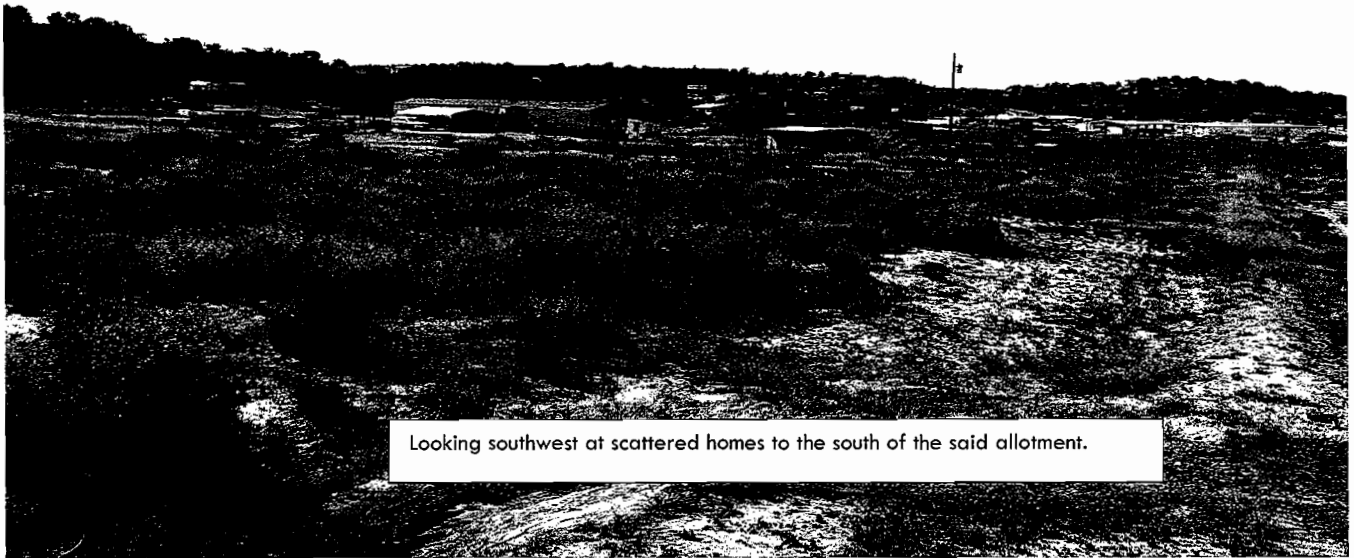


West side of Boardman Drive - Miyamura H.S.



North side – industrial building





Looking southwest at scattered homes to the south of the said allotment.

## **APPRAISAL REPORT**

Alfonso Montoya, Office of the Special Trustee, appraised the subject property for the Bureau of Indian Affairs – Eastern Navajo Agency. He estimated the market value of the 80 acres, as of June 18, 2014, to be \$160,000 or \$2,000 per acre.

Navajo Land Department reviewed the appraisal report and found the report to be credible and agree with the market value estimation. No other appraisal will be obtained by Land Department.

The following are the comparable sales used by the appraiser:

	<b>Subject</b>	<b>Listing 1</b>	<b>Sale 2</b>	<b>Sale 3</b>	<b>Sale 4</b>	<b>Sale 5</b>
<b>Date</b>	NA	Current	June 11, 2014	May 20, 2014	Jan 11, 2011	Oct 16, 2014
<b>Location</b>	W2 NW4 Sec 24 T15N R18W McKinley	Sec 20 T15N R19W McKinley	Tract H-1 Hidden Valley Subdivision, McKinley	SE4 Sec 24, Red Hill South Addition, Gallup, McKinley	N2 NW4 & W2 NE4 Sec 8 T10N R9W, Cibola	NW4 Sec 31 T15N R19W, McKinley
<b>Price</b>	NA	\$843,000	\$36,850	\$130,000	\$170,000	\$24,500
<b>Price per ac</b>	NA	<b>\$1,500</b>	<b>\$1,510</b>	<b>\$1,268</b>	<b>\$1,125</b>	<b>\$2,092</b>
<b>Acreage</b>	80.00	562.01	24.41	102.51	151.18	11.71

Distance to NA Subject	11 miles	.5 miles	.75 miles	72 miles	12 miles
Comments		Bankruptcy sale	Bankruptcy Sale		

Acreage of the comparables ranged from 11.71 to 562 acres and price per acre ranged from \$1,125 to \$2,092. No adjustments were made to the price for time, location, etc. Appraiser estimated the market value, based on subject's location having access and visibility from Boardman Avenue and with utilities nearby, at \$2,000 per acre, which is \$160,000 for the 80 acres.

### **BIA CATEGORICAL EXCLUSIONS (in lieu of Phase I ESA)**

In lieu of a Phase I Environmental Site Assessment, Bureau of Indian Affairs, Eastern Navajo Agency, provided a Categorical Exclusions (CE). The CE evaluation determined there is no adverse effects on public health or safety, no controversial environmental effects, etc. Navajo Land Department obtained an affidavit from the owner, indicating that there is no known containment on the 80 acres. Affidavit and CE is attached as Exhibit "E", Tab 8.



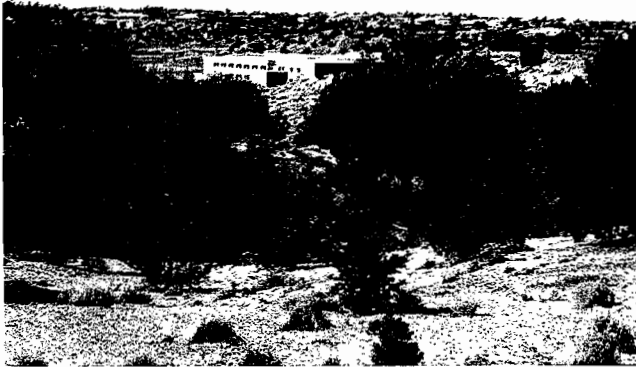
Upon the site inspection, Navajo Land Department witnessed minimal trash and debris on the north end of the allotment. The owner and BIA were notified to clean it up. NLD will do another inspection, prior to closing to see if the task has been complied with.

### **PRESENT USES, ANY USE RIGHTS, AND ANY OTHER DISCLOSURES**

The land is vacant and undeveloped. Presently, it is not being used.

There are no use rights to the allotment. Currently, there is an access road from the south, through another allotment. The road also serves as the right-of-way for the waterline.

No other disclosures to report.



Southeast area of the allotment, looking west.



North area of the allotment

### **LAND USE PLAN – Potential Uses**

Navajo Land Department has not determined the use of the allotment if approved for purchase. However, with the availability of utilities and infrastructure nearby, the 80 acres could be used for virtually for any development. NLD will make the land available for any future needs, which includes housing or other development projects that could benefit the Navajo Nation.

### **CONCLUSION**

The Navajo Nation are given the first option to purchase all Individual Indian Allotments that becomes available for sale which allows a significant opportunity to consolidate ownership of tribal trust lands that will not be subject to the property taxes. The acquisition of the said allotment is to consolidate Indian land holdings according to the Indian Land Consolidation Act of 1983 and 1988. The purchase of the allotment will benefit the Navajo Nation by incorporating the purchase into their comprehensive land use plan for any future growth and development with the oversight authority from the Resource and Development Committee of the Navajo Nation Council.

## **RECOMMENDATION**

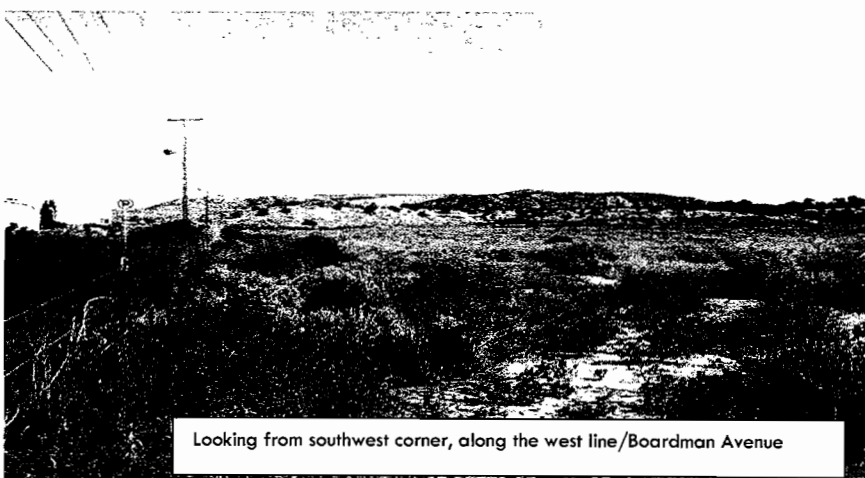
The acquisition of this Individual Indian Allotment from Evelyn A. Becenti will give the Navajo Nation a great opportunity to consolidate Indian land holdings within the Gallup area, according to the Indian Land Consolidation Act of 1983 and the Navajo Land Consolidation Act of 1988.

Upon closing, the said IIA will become Tribal Trust Land and tribal jurisdiction will apply regards to the oversight authority on any potential uses.

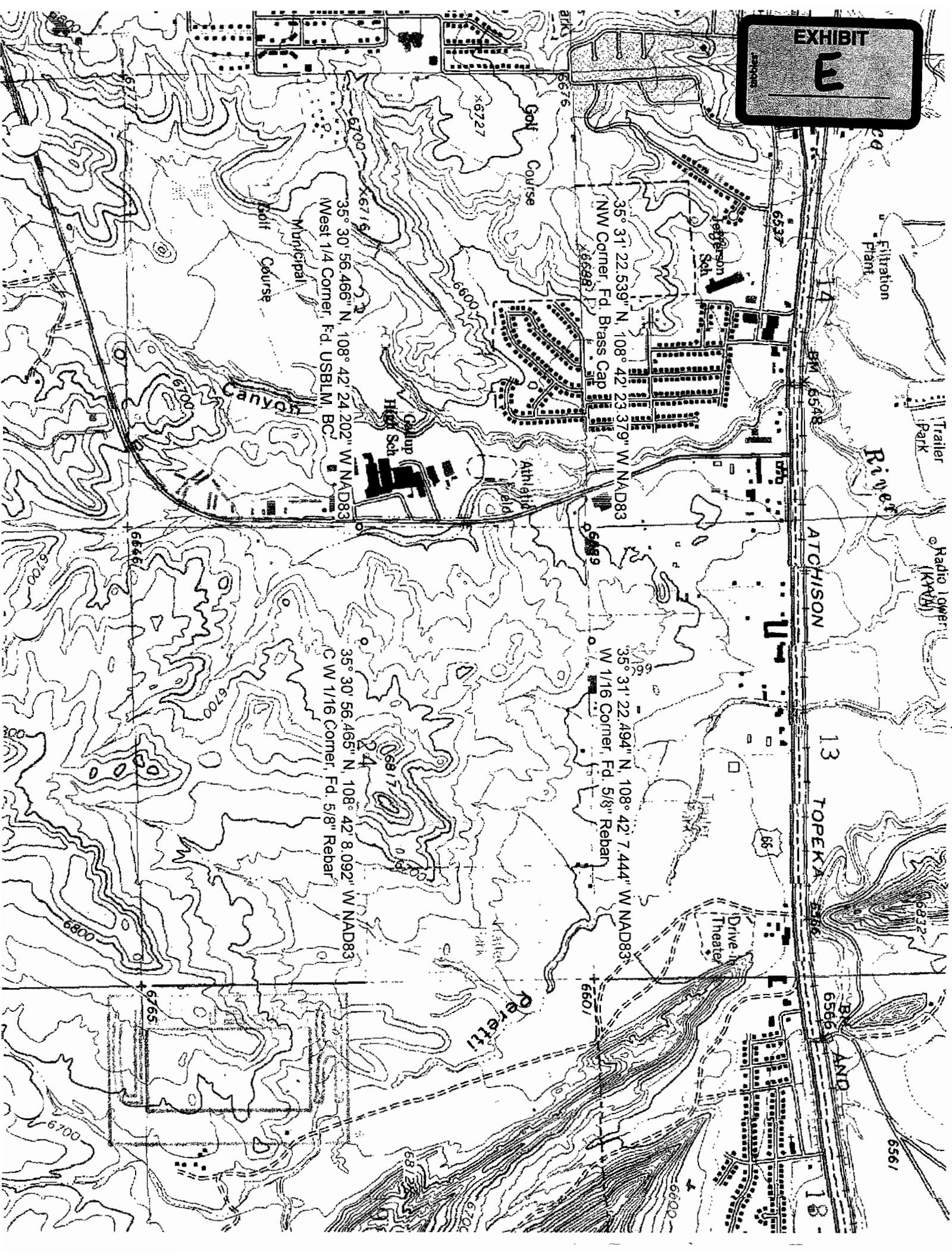
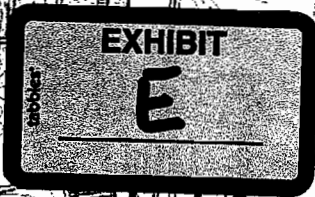
The purchase of the IIA will give the Navajo Nation a greater tribal land base to meet the needs for housing, community development, and/or recreational use. For this reason, Navajo Land Department recommends the purchase of Evelyn A. Becenti Individual Indian Allotment No. SF-060195, 80 acres, for the agreed purchase price of \$160,000 plus any closing costs, located within the City of Gallup, McKinley County, New Mexico.



Fall colors of the Becenti Allotment



Looking from southwest corner, along the west line/Boardman Avenue







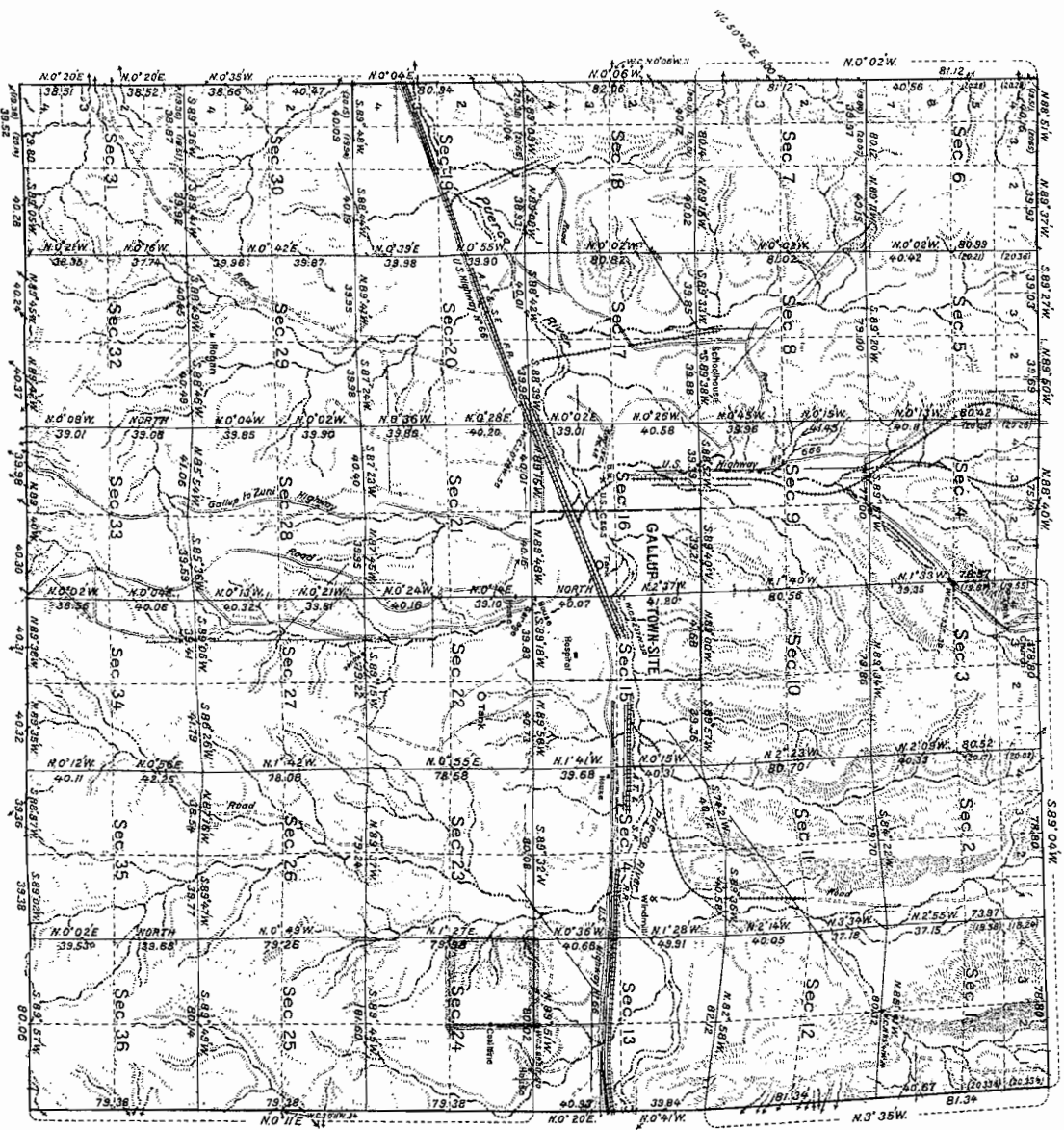
1997

© 2015 Google

Imagery Date: 2/19/2014 35°31'10.89"N 108°11'57"W elev: 6659

# TOWNSHIP NO. 15 NORTH, RANGE NO. 18 WEST OF THE NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

Dependent Resurvey



Scale: 40 Chains to an inch. Area Resurveyed 23027.94 Acres.

LINE DESIGNATED	BY WHOM SURVEYED	GROUP	DATE	WEATHER	WHEN SURVEYED
Exterior	E.H. Kimmel, U.S.S.	250	Jan. 16, 1931	73.46	Mar. 16, 1931
Subdivisional	"	"	"	59	76.35

Office of U.S. Supervisor of Surveys  
Denver, Colorado, April 27, 1932  
The above plat of Township No. 15 North, Range No. 18 West of the New Mexico Principal Meridian, New Mexico, is strictly conformable to the field notes of the survey thereof which have been examined and approved.

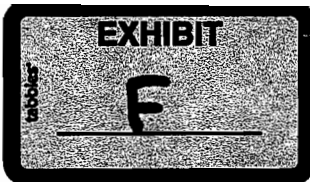
*Walter C. Orville*  
Assistant Commissioner

This plat of the resurvey of T. 15 N., R. 18 W., shows the original survey as shown upon the plat approved November 30, 1931, in their true original position according to the original corner all distances between the measurements shown on the original plat and those derived in the resurvey have been distributed proportionally between accepted corners in accordance with surveying rules; reference will be made to the original plat for the showing of areas and more detailed descriptions of the various smaller subdivisions.  
Authority for the resurvey is contained in letter "E" Santa Fe 042440 dated June 26, 1930, approved by the Assistant Secretary June 28, 1930.

DEPARTMENT OF THE INTERIOR  
GENERAL LAND OFFICE  
Washington, D.C. September 15, 1932

*Walter C. Orville*  
Assistant Commissioner

T. 15 N., R. 18 W. - B

Document No. 003395Date Issued: 01/29/2015**EXECUTIVE OFFICIAL REVIEW**Title of Document: Proposed Acquisition - IIA No. SF-060195 Contact Name: MCCABE, SHIRLEY A.Program/Division: EXECUTIVE OFFICES (OP/VP)Email: shirley\_mccabe@frontiernet.net Phone Number: 928-871-7047☐ **Business Site Lease** Sufficient    Insufficient

- |   |             |   |   |
|---|-------------|---|---|
| 1. Division: _____  | Date: _____ | □ | □ |
| 2. Office of the Controller: _____  | Date: _____ | □ | □ |
| (only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review) |             |   |   |
| 3. Office of the Attorney General: _____  | Date: _____ | □ | □ |

☐ **Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions**

- |  |             |   |   |
|--|-------------|---|---|
| 1. Division: _____                       | Date: _____ | □ | □ |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Fund Management Plan, Expenditure Plans, Carry Over Requests, Budget Modifications**

- |   |             |   |   |
|---|-------------|---|---|
| 1. Office of Management and Budget: _____ | Date: _____ | □ | □ |
| 2. Office of the Controller: _____        | Date: _____ | □ | □ |
| 3. Office of the Attorney General: _____  | Date: _____ | □ | □ |

☐ **Navajo Housing Authority Request for Release of Funds**

- |  |             |   |   |
|--|-------------|---|---|
| 1. NNEPA: _____                          | Date: _____ | □ | □ |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Lease Purchase Agreements**

- |  |             |   |   |
|--|-------------|---|---|
| 1. Office of the Controller: _____       | Date: _____ | □ | □ |
| (recommendation only)                    |             |   |   |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Grant Applications**

- |   |             |   |   |
|---|-------------|---|---|
| 1. Office of Management and Budget: _____ | Date: _____ | □ | □ |
| 2. Office of the Controller: _____        | Date: _____ | □ | □ |
| 3. Office of the Attorney General: _____  | Date: _____ | □ | □ |

☐ **Five Management Plan of the Local Governance Act, Delegation of an Approving Authority from a Standing Committee, Local Ordinances (Local Government Units), or Plans of Operation/Division Policies Requiring Committee Approval**

- |  |             |   |   |
|--|-------------|---|---|
| 1. Division: _____                       | Date: _____ | □ | □ |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Relinquishment of Navajo Membership**

- |  |             |   |   |
|--|-------------|---|---|
| 1. Land Department: _____                | Date: _____ | □ | □ |
| 2. Elections: _____                      | Date: _____ | □ | □ |
| 3. Office of the Attorney General: _____ | Date: _____ | □ | □ |



FEB 3 2015

☐ **Land Withdrawal or Relinquishment for Commercial Purposes**

Sufficient Insufficient

1. Division: \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. Office of the Attorney General: \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **Land Withdrawals for Non-Commercial Purposes, General Land Leases and Resource Leases**

1. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. F&W \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. HPD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
4. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
5. NNEPA \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
6. DNR \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
7. DOJ \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **Rights of Way**

1. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. F&W \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. HPD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
4. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
5. NNEPA \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
6. Office of the Attorney General: \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
7. OPVP \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **Oil and Gas Prospecting Permits, Drilling and Exploration Permits, Mining Permit, Mining Lease**

1. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. OPVP \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

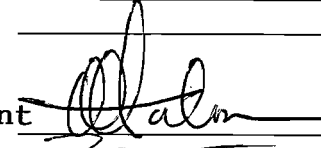
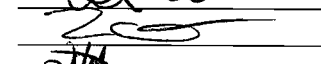
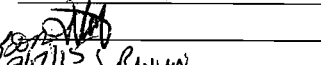
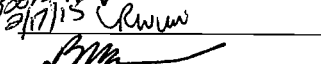
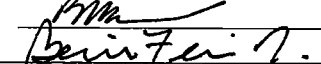
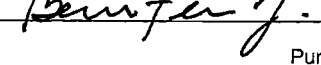
☐ **Assignment of Mineral Lease**

1. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. DNR \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. DOJ \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **ROW (where there has been no delegation of authority to the Navajo Land Department to grant the Nation's consent to a ROW)**

1. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. F&W \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. HPD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
4. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
5. NNEPA \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
6. DNR \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
7. DOJ \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
8. OPVP \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☒ **OTHER: LAND ACQUISITION**

1. Navajo Land Department  Date: 03 Feb 14 ☒ ☐  
2. DNR  Date: 2/9/15 ☐ ☐  
3. NNEPA  Date: 2-17-2015 ☒ ☐  
4. OOC  Date: 2-20-15 ☒ ☐  
5. OAG/DOJ  Date: 3-4-15 ☒ ☐  
6. OPVP  Date: 3/5/15 ☒ ☐

# THE NAVAJO NATION

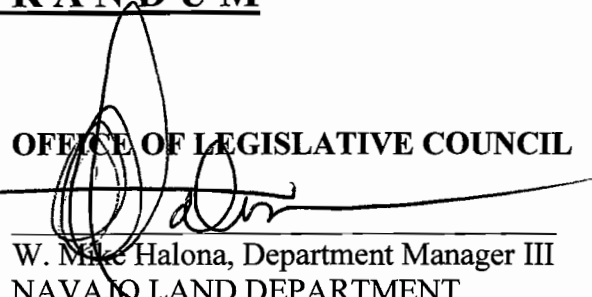


BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT

## MEMORANDUM

TO: **OFFICE OF LEGISLATIVE COUNCIL**

FROM:

  
W. Mike Halona, Department Manager III  
NAVAJO LAND DEPARTMENT  
Division of Natural Resources

DATE: March 9, 2015

SUBJECT: **DOCUMENT NO. 3395: PROPOSED ACQUISITION OF EVELYN BECENTI INDIAN ALLOTMENT LOCATED IN GALLUP, NEW MEXICO.**

Navajo Land Department (NLD) is pleased to inform your office that 164 Review Document No. 3395 has completed the administrative review process for the proposed acquisition of the Becenti Allotment from Evelyn A. Becenti and BIA, located in Gallup, New Mexico and prepared for the legislative process.

There are a couple of issues that you should be made aware of:

1. Upon DOJ review, it was recommended that NLD obtained an affidavit from BIA (Eastern Navajo Agency) regarding the environmental conditions of the land. BIA has informed us that they have made a field tour of the land and that they will be completing the affidavit and return to us.
2. A legal survey is still pending from the seller and/or BIA. The allottee, Ms. Becenti, made an attempt to obtain a survey. However, the person she hired to do the survey is not certified nor registered. Therefore, a survey map was provided with latitude and longitude (corner points of the 80 acres subject parcel). NLD will continue working with BIA in getting a legal survey.

Navajo Land Department finds the acquisition of the Becenti Allotment in the best interest for the Navajo Nation and highly recommends the purchase. Should you have any questions, please contact myself at 871-6440 or Shirley McCabe at 871-7041. Thank you.

Xc: Project File




**NAVAJO NATION DEPARTMENT OF JUSTICE**  
**OFFICE OF THE ATTORNEY GENERAL**

HARRISON TSOSIE  
ATTORNEY GENERAL

DANA L. BOBROFF  
DEPUTY ATTORNEY GENERAL

MEMORANDUM

TO: Shirley McCabe, Senior Appraiser  
Title Section, Navajo Land Department

FROM:   
Bidtah N. Becker, Assistant Attorney General  
Natural Resources Unit, Department of Justice

DATE: March 4, 2015

SUBJECT: **164 Document No. 003395: Proposed Acquisition – Individual Indian Allotment No. SF-060195**

The Department of Justice (DOJ) has reviewed the above referenced document and determines that it is legally sufficient.

DOJ takes this opportunity to continue to encourage the Land Department to obtain a Phase I Environmental Site Assessments for all land purchases. As the Land Department has pointed out, this is not a Navajo Nation legal requirement; rather this is a best practice to follow when purchasing land.

The reason for this encouragement is that a Phase 1 Environmental Site Assessment (“Assessment”) identifies, to the extent feasible, potential or existing environmental conditions of the land to be purchased and addresses both the underlying land and any physical improvements to the land. The Assessment includes a review of records and relevant databases and provides the Nation with information to help it determine if it wants to move forward with the purchase of the land.

This specific purchase is the purchase of an allotment that is natural desert. While it is unlikely that an Assessment will find areas of concern, it is not an impossibility. In the past because of the inability to obtain an Assessment for all land purchases, the Land Department has obtained affidavits from the allottee seller and the Bureau of Indian Affairs (BIA) reflecting their knowledge of the environmental conditions of the land. Ms. Evelyn Becenti, seller of this property has provided such an affidavit. As we have discussed, it would be in the Nation’s best interest to obtain from the BIA a similar affidavit.

Finally, as you know a legal survey is not contained in this packet. I understand that you will obtain one.

Please contact me with any questions or concerns. I can be reached at extension 6347 or [bbecker@nndoj.org](mailto:bbecker@nndoj.org).


# THE NAVAJO NATION



BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT

## MEMORANDUM

TO : Executive Official Reviewers

FROM :   
W. Mike Halona, Department Manager  
NAVAJO LAND DEPARTMENT  
Division of Natural Resources

DIVISION OF  
NATURAL RESOURCES  
FEB 3 2015

DATE : January 30, 2015

SUBJECT : Document No. 3395 Proposed Acquisition of an Individual Indian Allotment (IIA) from Evelyn A. Becenti, Owner, located in McKinley County, Gallup, New Mexico

The Navajo Land Department (NLD) negotiated a Real Estate offer that Evelyn A. Becenti, Individual Indian Allotment Owner, made to the Navajo Nation. On January 16, 2015, the NLD, on behalf of the Navajo Nation (NN), agreed to and accepted the offer of \$160,000 or \$2,000 per acre with Ms. Becenti confirming the purchase price.

Pursuant to RCAG-28-84, Land Acquisition Requirements and Procedures, NLD obtained, verified and evaluated all information; attached is a complete evaluation and recommendation report/packet on the Evelyn Becenti IIA property. The packet is self-explanatory and addresses the need for consolidating Indian land holdings and any potential uses to benefit the Navajo Nation.

Funds are available from the Land Acquisition Trust Fund (LATF) Business Unit 415000 FY2015 Budget, Account 9000 Capital Outlay/Land, to purchase the subject property.

~~An updated Title Status Report and a survey are pending from the owner and BIA/Eastern Navajo Agency. These documents will be included in the packet as soon as they are received.~~ *See attached. Jm*

Your prompt review and signature is appreciated. Please contact me at extension 6401 or 7047 for questions.

Attachments

# THE NAVAJO NATION

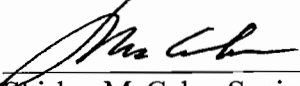


BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT

## MEMORANDUM

TO: Lena Arviso, Accounting Manager  
**OFFICE OF CONTROLLER**

FROM: W. Mike Halona, Department Manager III  
**NAVAJO LAND DEPARTMENT – DNR**

THRU:   
Shirley McCabe, Senior Appraiser  
**NAVAJO LAND DEPARTMENT**

DATE: January 30, 2015

SUBJECT: Procurement Clearance – Doc. 8063395

We are requesting for a procurement clearance on the following individual and/or business:

**Evelyn A. Becenti**, C#101,006, (Landowner/Seller/Allotee)  
2418 E. Highway 66, #232  
Gallup, NM 87301  
Phone: 505-870-0608

**Bureau of Indian Affairs** (Seller/Trustee)  
Eastern Navajo Agency  
P. O. Box 328  
Crownpoint, NM 87313  
Phone: 505-786-6120

Navajo Land Department (NLD), on behalf of the Navajo Nation, is proposing to purchase an Individual Indian Allotment from the Owner, Evelyn A. Becenti, via Bureau of Indian Affairs, Trustee. This is a real estate purchase under the Land Acquisition Trust Fund policies, 2 N.N.C. §501 (B) (4) (a) and the NN Policy on Acquisition of Lands, 16 N.N.C. §§ 1-10. NLD has also followed the Land Acquisition Requirements and Procedures, pursuant to RCAG-28-84.

Your prompt review and signature of the Document No. 806 is appreciated. Funds are available within the Land Acquisition Trust Fund, Account No. 415000, FY2015 Budget. If you have any questions, I can be reach at 928.871.7047 or Mike Halona at 928.871.6401. Thank you.



☐ RESUBMITTAL

# NAVAJO NATION DEPARTMENT OF JUSTICE

## DOCUMENT REVIEW REQUEST FORM



DOJ
2/24/15 4:30
DATE / TIME
<input type="checkbox"/> 7 Day Deadline
DOC #: 003395
SAS #:
UNIT: NM

09 \*\*\* FOR NNDOJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. \*\*\*

### CLIENT TO COMPLETE

DATE OF REQUEST:	2/24/2015	DIVISION:	Of Natural Resources
CONTACT NAME:	Shirley McCabe	DEPARTMENT:	Administration
PHONE NUMBER:	871-7047	E-MAIL:	shirley_mccabe@frontiernet.net

TITLE OF DOCUMENT: Proposed Acquisition - IIA No. SF-060195

### DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT: **RECEIVED FEB 24 2015** 2/24/15 4:42 REVIEWING ATTORNEY/ADVOCATE: Bid tah

DATE TIME OUT OF UNIT: 3/5/15

### DOJ ATTORNEY / ADVOCATE COMMENTS

legally sufficient; memo addresses best practices

REVIEWED BY: (Print)	Date / Time	SURNAMED BY: (Print)	Date / Time
		Becker	3/4/15 11:20am

DOJ Secretary Called: Shirley McCabe for Document Pick Up on 3/4/15 at 1:25 By: [Signature]

PICKED UP BY: (Print) DATE / TIME: 3/4/15 1:22pm

NNDOJ/DRRF-July 2013

# COMPLETED

# THE NAVAJO NATION



BEN SHELLY PRESIDENT  
REX LEE JIM VICE PRESIDENT

## MEMORANDUM:

TO : 2 NNC § 164 Reviewers  
Delegates & 2 NNC '164 Reviewers  
Navajo Nation Government

FROM : Robert Willie  
Robert Willie, Accounting Manager  
Office of the Controller

DATE : February 20, 2015

SUBJECT : 164 Review-003395-Proposed Acquisition Individual Indian Allotment No SF-060195

The Office of the Controller has reviewed the above referenced document.

1. The Balance in the Land Acquisition Fund business unit 415000, capital outlay line item, is \$840,280.42 as of February 20, 2015.
2. Department requesting the amount of \$160,000 to acquire Individual Indian Allotment No SF-060195.

If you should have any questions you can contact me at tribal extension X6125.



United States Department of the Interior  
Bureau of Indian Affairs  
Eastern Navajo Agency  
P. O. Box 328  
Crownpoint, New Mexico 87313



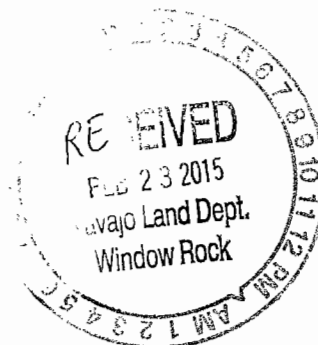
In Reply, Refer to:

4N420 – Real Estate Services  
Rights of Way

FEB 18 2015

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

Ms. Shirley McCabe, Senior Appraiser  
Navajo Nation Land Department  
P.O. Box 2249  
Window Rock, Arizona 86515



Dear Ms. McCabe:

In reference to your request for the proposed Sale of Allotment, Indian Trust Allotment No. SF-060195, Title Status Report request, received on February 9, 2015, we are providing the certified Title Status Report (TSR), for the following legal description:

SECTION	TOWNSHIP	RANGE	QTR/HALF	LAND STATUS	CHAPTER	COUNTY
24	15N	18W	NW/4	Navajo Allotment 60195	Red Rock	McKinley

The enclosed TSR lists the name and the percentage owned by individual, as provided in the Indian Land Consolidation Act Amendments of 2000. Departmental Privacy Act, 43 CFR §2.56, does not allow the disclosure of personal information on individuals kept in a Privacy Act system of records, including tribal enrollment number. If you need further assistance regarding this issue, you may contact Mr. James Ration, FOIA Coordinator, at (505) 786-6109.

If you should have any questions, please contact our Acquisition and Disposal Section, at (505) 786-6120.

Sincerely,

  
Agency Realty Officer

Enclosures



United States Department of the Interior  
Bureau of Indian Affairs  
Title Status Report

Report Certification Time and Date: 01/30/2015 11:56:47 AM

Requestor: MBEGAY Date/Time: 01/30/2015 11:56:58

**Land Legal Description**

<u>Land Area</u>	<u>Land Area Name</u>	<u>Tract Number</u>	<u>LTRO</u>	<u>Region</u>	<u>Agency</u>	<u>Resources</u>
791	NAVAJO-NEW MEXICO	260195	SOUTHWEST	NAVAJO REGIONAL OFFICE	NAVAJO REGIONAL OFFICE	Both

<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>State</u>	<u>County</u>	<u>Meridian</u>	<u>Legal Description</u>	<u>Acres</u>
24	015.00N	018.00W	NEW MEXICO	MCKINLEY	New Mexico	NW	160.000
TOTAL TRACT ACRES:							160.000

**Title Status**

Tract 791 260195 is held by the United States of America in trust for the land owner(s) with trust interests and/or by the land owner(s) with restricted interests and/or fee simple interests, as listed in Appendix "A" attached to and incorporated in this Title Status Report.

The title to Tract 791 260195 is current, complete, correct, and without defect. Ownership is in unity and interests are owned in the following title status: trust.

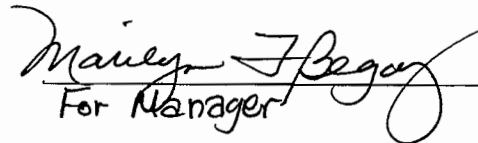
The tract ownership is encumbered by the title documents as listed on Appendix "B" attached to and incorporated in this Title Status Report.

The following notes apply to this land title:

Judgments                      DISTRICT COURT MESCAL SETTLEMENT AGREEMENT RESTORES PREVIOUSLY RSVD MINS THRU  
SUPPLE PATENT; SUBSEQUENT ORDERS ADDS MINS TO ALL ESTATES ON THIS TRACT

This report does not cover encroachments nor any other rights that might be disclosed by a physical inspection of the premises, nor questions of location or boundary that an accurate survey may disclose. This Report also does not cover encumbrances, including but not limited to irrigation charges, unpaid claims, not filed or recorded in this Land Titles and Records Office. This report does not state the current ownership of the interests owned in fee simple but states the ownership at the time the interest ceased to be held in trust or restricted ownership status.

This Title Status Report is a true and correct report of the status of title to the real estate described herein according to the official land records recorded and maintained in this office.

  
For Manager

# Appendix "A"

Effective Ownership as of 12/03/2004

OWNER					DOCUMENT			NAME ACQUIRED	FRACTION	AGGREGATE SHARE	AGGREGATE
Tribe & Code	ID No. & DOB	Indian or Non-Indian	Title Status	Interest*	Class	Type	Number	SURNAME/FIRST NAME	AS ACQUIRED	CONVERTED TO LCD	DECIMAL
780 NAVAJO NATION	U101006 05/24/1947	Indian	Trust	All	Prob Ord	INTE	M54961	BECENTI	3		
								EVELYN ANN	4		
								BECENTI	1	4	
								EVELYN ANN	4	4	1.0000000000

\* "All" means the equitable beneficial interest and the legal title interest merged together.

IN TRUST:	4	
	4	1.0000000000
IN FEE:	0	
	4	.0000000000
TOTAL:	4	
	4	1.0000000000

# Appendix "B"

Ownership of Tract 791 260195 is encumbered by the following:

Contract Type/Contractor Name	Contract Number	Contractor ID	Begin Date	Expiration Date	Leased Acres	Record Image#
RESIDENTIAL	E422002370	791C101615	12/11/2007	12/10/2057	1.000	73708
BECENTI, FRANCIS						
RESIDENTIAL	E42200221A	791C187521	08/09/1994	08/08/2044	1.000	575994
BECENTI, PRISCILLA						
Water Line	E427000815	791C256593	04/30/2010	PERPETUAL	2.570	24912
NAVAJO LAND DEPARTMENT						
Type of Encumbrance	Encumbrance Holder	Expiration Date	Document Number	Description and Explanation		
DITCHES & CANALS	UNITED STATES OF AMERICA	PERPETUAL	3242---	PATENT RESVS A R/W FOR D/C CONSTRD BY THE AUTH OF THE U.S. THE SOLICITOR HAS CONSTRUED THIS RES AS BEING INAPPLICABLE TO ALMTS FR LAND OF INDIAN RES SEE 58 I.D.319, 59 I.D. 461 ALSO RESVS COAL PER ACT OF 6/22/10 (36 STAT. 583)		
COAL RESERVES(U.S.)	PETER BECENTI	PERPETUAL	1176-98	SUPPLEMENTAL MINERAL PATENT DATED 08-19-1998 RELEASE ALL MINERALS PURSUANT TO THE ACT OF 02-08-1887 (25 U.S.C.334)AND SETTLEMENT AGREEMENT OF 01-28-1997.		

90 JAN 19 P 3: 13

ALBUQUERQUE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

GIFT

## DEED TO RESTRICTED INDIAN LAND SPECIAL FORM

THIS INDENTURE, made and entered into this 11th day of February, 1988  
by and between Constance Begay Becenti, a/k/a Constance Becenti, C#38937, a widow

an Indian of the Navajo Tribe in the State of New Mexico  
part y of the first part, and Evelyn Ann Becenti, C#101,006, a daughter

also a restricted Indian of said reservation, party of the second part:

WITNESSETH, That whereas the lands hereinafter described were allotted to or inherited by the said party of the first part under the provisions of legislation by Congress pursuant to which said lands are restricted or held in trust by the United States for the benefit of said grantor and are not subject to taxation; nor to alienation or encumbrance without the consent of the Secretary of the Interior, and whereas the said party of the second part being also a restricted Indian desires to acquire said herein-described lands subject to the same conditions, restrictions, and limitations as to taxation, alienation, or encumbrance as now rest thereagainst;

NOW, THEREFORE, for and in consideration of the sum of \$1.00 & other considerations held in trust by the United States for the benefit of said party of the second part, the receipt of which sum is hereby acknowledged, the said party of the first part does hereby transfer, set over, and convey to and unto the said party of the second part all right, title, and interest of the said party of the first

part in and to the lands and premises situated in the County of McKinley

State of New Mexico, described as: 1/4 undivided interest in and to Allotment No. 060195, NW 1/4 sec. 24, Township 15 North, Range 18 West, New Mexico Principal meridian, containing 160.00 acres. There is reserved from the lands hereby conveyed, a right of way thereon for ditches or canals constructed by the authority of the authority of the United States; reserving, also, to the United States all coal in the lands so conveyed, and to it, or persons authorized by it, the right to prospect for, mine, and remove coal from the same upon compliance with the conditions of and subject to the limitations of the Act of June 22, 1910 (36 Stat., 583).

Together with all improvements thereon and appurtenances thereunto belonging, subject to the express condition that the execution of this deed by the party or parties hereto or its approval by the Secretary of the Interior shall not operate in any manner to remove any of the restrictions now resting against said lands, or to remove any trust or other conditions imposed upon said land as expressed in the original trust or any other patent issued therefor, or any part thereof; it being distinctly understood and agreed that the scope and intent of this deed is simply to transfer and convey such right, title, and interest as the party of the first part now has in such lands to the said party of the second part subject to the conditions, restrictions, and limitations as now rest thereagainst in the hands of the party of the first part.

TO HAVE AND TO HOLD said above-described premises subject to all the conditions above stated

unto the said party of the second part, her heirs, executors, administrators, and assigns forever.

IN WITNESS WHEREOF, the said party of the first part has hereunto set her hand and seal the day and year first hereinabove written.

WITNESSES:

Constance Becenti  
Laura F. Morris

Constance Becenti [SEAL]  
Constance Begay Becenti, a/k/a  
Constance Becenti, C#38937 [SEAL]  
[SEAL]  
[SEAL]  
[SEAL]  
[SEAL]

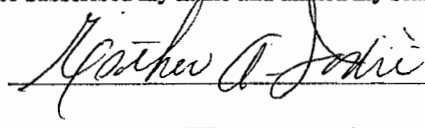
791-071-90

STATE OF New Mexico }  
COUNTY OF McKinley } ss:

BE IT REMEMBERED, That on this 11th day of February, A. D. 19 88  
before the undersigned, a Notary Public in and for the County and State  
aforesaid, personally appeared Constance Begay Becenti, a/k/a Constance Becenti,  
C#38937, a widow

to me personally known to be the identical person who executed the within instrument of writing, and  
such person duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal on the day  
and year last hereinabove written.



(Title)

MAY 19 1991

My commission expires


UNITED STATES  
DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

Navajo **WASHINGTON** Area  
Window Rock, Arizona 86515

The within deed is hereby approved:

Pursuant to Secretarial Redelagation  
Order 209 DM 8 and 230 DM 3.

 JAN 10 1990  
ACTING Area Director  
*May 14/90*  
*Holman 1-4-90*  
*Alenitzone 1/8/90*

The within deed is recorded in the Bureau of Indian Affairs in Volume \_\_\_\_\_, Page \_\_\_\_\_,  
deeds to Indian lands.

INDIAN LAND DEED

FROM

TO

COUNTY OF

STATE OF

This instrument was filed for record this

day of \_\_\_\_\_, 19

at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly

recorded in Book No. \_\_\_\_\_, at page \_\_\_\_\_

Register of Deeds.

# ALLOTMENT OR ESTATE RECORD

Identification No. Cen. 47006

(Other) (Sex)

**Nov.25, 1925**

Account No.

-----  
(Date of Birth)

Dates 2-3-87

**M-54-61**

**(Decision)**

(Probato No.)

DESCRIPTION

SEC.

$$M($$

59

27

2175

7508

Coal reserves to U.S.

**DISPOSITION.**

DATE \_\_\_\_\_

I. O.  
FILE NO.

Removal of restrictions, certificate of competency, issuance of fee patents, sale by approved deed, and all pertinent information showing disposition made of lands.

MEMBERSHIP FEE, \$ none

## CLAIMS ALLOWED AGAINST ESTATE

NAME OF PAYOR

## PAYMENTS

OFFICIAL  
RECEIPT NO.

NAME OF CLAIMANT

**AMOUNT OF CLAIM**

## PAYMENTS

Amount

BALANCE

centi, Evelyn Ann  
C.101006

c/o Constance Begay  
Becenti, C.38937

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

Naschitti Trading Post  
Tohatchi, N.M.

INITIALIZED INTERESTS IN ESTATES

Name of heir **Evelyn Ann Becenti, C.101006**

Nah ta yilth ni ne yah, or Peter Becenti, Allot.060195	Share	3/4 (daughter)
Ed Becenti, Allot.060189	Share	3/48 (gr dau)
Judson Becenti, Al. 1374	Share	4455/2661120-grandniece
	Share	
	Share	
	Share	
	Share	
	Share	
	Share	

Estates:

Constance Begay

Naschitti Trading Pos  
Tohatchi, N.M.

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

INITIALIZED INTERESTS IN ESTATES

Name of heir **Constance Begay Becenti, Unallotted, C. 38937**

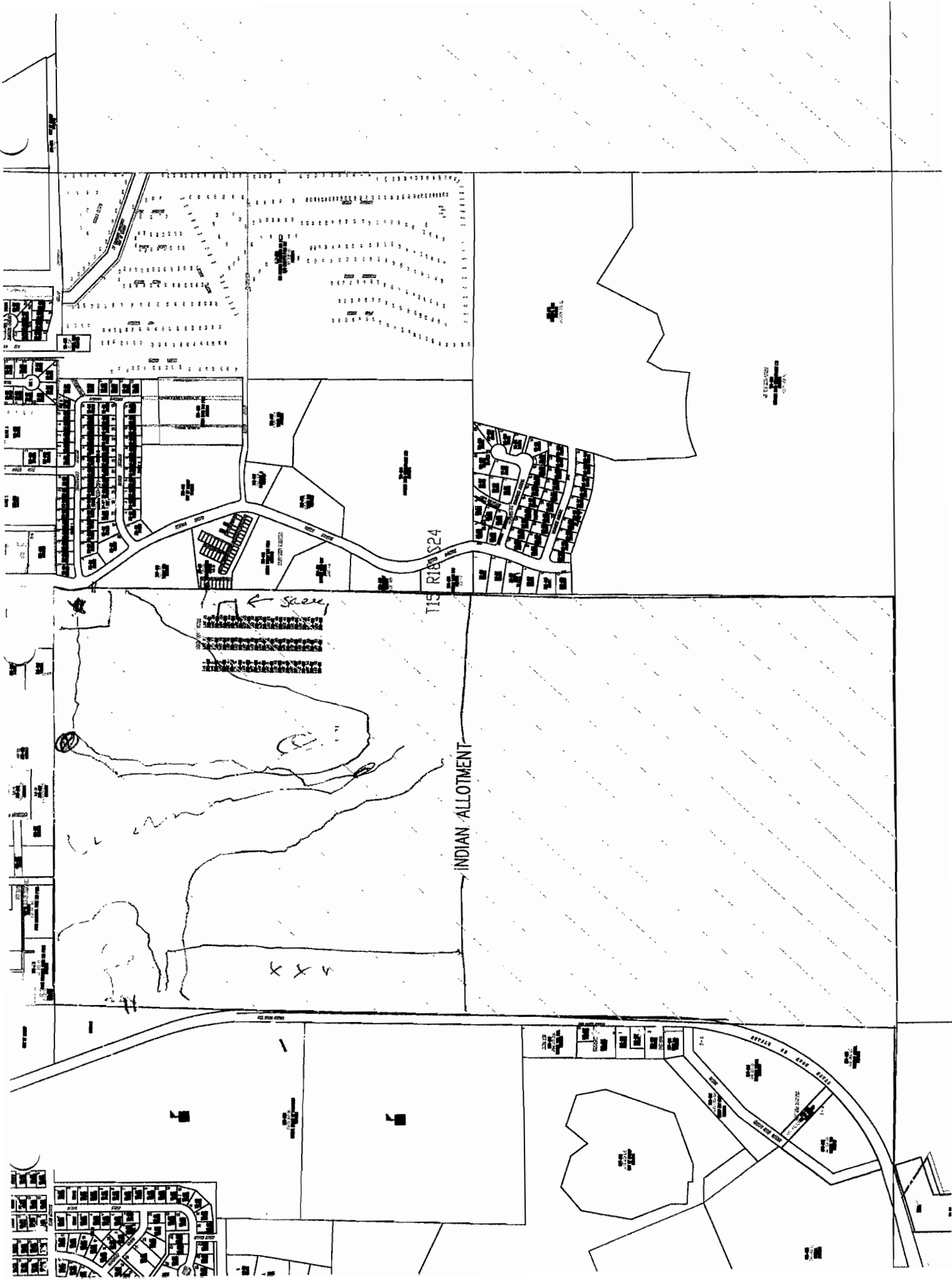
Nah ta yilth ni ne yah, or Peter Becenti, Allot. 060195	Share	1/4 (wife)
Ed Becenti, Allot 060189	Share	1/48 (dau in law)
Judson Becenti, Al. 1374	Share	1485/2661120-
	Share	
	Share	
	Share	
	Share	
	Share	
	Share	

Estates:

Allotment No. 50195 (2980) Name of allottee **Nah ta yilth ni ne yah or** (Allotment) **er Becenti, C.7006** (Name) **(born 11/25/25)** (Other) **M-54**

Account No.	Identification No.	Allotment No.	Name of Heir	Relation to Deceased	Share	Verified by Examiner
(1)	C. 38937		Constance Begay Becenti b. 1920	wife	1/4	
(2)	C. 101006		Evelyn Ann Becenti b. 5/24/47	daughter	3/4 4/4	
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						
(11)						
(12)						
(13)						
(14)						
(15)						
(16)						
(17)						
(18)						
(19)						
(20)						





# The United States of America

*To all whom these presents shall come, Greeting:*

NMSF 060195

## WHEREAS

**Na ta yilth ni ne yah or Peter Becenti, also known as  
Na-ta-yilth-ni-ne-yah or Peter Becenti**

an Indian of the Navajo Tribe, or the heirs or devisees, is entitled to a supplemental mineral patent under the Act of February 8, 1887 (25 U.S.C. 334), and the Settlement Agreement approved by the District Court on January 28, 1997, in Bertha L. Mescal, et al., v. United States of America, et al., CIV 83-1408-LH/WWD (D. N. Mex.), for the following described land:

**New Mexico Principal Meridian, New Mexico.**

**T. 15 N., R. 18 W.,**

**sec. 24, NW.**

**Containing 160.00 acres, more or less;**

NOW KNOW YE, that the UNITED STATES OF AMERICA, in consideration of the premises, has allotted and by these presents does allot, unto the above-named Indian(s) the minerals in the land above described, and hereby declares that it does and will hold the minerals thus allotted (subject to all statutory provisions and restrictions) in trust for the sole use and benefit of said Indian(s) until otherwise directed by Congress.

**SUBJECT TO** all valid existing rights.

This patent is issued supplemental to Patent No. 1042061 dated November 10, 1930, for the purpose of conveying the minerals that were reserved. All other provisions of Patent No. 1042061 remain unchanged.



IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 stat. 476), has, in the name of the United States, caused these letters to be made patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in Santa Fe, New Mexico the NINETEENTH day of AUGUST in the year of our Lord one thousand nine hundred and NINETY-EIGHT and of the Independence of the United States the two hundred and TWENTY-THIRD.

By

  
Stephen A. Jordan  
Acting Deputy State Director  
Resource Planning, Use and Protection

RECEIVED

1998 NO 30 PM 1:05

LAND & MINERAL RECORDS  
BUREAU OF INDIAN AFFAIRS  
ALBUQUERQUE, N.M.

791-1176-98

Patent Number **30-98-0351**

United States Department of the Interior  
Bureau of Indian Affairs  
Title Status Report

Report Certification Time and Date: 09/24/2001 08:00:00 PM

Requestor: EBILLIE Date/Time: 08/18/2014 14:37:11

Land Legal Description

<u>Land Area</u>	<u>Land Area Name</u>	<u>Tract Number</u>	<u>LTRO</u>	<u>Region</u>	<u>Agency</u>	<u>Resources</u>
791	NAVAJO-NEW MEXICO	260195	SOUTHWEST	NAVAJO REGIONAL OFFICE	NAVAJO REGIONAL OFFICE	Both

<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>State</u>	<u>County</u>	<u>Meridian</u>	<u>Legal Description</u>	<u>Acres</u>
24	015.00N	018.00W	NEW MEXICO	MCKINLEY	New Mexico	NW.	160.000

DESCRIPTION REMARKS: SUPPLE PATENT RESTORES MINERALS & SUBSEQUENT ORDERS RETURN  
MINERALS TO INDIVIDUAL ESTATES

TOTAL TRACT ACRES: 160.000

Title Status

Tract 791 260195 is held by the United States of America in trust for the land owner(s) with trust interests and/or by the land owner(s) with restricted interests and/or fee simple interests, as listed in Appendix "A" attached to and incorporated in this Title Status Report.

The title to Tract 791 260195 is current, complete, correct, and without defect. Ownership is in unity and interests are owned in the following title status: trust.

The tract ownership is encumbered by the title documents as listed on Appendix "B" attached to and incorporated in this Title Status Report.

The following notes apply to this land title:

Judgments      DISTRICT COURT MESCAL SETTLEMENT AGREEMENT RESTORES PREVIOUSLY RSVD MINS THRU  
SUPPLE PATENT; SUBSEQUENT ORDERS ADDS MINS TO ALL ESTATES ON THIS TRACT

This report does not cover encroachments nor any other rights that might be disclosed by a physical inspection of the premises, nor questions of location or boundary that an accurate survey may disclose. This Report also does not cover encumbrances, including but not limited to irrigation charges, unpaid claims, not filed or recorded in this Land Titles and Records Office. This report does not state the current ownership of the interests owned in fee simple but states the ownership at the time the interest ceased to be held in trust or restricted ownership status.

This Title Status Report is a true and correct report of the status of title to the real estate described herein according to the official land records recorded and maintained in this office.

---

# Appendix "A"

Effective Ownership as of 12/03/2004

----- OWNER -----					---- DOCUMENT ----			NAME ACQUIRED	FRACTION	AGGREGATE SHARE	AGGREGATE
Tribe & Code	ID No. & DOB	Indian or Non-Indian	Title Status	Interest*	Class	Type	Number	SURNAME/FIRST NAME	AS ACQUIRED	CONVERTED TO LCD	DECIMAL
780 NAVAJO NATION	U101006 05/24/1947	Indian	Trust	All	Prob Ord	INTE	M54961	BECENTI		3	
								EVELYN ANN		4	
								BECENTI		1	4
								EVELYN ANN		4	4 1.0000000000
			Trust	All	Deed-TS	TRS DEED	71990	BECENTI		1	4
								EVELYN ANN		4	4 1.0000000000

\* "All" means the equitable beneficial interest and the legal title interest merged together.

IN TRUST:	4
	4 1.0000000000
IN FEE:	0
	4 .0000000000
TOTAL:	4
	4 1.0000000000

# Appendix "B"

Ownership of Tract 791 260195 is encumbered by the following:

Contract Type/Contractor Name	Contract Number	Contractor ID	Begin Date	Expiration Date	Leased Acres	Record Image#
RESIDENTIAL	E422002370	791C101615	12/11/2007	12/10/2057	1.000	73708
BECENTI, FRANCIS						
RESIDENTIAL	E42200221A	791C187521	08/09/1994	08/08/2044	1.000	575994
BECENTI, PRISCILLA						
Water Line	E427000815	791C256593	04/30/2010	PERPETUAL	2.570	24912
NAVAJO LAND DEPARTMENT						

Type of Encumbrance	Encumbrance Holder	Expiration Date	Document Number	Description and Explanation
COAL RESERVES(U.S.)	UNITED STATES	PERPETUAL	3242---	PATENT RESERVES A R/W FORD/C CONSTRUCTED BY THE AUTHORITY OF THE U.S. THE SOLICITOR HAS CONSTRUED THIS RESERVATION AS BEING INAPPLICABLE TO ALLOTMENTS FROM LAND OF INDIAN RESERVATIONS. SEE 58 I.D.319, 59 I.D. 461. CONTINUED ON 3242---A
COAL RESERVES(U.S.)	PETER BECENTI	PERPETUAL	1176-98	SUPPLEMENTAL MINERAL PATENT DATED 08-19-1998 RELEASE ALL MINERALS PURSUANT TO THE ACT OF 02-08-1887 (25 U.S.C.334) AND SETTLEMENT AGREEMENT OF 01-28-1997.
COAL RESERVES(U.S.)	UNITED STATES	PERPETUAL	3242---A	ALSO RESERVES COAL PURSUANT TO THE ACT OF 06-22-10 (36 STAT.583).

**Inspection Report  
Individual Indian Allotment Land  
Gallup, New Mexico**

The undersigned hereby certify that they personally made an on-site physical inspection and assessment of the Individual Indian Allotment No. SF-060195, which is presently being offered to the Navajo Nation. The on-site physical inspection and assessment of the allotment property is completed and the undersigned are fully knowledgeable of the boundary lines and corners of the property. The property site inspection and assessment was done by visual tour, hiking, utilizing Global Positioning System coordinates to identify the tract description, topography map and verifying the fence corner boundaries to identify its' physical characteristics and features of the property for any substantial improvements.

The subject property contains approximately 80.00 acres, more or less of Individual Indian Allotment land that is located in the West Half (W½) of the Northwest Quarter (NW¼) of Section 24, Township 15 North, Range 18 West, New Mexico Principal Meridian, Gallup, McKinley County, New Mexico. The legal description to the allotted land parcel was obtained from the seller document files. The Navajo Nation is given the first option to purchase any Individual Indian Allotment that becomes available for sale which allows a significant opportunity to consolidate ownership of tribal trust lands.

The subject allotment parcel is mildly to moderately sloping topography with an intermittent drainage that runs in a westerly direction into a street drainage system, small rock outcroppings are on the eastern portion. The vegetation consists of juniper and pinion trees, sage brushes and natural grasses and two (2) drainage transverses the allotment parcel. There is an existing barb-wire fence that runs along the west section line and chain link fences are located on northern portion of allotment parcel. The main access road is from an existing access road adjacent to the allotment and there is no other developed accessed road to the property. The potential use of the allotment property will be directed toward residential, commercial and possible community and industrial development. The possible development of the subject allotment is recommended for purchase because the allotment parcel is within the city of Gallup and is near a major public access.

In accomplishing this assignment, The fence and other improvements on the property are not of any recent origin and that there is no evidence of work or labor recently being made nor any repairs on improvements in the said property within the past one hundred and twenty (120) days that would warrant any one to claim any possession rights to the said premises for the work, labor and materials used. The undersigned has no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.

Dated this 22th day of October, 2014.

  
\_\_\_\_\_  
Shirley McCabe, Senior Appraiser

  
\_\_\_\_\_  
Raymond Pine, Appraiser

**APPRAISAL REPORT**

ESTIMATE OF MARKET VALUE  
LOCATED WITHIN MCKINLEY, COUNTY, NEW MEXICO,  
ACROSS ALLOTMENT SF-060195  
CASE NO: N34-780-2014-06879

**PREPARED FOR**  
BUEREAU OF INDIAN AFFAIRS – EASTERN NAVAJO AGENCY,  
P.O. BOX 328, CROWNPOINT, NEW MEXICO 87313-0328

**EFFECTIVE DATE OF APPRAISAL**  
JUNE 18, 2014

**DATE OF REPORT**  
JULY 10, 2014

**PREPARED BY**  
ALFONSO MONTOYA  
OST-OAS NAVAJO REGION  
2024 East Aztec, Gallup, NM 87301



# United States Department of the Interior

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS  
OFFICE OF APPRAISAL SERVICES – NAVAJO REGION  
2024 EAST AZTEC AVENUE  
GALLUP, NEW MEXICO 87301



July 10, 2014

Mr. Lester Tsosie  
Superintendent, Eastern Navajo Agency,  
Bureau of Indian affairs  
P.O. Box 328  
Crownpoint, NM 87313

RE: Negotiated sale, 80 ± Acres located within McKinley County, NM, Across Allotment #SF-060195. Case Number N34-780-2014-06879

Mr. Tsosie:

As requested I have inspected the subject property, researched the market in which it competes, and prepared an appraisal. The purpose of the appraisal is to develop an opinion of the Market Value of the fee simple interest in the subject property. The effective date of the appraisal is June 18, 2014. The date my primary physical property inspection was conducted was June 10, 2014.

This Appraisal Report is intended to comply with the reporting requirements defined in Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* (USPAP) as promulgated by the Appraisal Foundation effective January 1, 2014, and the *Uniform Standards for Federal Land Acquisitions* (USFLA) as applicable.

The appraisal is subject to the Assumptions and Limiting Conditions presented on page 52 of the report. The client is urged to read them carefully to develop a complete understanding of the nature of appraisal services rendered. The following hypothetical condition is inherent in the market value estimate:

## **Hypothetical Condition:**

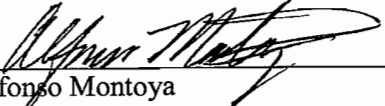
- The subject property is held in trust by the United States of America and administered by the Bureau of Indian Affairs – Eastern Navajo Agency. For purposes of this assignment, a hypothetical condition is made that the subject is held in fee simple ownership, with clear and marketable title. The use of this hypothetical condition may have affected the assignment results.

Considering all factors known to influence market value, the following estimate has been reconciled for the subject property and is displayed on the following page.



*Opinion of Market Value of the fee simple "surface estate only" in the Subject Property as of  
June 18, 2014*

**\*\*\*One Hundred Sixty Thousand Dollars\*\*\*  
(\$160,000)**

  
\_\_\_\_\_  
Alfonso Montoya  
NM General Certificate 03003-G  
Expires 04/30/2016

Enclosures: Sharon Pinto, Regional Director, Bureau of Indian Affairs, Navajo Region, P.O. Box 1060, Gallup, NM  
87305(w/o enclosures)

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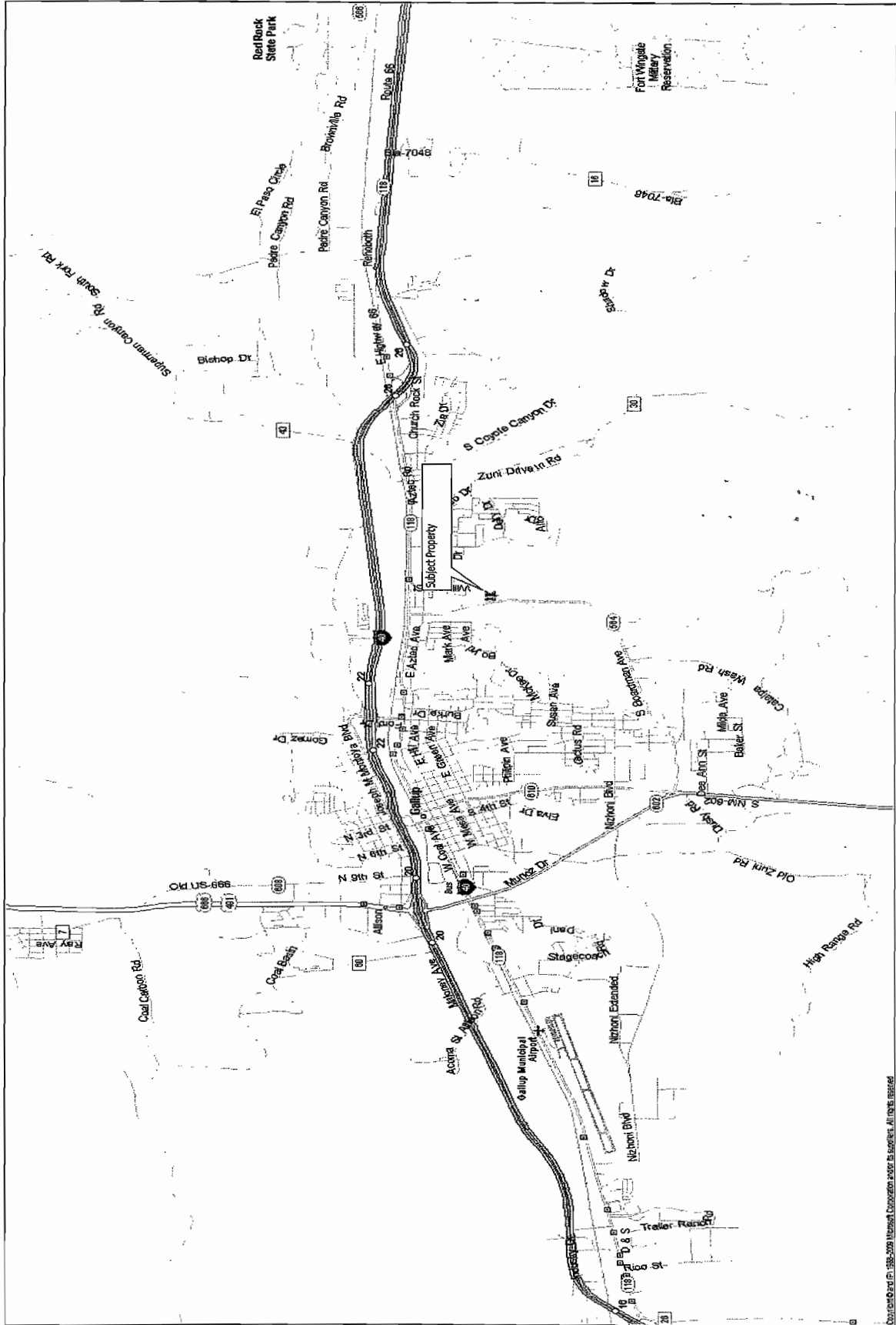
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## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

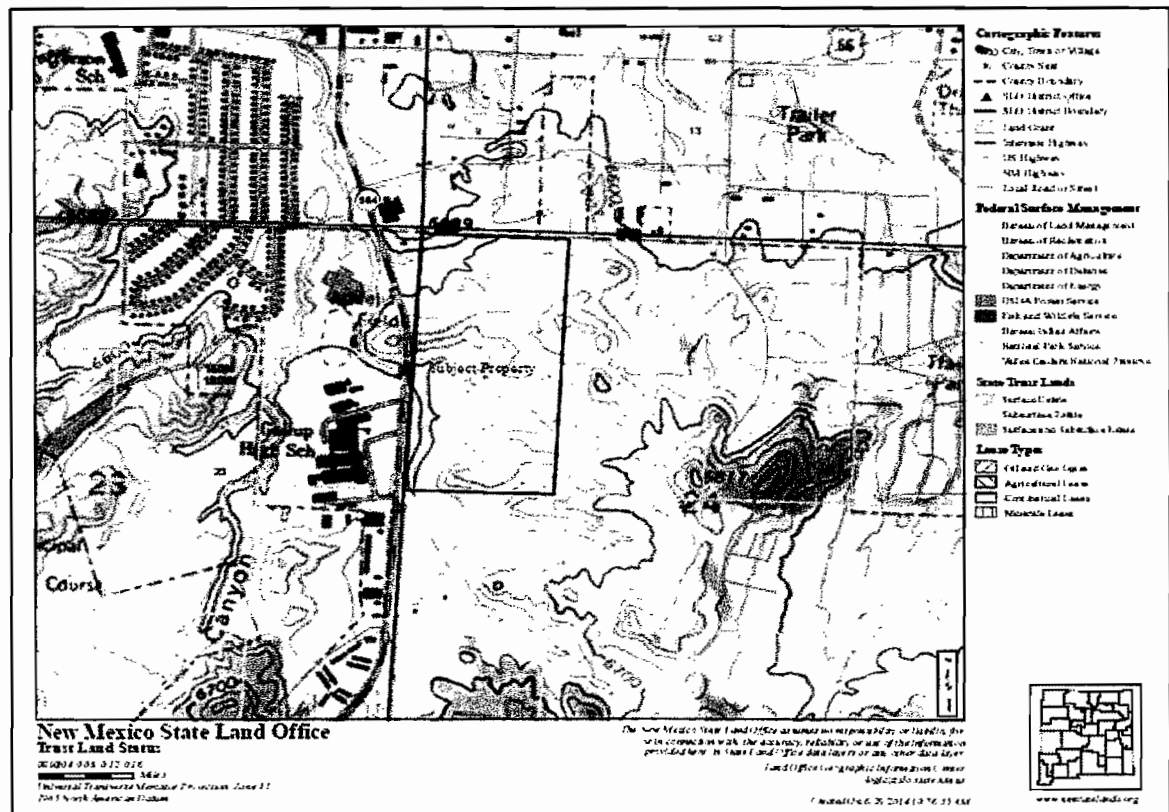
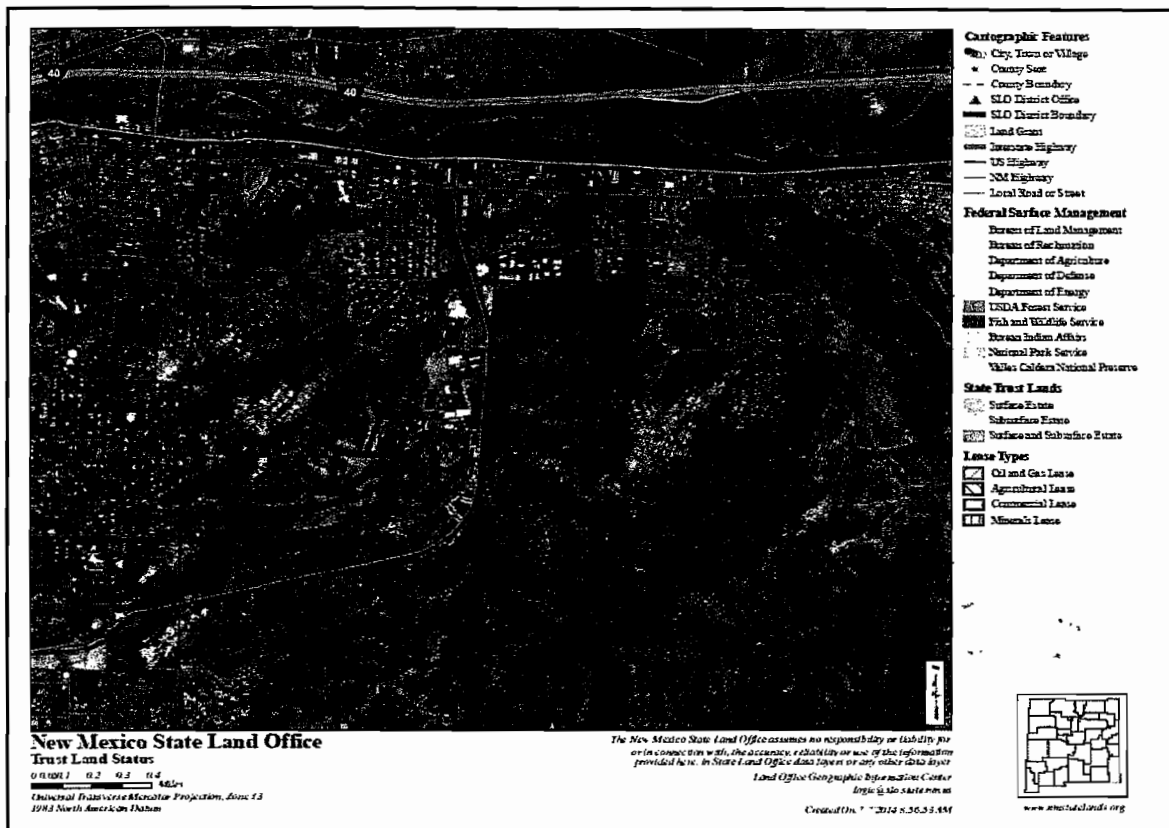
Property Type:	80 ± acres on Indian Allotment SF-060195
Location:	Gallup, NM
Legal Description:	The West ½ of the NW¼ of Section 24, T15N, Range 18W, N.M.P.M., McKinley County, NM
Larger Parcel:	80 acres ± (Per Appraisal Request)
Ownership:	Evelyn Becenti
Purpose of Appraisal:	To estimate the Market Value of the subject property.
Hypothetical Condition:	The subject tract is held in Trust and administered by the BIA – Eastern Navajo Agency. For purposes of this assignment, a hypothetical condition is made that the subject is held in fee simple ownership, with clear and marketable title. The use of this hypothetical condition may have affected the assignment results.
Property Rights Appraised:	Fee Simple (Surface Estate Only)
Property Description:	The subject property is rectangular in shape; containing 80 ± acres. The topography is moderate to steep elevation changes. There are no known adverse easements or encroachments to exist on the subject tract. Access is adequate and available by Patton Drive.
Utilities:	Electricity, natural gas, community water and sewer are nearby (Boardman Ave).
Improvements:	None noted
Zoning:	Not applicable
Highest and Best Use:	Hold for mixed use development upon demand
Effective Date:	June 18, 2014
Market Value Estimate:	\$160,000

[illegible]

# Area Map



# Aerial Photograph and Topography Map



## INTRODUCTION

### **Location and Description of the Subject Property**

The subject property is an 80 ± acre tract of land located within Indian Allotment SF-060195, within McKinley County, New Mexico. The subject is located within the city limits of Gallup, New Mexico.

### **Legal Description**

The West ½ of the NW¼ of Section 24, Township 15 North, Range 18 West, N.M.P.M., McKinley County, New Mexico.

### **Client/Intended Users**

The client/intended users of this report are the Bureau of Indian Affairs (BIA-Eastern Agency), and or assigns.

### **Purpose of the Appraisal**

The purpose of the appraisal is to form an opinion of the Market Value of the subject property.

### **Function of the Appraisal**

It is my understanding that said users will use this report as a tool to assist in negotiations for sale to the Navajo Nation.

### **Date of Inspection by the Appraisers**

The primary physical inspection of the subject property was conducted June 10, 2014. The subject photographs which appear in the report were taken on that date. A secondary inspection was conducted on June 18, 2014

### **Effective Date of Valuation**

The effective date of valuation is June 18, 2014, the date of my secondary physical inspection.

### **Date of Report**

The date of the appraisal report is July 10, 2014.

### **Appraisal Standards**

This is a Summary Report and is intended to comply with the reporting requirements defined in Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* (USPAP) as promulgated by the Appraisal Foundation effective January 1, 2014, and the *Uniform Standards for Federal Land Acquisitions* (USFLA) as applicable.

### **Property Rights Appraised**

The property rights are assumed to be that of fee simple estate, defined as follows:

*Absolute ownership unencumbered by any other interest or estate subject only to the limitation imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>1</sup>*

### **Definition of Market Value**

The definition of Market Value utilized in this report is that required under the *Uniform Appraisal Standards for Federal Land Acquisitions*.

Market Value is defined as:

*Market Value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.<sup>2</sup>*

### **Definition of Larger Parcel**

According to the *Uniform Appraisal Standards for Federal Land Acquisitions*, the Larger Parcel is defined as.

*That tract or those tracts of lands which possess a unity of ownership and have the same, or an integrated, highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, proximity, as it bears on the highest and best use of the property, unity of ownership, unity of highest and best use.<sup>3</sup>*

### **Determination of Larger Parcel**

Essentially, the appraiser must consider three factors in determining the larger parcel for valuation purposes: (1) contiguity, (2) unity of ownership, (3) unity of highest and best use. The concluded highest and best use is for rangeland grazing and rural residential uses. The typical land size of Indian allotments is a quarter section, or 160 acres of land. As such, the test of contiguity or proximity and the unity of use are satisfied. Finally, the subject allotment is fractionated with undivided interest. For purposes of this assignment, the subject allotment is appraised under the hypothetical condition that title is held in fee simple estate; with clear and marketable title, thus satisfying the third test of unity of ownership.

In my determination of the larger parcel for valuation purposes, I have analyzed the three considerations outlined in the *Uniform Appraisal Standards for Federal Land Acquisitions* and, thus, have concluded the W½ of the NW¼ of Section 24, T15N, R18W, N.M.P.M., McKinley County, New Mexico is the estimated size of the larger parcel consisting of 80 ± acres of land.

### **Ownership and History**

The Subject property is owned by Evelyn Becenti, administered by the BIA-Eastern Navajo Agency. Documents are not recorded at McKinley County, New Mexico. A Title Status Report (TSR) was provided by the client and confirmed no transfer of property rights had taken place within the last ten years.

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<sup>1</sup> *The Dictionary of Real Estate Appraisal*, Fourth Edition, page 113

<sup>2</sup> *Uniform Appraisal Standards for Federal Land Acquisitions*, Section A-9, page 13.

<sup>3</sup> *Uniform Appraisal Standards for Federal Land Acquisitions*, Section A-14, page 17.



## **Property Owner Contact and Inspection**

The property owner Evelyn Becenti was afforded the opportunity to accompany the appraiser on the inspection. Ms. Becenti accompanied the appraiser on the inspection on June 10, 2014. A secondary inspection was conducted from the right-of-way on Boardman Avenue on June 18, 2014, Ms. Becenti was not present during my secondary inspection.

## **Scope of Work**

The three traditional approaches to the valuation of real estate are - 1) the Cost Approach, 2) the Sales Comparison Approach, and 3) the Income Capitalization Approach. Each is described below.

### *Cost Approach*

Based on the economic theory of substitution, the Cost Approach holds that a prudent buyer will not pay more for a given property than the cost of constructing a similar property perceived to be of equal utility. The value premise is that value is equal to the cost of land, plus the cost of improvements, plus entrepreneurial incentive, if any, less accrued depreciation.

### *Sales Comparison Approach*

This approach is also based on the theory of substitution. Appraisal methodology includes research and analysis of properties comparable to the subject. The prices of the comparable sales are adjusted to similarity with the subject based on the most pertinent value influencing factors in a given market. The adjusted sale prices are reconciled into a value estimate for the subject property.

### *Income Capitalization Approach*

The Income Capitalization Approach is based on the economic theory of anticipation, which holds that value is based on the anticipated future benefits or return associated with property ownership. Several methodologies can be involved, all based on estimating gross income, deducting operating expenses, and capitalizing the net income into an estimate of value.

### *Applicability to the Appraisal Problem*

The appraisal assignment requires the valuation of vacant land. The Sales Comparison Approach is the sole basis of the land value estimates. The valuation is based on sales of comparable properties in the subject's competitive market. Appraisal development included the following steps:

- 1) The subject property was inspected on June 10, 2014 and June 18, 2014 by Alfonso Montoya.
- 2) Area and neighborhood data were based on information compiled by this office. This information was collected from various local agencies and privately published reports along with the appraiser's inspection of the neighborhood and general area.
- 3) The subject property data was based upon data provided by the client, agency documents, as well as physical inspection.
- 4) After assembling information and analyzing all data gathered a final value estimate was developed using the Sales Comparison Approach.

## AREA ANALYSIS

### Overview of the Navajo Nation

The Navajo Nation is the largest Native American Reservation in the United States, containing over 27,000 square miles. The Navajo Nation occupies northeast Arizona, southeastern portion of Utah, and northwestern New Mexico. The Navajo Nation encompasses the land, affiliation, language, religion, and the right to self-government. The Navajo Nation boundaries are the Ute Mountain, Ute Indian Reservation, the Four Corners Monument and the Colorado Plateau into Arizona, Utah, and New Mexico. The Nation surrounds the Hopi Indian Reservation. The eastern portion of the reservation, in New Mexico is commonly known as "Checkerboard" because Navajo lands are mingled with fee land ownership and federal and state land under multiple jurisdictions.

### *Population*

As previously noted, the Navajo Nation is recognized as the largest tribe in the United States. As of July 2011, the number of enrolled members of the Navajo Nation was reported to be 300,048.

### *Government*

The capital of the Navajo Nation is located at Window Rock, AZ, and is comprised of three branches of government; the Executive, Legislative and Judicial. The Navajo Nation is divided into five agencies; the smallest political entities are chapters, similar to counties. As of December 15<sup>th</sup>, 2009, the voters of the Navajo Nation decided to reduce the council from 88 delegates to 24 representing 110 chapters.

The United States still asserts plenary power and most conflicts and controversies between the federal government and the Nation are settled by negotiation and political agreements. The Laws of the Navajo Nation are codified in the Navajo Nation Code. The Bureau of Indian Affairs maintains five Indian agencies within the Navajo Nation. The agencies provide various technical services under the direction of the BIA's Navajo Area Office in Gallup, NM.

The Tribal government provides for a variety of services to include police and fire protection, The Navajo Transit system provides bus service between larger communities and covers routes from Tuba City to Gallup and Kayenta to Window Rock.

### *Economy*

The Navajo Nation includes traditional industries, such as sheep and cattle herding, fiber production, weaving, jewelry making, and art trading. Industries such as coal and uranium mining have been lucrative industries for the Navajo Nation in the past. The Navajo Nation's mineral resources are among the most valuable held by Native American Nations within the United States.

The Navajo Nation signed a compact with New Mexico circa 2004 to operate a casino at To'Hajiilee, near Albuquerque. On-going negotiations with Navajo leaders and Arizona officials are taking place regarding operating casinos near Flagstaff, Lake Powell, Winslow, Sanders, and Cameron.

The Black Mesa and Lake Powell railroads serves one of the coal mines in the region, carrying coal to the Navajo Generating station in Page, Arizona. In early 2008, the Navajo Nation and Citizen Energy Corp, reached a deal to build a 500-megawatt wind farm approximately 50 miles north of Flagstaff Arizona. However, it was reported that there is confusion as to whether Citizens Energy or another company will be able to develop the land.

Navajos work at stores and other business on the reservation or in nearby towns, and the Navajo Government employs thousands in civil service and administrative jobs. The unemployment level fluctuates between 40 and 45 percent for the nation. However, it can be as high as 85 percent in some areas and as low as 15 percent in others.

The Dine Development Corporation was formed in 2004 to promote Navajo business and economic development. The Nation has been committed to attracting new jobs. Incentives such as no corporate income tax, inventory and personal income taxes are often used to entice new businesses. There are a number of federal and state tax incentives currently in place. The Navajo Nation's stable growth outlook in population and economic development provides a solid foundation for the future.

### *Education*

The Navajo Nation's Board of Education is an eleven member board instructed to oversee the operations of schools on the Navajo Nation and exercise regulatory functions and duties over education programs on the Navajo Nation. There are six types of secondary educational establishments, they are as follows:

- Eight Arizona Public Schools
- New Mexico Public Schools
- Utah Public Schools
- Bureau of Indian Affairs Public Schools
- Association of Navajo Controlled Schools
- Navajo Preparatory School, Inc.

### *Housing*

The Navajo Housing Authority (NHA) is the designated housing entity for the Navajo Nation. Currently, they are building new homes with new materials which are more cost-effective and less prone to fire damage. The NHA exist in all five agencies, and there are NHA housing developments throughout the Nation. Most modern housing in the Navajo Nation is detached single-family homes built in the 1960's 70's and 80's or mobile homes.

Due to the Reservation's remote location, many homes do not have access to natural gas or electricity, many homes use wood or propane for cooking and heating. As a result of the reservation's remote location, many homes do not have access to public utility services, and deficient kitchens are not uncommon. However, infrastructure has improved in the recent past, affording many families with more and more modern conveniences such as DSL, satellite television and wireless communications in some areas.

### *Transportation*

Roads within the reservation vary in condition. Most U.S. Highways are in very good condition and are suitable for vehicles of any size. However, in more remote locations, most roads are unpaved and in some areas are poorly maintained and nearly unusable during heavy rains.

### *Summary*

The Navajo Nation has recently taken steps to revitalize its economy as it is taking steps to develop, strengthen and manage its abundant natural resources, while adhering to their cultural, social and traditional values. The Navajo Nation is well positioned to garner a modest share of future growth as it possesses a strong traditional history while adapting trends with modern day America, and should continue to foster the enduring Navajo Nation into the future.

## Overview of McKinley County

McKinley County is located in the northwest portion of New Mexico; McKinley County contains parts of the Navajo Reservation. The county seat is located in Gallup, New Mexico. According to the U.S. Census Bureau, McKinley County has a total area of 5,455 square miles of which 5,449 square miles is land and 6 square miles is water. Over sixty percent of land in McKinley County comprises of Navajo Nation Reservation and Zuni Reservation.

### *Demographics*

As of the 2010 Census, the population was 71,492 which is a decrease from 2000 Census population figures of 74,798. This represents a decrease of 4.42 percent from 2000 figures. According to the 2000 Census the population density is estimated at 14 people per square mile. There was reported to be 26,718 housing units, with an average density of 5 per square mile.

The county's racial makeup is nearly 75.5% Native American, roughly 15.2% White, approximately 13.3% Hispanic or Latino. There were 21,476 household out of which nearly 46% had children under the age of 18. Roughly 47.7% of the households were married couples living together, nearly 22.7% had a female householder with no husband present, and 22.3% were non-families, and nearly 5.3% had someone living alone who was over the age of 65. The average household size was 3.44 and the average family size was 3.99.

The median income for a household in the county was \$25,005, and the median income for a family was \$26,806. The per capita income for the county was \$9,872. Approximately 36.10% of the population is below the poverty line, including nearly 42.3% of those under the age of 18, and roughly 31.5% of those were over the age of 65.

### *Employment & Unemployment*

Health care, retail trade and educational services are among the largest industries in McKinley County. Large employers include Gallup-McKinley Schools, Gallup Indian Medical Center, and Rehoboth McKinley Christian Health Care Services. The total civilian labor force (not seasonally adjusted) in March 2014 was 25,958 of which 23,400 were employed and 2,558 were unemployed. As of March 2014, the unemployment rate was 9.9 percent, which ranks amongst the highest unemployment rates in the State of New Mexico.

### *Employment & Wage Statistic*

The average weekly wage for McKinley County, New Mexico in 3<sup>rd</sup> quarter, 2013 was \$598. This would be equivalent to \$14.95/hour or \$31,096 per year, assuming a 40 hour work week year round.

### *Industry Employment*

The total number of employees located in McKinley County, New Mexico in the 3<sup>rd</sup> quarter, 2011 was 20,268. The largest major industry sectors are as follows:

- Healthcare & Social Services (24.8%)
- Retail Trade (16.3%)
- Accommodation and food service (14%)

### *Education*

The Gallup-McKinley County School System has 20 elementary schools, six mid and junior schools and seven high schools. These facilities are located in ten communities situated throughout the nearly 5,500

square mile district. The two most distant schools are 100 highway miles apart. To serve its 14,440 students, the District hires 1,850 employees and utilizes 165 school buses. The student body is 85 percent Native American and 15% other. The pupil/teacher ratio is 20.5 to 1.

Several County area schools received the prestigious Pinon Award for Commitment judged and awards by the Quality New Mexico using the Malcolm Baldrige Criteria. The New Mexico Awards Program is the home of the New Mexico Zia Quality Award and Roadrunner and Piñon Recognitions. This award and recognitions are presented to New Mexico organizations that demonstrate performance excellence, improvement, and a commitment to use quality concepts and principles

#### 2004 Piñon Recognition – Commitment

- Chee Dodge Elementary School, Yah ta Hey
- Church Rock Academy, Church Rock
- Crownpoint High School, Crownpoint
- Gallup Central High School, Gallup
- Gallup McKinley County School District, Gallup
- Gallup McKinley County Schools-Tech Center, Gallup
- Stagecoach Elementary School, Gallup
- Thoreau Elementary School, Thoreau
- Thoreau High School, Thoreau
- Tobe Turpen Elementary School, Gallup
- Tohatchi Elementary School, Tohatchi
- Tse' Yi' Gai High School, Gallup

There are a variety of private schools in McKinley County, NM, and are as follows:

- Crownpoint Christian School,
- The Christian School,
- Hiltop Christian,
- St. Francis,
- Wildcat Christian,
- St. Anthony Indian School. Inc.,
- Zuni Christian Mission School

Overall, there are a variety of public and private schools that serve McKinley County, NM.

#### *Transportation*

There are a variety of paved and graveled dirt roadways within McKinley County. The County Road Department maintains 570 miles of roads. Interstate 40 traverses the county in an east/west direction and provides for linkage through New Mexico and Arizona. There are a variety of Asphalt paved State Roads throughout the county. Typically, State Roads are asphalt paved and in good condition and are suitable for vehicles of most sizes. However, in more remote locations, most roads are unpaved and in some areas are poorly maintained and nearly unusable during heavy rains. The county is served by Gallup Municipal Airport. The airport is operated by the City of Gallup and will soon be certified under FAR part 139. The airport is located three miles west of downtown Gallup. Airline service at the airport is provided by Great Lakes Airlines. There are approximately 50 aircraft based at the Gallup Municipal Airport. Most of which are hangered. Bus services are provided by Greyhound, Gallup Express and Navajo Transit. Rail is provided via Amtrak with two trains going east and west daily. Cartage Firms include Bekins, Allied, North American, United and most any other major firms.

### *Medical Services*

There are a variety of Medical Services located within McKinley County, they are as follows:

- Rehoboth McKinley Christian Hospital (109 licensed bed facility – Gallup, NM)
- Zuni Indian Hospital (45 operational beds – Zuni Pueblo)
- Eastern Navajo Hospital (39 operational beds - Crownpoint, Navajo Nation)
- Fort Defiance Hospital (Fort Defiance, Navajo Nation)
- RMCH Red Rock Clinic
- RMCH College Clinic
- RMCH Vanden Bosch Clinic
- Heavenly Health Family Nurse Practitioners, Gallup
- PMS Western New Mexico Medical Group, Gallup
- Tohatchi Navajo Health Center, Navajo Reservation
- PMS Western New Mexico Medical Group, Thoreau
- RMCH Behavioral Health Service-East Campus
- McKinley County Mental Health
- McKinley County Health Services

In addition to the variety of health care providers, all McKinley County fire stations provide emergency medical services with ambulance services available at strategic locations. Med flight services are available at the Crownpoint Airstrip and Gallup Municipal Airport.

### *Summary*

McKinley County is experiencing high unemployment rates. As of March 2014, McKinley County's unemployment rate is 9.9% which is higher than the State of New Mexico at a current rate of 6.9%. Population trends in McKinley County over the last decade have exhibited a slight decrease in population. This is likely due to the higher than normal unemployment rates. Based on market trends and conversation with market participants, land prices have remained relatively stable and are expected to continue in the foreseeable future.

[http://factfinder2.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml#none](http://factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml#none)

[http://en.wikipedia.org/wiki/McKinley\\_County,\\_New\\_Mexico](http://en.wikipedia.org/wiki/McKinley_County,_New_Mexico)

<https://www.jobs.state.nm.us/vosnet/lmi/area/areasummary.aspx?enc=SgfjA5gOXyjI8J88h1RJLbtFuJ7ORJYsilm+DFjaZCo5c1kDE5R9Z1WZJU0Ty3ayymOM2hq7ArH1omR63SdWw>

## Overview of the City of Gallup

Gallup was founded in 1881 as a railhead for the Atlantic and Pacific Railroad. The city was named after David Gallup, a paymaster for the Atlantic and Pacific Railroad. Gallup is known as the "Heart of Indian Country" because it is in the middle of many Native American lands, and the presence of Navajo, Zuni, Hopi and other tribes. According to the U.S. Census Bureau, the city has a total area of 13.4 square miles, all land.

### Demographics

As of the 2010 Census, the population was 21,678 which is an increase from 2000 Census population figures of 20,209. This represents an increase of 7.27 percent from 2000 figures. According to the 2008-2012 American Community Survey 5-year estimates, the population density is estimated at 1,618 people per square mile. There was reported to be 7,486 housing units, with an average density of 559 per square mile. The city's racial makeup is nearly 43.5% Native American, roughly 46.2% White, approximately 6.4% Hispanic or Latino and 10.5% Some other race

There were 6,078 household out of which nearly 38.9% had children under the age of 18. Roughly 42.6% of the households were married couples living together, nearly 19.0% had a female householder with no husband present, and 22.3% were non-families, and nearly 10.4% had someone living alone who was over the age of 65. The average household size was 2.79 and the average family size was 3.34.

The median income for a household in the city was \$48,432, and the median income for a family was \$54,452. The per capita income for the city was \$20,406. Approximately 20.09% of the population is below the poverty line, including nearly 28.0% of those under the age of 18, and roughly 16.4% of those were over the age of 65.

### Housing

The following table displays the total and occupied housing units for the City of Gallup in Comparison to McKinley County. In addition, the table displays the median cost of housing units for McKinley County.

Local Housing Characteristics		
	City of Gallup	McKinley County
<b>Total Housing Units</b>	<b>7,230</b>	<b>25,788</b>
Occupied Housing Units	5,624 (77.8%)	16,862 (65.4%)
Vacant Housing Units	1,606 (22.2%)	8,926 (34.6%)
<b>Occupied Housing Units</b>	<b>5,624</b>	<b>16,682</b>
Owner Occupied	3,570 (63.5%)	11,975 (71.0%)
Renter Occupied	2,054 (36.5%)	4,887 (29.0%)
US Census Bureau: 2009 - 2011 American Community Survey		
<b>McKinley County Median Cost of Housing Units</b>		
With a Mortgage		\$964
Without a Mortgage		\$221
Median Rent		\$515
US Census Bureau: 2009 - 2011 American Community Survey		

The city of Gallup has a higher occupancy rate compared to the county as a whole. This is likely due to the fact the Gallup is the major employment center for McKinley County.

### Industry Employment

The following table displays employment by industry. The total number of employees located in the City of Gallup is approximately 8,166. Employment in McKinley County is approximately 23,374. As such, Gallup comprises roughly 35% of all jobs for McKinley County.

Employment by Industry	City of Gallup	McKinley County	County %
Agriculture, Forestry, Fishing and Hunting, & Mining	178	553	2.40%
Construction	459	1,660	7.10%
Manufacturing	458	1,894	8.10%
Wholesale Trade	278	429	1.80%
Retail Trade	1,490	3,801	16.30%
Transportation and Warehousing, & Utilities	227	634	2.70%
Information	200	333	1.40%
Finance, Insurance, Real Estate, & Rental and Leasing	227	650	2.80%
Professional, Scientific, Management, Administrative, & Waste Management	585	792	3.40%
Education, Health, and Social Services	2,158	7,240	31.00%
Arts, Entertainment, Recreation, Accommodation, & Food Services	1,199	2,640	11.30%
Other Services	323	965	4.10%
Public Administration	384	1,783	7.60%

US Census Bureau: 2009 - 2011 American Community Survey

As displayed above, education, healthcare, social services and retail trade comprise the largest industry employment for the City.

The following table displays travel time to work and employment by occupation.

Travel Time to Work	Minutes
City of Gallup	17.6
McKinley County	22.4

Employment by Occupation	City of Gallup	McKinley County	County %
Management, Business, Science, & Arts	2,911	5,969	25.5
Service	1,666	6,433	27.5
Sale and Office	2,268	5,241	22.4
Natural Resources, Construction, and Maintenance	667	2,308	9.9
Production, Transportation, and Material Moving	970	3,423	14.6

2006-2010 American Community Survey  
Source: <http://gallupcdc.com/gallup/doing-business-here/demographics>

Commute times to work are roughly 21 percent shorter than commute times compared to McKinley County. The City of Gallup comprises roughly 35% of all jobs within McKinley County,

### Education

The Gallup-McKinley County School System has 20 elementary schools, six mid and junior schools and seven high schools. These facilities are located in ten communities situated throughout the nearly 5,500 square mile district. Overall, there are a variety of public and private schools that serve the Gallup-McKinley County School System.



### *Transportation*

Interstate 40, US 491, NMSR 371 and NMSR 602 traverse the City of Gallup and provides for linkage through New Mexico and Arizona. The City is served by Gallup Municipal Airport. The airport is operated by the City of Gallup and will soon be certified under FAR part 139. The airport is located three miles west of downtown Gallup. Airline service at the airport is provided by Great Lakes Airlines. There are approximately 50 aircraft based at the Gallup Municipal Airport. Most of which are hangered. Bus services are provided by Greyhound, Gallup Express and Navajo Transit. Rail is provided via Amtrak with two trains going east and west daily. Cartage Firms include Bekins, Allied, North American, United and most any other major firms.

### *Medical Services*

There are a variety of Medical Services located within the City of Gallup. In addition to the variety of health care providers, McKinley County fire stations provide emergency medical services with ambulance services available at strategic locations. Med flight services are available at the Gallup Municipal Airport.

### *Summary*

Population trends in the Micro Statistical Area over the last decade have exhibited a slight increase in population. This is likely due to the fact that the city accounts for approximately 35% of the jobs within McKinley County. The unemployment rate for the county is approximately 9.9%. However, the City of Gallup is the major employment center for the county and the unemployment rate would be expected to be slightly lower than McKinley County. As such, based on market trends and conversation with market participants, land prices have remained relatively stable and are expected to continue in the foreseeable future.

[http://en.wikipedia.org/wiki/Gallup,\\_New\\_Mexico](http://en.wikipedia.org/wiki/Gallup,_New_Mexico)

<http://www.bls.gov/data/>

<http://gallupcdc.com/gallup>

<http://www.kc.frb.org/publicat/research/indicatorsdata/regionaldatabook/2014-06-20-NMrdb.pdf>

## **PROPERTY DESCRIPTION AND ANALYSIS**

### **Location**

As previously noted, the subject property is situated within the city limits of Gallup, NM. More specifically, the subject property is situated on the east line of Boardman Avenue, between Boyd Avenue and Manor Drive.

### **Size, Shape, Dimensions**

No survey was provided, however, the subject property is the west  $\frac{1}{2}$  of the NW $\frac{1}{4}$  of Section 24. As such, the subject property is rectangular in shape and thus the dimensions are approximately 1,320' x 2,640' containing 80± acres.

### **Frontage and Access**

As previously noted, the subject lies on the east line of Boardman Avenue. As such, frontage is considered good. Although, there is no direct access to the subject property as of the date of inspection, it would be reasonable to assume that access to the property via Boardman Avenue would be available. This assumption is made based on observations of other access points to properties along Boardman Avenue.

### **Utilities**

The subject property is raw land. Community water/sewer is located in the street at Boardman Avenue and Patton Drive. A 4" gas line is available in the sidewalk along the west side of Boardman, and another 4" line in Patton Drive to the east. As such, proximity to utilities bodes well for future development upon demand.

### **Zoning**

The subject is held in trust and thereby exempt from federal, state, county, and local zoning ordinances. The ability of municipalities or counties to administer zoning only applies to land held in fee simple estate. According to appraisal guidelines, the appraiser is to value the sites under a hypothetical condition that Trust Lands are subject to public land use regulations. The City of Gallup does subscribe to zoning as a type of land use control. Given the surrounding zoning uses, virtually any use of the subject property is considered probable.

### **Taxes and Assessed Values**

The subject tract is held in trust by the United States Government (administered by the Bureau of Indian Affairs). This land is not subject to taxation or assessment due to its federal ownership.

### **Soils Conditions/Environmental Issues**

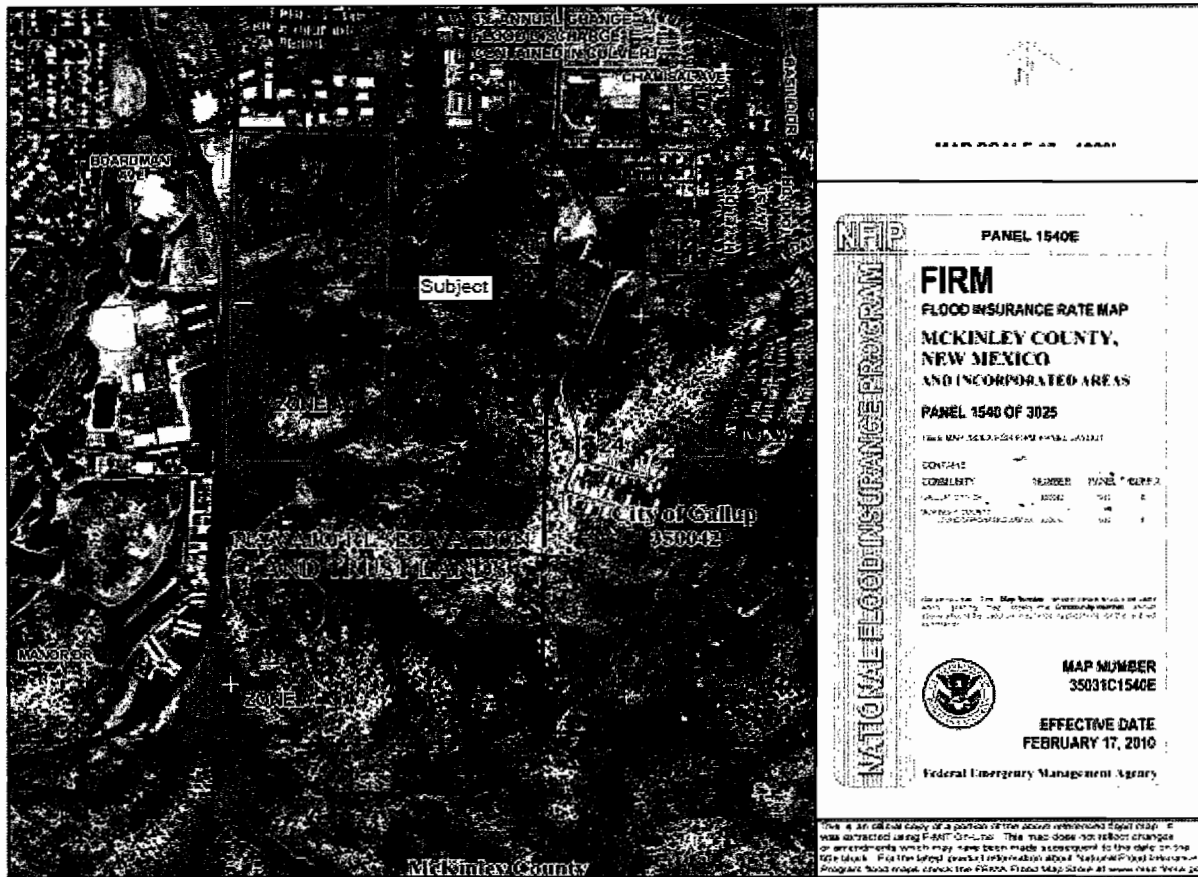
No soils report or a Phase 1 assessment has been provided for review. It is assumed that the subject soils are stable and capable of supporting full development consistent with the property's estimated highest and best use. It is made an assumption of this appraisal that the subject soils are free from contamination and that the site may be developed to its highest and best use.

### **Easements and Encroachments**

No adverse easements or encroachments appear to encumber the site, and no adverse conditions present any undue limitation on the use or marketability of the tract.

## Topography, Drainage and Flood Hazard

The subject's topography is undulating and slopes downward from south to north and east to west. A copy of the Flood Hazard Map is reproduced below.

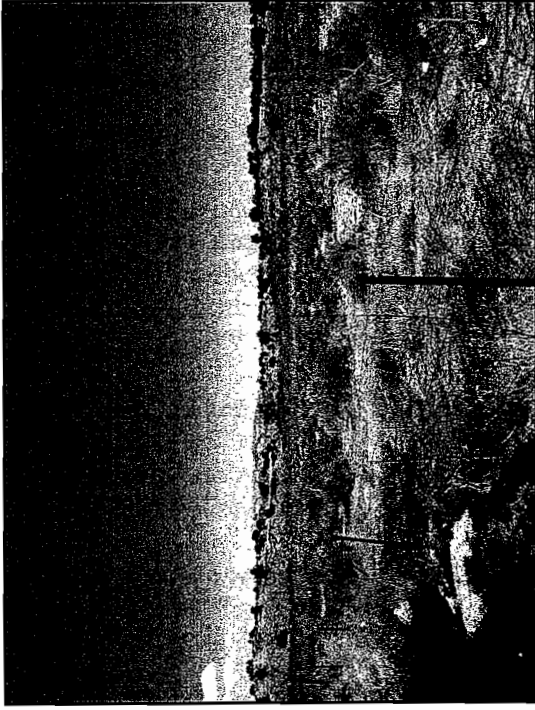


Per FEMA Flood hazard Map 35031C1540E, effective February 17, 2010. Approximately 10% of the property in the southwest portion of the tract appears to be located within Zone A. This area is subject to inundation by the 1% annual-chance flood event. The remaining portion of the subject tract appears to be located within Zone X., areas of minimal flooding outside of the 100 year flood plain as determined by FEMA.

## Conclusions

Generally speaking, the east side sector area of Gallup is in a state of change. This portion of the city has potential for development. According to the City of Gallup Growth Management Master Plan Update – Land Use Element, August 2009, the subject property is located in an area referred to as El-B - Boardman. The subject property is immediately east of Boardman Avenue, and is dominated by hilly terrain with scattered housing. Due to jurisdictional restraints (Indian Allotted Lands), this area has been considered non-developable. However, due to the hypothetical condition of this report, the property is being appraised if held in fee simple estate, and there does not appear to be any legal barriers to development. Given the subjects' access/visibility and proximity to utilities, the subject is well suited for future development upon demand.

Photographs were taken by Alfonso Montoya on 06/10/2014



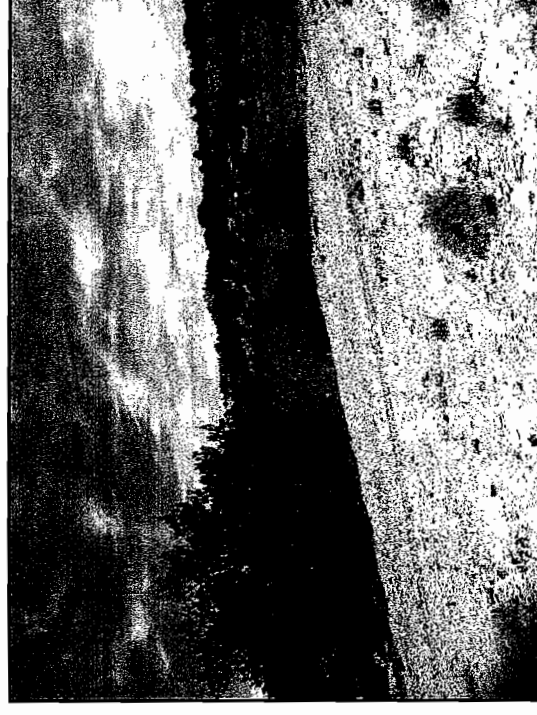
Northeast view from SWC



Southwest view from NEC



Northwest view from SEC



Southeast view from NWC

## HIGHEST AND BEST USE

Highest and best use is the foundation of the valuation process. Real estate investors are motivated by the anticipated benefits of ownership, and seek to maximize those benefits by putting a property to a specific use. Highest and best use analyzes the market dynamics which establish a given property's most profitable use.

Highest and best use is defined as:

The reasonably profitable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value. (Source: The Appraisal of Real Estate, 10<sup>th</sup> Edition, Appraisal Institute, 1992, page 275.)

For a particular use to be considered the highest and best use for a given property it must be:

1. Legally Permissible,
2. Physically Possible,
3. Financially Feasible, and
4. Maximally Productive

The four tests of highest and best use are applied in sequence and should provide insight into the subject property's competitive position in the market.

### *Legally Permissible Uses*

The subject property is located within the City of Gallup, McKinley County, New Mexico and is held in trust by the United States of America and administered by the BIA. As such, the Subject property is not subject to county zoning regulations. However, according to appraisal guidelines, they subject property is to be appraised under the hypothetical condition that the Trust Lands are subject to public land use regulations. The City of Gallup does subscribe to zoning as a type of land use control. Given the surrounding zoning uses, virtually any use of the subject property is considered probable.

### *Physically Possible Uses*

The subject property is rectangular in shape and contains 80± acres of land, which is adequate for a wide range of possible uses. As previously noted, the subject property is hilly with moderate to steep terrain. The subject property is considered to have favorable visibility and access from Boardman Avenue and is proximate to utilities. Although the terrain is hilly in portions of the tract, the subject property does appear to be physically suitable for a wide range of uses for future development.

### *Financially Feasible/Maximally Productive*

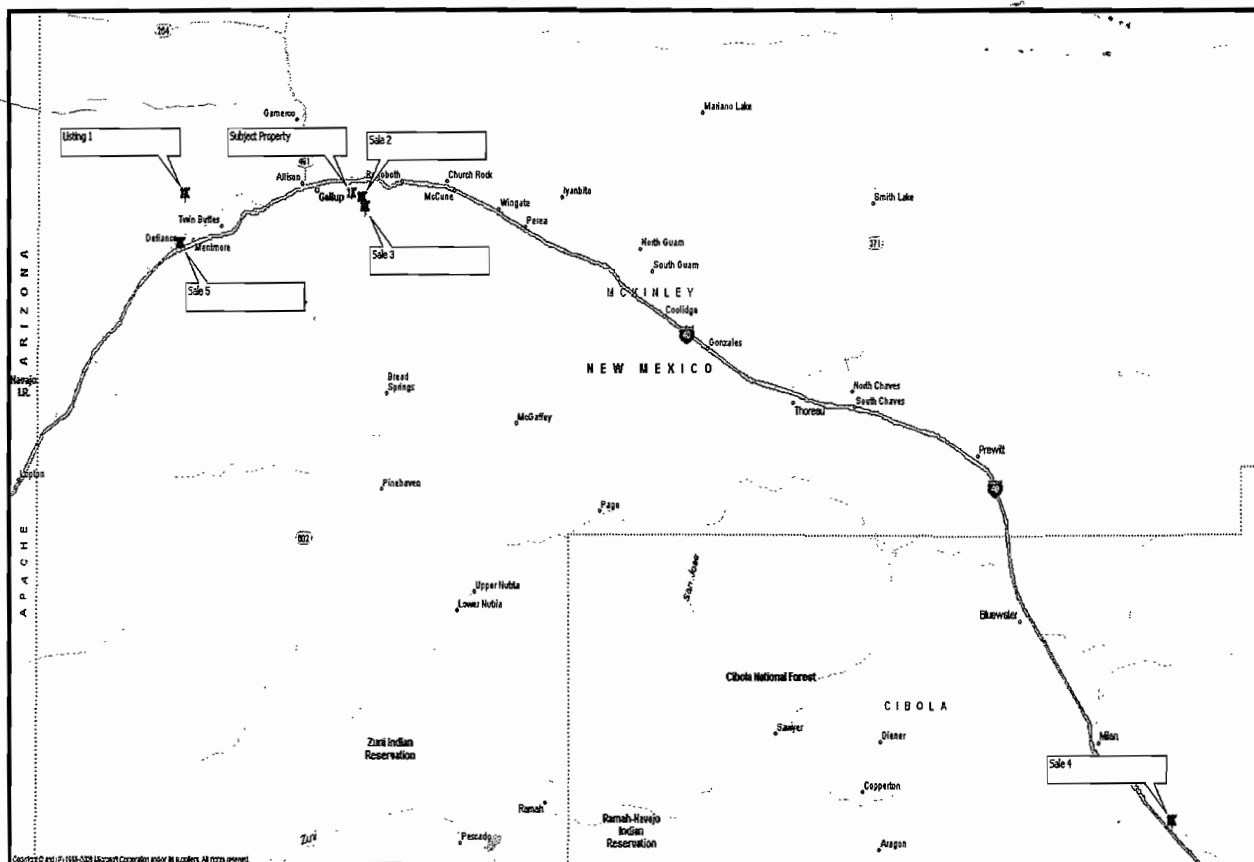
In order for a use to be financially feasible it must produce a positive return, i.e., be profitable. Inherent in the concept of financial feasibility is the assumption that speculative development would be profitable.

As previously noted the subject property is surrounded by the city limits and is located along the east line of Boardman Avenue. The increasing population base and proximity to major employers in the City of Gallup and McKinley County bodes well for future development opportunities. Given current growth and economic conditions, it is difficult to make a realistic estimate for near term development. It is reasonable to conclude that the highest and best use of the subject property is to hold for future mixed use development upon demand.

## VALUATION

The valuation analysis is based on the Sales Comparison Approach. A summary Table and map locating the subject, one land listing and four comparable sales in relation to the subject are presented below. Data sheets are presented on the following pages.

Comparable Sales Summary						
Sale	Subject Allotment SF-060195	Land Listing 1	Sale 2	Sale 3	Sale 4	Sale 5
Date	N/A	Current	11-Jun-2014	20-May-2014	11-Jan-2011	16-Oct-2014
Location	West 1/4 of the NW1/4 of Section 24, T15N, Range 18W, McKinley County	562.01 Acres M/L in Section 20, T15N, R19W, McKinley County	Tract H-1 of Hidden Valley Subdivision, McKinley County	A certain tract of land containing 102.51 acres ± situated in the SE1/4 of Section 24, Red Hill South Addition, Gallup, McKinley County	The North 1/4 of the NW 1/4 and the west 1/4 of the NE 1/4 of Section 8, T. 10N., R. 9W., Cibola County	A parcel located in the NW 1/4 of Section 31, Township 15 North, Range 19 West, McKinley County
Price	NA	\$843,000	\$36,850	\$130,000	\$170,000	\$24,500
Price/Acre	NA	\$1,500	\$1,510	\$1,268	\$1,125	\$2,092
Land Size (Acre)	80.00	562.01	24.41	102.51	151.18	11.71
Grantor	N/A	JM Lopez Estate	Holigan Land Development, LTD., By and through Diane G Reed Trustee	Holigan Land Development, LTD., By and through Diane G Reed Trustee	Walter McBride	Full House Resorts, Inc.
Grantee	N/A	N/A	TRFA LLC	Hector & Scarlett Corral Revocable Trust	Kadyn and Amite Elkins	Orin and Shannon Sowers
Recording (Document #)	N/A	N/A	Document # 367600	Document # 200900760	Document # 2011-00218	Document # 346993



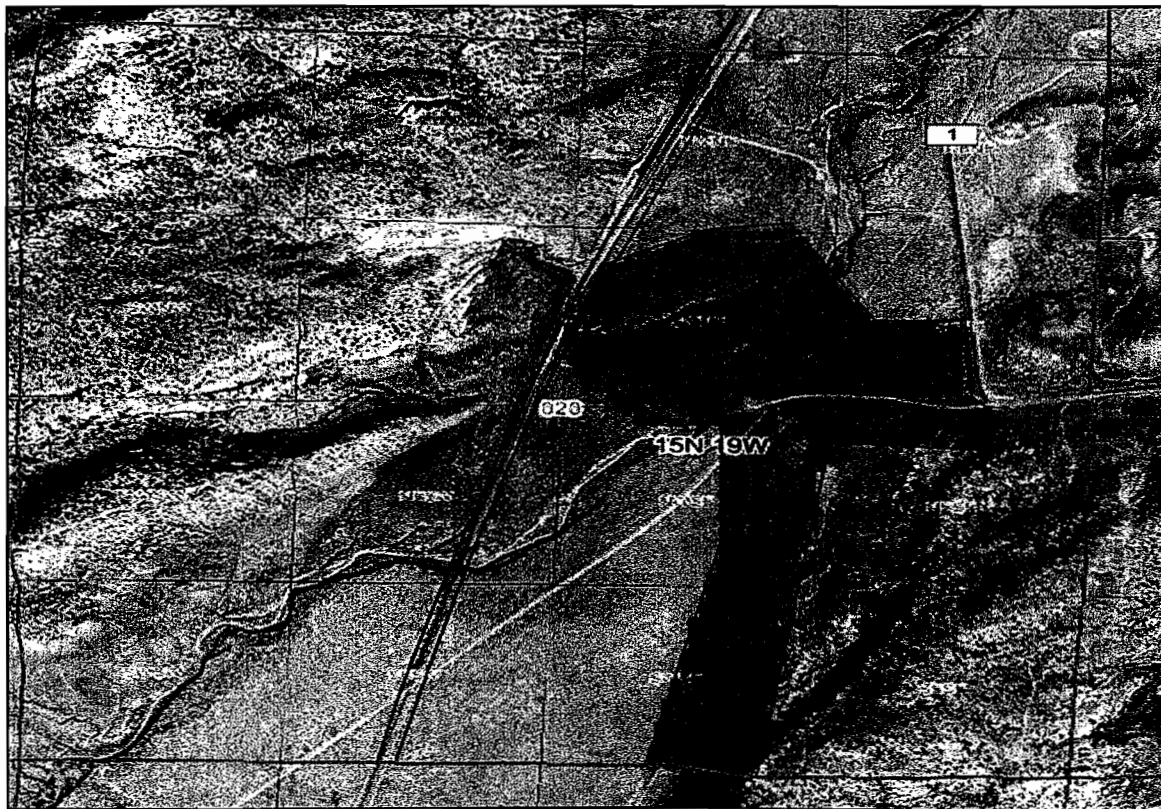
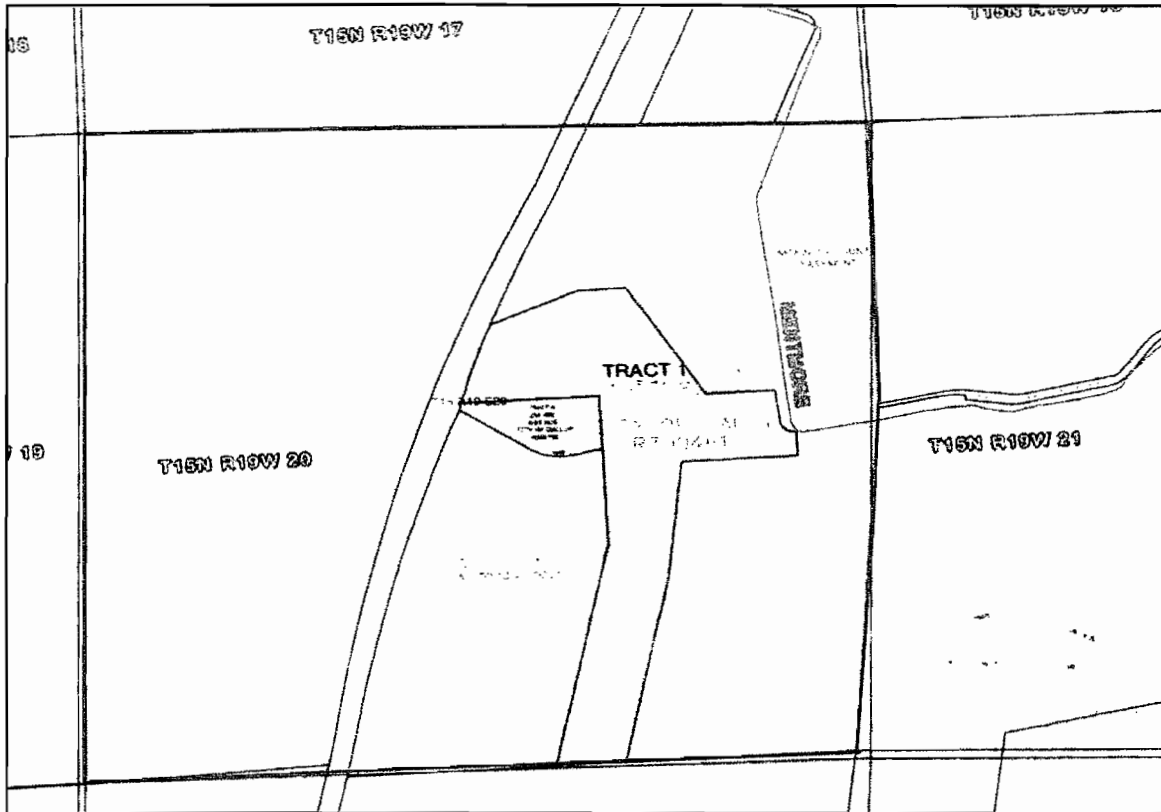
## Vacant Land Listing 1



<b>Sale Date</b>	N/A		
<b>Location</b>	Mentmore		
<b>Legal Description</b>	562.01 Acres M/L in Section 20, T15N, R19W, Survey filed Book 26, Page 4073 on 3/1/06.		
<b>Coordinates</b>	35°31'07.01"N, 108°51'58.82"W - NW portion of tract - County Rd 1		
<b>List Price</b>	\$843,000	<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to seller	<b>Conditions of Sale</b>	atypical
<b>Land Area - Acres</b>	562.0100	<b>Topography</b>	undulating to steep
<b>Zoning</b>	None	<b>Highest &amp; Best Use</b>	Recreation/residential development
<b>Water</b>	None	<b>Frontage/Access</b>	County Road 1
<b>Sewer</b>	None	<b>Mineral Rights</b>	NA
<b>Gas</b>	None	<b>Easements</b>	Typical
<b>Electric</b>	Nearby	<b>Water Rights</b>	N/A
<b>Telephone</b>	Unk	<b>Assessor's Parcel No.</b>	R061573
<b>Price Per Acre</b>	\$1,500	<b>Use on Date of Sale</b>	Vacant
<b>Proximity to Subject</b>	Approximately 11 driving miles	<b>Current Use</b>	Vacant
<b>Grantor</b>	JM Lopez Estate		
<b>Grantee</b>	N/A		
<b>Recording</b>	N/A - MLS # 20141380		
<b>Confirmation</b>	N/A		
<b>Comments</b>	This property is 562.01 Acre Tract. The property has Mentmore Road aka County Road 1 traversing across the NW portion of the tract. In addition, the City of Gallup owns two irregular shaped tracts containing approximately 62 acres in what appears to be the east half of Section 20. There is a railroad right-of-way which traverses the tract in a NE/SW direction and a large wash across the property in a similar direction as the rail road right-of-way. This tract is currently on the market as of 4/1/2014 for \$1,500 per acre. This is a large tract, almost a section of land close to the city limits of Gallup.		

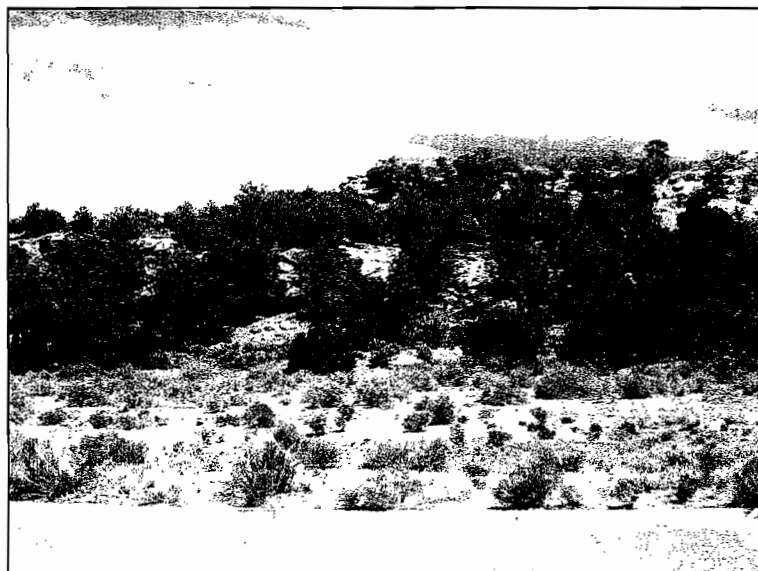


Vacant Land Listing 1 Map and Aerial



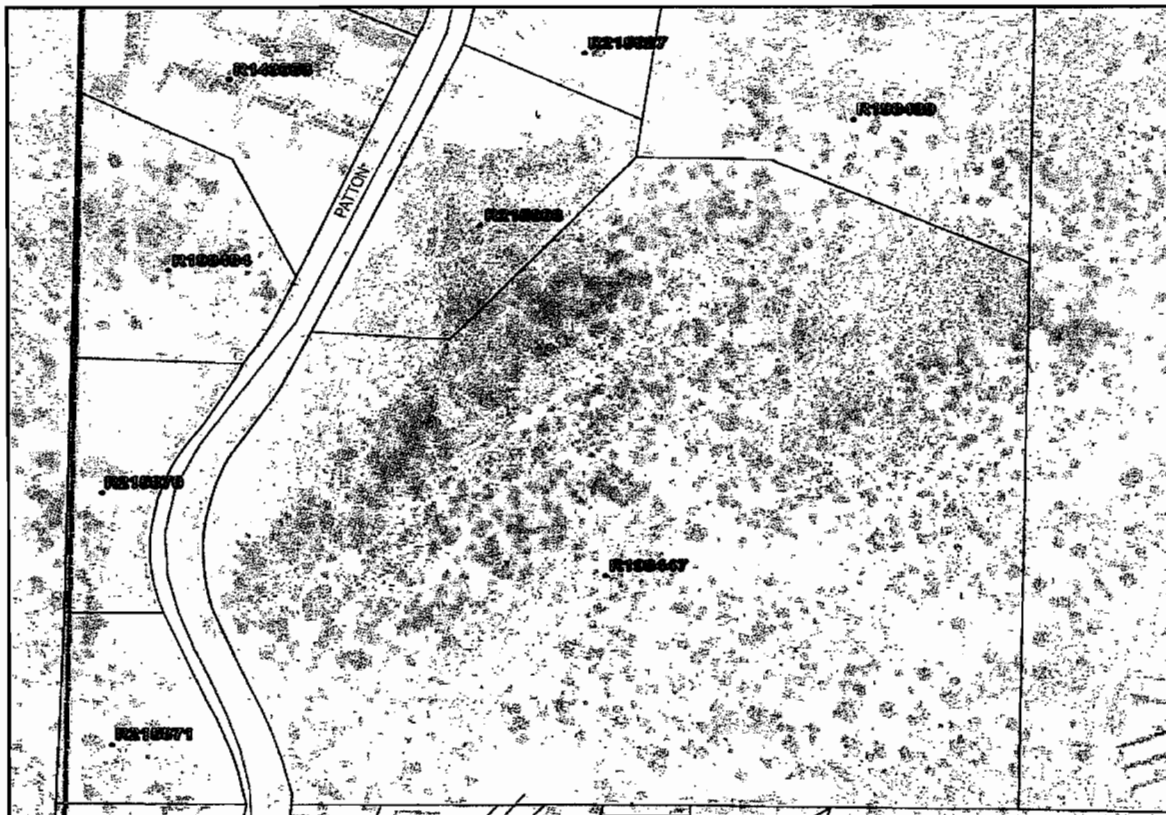
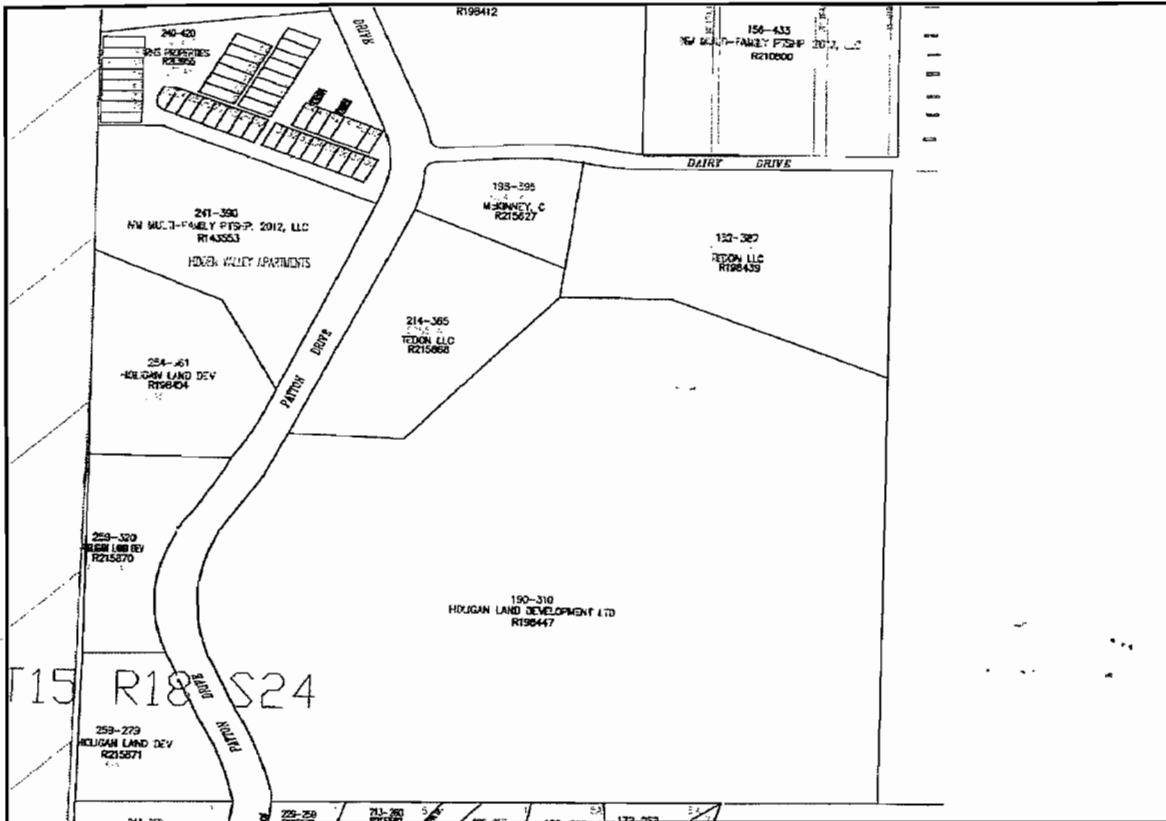


## Vacant Land Sale 2



<b>Sale Date</b>	June 11, 2014		
<b>Location</b>	East line of Patton Drive, just south of Dairy, City of Gallup, McKinley County, New Mexico		
<b>Legal Description</b>	Tract H-1 of REPLAT OF TRACT C, D & H OF HIDDEN VALLEY SUBDIVISION, as the same is shown and designated on the Replat of said tracts file for record in the Office of the Clerk of McKinley County, New Mexico on November 13, 1998 in Plat Cabinet "D", Folio No. 195.		
<b>Coordinates</b>	35°31'01.29"N, 108°41'40.93"W - Approximate center of tract		
<b>Sales Price</b>	\$36,850	<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to seller	<b>Conditions of Sale</b>	atypical
<b>Land Area - Acres</b>	24.412	<b>Topography</b>	undulating to steep
<b>Zoning</b>	RHZ	<b>Highest &amp; Best Use</b>	Residential development
<b>Water</b>	Nearby	<b>Frontage/Access</b>	Patton Drive
<b>Sewer</b>	Nearby	<b>Mineral Rights</b>	NA
<b>Gas</b>	Nearby	<b>Easements</b>	Typical
<b>Electric</b>	Nearby	<b>Water Rights</b>	N/A
<b>Telephone</b>	Unk	<b>Assessor's Parcel No.</b>	R198447
<b>Price Per Acre</b>	\$1,510	<b>Use on Date of Sale</b>	Vacant
<b>Proximity to Subject</b>	Approximately 0.5 driving miles	<b>Current Use</b>	Vacant
<b>Grantor</b>	Holigan Land Development, LTD., By and through Diane G. Reed Trustee		
<b>Grantee</b>	TRFA LLC.		
<b>Recording</b>	Special Warranty Deed Document No. 367600		
<b>Confirmation</b>	Jason Valentine (Realtor, Coldwell Banker 505-863-4363) to Alfonso Montoya		
<b>Comments</b>	This 24.412 acre parcel was sold under a Chapter 7 Bankruptcy. According to the Broker, The Trustee asked him to price the land appropriately in order to sell quickly. As such, the Broker originally listed the property for \$153,765 or \$1,506 per acre. The property was on the market for approximately 4 months, which is considered to be a short time for vacant land of this type and size. The property closed for a reported \$36,850 or \$1,510 per acre. According to the listing Broker, he felt the original list price was priced to sell fast. Given the location of the property and the close proximity to available utilities. The broker felt the property could command a price of \$2,000 to 2,500 per acre under normal conditions. It was reported that the buyer purchased for future owner/user business office development.		

Vacant Land Sale 2 Map and Aerial



**SPECIAL WARRANTY DEED**

**DATE:** June 11, 2014.

**GRANTOR:** HOLIGAN LAND DEVELOPMENT, LTD., by and through DIANE G. REED,  
CHAPTER 7 TRUSTEE, U.S. Bankruptcy Court, Northern District of Texas, Dallas  
Division, under Case No. 11-34330-SGI-7.

**GRANTOR'S MAILING ADDRESS:**

501 N. College Street  
Waxahachie, Texas 75165 (Ellis County)

**GRANTEE:** TRFA LLC.

**GRANTEE'S MAILING ADDRESS:**

P.O. Box 2112  
St. John's, Arizona 85936 (Apache County)

**CONSIDERATION:**

TEN AND NO/100 (\$10.00) and other good and valuable consideration.

**PROPERTY:**

Tract H-1 of REPLAT OF TRACT C, D & H OF HIDDEN VALLEY SUBDIVISION, as  
the same is shown and designated on the Replat of said tracts filed for record in the Office  
of the Clerk of McKinley County, New Mexico on November 13, 1998 in Plat Cabinet  
"B", Folio No. 195.

Reservations from and Exceptions to Conveyance and Warranty:

SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF  
FOR ALL PURPOSES.

Grantor, for the consideration and subject to the Reservations from and Exceptions to Conveyance  
and Warranty, grants, sells and conveys to Grantee the Property, together with all and singular the  
rights and appurtenances thereto in any way belonging to Grantor, to have and to hold it to Grantee  
and Grantee's heirs, successors and assigns forever.

Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and  
singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person  
whosoever lawfully claiming or to claim the same or any part thereof when the claim is by, through  
or under Grantor but not otherwise, except as to the Reservations from Exceptions to Conveyance  
and Warranty.

When the context requires, singular nouns and pronouns include the plural.

DOC# 367888

06/13/2014 09:25:46 Page: 1 of 6  
DEED # 610-00 N. E. Grant, McKinley County  


*fyroo*

HOLIGAN LAND DEVELOPMENT, LTD.,  
by and through DIANE G. REED, CHAPTER 7  
TRUSTEE, U.S. Bankruptcy Court, Northern  
District of Texas, Dallas Division, under Case No.  
11-34330-SQJ-7

*[Signature: Diane G. Reed]*  
DIANE G. REED, CHAPTER 7 TRUSTEE FOR  
THE BANKRUPTCY ESTATE OF HOLIGAN  
LAND DEVELOPMENT, LTD., U.S. Bankruptcy  
Court, Northern District of Texas, Dallas Division,  
under Case No. 11-34330-SQJ-7

## ACKNOWLEDGMENT

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF ELLIS     §

This instrument was acknowledged before me this 11<sup>th</sup> day of June, 2014, by DIANE G. REED, CHAPTER 7 TRUSTEE, U.S. Bankruptcy Court, Northern District of Texas, Dallas Division, under Case No. 11-34330-SQJ-7, on behalf of the Bankruptcy Estate of Holigan Land Development, Ltd.

*[Signature: Linda Kaye Paquette]*  
Notary Public, State of Texas  
*[Signature: Linda Kaye Paquette]*  
Notary's printed name

My Commission Expires: 12-11-2016



BOOK 387800

2014 JUN 11 PM 2:20:46 Page 2 of 3  
2014 JUN 11 PM 2:20:46 Page 2 of 3  
2014 JUN 11 PM 2:20:46 Page 2 of 3

**EXHIBIT "A"**

1. The following restrictive covenants of record itemized below.
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping or improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any party.
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
  - a. to tidelands or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans; or
  - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government; or
  - c. to filled-in lands or artificial islands; or
  - d. to statutory water rights, including riparian rights; or
  - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year 2014 and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property, or because of improvements not assessed for a previous tax year.
6. The terms and conditions of the documents creating your interest in the land.
7. The following matters and all terms of the documents creating or offering evidence of the matters:
  - a. Rights of Tenants in possession under any unrecorded leases;
  - b. Easements or claims of easements, which are not recorded in the public records; or
  - c. Any portion of the property described herein within the limits or boundaries of any public or private roadway and/or highway.

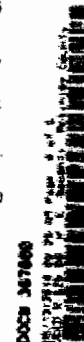
**Exhibit "A" - Solo Page**

DOC# 367508  
 04/18/2014 09:23 AM Page: 3 of 5  
 0000 0-125 30 14 2  
 McLachlan County

**EXHIBIT "B"**

GRANTEE ACKNOWLEDGES AND AGREES THAT EXCEPT FOR GRANTOR'S SPECIAL WARRANTY OF TITLE AS HEREINABOVE PROVIDED, GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED AT COMMON LAW, BY STATUTE, OR OTHERWISE, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON; (D) THE COMPLIANCE OF THE PROPERTY OR THE OPERATIONS WHICH HAVE OCCURRED THEREON WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OR ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) WHETHER OR NOT ANY LEASE RELATING TO THE PROPERTY IS IN FORCE; OR (G) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. WITHOUT LIMITING THE FOREGOING, GRANTOR DOES NOT AND HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS SUBSTANCES (AS HEREINAFTER DEFINED) ON, UNDER OR ABOUT THE PROPERTY OR THE COMPLIANCE OR NONCOMPLIANCE OF THE PROPERTY WITH THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT, THE SUPERFUND AMENDMENT AND

Exhibit "B" - Page 1 of 3



REAUTHORIZATION ACT, THE RESOURCE CONSERVATION RECOVERY ACT, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL ENVIRONMENTAL PESTICIDES ACT, THE CLEAN WATER ACT, THE CLEAN AIR ACT, ANY APPLICABLE TEXAS ENVIRONMENTAL LAW OR REGULATION, ANY SO CALLED FEDERAL, STATE OR LOCAL "SUPERFUND" OR "SUPERLIEN" STATUTE, OR ANY OTHER STATUTE, LAW, ORDINANCE, CODE, RULE, REGULATION, ORDER OR DECREE REGULATING, RELATING TO OR IMPOSING LIABILITY (INCLUDING STRICT LIABILITY) OR STANDARDS OF CONDUCT CONCERNING ANY HAZARDOUS SUBSTANCES (COLLECTIVELY, THE "HAZARDOUS SUBSTANCES LAWS"). FOR PURPOSES OF THIS SPECIAL WARRANTY DEED, THE TERM "HAZARDOUS SUBSTANCES" SHALL MEAN AND INCLUDE THOSE ELEMENTS OR COMPOUNDS WHICH ARE CONTAINED ON THE LIST OF HAZARDOUS SUBSTANCES ADOPTED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE LIST OF TOXIC POLLUTANTS DESIGNATED BY CONGRESS OR THE ENVIRONMENTAL PROTECTION AGENCY OR UNDER ANY HAZARDOUS SUBSTANCE LAWS.

GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE IS TAKING THE PROPERTY PURSUANT TO GRANTEE'S INDEPENDENT EXAMINATION, STUDY, INSPECTION AND KNOWLEDGE OF THE PROPERTY AND GRANTEE IS RELYING UPON GRANTEE'S OWN DETERMINATION OF THE VALUE OF THE PROPERTY AND USES TO WHICH THE PROPERTY MAY BE PUT, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE

Exhibit: "B" - Page 2 of 3

DOC# 387800

05/13/2014 09:25 AM Page: 6 of 8  
DEED #: 325-08 H. K. Barranti, PWS (Jury County)  
[REDACTED]

PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT GRANTOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND GRANTOR MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. GRANTEE ACCEPTS THE PROPERTY WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, EXCEPT FOR THE SPECIAL WARRANTY OF TITLE AS SET FORTH HEREIN AND OTHERWISE IN AN "AS IS" AND "WITHOUT FAULTS" CONDITION BASED SOLELY ON GRANTEE'S OWN INSPECTION AND INVESTIGATION.

DIANE G. REED IS EXCLUDING THIS INSTRUMENT SOLELY IN HER CAPACITY AS TRUSTEE IN BANKRUPTCY FOR THE ESTATE OF HOLIGAN LAND DEVELOPMENT, LTD., WHO IS A DEBTOR UNDER CHAPTER 7 OF THE UNITED STATES BANKRUPTCY CODE, AND ANY OBLIGATIONS, UNDERTAKINGS, LIABILITIES EVIDENCED OR CREATED HEREBY, OR BY VIRTUE OF THIS CONVEYANCE AND BY RELATED TRANSACTIONS, ARE SOLELY THE OBLIGATIONS OF THE ESTATE IN BANKRUPTCY OF HOLIGAN LAND DEVELOPMENT, LTD. AS DETERMINED IN ACCORDANCE WITH THE UNITED STATES BANKRUPTCY CODE. DIANE G. REED SHALL HAVE NO PERSONAL LIABILITY, NOR SHALL RESORT BE HAD TO ANY OF HER PROPERTY FOR ANY OBLIGATION OF THE ESTATE OR UNDER ANY AGREEMENT ENTERED INTO BY HER, IN HER CAPACITY AS TRUSTEE FOR THE ESTATE

**Exhibit "B" - Page 3 of 3**

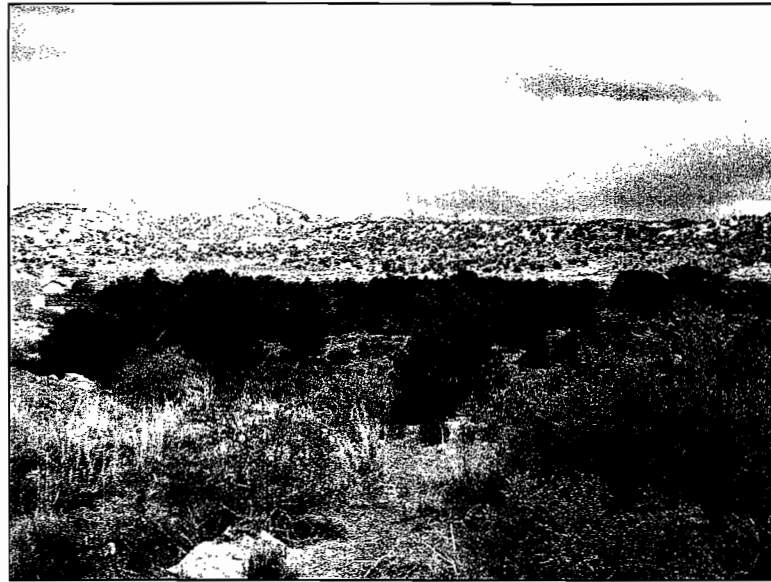
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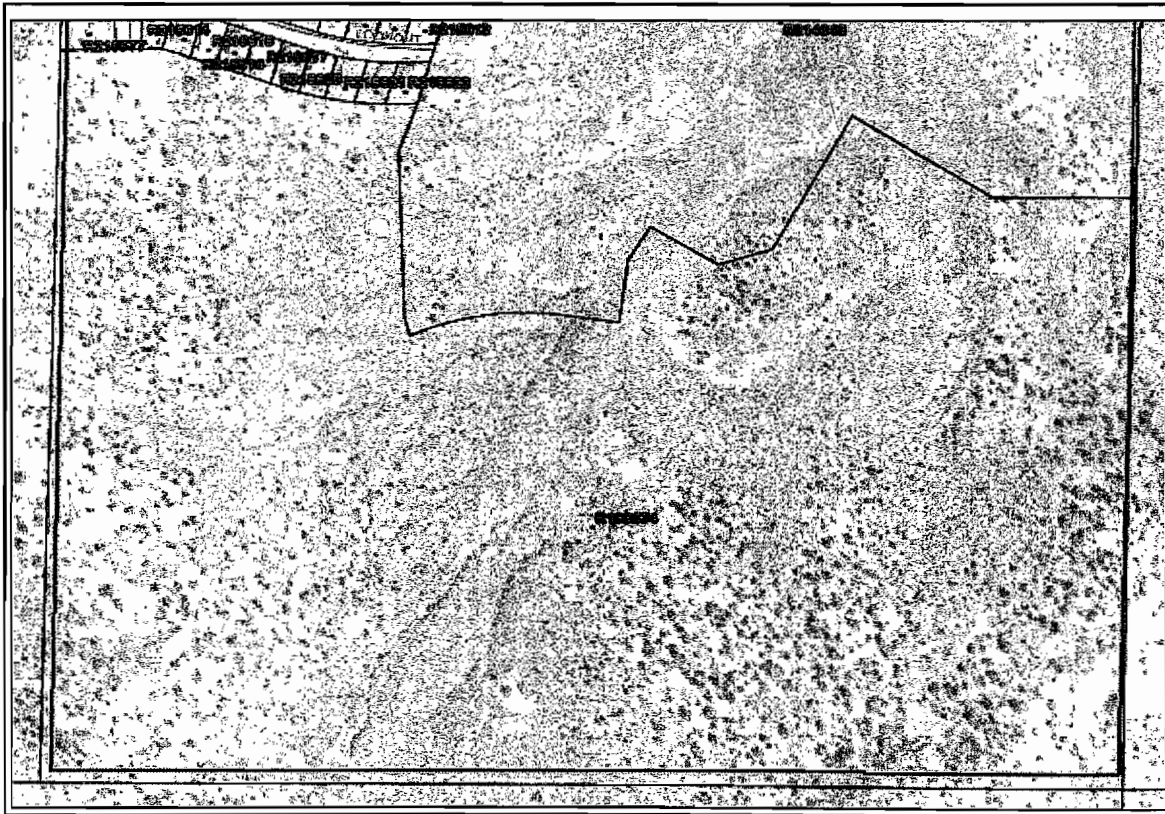
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## Vacant Land Sale 3



<b>Sale Date</b>	May 20, 2014		
<b>Location</b>	Red Hills South Addition - NWC end of Patton Drive		
<b>Legal Description</b>	A certain tract of land containing 102.51 acres more or less situated in the SE¼ of Section 24, Red Hill South Addition, Gallup, McKinley County, NM, as more particularly described on Exhibit "1"		
<b>Coordinates</b>	35°30'39.46"N, 108°41'41.39"W - Approximate center of tract		
<b>Sales Price</b>	\$130,000	<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to seller	<b>Conditions of Sale</b>	atypical
<b>Land Area - Acres</b>	102.5100	<b>Topography</b>	undulating
<b>Zoning</b>	MH-1	<b>Highest &amp; Best Use</b>	Residential development
<b>Water</b>	No	<b>Frontage/Access</b>	Patton Drive
<b>Sewer</b>	No	<b>Mineral Rights</b>	NA
<b>Gas</b>	Nearby	<b>Easements</b>	Typical
<b>Electric</b>	Nearby	<b>Water Rights</b>	N/A
<b>Telephone</b>	Unk	<b>Assessor's Parcel No.</b>	R198374
<b>Price Per Acre</b>	\$1,268	<b>Use on Date of Sale</b>	Vacant
<b>Proximity to Subject</b>	Approximately 0.75 driving miles	<b>Current Use</b>	Vacant
<b>Grantor</b>	Hooligan Land Development, LTD., By and through Diane G. Reed Trustee		
<b>Grantee</b>	Hector and Scarlett J. Corral Revocable Trust		
<b>Recording</b>	Special Warranty Deed Document No. 367328		
<b>Confirmation</b>	Jason Valentine (Realtor, Coldwell Banker 505-863-4363) to Alfonso Montoya		
<b>Comments</b>	This 102.51 acre parcel was sold under a Chapter 7 Bankruptcy. According to the Broker, The Trustee asked him to price the land appropriately in order to sell quickly. As such, the Broker originally listed the property for \$153,765 or \$1,506 per acre. The property was on the market for a total of 113 days or 3.77 months, which is considered to be a short time for vacant land of this type and size. The property closed for a reported \$130,000 or \$1,268 per acre, resulting in a 84.2% list to sell ratio. According to the listing Broker, he felt the original list price was priced to sell fast. Given the location of the property and the close proximity to available utilities. The broker felt the property could command a price of \$2,000 to 2,500 per acre under normal conditions.		



## SPECIAL WARRANTY DEED

DATE: May 20, 2014

GRANTOR: HOLLIGAN LAND DEVELOPMENT, LTD., by and through DIANE G. REED,  
CHAPTER 7 TRUSTEE, U.S. Bankruptcy Court, Northern District of Texas, Dallas  
Division, under Case No. 11-34330-SGJ-7

GRANTOR'S MAILING ADDRESS:

501 N. College Street  
Waxahatchie, Texas 75165 (Ellis County)

GRANTEE: LECTOR AND SHARIF F.T.J. CORRAU REVOCABLE TRUST

GRANTEE'S MAILING ADDRESS:

1711 Linda Drive  
Gallup, New Mexico 87301

CONSIDERATION:

TEN AND NO 100 (\$10.00) and other good and valuable consideration.

PROPERTY:

That certain tract or parcel of land containing 102.51 acres more or less situated in the  
southeast quarter (1/4) of Section 24, Red Hill South Addition, Gallup, McKinley  
County, New Mexico, as more particularly described on Exhibit "1" attached hereto

Reservations from and Exceptions to Conveyance and Warranty

SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF  
FOR ALL PURPOSES.Grantor, for the consideration and subject to the Reservations from and Exceptions to Conveyance  
and Warranty, grants, sells and conveys to Grantee the Property, together with all and singular the  
rights and appurtenances thereto in any way belonging to Grantor, to have and to hold it to Grantee  
and Grantee's heirs, successors and assigns forever.Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and  
singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person  
whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through  
or under Grantor but not otherwise, except as to the Reservations from Exceptions to Conveyance  
and Warranty.

When the context requires, singular nouns and pronouns include the plural.

DCC# 367328

2014/05/20 02:38 PM Page 1 of 2  
RETO R. \$25.00 H. K. Bapent, McKinley County  


HOULGAN LAND DEVELOPMENT, LTD.,  
by and through DIANE G. REED, CHAPTER "  
TRUSTEE, U.S. Bankruptcy Court, Northern  
District of Texas, Dallas Division, under Case No  
11-34333-SOL-21

DIANE G. REED, CHAPTER 7 TRUSTEE FOR  
THE BANKRUPTCY ESTATE OF HOLIGAN  
LAND DEVELOPMENT, LTD., U.S. Bankruptcy  
Court, Northern District of Texas, Dallas Division,  
under Case No. 11-34330-SGJ-7

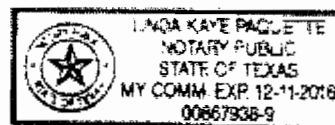
## ACKNOWLEDGMENT

THE STATE OF TEXAS           §  
COUNTY OF ELLIS             §

This instrument was acknowledged before me this 26<sup>th</sup> day of May, 2014, by DIANE G. REED, CHAPTER 7 TRUSTEE, U.S. Bankruptcy Court, Northern District of Texas; Dallas Division, under Case No. 11-34330-SGJ-7 on behalf of the Bankruptcy Estate of Heligan Land Development, Ltd.

*Linda Kaye Paquette*  
Notary Public, State of Texas  
*Linda Kaye Paquette*  
Notary's printed name

My Commission Expires: 12-11-2016



DOC# 367328

000017014 02 08 PM Page 2 of 7  
 PFD # 125 00 - K. Baskin, Berkeley County

**EXHIBIT**

1

A tract of land in the southeast quarter (1/4) of Section 24, T15N, R18W, N.M.P.M., Red Hill South Addition, City of Gallup, McKinley County, New Mexico, and being more particularly described as follows:

Commencing for a tie at the east quarter corner of said Section 24, and run thence South 00 degrees 14 minutes 52 seconds West for a distance of 990.03 feet to a point on east line of said Section 24 said point being the Real Point of Beginning.

THENCE South 00 degrees 14 minutes 52 seconds West for a distance of 1627.52 feet to the southeast corner of said Section 24,

THENCE South 89 degrees 47 minutes 29 seconds West for a distance of 2696.23 feet to the south quarter corner of said Section 24.

THENCE North 00 degrees 49 minutes 58 seconds East for a distance of 2007.52 feet to a point.

THENCE North 83 degrees 17 minutes 11 seconds East for a distance of 253.89 feet to a point.

THENCE South: 71 degrees 03 minutes 39 seconds East for a Distance of 309.79 feet to a point,

THENCE along a curve to the right, having a radius of 1269.32 feet and an arc length of 346.23 feet, being subtended by a chord of South 47 degrees 57 minutes 20 seconds East for a distance of 345.16 feet to a point,

THENCE South 14 degrees 58 minutes 13 seconds West for a distance of 116.65 feet to a point.

THENCE South 02 degrees 25 minutes 53 seconds East for a distance of 463.37 feet to a point,

THENCE South 24 degrees 13 minutes 42 seconds East for a distance of 57.94 feet to a point,

THENCE along a curve to the right having a radius of 705.00 feet and an arc length of 383.64 feet, being subtended by a chord of North 31° 49' 38" East for a distance of 378.92 feet to a point.

THENCE South 83 degrees 03 minutes 00 seconds East for a distance of 145.00 feet to a point,

THENCE North 06 degrees 57 minutes 00 seconds East for a distance of 175.00 feet to a point,

THENCE North 29 degrees 40 minutes 00 seconds East for a distance of 100.00 feet to a point.

THENCE South 58 degrees 21 minutes 01 seconds East for a distance of 195.00 feet to a point,

THENCE North 72 degrees 51 minutes 45 seconds East for a distance of 132.54 feet to a point.

THENCE North 27-degrees 14 minutes 52 seconds East for a distance of 420.00 feet to a point.

THENCE South, 58 degrees 45 minutes 58 seconds East for a distance of 410.00 feet to a point.

THENCE South 29 degrees 45 minutes 08 seconds East for a distance of 345.00 feet to the Real Point of Beginning.

Said tract of land annexed in the City of Gallup, New Mexico by plat titled REDHILL SOUTH ADDITION, as the same is shown and designated on the plat of said addition filed in the office of the clerk of McKinley County, New Mexico, on May 21, 1980 at reception NO. 195, 315.

DOC# 367328

06/17/2014 02:39 PM Page: 3 of 7  
DEED # 125-00 H K Becenti, Monterey County

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.



EXHIBIT "A"

- 1 The following restrictive covenants of record itemized below
- 2 Any discrepancies, conflicts, or shortages in area or boundary lines, or any
- 3 encroachments or protrusions, or any overlapping or improvements.
- 4 Homestead or community property or survivorship rights, if any, of any spouse of any
- 5 party.
- 6 Any titles or rights asserted by anyone, including, but not limited to, persons, the
- 7 public, corporations, governments or other entities,
- 8
- 9 a. to tidelands or lands comprising the shores or beds of navigable or perennial
- 10 rivers and streams, lakes, bays, gulfs or oceans; or
- 11
- 12 b. to lands beyond the line of the harbor or bulkhead lines as established or
- 13 changed by any government; or
- 14
- 15 c. to filled-in lands or artificial islands; or
- 16
- 17 d. to statutory water rights, including riparian rights; or
- 18
- 19 e. to the area extending from the line of mean low tide to the line of vegetation,
- 20 or the rights of access to that area or easement along and across that area.
- 21
- 22 Standby fees, taxes and assessments by any taxing authority for the year 2014 and
- 23 subsequent years, and subsequent taxes and assessments by any taxing authority for
- 24 prior years due to change in land usage or ownership, but not those taxes or
- 25 assessments for prior years because of an exemption granted to a previous owner of
- 26 the property under Section 11.13, *Texas Tax Code*, or because of improvements not
- 27 assessed for a previous tax year.
- 28
- 29 The terms and conditions of the documents creating your interest in the land.
- 30
- 31 The following matters and all terms of the documents creating or offering evidence of
- 32 the matters:
- 33
- 34 a. Rights of Tenants in possession under any unrecorded leases;
- 35
- 36 b. Easements or claims of easements, which are not recorded in the public
- 37 records; or
- 38
- 39 c. Any portion of the property described herein within the limits or boundaries
- 40 of any public or private roadway and/or highway.

DOC# 367328

Exhibit "A" - Solo Page


0012712014 02 39 US Page 3 of 7  
 0000 R 125 00 H K Second Precinct County

## EXHIBIT "B"

GRANTEE ACKNOWLEDGES AND AGREES THAT EXCEPT FOR GRANTOR'S SPECIAL WARRANTY OF TITLE AS HEREINABOVE PROVIDED, GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED AT COMMON LAW, BY STATUTE, OR OTHERWISE ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON; (D) THE COMPLIANCE OF THE PROPERTY OR THE OPERATIONS WHICH HAVE OCCURRED THEREON WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OR ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) WHETHER OR NOT ANY LEASE RELATING TO THE PROPERTY IS IN FORCE; OR (G) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, WITHOUT LIMITING THE FOREGOING. GRANTOR DOES NOT AND HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS SUBSTANCES (AS **HEREINAFTER DEFINED**) ON, UNDER OR ABOUT THE PROPERTY OR THE COMPLIANCE OR NONCOMPLIANCE OF THE PROPERTY WITH THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT, THE SUPERFUND AMENDMENT AND

Exhibit "B" - Page 1 of 3

DOC# 367328

06/27/2014 04:08 PM Page 1 of 1  
 DEED R 12E 00 H 4 Decatur, McKinley County  


REAUTHORIZATION ACT, THE RESOURCE CONSERVATION RECOVERY ACT, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL ENVIRONMENTAL PESTICIDES ACT, THE CLEAN WATER ACT, THE CLEAN AIR ACT, ANY APPLICABLE TEXAS ENVIRONMENTAL LAW OR REGULATION, ANY SO CALLED FEDERAL, STATE OR LOCAL "SUPERFUND" OR "SUPERLIEN" STATUTE, OR ANY OTHER STATUTE, LAW, ORDINANCE, CODE, RULE, REGULATION, ORDER OR DECREE REGULATING, RELATING TO OR IMPOSING LIABILITY (INCLUDING STRICT LIABILITY) OR STANDARDS OF CONDUCT CONCERNING ANY HAZARDOUS SUBSTANCES (COLLECTIVELY, THE "HAZARDOUS SUBSTANCES LAWS") FOR PURPOSES OF THIS SPECIAL WARRANTY DEED, THE TERM "HAZARDOUS SUBSTANCES" SHALL MEAN AND INCLUDE THOSE ELEMENTS OR COMPOUNDS WHICH ARE CONTAINED ON THE LIST OF HAZARDOUS SUBSTANCES ADOPTED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE LIST OF TOXIC POLLUTANTS DESIGNATED BY CONGRESS OR THE ENVIRONMENTAL PROTECTION AGENCY OR UNDER ANY HAZARDOUS SUBSTANCE LAWS.

GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE IS TAKING THE PROPERTY PURSUANT TO GRANTEE'S INDEPENDENT EXAMINATION, STUDY, INSPECTION AND KNOWLEDGE OF THE PROPERTY AND GRANTEE IS RELYING UPON GRANTEE'S OWN DETERMINATION OF THE VALUE OF THE PROPERTY AND USES TO WHICH THE PROPERTY MAY BE PUT, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE

Exhibit "B" - Page 2 of 3

DOC# 367328

05/21/2014 12:38:52 Page 2 of 7  
 05/21/2014 12:38:52 - 2 - Bexar Co., Secretary County  
 05/21/2014 12:38:52 - 2 - Bexar Co., Secretary County



PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT GRANTOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND GRANTOR MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. GRANTEE ACCEPTS THE PROPERTY WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, EXCEPT FOR THE SPECIAL WARRANTY OF TITLE AS SET FORTH HEREIN AND OTHERWISE IN AN "AS IS" AND "WITHOUT FAULTS" CONDITION BASED SOLELY ON GRANTEE'S OWN INSPECTION AND INVESTIGATION.

DIANE G. REED IS EXECUTING THIS INSTRUMENT SOLELY IN HER CAPACITY AS TRUSTEE IN BANKRUPTCY FOR THE ESTATE OF HOLIGAN LAND DEVELOPMENT, LTD., WHO IS A DEBTOR UNDER CHAPTER 7 OF THE UNITED STATES BANKRUPTCY CODE, AND ANY OBLIGATIONS, UNDERTAKINGS, LIABILITIES EVIDENCED OR CREATED HEREBY, OR BY VIRTUE OF THIS CONVEYANCE AND BY RELATED TRANSACTIONS, ARE SOLELY THE OBLIGATIONS OF THE ESTATE IN BANKRUPTCY OF HOLIGAN LAND DEVELOPMENT, LTD. AS DETERMINED IN ACCORDANCE WITH THE UNITED STATES BANKRUPTCY CODE. DIANE G. REED SHALL HAVE NO PERSONAL LIABILITY, NOR SHALL RESORT BE HAD TO ANY OF HER PROPERTY FOR ANY OBLIGATION OF THE ESTATE OR UNDER ANY AGREEMENT ENTERED INTO BY HER, IN HER CAPACITY AS TRUSTEE FOR THE ESTATE.

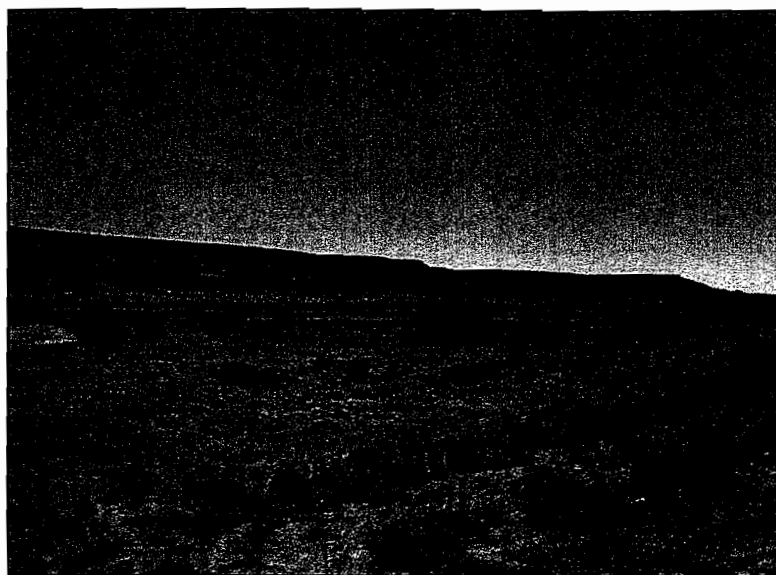
Exhibit "B" - Page 3 of 3

DOC# 357328

05/21/2014 02:39 PM Page 3 of 3  
DEED # 325 00 K K Becraft, Michigan County

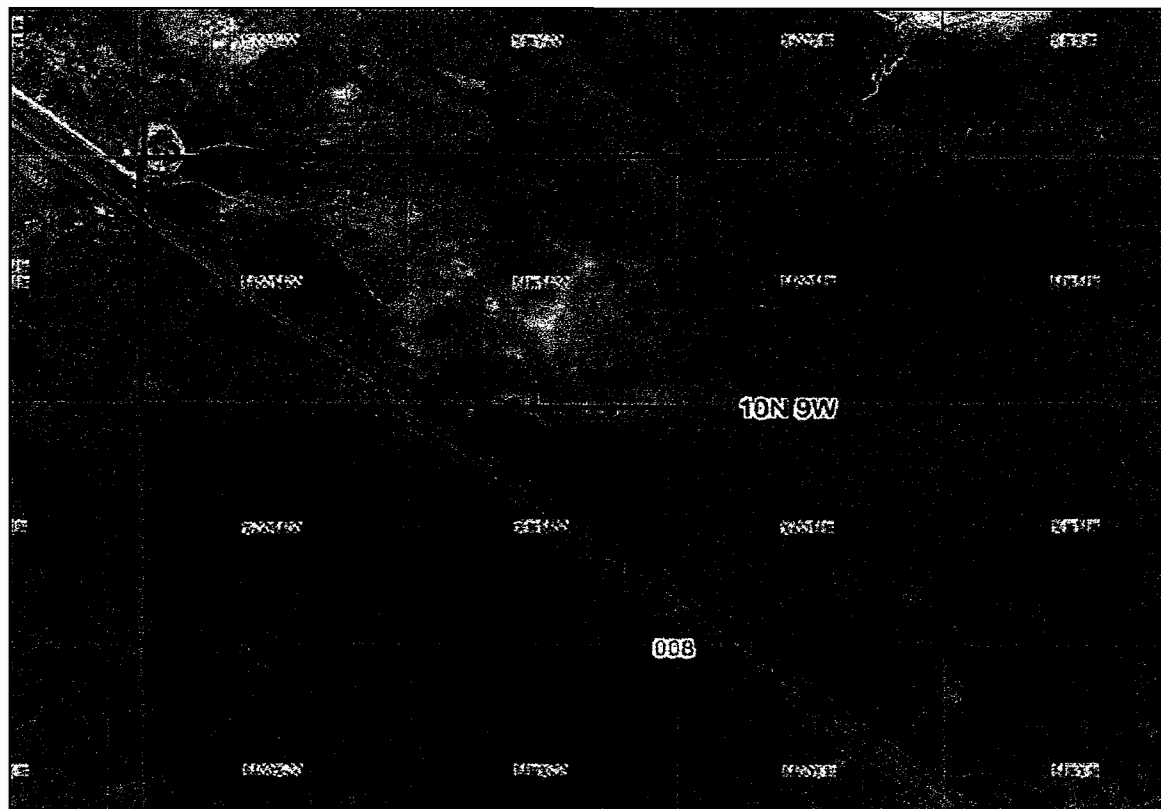
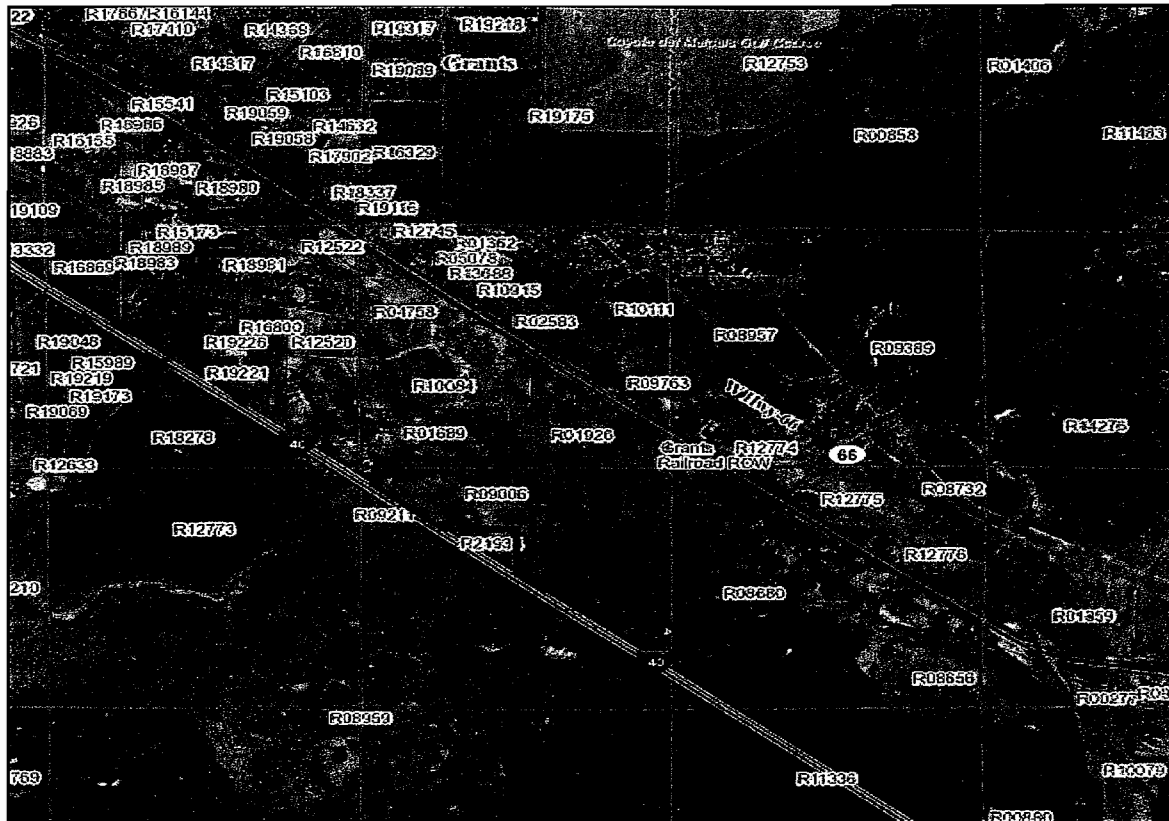


## Vacant Land Sale 4



<b>Sale Date</b>	January 31, 2011		
<b>Location</b>	North line of I-40, east of Grants, New Mexico		
<b>Legal Description</b>	The north ½ of the NW Quarter and the west ½ of the NE Quarter of Section 8, T. 10N., R. 9W., N.M.P.M.,		
<b>Coordinates</b>	35°6'56.696"N 107°48'59.994"W		
<b>Sales Price</b>	\$170,000	<b>Property Rights</b>	Fee Simple
<b>Financing</b>	REC- 10%DP, \$153,000 Seller Financed at 6% per annum, amortized 30 years.	<b>Conditions of Sale</b>	Normal
<b>Land Area - Acres</b>	151.1770	<b>Topography</b>	Mostly level
<b>Zoning</b>	NA	<b>Highest &amp; Best Use</b>	Rural Residential
<b>Water</b>	No	<b>Frontage</b>	I-40
<b>Sewer</b>	No	<b>Mineral Rights</b>	NA
<b>Gas</b>	No	<b>Easements</b>	Typical
<b>Electric</b>	Yes	<b>Water Rights</b>	N/A
<b>Telephone</b>	Yes	<b>Assessor's Parcel No.</b>	R09006 & R09211
<b>Price Per Acre</b>	\$1,125	<b>Use on Date of Sale</b>	Vacant
<b>Proximity to Subject</b>	Approximately 72 driving miles	<b>Current Use</b>	Grazing
<b>Grantor</b>	Walter McBride		
<b>Grantee</b>	Kadyn Elkins and Amite Elkins, husband and wife as joint tenants		
<b>Recording</b>	Certificate of REC - Doc. No. 201100218		
<b>Confirmation</b>	Tony Gallegos & Gabriel Gallegos (Tony Gallegos Realty 505.287.4314)		
<b>Comments</b>	This is an "L" Shaped piece that is severed by Interstate 40, dividing this piece into two separate parcels. The Largest parcel is located north of I-40 and contains 144.68 acres. The smaller parcel is situated on the south side of I-40 is triangular in shape and contains 6.4971 acres. There are three billboard signs located on the larger piece. According to the broker, the sign sites did transfer with the sale, but no allocation to the billboard signs were considered. The existing leases are short term leases and are expected to expire by January 1, 2012.		

## Vacant Land Sale 4 Map and Aerial



# CERTIFICATE OF REAL ESTATE CONTRACT

This certifies that WALTER McBRIDE, a married man dealing in his sole and separate property, as Sellers and KADYNN ELKINS AND AMITA ELKINS, husband and wife as joint tenants, as Purchasers whose address is: 134 E. Santa Fe Ave. Grants, NM 87020 have entered into a contract of land sale and purchasing covering the following described real estate in Cibola County, New Mexico, to-wit:

See Attached Exhibit "A"

The real estate contract is dated January 31, 2011, and the purpose of this certificate is to notify all persons that such contract herein referred to does exist. Escrow Agent is Quest Escrow Company 1016 Rodeo Rd. Grants, NM 87020.

DATED THIS 31<sup>st</sup> DAY OF January, 2011

Walter McBride  
Walter McBride

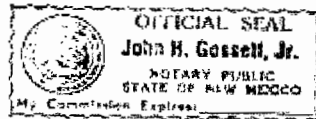
## ACKNOWLEDGEMENT FOR NATURAL PERSONS

STATE OF NEW MEXICO      )  
  )ss.  
COUNTY OF CIBOLA        )

This instrument was acknowledged before me on 01-31-2011 by Walter McBride.

My Commission Expires: 10-24-2011

John H. Gosselt, Jr.  
Notary Public

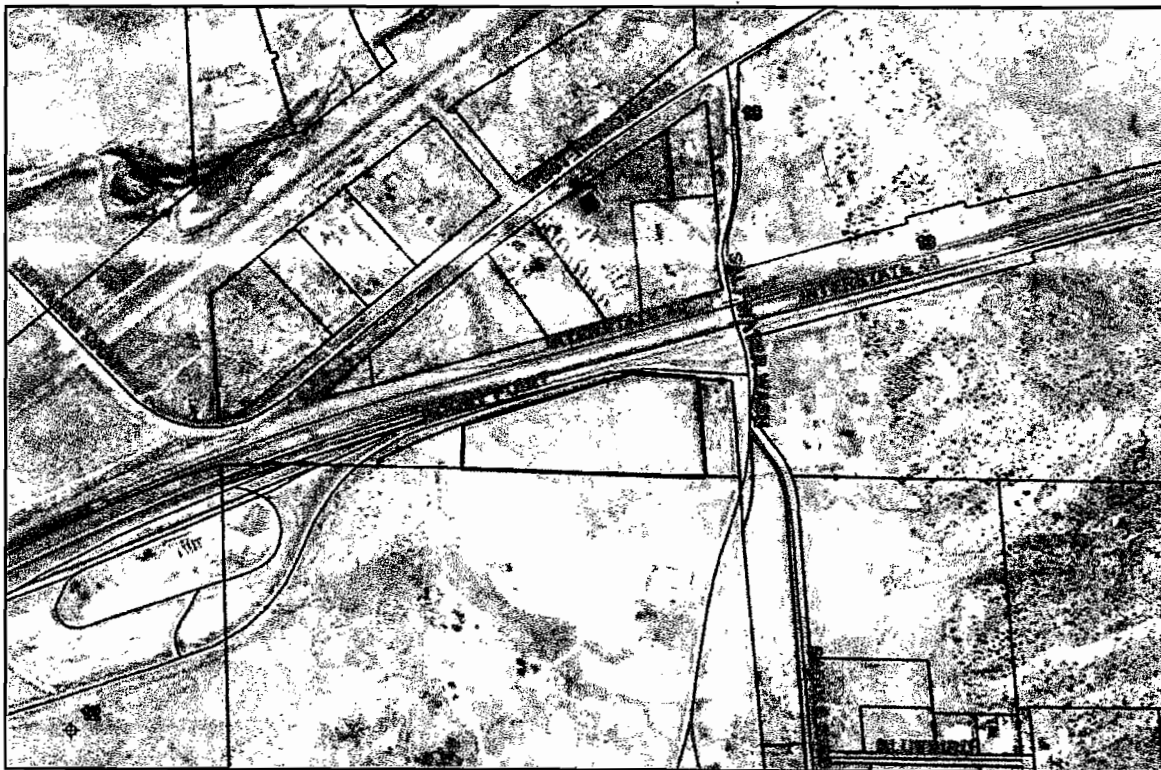
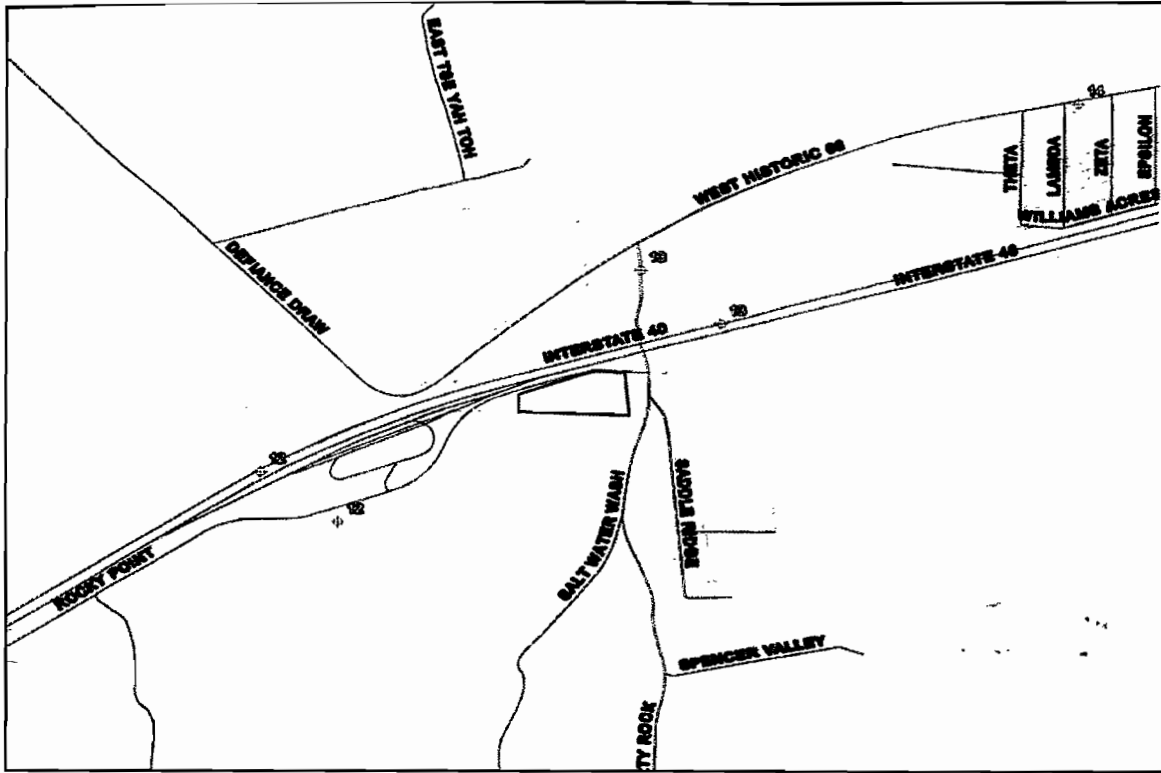


## Vacant Land Sale 5



<b>Sale Date</b>	October 16, 2009		
<b>Location</b>	South line of Rocky Point Road		
<b>Legal Description</b>	A parcel located in the NW ¼ of Section 31, Township 15 North, Range 19 West, N.M.P.M., McKinley County, New Mexico		
<b>Coordinates</b>	35°29'16.56"N, 108°53'35.06"W - NEC		
<b>Sales Price</b>	\$24,500	<b>Property Rights</b>	Fee Simple
<b>Financing</b>	Cash to seller	<b>Conditions of Sale</b>	Normal
<b>Land Area - Acres</b>	11.7100	<b>Topography</b>	Mostly level
<b>Zoning</b>	None	<b>Highest &amp; Best Use</b>	Residential
<b>Water</b>	Yes	<b>Frontage</b>	Rocky point Road AKA Old Route 66
<b>Sewer</b>	No	<b>Mineral Rights</b>	NA
<b>Gas</b>	No	<b>Easements</b>	Typical
<b>Electric</b>	Nearby	<b>Water Rights</b>	N/A
<b>Telephone</b>	Unk	<b>Assessor's Parcel No.</b>	R057037
<b>Price Per Acre</b>	\$2,092	<b>Use on Date of Sale</b>	Vacant
<b>Proximity to Subject</b>	Approximately 12 driving miles	<b>Current Use</b>	Vacant
<b>Grantor</b>	Full House Resorts, Inc.		
<b>Grantee</b>	Orin Sowers and Shannon Sowers, husband and wife		
<b>Recording</b>	Warranty Deed Document No. 346993		
<b>Confirmation</b>	Dan Fray (Realtor) to James Gipson. Was not able to make contact with buyer or seller		
<b>Comments</b>	This parcel is situated on the western outskirts of Gallup, in an area generally referred to as Mentmore. Site is mostly level and is situated with frontage on Rocky Point Road. No prior sale noted in the previous ten years. Parcel does include a billboard that reportedly did not contribute to value.		

Vacant Land Sale 5 Map and Aerial



**WARRANTY DEED (Joint Tenants)**

Full House Resorts, Inc., a Delaware Corporation

For consideration paid, grants to

Orin Sowers and Shannon Sowers, husband and wife

whose address is P.O. Box 2933, Gallup, NM 87305

as joint tenants the following described real estate in

MCKINLEY

County, New Mexico.

A parcel of land in the Northwest One-Quarter (NW¼) of Section Thirty-One (31), Township Fifteen North (15N), Range Nineteen West (R19W), N.M.P.M., McKinley County, New Mexico, more particularly described as follows:

**BEGINNING** at the center of said Section Thirty-One (31);

**THENCE** N 89° 33' W a distance of 170 feet to the **REAL POINT OF BEGINNING**;

**THENCE** N 89° 33' W a distance of 1217 feet to the Southwest corner;

**THENCE** N 5° 42' W a distance of 270.6 feet to the Northwest corner;

**THENCE** N 72° 55' E a distance of 969.4 feet to a point;

**THENCE** S 86° 55' E a distance of 362 feet to the Northeast corner;

**THENCE** S 5° 42' E a distance of 517 feet to the **REAL POINT OF BEGINNING**;

**LESS AND EXCEPT** a certain tract of land situate within the South Half (SH½) of the Northwest Quarter (NW¼) of Section Thirty-One (31), Township Fifteen North (15N), Range Nineteen West (R19W), N.M.P.M., being a portion of the Adam DiPaolo and Nicolas N. Zanterman Parcel, as the same is shown and designated on the Quitclaim Deed filed in the office of the County Clerk of McKinley County, New Mexico on February 9, 1962 in Book 18 Deeds, Page 326, and being more particularly described by New Mexico State Plane Grid Bearings (Central Zone) and ground distances as follows:

Beginning at the Northwest corner of the tract herein described, being the Northwest corner of the above mentioned parcel and also being a point on the present (1989) southerly Right-of-Way line of NMP I-040-1(8)9, located at 158.00 feet to the Right-of-Way, southerly and opposite Construction Centerline P.O.T. Station 651+04.85 of NMP SP-(I)-040-1(205)12, County of McKinley, State of New Mexico, whence the Northwest corner of Section Thirty-One (31), Township Fifteen North (15N), Range Nineteen West (R19W), N.M.P.M., bears N 30° 03' 26" W, a distance of 2457.22 feet;

**THENCE** N 73° 36' 11" E, a distance of 872.07 feet along said present (1989) southerly Right-of-Way line of NMP I-040-1(8)9 and northerly boundary line of said parcel to a point, said point also being the northeasterly corner of the tract herein described;

**THENCE** continuing along the said present (1989) southerly Right-of-Way line of said northerly boundary line, S 86° 19' 16" E, a distance of 38.24 feet to a point on the Southerly Right-of-Way of SP-(I)-040-1(165)12, said point also being the southeasterly corner of the tract herein described;

**THENCE** leaving NMP I-040-1(8)9 present (1989) southerly Right-of-Way line, S 73° 34' 56" W, a distance of 437.41 feet along the said southerly Right-of-Way line of NMP SP-(I)-040-1(205)12 to a point of curvature;

**THENCE** continuing southwesterly along said southerly Right-of-Way line of NMP SP-(I)-040-1(205)12, on a 6.3315° curve (radius = 904.93 feet, chord = S 72° 04' 56" W, a distance of 47.38 feet) through an arc of 03° 00' 00" to the left a distance of 47.38 feet to a point of tangent;

**THENCE** S 70° 34' 56" W, a distance of 431.30 feet to a point on the westerly boundary line of said parcel, said point also being the southwesterly corner of the tract herein described;

**THENCE** leaving said NMP SP-(I)-040-1(205)12 southerly Right-of-Way line, N 05° 03' 01" W, a distance of 38.82 feet along the said westerly boundary line of said parcel to the point and place of beginning.

Tract contains (0.395 of an acre), 17,210 sq. ft., more or less.

DOCN 346893

10/16/2009 11:43 AM Page: 1 of 2

CREATED BY: J. E. Sisco, McKinley County



SHORT FORM WARRANTY DEED (Joint Tenants)

998 Uniform Shortform Rev. 02/02/00

LESS oil, gas, coal and minerals together with the rights of incident thereto, reserved to Santa Fe Pacific Railroad Company, to Warranty Deed, dated July 29, 1951 and recorded April 3, 1953 in Book 1 Warranty Deeds, Page 101, records of McKinley County, New Mexico.

SUBJECT TO Subdivision Regulations adopted by McKinley County Board of Commissioners recorded on March 28, 1997 in Book 11 Comp., Pages 847-862, NO. 174,140.

SUBJECT TO Overhead Electric Lines running inside the Northeastern portion, and running North to South inside the East portion of insured lot; and Power Poles located in the Northeastern and Southeastern portions of insured lot, all as shown on Boundary Survey prepared by DePauli Engineering & Surveying LLC, dated October 8, 2009.

SUBJECT TO Billboard located slightly inside the mid portion of the North lot line, as shown on Boundary Survey prepared by DePauli Engineering & Surveying LLC, dated October 8, 2009.

SUBJECT TO all other Easements, Conditions, Restrictions, and Reservations of record or in existence.

with warranty covenants

DOCH 346993

10/16/2009 11:43 AM Page 2 of 2  
DEED R: \$11.00 J C Sloan, McKinley County

WITNESS my hand and seal this 15 day of October, 2009.

Fall House Resorts, Inc., a Delaware Corporation

Mark Miller, COO/CEO

Representative Capacity:

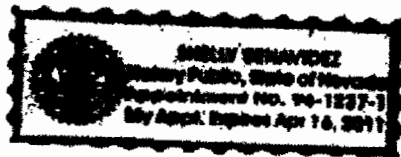
State of Nevada )  
County of Clark ) ss.

This instrument was acknowledged before me on the 15<sup>th</sup> day of October, 2009, by Mark Miller, COO/CEO of Fall House Resorts, Inc., a Delaware Corporation

My commission expires: 4-16-2011

(Seal)

Notary Public



SHORT FORM WARRANTY DEED (Joint Tenants)

Real Estate Forms 800027001 Rev 03-10-08



## Valuation Analysis

The data is not conducive to quantitative adjustments. Therefore, the data will be analyzed qualitatively with plus and minus adjustments. Minus [-] adjustments are made where the sale is superior to the subject, plus [+] adjustments are made where the sale is inferior to the subject, and no adjustment [0] is made when the sale and subject are considered similar. The following potential differences between the comparable sales and the subject property are considered in the valuation analysis:

- Property rights conveyed,
- Conditions of sale (buyer and seller motivations),
- Financing terms,
- Market conditions (change with the passage of time),
- Location, and
- Physical characteristics

### *Property Rights Conveyed*

All comparable sales were conveyances of the fee simple "surface" estate, and no adjustments are warranted for property rights appraised.

### *Conditions of Sale*

Adjustments for conditions of sale reflect atypical circumstances such as undue motivation on the part of the buyer or seller or a sale between related parties. Sales 2 and 3 sold under a Chapter 7 Bankruptcy. According to the listing broker, the Trustee asked him to price the land appropriately in order to sell quickly. Both Sales 2 and 3 sold within 4 months, which is considered to be a short time for vacant land of this type and size. According to the listing broker, he felt with normal marketing time, Sales 2 and 3 could likely command higher unit prices of \$2,000 to \$2,500 per acre. As a result, I consider the unit prices to be below market value and have adjusted them upward by three plus (+, +, +) adjustments. Sales 1 and 4 occurred under normal circumstances requiring no adjustment.

### *Financing*

The definition of market value assumes cash or cash equivalent terms. Sale 4 was seller financed within normal market parameters, no adjustments are warranted. Sales 2, 3 and 5 were transactions in which the seller received cash at closing. No adjustments for financing terms are necessary.

### *Market Conditions*

As previously noted, the sales are not conducive to quantitative adjustments. Market conditions have stabilized and sales volume has been tepid. According to interviews with real estate agents / brokers, appraisers, buyers and sellers, sales prices have remained relatively flat thru the 3<sup>rd</sup> quarter of 2014. As such, no adjustments to the comparable sales were made.

### *Location*

Sales 2 and 3 are considered similar to the subject with regards to location. No adjustments for location are warranted. As noted, the Subject property is well located off of Boardman Avenue, and is surrounded by the city limits of Gallup. Sale 4 is located on the outskirts of Grants, NM and Sale 5 is located off of Rocky Point Road, on the western edge of the City of Gallup. Although Sales 4 and 5 are proximate to nearby cities, they are considered inferior to the subject in this regards. As such, I have applied a plus [+] adjustment to Sales 4 and 5.

*Physical Characteristics*

*Size*

The subject property consists of 80 ± acres. Sales 2 and 5 are 24.41 and 11.71 acres respectively. Typically, smaller tracts of land will sell for a higher unit price than larger tracts, due to economies of scale. As such, Sales 2 and 5 are considered superior to the subject in this regard and two minus [-, -] adjustments are made. Sales 4 is 151.18 acres and is larger than the subject. As such, Sale 4 is considered inferior in this regard and a plus [+] adjustment is applied to Sale 4. Sale 3 is 102.51 acres and is considered similar to the subject property, no size adjustment is warranted.

*Access*

All of the comparable sales are considered similar to the subject with regard to access. As such, no adjustments were applied.

*Utilities*

There is a 4" water and sewer line in Boardman Avenue. In addition, natural gas is available in the sidewalk on the west side of Boardman Avenue and electricity, is located along the west line of the subject property. Sale 3 does not have access to community water or sewer services. Sale 5 does not have access to sewer or natural gas services. Sales 3 and 5 are considered inferior to the subject with regards to utilities and two plus [+, +] adjustments are applied. Sale 4 is serviced by electricity only and is considered inferior to the subject with respect to utilities. As such, three plus [+, +, +] adjustments are applied to Sale 4. Sale 2 has access to all available public utilities, which are located in Patton Drive. As such, Sale 2 is considered similar to the subject with regards to utilities and no adjustment is necessary.

*Topography*

The subject property is hilly and has undulating topography. Sales 3 and 4 have moderate to mostly level terrain and are considered superior to the subject with regards to topography. As such, Sales 3 and 4 are adjusted downward with two minus [-, -] adjustments to account for their superior topography attributes. Sales 1 and 2 are similar to the subject with respect to topography. As such, no adjustments were made to Sales 1 and 2.

The adjustment grid is displayed below.

Comparable Sales Adjustment Grid						
Sale	Subject Allotment SF-060195	Land Listing 1	Sale 2	Sale 3	Sale 4	Sale 5
Date	N/A	Current	11-Jun-2014	20-May-2014	11-Jan-2011	16-Oct-2014
Location	West ½ of the NW¼ of Section 24, T15N, Range 18W, McKinley County	562.01 Acres M/L in Section 20, T15N, R19W, McKinley County	Tract H-1 of Hidden Valley Subdivision,McKinley County	SE¼ of Section 24, Red Hill South Addition, McKinley County	The North ½ of the NW ¼ and the west ½ of the NE ¼ of Section 8, T. 10N., R. 9W., Cibola County	A parcel located in the NW ¼ of Section 31, Township 15 North, Range 19 West, McKinley County
Price	NA	\$843,000	\$36,850	\$130,000	\$170,000	\$24,500
Price/Acre	NA	\$1,500	\$1,510	\$1,268	\$1,125	\$2,092
Land Size (Acre)	80.00	562.01	24.41	102.51	151.18	11.71
Prop. Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adj.	[0]	[0]	[0]	[0]	[0]	[0]
Financing	N/A	N/A	Cash to seller	Cash to seller	Cash to seller	SWD
Adj.	[0]	[0]	[0]	[0]	[0]	[0]
Cond. Of Sale	N/A	N/A	Normal	Normal	Normal	Normal
Adj.	[0]	[0]	[+,+,+]	[+,+,+]	[0]	[0]
Adj. Price	N/A	N/A	>\$1,510	>\$1,268	\$1,125	\$2,092
Adjustments						
Market Conditions						
Adj.		\$1,500	>\$1,510	>\$1,268	\$1,125	\$2,092
Location		[0]	[0]	[0]	[0]	[0]
Adj.		\$1,500	>\$1,510	>\$1,268	\$1,125	\$2,092
Phys. Characteristics		[0]	[0]	[0]	[+]	[+]
Size Adj.		[0]	>\$1,510	>\$1,268	\$1,125	\$2,092
Access Adj.		[0]	[-,-]	[0]	[+]	[-,-]
Utilities Adj.		[0]	[0]	[0]	[0]	[0]
Topography Adj.		[0]	[0]	[+,+]	[+,+,+]	[+,+]
Net Adj.		[0]	[0]	[0]	[-,-]	[-,-]
Indication		\$1,500	>\$1,510	>\$1,268	>\$1,125	<\$2,092

## Conclusion

Land Listing 1 was included for information purpose and was not adjusted. Typically, property is listed for sale slightly higher than market in order to leave room for negotiation. Although, listings are typically higher than market, agents are reluctant to list so high as to price the listing out of consideration. Land Listing 1 is currently on the market for \$1,500 per acre. Sales 2 thru 5 range from \$1,125 to \$2,092 per acre. Assuming Listing 1 sold slightly lower than list, Land listing 1 would likely be in the range of Sales 2 thru 5. After qualitative adjustments, the sales suggest the subject would likely sell for a unit price less than Sale 5 and more than Sale 2. The subject property is well located with access and visibility from Boardman Avenue. In addition, utilities are nearby, either in the street or in the sidewalk along the west side of Boardman. As such, I am inclined to lean to the high end of the range and conclude an opinion of market value of \$2,000 per acre. As such, applying \$2,000 per acre to the subject's 80 acres indicates a market value opinion of \$160,000.

Estimated Market Value						
80 Acres	x	\$2,000	=	\$160,000	Rounded:	\$160,000

*Estimated Market Value of the fee simple "surface estate only" in the Subject Property as of June 18, 2014*

**\*\*\*One Hundred Sixty Thousand Dollars\*\*\***

**(\$160,000)**

## Reconciliation

The appraisal assignment requires the analysis of comparable sales in the subject's competitive market. Due to the nature of the assignment, the Sales Comparison Approach is the sole basis of the market value estimate.

## CERTIFICATION

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


- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property which is the subject of this report, and have no present or prospective interest or bias with respect to the parties involved.
- 4) My compensation for completing this assignment is not contingent upon the development or reporting of predetermined values that favor the cause of the client, the amounts of value opinions, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, and the *Uniform Appraisal Standards for Federal Land Acquisitions*, as applicable.
- 7) No one provided significant real property appraisal assistance to the appraisers.
- 8) I personally inspected the property which is the subject of this appraisal report.
- 9) The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- 10) As of the date of this report, I have completed the continuing education requirements of the State of New Mexico.
- 11) My state appraisal certification has not been revoked, suspended, canceled or restricted.

Considering all factors known to influence market value, the following estimate has been reconciled for the subject property and is displayed below

*Estimated Market Value of the fee simple "surface estate only" in the Subject Property as of June 18, 2014*

**\*\*\*One Hundred Sixty Thousand Dollars\*\*\***

**(\$160,000)**

  
Alfonso Montoya  
NM General Certificate 03003-G  
Expires 04/30/2016

## ASSUMPTIONS AND LIMITING CONDITIONS

The certification of value by the appraiser appearing in this appraisal report is subject to the following assumptions and limiting conditions:

### General Assumptions and Limiting Conditions

- 1) The legal description furnished is assumed to be correct. No responsibility for matters legal in character has been assumed or any opinions as to the title, which is assumed to be good. The property is appraised as though free and clear under responsible ownership and management.
- 2) The exhibits in this report are included to assist the reader in visualizing the property, and the appraiser assumes no responsibility for their accuracy. The appraiser has not made a survey of the property.
- 3) The appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been made previously.
- 4) The appraiser assumes that there are no hidden or unapparent conditions of the property which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover them.
- 5) The opinion of value represented in this appraisal is for the surface estate only. The mineral estate is not part of this opinion of value.
- 6) Information, estimates, and opinions furnished to the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items furnished the appraiser can be assumed.
- 7) Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the client without the previous written consent of the appraiser, and then only with proper qualifications.
- 8) Neither all nor any part of the contents of this report shall be disseminated to the public through advertising media, news media, sales media, or any other public means of communication, without the prior written consent and approval of the appraiser.
- 9) It is assumed that no contaminants or hazardous materials exist or will exist on or in the subject property that cause a loss in value. The appraisers do not have any knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The existence of hazardous materials may have a negative effect on the value of the property. The client is urged to retain an expert in this field if desired.
- 10) This report assumes that there is and will be full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated, defined, and considered.
- 11) It is assumed that all applicable zoning and use regulations and restrictions have been and will be complied with, unless nonconformity has been stated, defined, and considered.
- 12) It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the opinions of value are based.

- 13) The opinion(s) of value presented in this report are based on research and analysis undertaken as of the effective date of valuation. The value(s) may not be valid in other time periods or as conditions change. Projected mathematical models are based on estimates and assumptions which are inherently subject to uncertainty and variations related to exposure, time, promotional effort, terms, motivation, and other conditions. These models are not represented as being indicative of results that will actually be achieved. The final opinions of value consider the productivity and relative attractiveness of the property only as of the dates of valuation set forth in the report.
- 14) This appraisal is based in part on analysis of information provided by the property owner. The appraiser does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the final opinions of value presented in this report are subject to change without notice. The appraisal report itself and the opinions of value set forth herein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.
- 15) The appraiser reserves the right to alter statements, analyses, conclusions, and any opinions of value in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown when the appraisal was prepared.

**Hypothetical Condition:**

- The subject property is situated within the Navajo Nation. For purposes of this assignment, a hypothetical condition is made that the subject is held in fee simple ownership, with clear and marketable title. The use of this hypothetical condition may have affected the assignment results.

## QUALIFICATIONS OF THE APPRAISER

### Alfonso Montoya

New Mexico Real Estate Appraisers General Certificate Number 03003-G

#### Education and Training

##### General Education

Bachelor of Business Administration – Anderson Schools of Management  
University of New Mexico - Albuquerque, New Mexico

##### Professional Education

###### *Seminars*

Recerts, Updates & You (Columbia, Institute 013 - 4 hours)	2006
Using the New Forms (Columbia Institute – 8 hours)	2006
Review Appraisal Update, (Columbia Institute# 109-8 hours)	2006
UASFLA (Yellow Book – Appraisal Institute - 7 hours)	2006
Office Valuation (Appraisal Institute – 7 hours)	2008
Marketability Studies: Six-Step Process & Basic Applications (AI – 7 hours)	2013
Marketability Studies: Advanced Considerations & Applications (AI – 7 hours)	2013
Upon Further Review (Kaplan – 7 hours)	2014

###### *Courses*

Foundations of Real Estate Appraisal (UNM-30 hours)	2004
Appraising the Single Family Residence (UNM-30 hours)	2004
USPAP (UNM 15 hours)	2004
Appraisal of Partial Acquisitions (IRWA Course 401 – 40 hours)	2006
Legal Aspects of Easements (IRWA Course 802 – 8 hours)	2006
Eminent Domain Law Basics (IRWA Course 803 – 16 hours)	2006
Advanced Real Estate Appraisal Methods (Kaplan – 15 hours)	2006
Basic Income Capitalization (Appraisal Institute Course 310 - 39 hours)	2006
General Applications (Appraisal Institute Course 320 - 36 hours)	2006
Land and Site Valuation (McKissock – 7 hours)	2010
Eminent Domain & Condemnation (Appraisal Institute – 7 hours)	2010
Analyzing Operating Expenses (Appraisal Institute – 7 hours)	2010
Appraisal Review under UASFLA (ASFMRA A380 – 20 hours)	2011
Advanced Appraisal Review Case Studies (ASFMRA A390 – 20 hours)	2011
Real Estate Finance, Statistics, and Valuation Modeling (Appraisal Institute – 15 hours)	2011
USPAP Update (Kaplan – 7 hours)	2014

#### Experience:

2005 – 2007	Staff Appraiser – New Mexico Department of Transportation Responsibilities included the development and preparation of appraisals for right-of-way acquisition.
2007 – 2008	Associate Appraiser – American Property Appraisers & Consultants, Inc., Appraisal assignments have included office, retail, light industrial, gas station, restaurant and vacant land.
2008 – 2010	Independent Fee Appraiser Appraisal assignments have included office, retail, light industrial, apartment, restaurant, car wash, vacant land, rural/agricultural and eminent domain/right-of-way,
2010 – Present	Review Appraiser - Office of the Special Trustee for American Indians Appraisal assignments include appraisal and appraisal review assignments for the Federal Government.

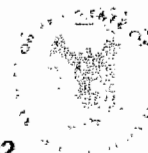


## ADDENDA

*State of New Mexico*

**REAL ESTATE APPRAISERS BOARD**

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



This is to certify that  
**Alfonso Montoya #03003-G**

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

***General Certified Appraiser***

***This appraiser is eligible to perform in Federally Related Transactions***

**Issue Date: 06/17/2008 Date Expires: 04/30/2016**

**THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS**

**U.S. DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS  
OFFICE OF APPRAISAL SERVICES  
REQUEST FOR REAL ESTATE APPRAISAL SERVICES**

**TO: Regional Supervisory Appraiser - NAVAJO REGION**

OAS Case Number:	N34-780-2014-06879
Agency:	N34 - EASTERN NAVAJO AGENCY
Agency Case #:	
Reservation:	N34780 - Navajo Nation - Eastern
Requested Due Date:	06/24/2014
Negotiated Due Date:	06/26/2014

Grantor/Lessor:	Evelyn A. Becenti	Status: Appraisal Complete
Grantee/Lessee:	Navajo Tribe	

Service Requested	Purpose of Request	Type of Conveyance	Real Estate Interest	Effective Date Type
Appraisal	Market Value	Acquisition	Other - Explain	Current

**Special Instructions:** Request for a Fair Market Evaluation for a Negotiated Sale of the 80 acres Indian Allotment No. SF-060195, including minerals.

**Comments:**

Request Date: 03/24/2014 Contact Person: Elsie Billie Contact Telephone: (505) 786-6110

*The Approving official has Reviewed the need for appraisal of the described property for the purpose indicated and certifies that the appraisal is needed.*

Requesting Official: Elsie Billie Date Requested: 03/24/2014  
Approving Official: James Ration Date Approved: 03/24/2014

<i>Office Use Only.</i>		
RSA Acceptance:		03/31/2014
Appraiser Assigned:	Alfonso C Montoya	03/31/2014
Reviewer Assigned:	Leonard Jones	07/10/2014

Parcel List									
Parcel: # SF-060195		Owner: Nah ta yilth ni ne yah, or Peter Becenti							
Legal Description: NW/4									
State	County	Township	Range	Section	P.M.	Size	Units	Property Type	
NM	MCKINLEY	15N	18W	24	NMPM	.80	.Acre	Other - Explain	
Vacant/Improved:		Water Service:		Sewer Service:		Does the real			
<input type="checkbox"/> Vacant		<input type="checkbox"/> Unknown		<input type="checkbox"/> Unknown		estate have: <input type="checkbox"/> Electricity, <input type="checkbox"/> Telephone, <input type="checkbox"/> Gas Service			

Request Comments		
Date	User	Comment
07/16/2014 08:54 AM	Jones, Leonard	Appraisal Review completed 7-11-14 by Leonard Jones, RSA, OAS-NRO.
07/14/2014 12:04 PM	Jones, Leonard Alfonso Montoya, RA,	completed the appraisal on 7/10/14. Leonard Jones, RSA, completed the appraisal review on 7/11/14.
07/14/2014 12:01 PM	Jones, Leonard Alfonso Montoya, RA,	completed the appraisal on 7/10/14. Leonard Jones, RSA, completed the appraisal review on 7/11/14.
04/04/2014 07:28 PM	Jones, Leonard	Appraisal request official accepted in March 2014 and assigned to Alfonso Montoya, RA.
04/04/2014 07:27 PM	Jones, Leonard	Negotiated Due Date Changed: Appraisal request accepted March 2014; date adjusted due to hard copies received 2 days later on March 26, 2014; therefore Due Date adjusted to June 26, 2014. BIA called our office with a verbal request to shorten time frame from 90 days to 60 days and said a email would be sent to RSA to formally consider their request but to date, no email received; therefore, acceptance by first come, first served, as BIA provided no reason to change request from Routine to Priority.
03/24/2014 04:51 PM	Ration, James	
03/24/2014 02:47 PM	Billie, Elsie	submitting for approval purpose



United States Department of the Interior  
OFFICE OF THE SECRETARY  
Office of Valuation Services

**OFFICE OF MINERALS EVALUATION**  
12136 W. Bayaud Avenue, Suite 120  
Lakewood, Colorado 80228

August 13, 2014

Memorandum

To: BIA-Real Estate Services, Eastern Navajo Agency  
Attention: James Ration, Real Estate Specialist

From: C. Michael Perkins, Geologist *C. Michael Perkins*

Through: Robert Davidoff, Chief OME *C. Kilgore for RLD*

Subject: Mineral Valuation for the Title Transfer on Tract ID 791 260195, the Town of Gallup, McKinley, New Mexico

The attached mineral valuation report is in response to a request from the Eastern Navajo Agency on behalf of Evelyn Becenti (C# 101,006), dated July, 24, 2014, (also see attached SOW). This report estimates the fair and reasonable market value of potential minerals associated with the Mineral Deed for the following Indian lands:

Legal Description: described as the NW/4 of Section 24, Township 15 North, Range 18 West, the Town of Gallup, McKinley County, New Mexico containing 160-acres more or less, of which Evelyn Becenti wants to transfer title on the west half (80-acres more or less) of tract 791-260195.

If you have any questions, you may contact the Project Leader, Catherine Kilgore at 303-969-5942 or email [Catherine\\_Kilgore@ios.doi.gov](mailto:Catherine_Kilgore@ios.doi.gov).

Attachments

cc: Deborah Lewis, Regional Supervisory Appraiser  
Eldred Lesansee, Director, OAS

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**U.S. Department of the Interior  
Office of Valuation Services**

**Eastern Navajo Agency  
Mineral Deed - Title Transfer  
Tract ID 791 260195  
Navajo Nation, McKinley, New Mexico  
Geologic and Mineral Evaluation  
(OASIS Case #2014-20)**

**August 2014**

**Office of Minerals Evaluation  
12136 West Bayaud Avenue  
Suite 120  
Lakewood, Colorado 80228  
303-969-5944**

**Case #2014-20**

# *Office of Minerals Evaluation*

## Guiding Principle

*The guiding principle of the Office of Minerals Evaluation is to provide unbiased information through mineral assessments and market analyses as it pertains to the role of minerals on Federally managed and entrusted lands. This information and these methodologies stand alone or are used to support the appraisal process to estimate fair market value.*

## Goals

The goals of the Office of Minerals Evaluation are to:

- Provide the Department of the Interior with the minerals expertise to make the final estimation on the minerals contribution to resource issues.
- Support the Indian Land Consolidation Act (ILCA), American Indian Probate Reform Act (AIPRA), and other relevant directives by providing expert analysis of minerals information.
- Establish and maintain a system of records in accordance with trust responsibilities.
- Employ the appropriate level of analysis that considers economies of scale and the use of the best available minerals information to support fair market value estimation.
- Operate under good business principles by providing high-quality services in a cost effective and timely manner.
- Support the Buy-Back Program (BBP).

# NOTICE!



1. ACCESS TO THESE RECORDS IS LIMITED TO  
***AUTHORIZED PERSONS ONLY.***
2. INFORMATION MAY NOT BE DISCLOSED FROM THIS FILE UNLESS PERMITTED PURSUANT TO 43 CFR 2.56.
3. THESE RECORDS MAY NOT BE ALTERED OR DESTROYED EXCEPT AS AUTHORIZED BY 43 CFR 2.52.
4. THE PRIVACY ACT CONTAINS PROVISIONS FOR CRIMINAL PENALTIES FOR KNOWINGLY AND WILLFULLY DISCLOSING INFORMATION FROM THIS FILE UNLESS PROPERLY AUTHORIZED.



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Mineral Deed Evaluation for Tract #791 260195, Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF VALUATION SERVICES  
OFFICE OF MINERALS EVALUATION

**MINERAL VALUATION REPORT**

REQUESTING AGENCY: Eastern Navajo Agency  
PURPOSE OF VALUATION: OASIS CASE # 2014-20  
SUBJECT: Mineral Valuation for Title Transfer  
REQUEST DATE: July 24, 2014  
AREA: McKinley County, New Mexico

PROPERTY REVIEWED:

Tract #791 260195 belongs to Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico. Evelyn Becenti wants to transfer title on the west half (80-acres more or less) of the tract.

LEGAL DESCRIPTION:

Legal Description: NW/4 of Section 24, Township 15 North, Range 18 West, the Town of Gallup, McKinley County, New Mexico.

ACRES: 160 ± Total Acres

Valuation as of.....August 13, 2014

Minerals Value, Determined by OME .....\$0.00 per net mineral acre

Is Property In Production?.....No

SUMMARY STATEMENT

The Office of Minerals Evaluation has determined the above tract has little chance of containing economic quantities of coal, aggregate (sand and gravel), or oil and gas, based on either market conditions, geology, and/or startup costs. Therefore, the stated Mineral Value associated with this Mineral Deed (and/or the Surface Minerals associated with the subject property) is \$0.00 per net mineral acre. See the supporting documentation on the following 9 pages of this report (OASIS Case# 2014-20).

Mineral Deed Evaluation for Tract #791 260195, Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico

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## SUMMARY AND CONCLUSIONS

### PURPOSE

The purpose of this minerals valuation is to estimate the value of the minerals associated with the Mineral Deed for the subject tract. The subject 160-acre tract, more or less, described herein is identified as Tract ID: 791 260195. Of this tract, Evelyn Becenti (C# 101,006), Heir of Peter Becenti, aka Na ta yilth ni ne yah, associated with the Navajo Nation, New Mexico, wants to transfer title on the west half (80-acres more or less) of the 160-acre tract. Refer to **Figure 1** for a view of the location.

### LEGAL DESCRIPTION

NW/4 of Section 24, Township 15 North, Range 18 West, the Town of Gallup, McKinley County, New Mexico containing 160-acres more or less.

### SUBJECT'S LOCATION RELATED TO FIELDS/FORMATIONS/DEVELOPMENT OR CONSERVATION AREAS

The subject property is located within the Navajo Nation Reservation, northwest of Fort Wingate, and adjacent to the Town of Gallup, New Mexico town limits. The surface geology consists of shale and sandstone of the Crevasse Canyon Formation. Deeper within this formation are the Dileo and Gibson Coal Members. These coal members have undergone significant historical coal production in the Gallup area, beginning as early as the latter quarter of the 1800s.

### OIL AND GAS

A 9-section grid review of the *IHS Enerdeq* databases, around the subject property, shows no completed or plugged wells. The nearest abandoned well location is approximately 1.25-miles to the southwest (**Figure 2**). The nearest established oil production is in Section 16 of Township 18 North, Range 12 West, approximately 42-miles to the northeast of the subject property.

The subject property is located within the unproductive very southern portion of the oil and gas productive San Juan Basin and is surrounded by dry holes and abandoned well locations. Given the potentially unfavorable geology, it is highly unlikely that economic oil and/or gas production will be established on or near the subject property.

Mineral Deed Evaluation for Tract #791 260195, Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico

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VALUE DETERMINATION

Since there is no current or historical oil and/or gas production within the 9-Section Grid (**Figure 2**), locally, or within 42-miles, there appears to be little likelihood that oil and/or gas production will be identified on the subject property.

**Therefore, the Office of Minerals Evaluation has determined that the Value of the oil and gas resources associated with this Mineral Deed is \$0.00 per net mineral acre, effective August, 2014.**

COAL AND COAL GAS

*Coal*

Based on BIA records, TAAMs, and historical information obtained from internet sources, coal has been mined in and around Gallup, New Mexico since the last quarter of the 1800s (**Figure 3**). The primary source of the coal was from the Cretaceous Fruitland formation. With the exception of a few of the more recent mining operations, the early mines have all been sealed and abandoned since the first half of the 1900s. **Figure 3** shows the existence of the historic Galino Mine located on the southeast corner of the subject tract. However, it could not be determined if the subject property had been completely depleted of coal. The most recent mines that were actively mining coal within 20-miles of the subject property until at least the mid-1980s follow:

1. The Carbon No. 2 Mine is located two miles to the south of the subject property.
2. The Mentmore Mine is located 9 miles to the west was closed in late 1984.
3. The U-Mate Mine (humate is a product of weathered coal) located 9 miles to the west.
4. The McKinley Mine is located approximately 19 miles to the northwest.

Of these recent local mines, the McKinley mine is actively producing coal at a reduced rate and sometimes, based on market conditions, intermittently. The U-Mate Mine produces humate intermittently in response to market demand. The other above listed mines have been sealed and abandoned.

It has been projected that coal-fired electrical generation plants capable of producing 60,000 megawatts will shut down by 2020 within the United States alone (Americanthinker.com, 2014, Coal company bankruptcies accelerating). With the currently operating coal mines located within the Navajo Nation Reservation, primarily the McKinley mine and the Navajo Mines (located greater than 25-miles to the northeast) and the falling demand for coal, both domestic and globally, the local and regional demand for coal is being met. Therefore, it is highly unlikely a new coal mining operation on or near the subject property would be economic, given: 1) size of the subject property; 2) the unknown status of whether the coal has previously been removed from the subject property; 3) initial start-up capital costs; 4)

Mineral Deed Evaluation for Tract #791 260195, Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico

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falling market demand; and 5) competition from established coal mining operations on the Reservation.

*Coal Gas*

Coal gas production was established on the Reservation approximately 70 to 80 miles to the northeast of the subject property within the thicker and deeper portion of the oil and gas productive San Juan Basin, but not locally (**Figure 2**) or even subregionally (70 to 80 miles radius). The coal within the area of the subject property is located at a very shallow depth. This shallowness of the coal beds allowed the generated coal gas to self-vent to the atmosphere over-time via fractures, historical mining operations, or at natural exposure points, such as outcrops. The venting over time, did not allow enough coal gas to accumulate at sufficient pressure and quantity to be economically extracted.

It is highly unlikely that coal gas production will ever be established on the subject property given the potentially unfavorable geology and the significant number of historic mines in the area.

VALUE DETERMINATION

**Based on geology, supply, and market conditions as of August 2014, the Office of Minerals Evaluation has determined that the Value of coal and coal gas associated with the subject property is \$0.00 per net mineral acre.**

LIMESTONE/AGGREGATE/OTHER MINERALIZATION

Based on a review of the surface geology, the subject property is underlain by the shales and sandstones of the Cretaceous Crevasse Canyon Group. Refer to **Figure 4** for the property location relative to the surface geology in the immediate area.

Detailed geologic mapping, drilling, sampling, and engineering testing would be required to determine the quality and quantity of the underlying resources. Based on inspection of aerial photography and review of the *Update of Existing Minerals Data for the Allotted Parcels Associated with the Navajo Nation of the Navajo Reservation, New Mexico* report (OME, 2014), sand and gravel operations are dominantly clustered around the Farmington/San Juan River area and along Interstate 40 near Gallup. In the immediate Town of Gallup area, six sand and gravel pits were identified on aerial photos of which four appeared to be operational and two appeared to be inactive. Four of the six sand and gravel pits are located within the same surface geology as the subject property indicating the potential for sand and gravel.

It should be noted that on the Navajo Nation Reservation, sand and gravel operations are not required to operate under a surface use permit, making the exact number of current operations in the subregional area (25-mile radius) of Gallup unknown. Sand and gravel is a low profit, high volume commodity that is very sensitive to transportation costs and pricing; therefore, localized markets should not be overlooked. The existing operations within Gallup

Mineral Deed Evaluation for Tract #791 260195, Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico

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and the others situated along I-40 and Route 66 appear to meet the current market demand. Based on this and the following factors, it is highly unlikely a new aggregate operation on or near the subject property would be economic within the foreseeable future, given: 1) initial start-up capital costs; 3) distance to markets; and 4) competition from established operations in closer proximity to areas of higher demand.

VALUE DETERMINATION

Overall, due to market conditions, distance from the market, and the number and scale of current operations, **it is determined that sand and gravel resources have no value within the study area. Therefore, the Office of Minerals Evaluation has determined that the Value of the Surface Minerals for the subject parcel is \$0.00 per net mineral acre, effective August, 2014.**

Mineral Deed Evaluation for Tract #791 260195, Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico

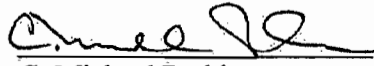
VALUATION DETERMINATION (ALL MINERALS)

A site visit was not conducted by this office, nor was a site visit review of the subject property available at the time of this report.

Based on the best available data there is limited to no potential for minerals of current economic value occurring on or adjacent to the subject property. **Therefore, as of August 2014, the Value of Minerals associated with the subject property is determined to be \$0.00 per net mineral acre. Due to potential changes in markets and technology, mineral value estimates on this specific Tract are valid up to nine months from the date of this report.**

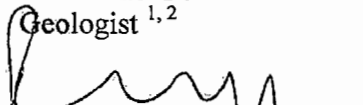
If this Mineral Deed is part of a (surface and mineral) Combined Estate (B), this mineral value is solely for consideration by the appraiser when determining the Highest and Best Use (HBU) for this tract. It should not be added to the surface value, thus resulting in a summation of value.

Author:

  
C. Michael Perkins  
Geologist<sup>1,2</sup>

8/12/14  
Date

Technical Reviewer:

  
Robert L. Davidoff  
OME Chief<sup>2</sup>

8/12/14  
Date

<sup>1</sup> Certifications, Assumptions, and Limiting Conditions

- 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.
- I have no present or prospective interest or bias in the property(ies) that is(are) the subject of this report, and I have no personal interest with respect to the parties involved.
- My engagement and 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 evaluation. No one provided significant business and/or intangible asset evaluation assistance to the person signing this certification.
- The information, estimates, and opinions furnished by the author and contained in this report were obtained from sources considered reliable and are believed to be true and accurate.
- The legal descriptions for the parcel requiring analysis assumed to be correct.
- The analysis also assumes that this parcel has been plotted correctly within the township, range, and section identified by the Tulsa Solicitor Field Office.
- This report is to be used in its entirety and only for the purpose of providing an opinion of fair market value for mineral resources on the subject lands for the owners of the estate and other governmental entities with a need for such information.
- This report is considered Federal Records and therefore the data collected and reports and conclusions supplied within this report are for the exclusive use of the U.S. Government. No disclosure is allowed of any conclusions, in whole or in part to any persons other than representatives of the U.S. Government and / or the property owner.

<sup>2</sup> Author's Statement of Qualifications, resume and signatures (where required) are on-file at the Office of Minerals Evaluation, 12136 W. Bayaud Ave., Suite 120, Lakewood, CO 80228

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*Indian Trust Records Data*

Mineral Deed Evaluation for Tract #791 260195, Evelyn Becenti (C# 101,006), Heir of Peter Becenti aka. Na ta yilth ni ne yah, Restricted Indian Allotted Lands, Navajo Nation, McKinley, New Mexico

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**STATEMENT OF WORK  
FOR OASIS CASE #2014-20  
TYPE OF CASE, MINERALS VALUATION  
BIA REAL ESTATE SERVICES EASTERN NAVAJO AGENCY  
CROWN POINT, NEW MEXICO**

**INTRODUCTION**

This document establishes the scope of work to be performed for the Eastern Navajo Agency, Colorado. This may be considered a living document and adjusted as necessary, to ensure the OME and Evelyn Becenti (C# 101,006) heir of Peter Becenti aka. Na Ya Yilth ni ne yah (Requestor) understands and agrees, regarding the evaluation process described below. Any changes will include a revised version date in the header.

**EVALUATION**

The Office of Minerals Evaluation (OME) will provide a minerals assessment and evaluation for the specified purpose of Title Transfer/Deed of Sale, for the 160-acre tract described Tract ID **791 260195** Combined/Minerals Estate. Of the 160 acres, 80.00 +/- acres (W2 NW/4 of Section 24) belong to Allottee, Evelyn Becenti (C# 101,006). The following tract information was provided by the Requestor:

<u>Tract ID</u>	<u>Location</u>
<b>791-260195</b>	<b>NW/4 of Section 24, Township 15 North, Range 18 West.</b>

OME will gather and review all the available pertinent data regarding the geology, mineralization, current and past mineral operations, and the market potential of the minerals occurring on and underlying the subject tract.

This "Stage 1" assessment/evaluation will determine the technical, cultural, environmental, legal, and market viability of mineral development (and other relevant assessment filters as necessary) for the entire specified tract; regardless of the acres to be conveyed. OME will also conduct an assessment of the petroleum geology and viability of oil and gas resources from both conventional and unconventional plays such as horizontal shale plays and coalbed methane.

1. If the Stage 1 assessment/evaluation finds that any of the reviewed tracts contain **economically viable mineralization**, OME will perform a "Stage 2" analysis and mineral valuation, such as comparables analysis or income approach analysis, as needed, in order to estimate the minerals value. OME does not perform evaluations for hypothetical potential.

## NEEDED FROM REQUESTOR

1. **Please review and confirm (via email) that the legal description shown above, for the parcel(s) included in this request is correct and complete.**
  - a. NW/4 of Section 24, Township 15 North, Range 18 West, the Town of Gallup, McKinley County, New Mexico 160-acres more or less, of which Evelyn Becenti owns the west half (80-acres more or less) of the 160-acre tract.
2. **Please address the following questions pertaining to the OASIS Worksheet:**

Not Applicable.
3. **Please provide/clarify the following information:**
  - a. There are two spellings of Peter Becenti's Tribal name; for example, in the "Request for Minerals Evaluation Worksheet" his name is Na Ya Yilth Ni Ne Yah; however, in the Patent, his name is spelled Na Ya Yilth ni ne yah  
*Note:* Until clarification is received regarding Peter Becenti's Tribal name, OME will use the Patent spelling of his name in the Valuation Report.
  - b. Two Tract ID's have been provided in the documents received as part of the request are as follows:
    - i. "Request for Minerals Evaluation Worksheet", the Tract ID is SF060195 (note this appears to be the Patent ID, which is NMSF 060195.
    - ii. The BIA "Title Status Report" the Tract ID is 791 260195.*Note:* Until Clarification is received regarding the Tract ID, OME will use the BIA Title Status Report Tract ID.

## TIMEFRAME

The timeframe estimates include the time required for data collection, database/GIS compilation, market analysis, report write-up, and technical and editorial reviews.

**Stage 1 assessment/evaluation:** the anticipated delivery date is August, 15, 2014.

**Stage 2 minerals valuation:** *if required*, OME will provide the Requestor with a separate timeframe for Stage 2, depending on the results of Stage 1, minerals involved, mining variables, commodity markets, and complexity/variation of the valuation process.

## OME TECHNICAL CONTACT

Please provide the requested information and direct questions regarding this SOW or the project, to the analyst listed below.

### Project Analyst

C. Michael Perkins, Geologist, PG CPG:

Email: [clarence\\_perkins@ios.doi.gov](mailto:clarence_perkins@ios.doi.gov)

Phone: 303-969-5939



**ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF EXECUTIVE DIRECTOR/ADMINISTRATION**

OFFICE OF ENVIRONMENTAL REVIEW

PO BOX 339 WINDOW ROCK ARIZONA 86515 Office: 928/871-7188 Fax: 928/729-4323

Website: [www.navajonationepa.org](http://www.navajonationepa.org)

**M E M O R A N D U M**

**TO:** Shirley McCabe, Senior Appraiser  
Land Acquisition  
Navajo Land Department  
Division of Natural Resources

**FROM:**

A handwritten signature in black ink, likely belonging to Rita Whitehorse-Larsen.

Rita Whitehorse-Larsen, Senior Environmental Specialist  
Office of the Executive Director/Administration  
Office Of Environmental Review

**DATE:** February 17, 2015

**SUBJECT: 164 EOR 003395 Proposed Acquisition IIA No. SF-060195**

The Navajo Nation Environmental Protection Agency (NNEPA) reviewed<sup>1</sup> and recommends **approval** for the proposed land acquisition as stated in EOR 003395 pursuant the Title 4, NNC Chapter 9 Navajo Nation Environmental Policy Act, Subchapter 1, §904. The Navajo Land Department is proposing to purchase a 80 acres of an Individual Indian Allotment from the owner, Evelyn A. Becenti, Bureau of Indian Affairs, Trustee, located within the City of Gallup, New Mexico.

If there are any questions you may contact Rita Whitehorse-Larsen at 928/871-7188. Thank you.

Cc: NNEPA Admin chrono file

<sup>1</sup> Bertha Shorty. Exception Checklist for BIA Categorical Exclusions Sale of Allotment Evelyn A Becenti SF-060195. April 2013.

## EXCEPTION CHECKLIST FOR BIA CATEGORICAL EXCLUSIONS

Project: SALE OF ALLOTMENT

Date: April 30, 2013

Nature of Proposed Action: Sale of Allotment from Evelyn A. Becenti/Evelyn Becenti/Evelyn Ann Becenti, C#101,006, involving Allotment No. SF-060195.

516 DM 10.5I

Exclusion category and number:

Evaluation of Exceptions to use of Categorical Exclusion:

1. This action would have significant adverse effects on public health or safety. No X Yes \_\_\_\_\_
2. This action would have an adverse effect on unique geographical features, such as wetlands, wild or scenic rivers, refuges, floodplains, rivers placed on nationwide river inventory, or prime or unique farmlands. No X Yes \_\_\_\_\_
3. The action will have highly controversial environmental effects. No X Yes \_\_\_\_\_
4. The action will have highly uncertain environmental effects or involve unique or unknown environmental risks. No X Yes \_\_\_\_\_
5. This action will establish a precedent for future actions. No X Yes \_\_\_\_\_
6. This action is related to other actions with individually insignificant, but cumulatively significant environmental effects. No X Yes \_\_\_\_\_
7. This action will affect properties listed or eligible for listing in the National Register of Historic Places. No X Yes \_\_\_\_\_
8. This action will affect a species listed, or proposed to be listed as endangered or threatened. No X Yes \_\_\_\_\_
9. This action threatens to violate federal, state, local or tribal law or requirements imposed for protection of the environment. No X Yes \_\_\_\_\_
10. This action will have a disproportionately high and adverse effect on low income or minority populations. No X Yes \_\_\_\_\_

11. This action will limit access to, and ceremonial use of Indian sacred sites on federal lands by Indian religious practitioners, or significantly adversely affect the physical integrity of such sacred sites.

No X Yes \_\_\_\_\_

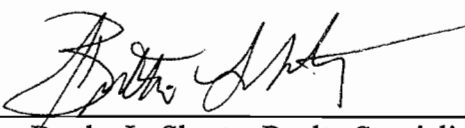
12. This action will contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area, or may promote the introduction, growth, or expansion of the range of such species.

No X Yes \_\_\_\_\_

A "yes" to any of the above exceptions will require that an EA be prepared.

NEPA Action - - - CE X EA \_\_\_\_\_

Preparer's Name and Title: \_\_\_\_\_

  
Bertha L. Shorty, Realty Specialist, Eastern Navajo Agency

Regional Archeologist Concurrence with Item 7 \_\_\_\_\_

Concur: \_\_\_\_\_  
Superintendent, OIP, Eastern Navajo Agency

Date: \_\_\_\_\_

Concur: \_\_\_\_\_  
Regional Office/Agency Environmental Coordinator

Date: \_\_\_\_\_

**AFFIDAVIT OF EVELYN BECENTI CONCERNING THE ENVIRONMENTAL  
CONDITION OF ALLOTMENT SF-060195**

I, Ms. Evelyn A. Becenti, C#101,006, swear and affirm that:

1. I hold the legal interest to Allotment SF-060195.
2. I have held legal interest in the Allotment since December 3, 2004.
3. Allotment SF-060195 has no improvements of any kind.
4. There is a dirt road on the east side of the 80 acres allotment.
5. There is a water line on the east side of the 80 acres allotment.
6. I have used the land for grazing, driving on the road, and for no other purposes.
7. To the best of my knowledge, no material, liquid, or any other product has ever been placed or dumped on Allotment SF-060195.


I SWEAR OR AFFIRM THAT THE ABOVE AND FOREGOING REPRESENTATIONS ARE TRUE AND CORRECT TO THE BEST OF MY INFORMATION, KNOWLEDGE, AND BELIEF.

<u>January 15, 2015</u>	<u>Evelyn A Becenti</u>
Date	Evelyn A. Becenti

STATE OF New Mexico

COUNTY OF McKinley

I, the undersigned Notary Public, do hereby affirm that Evelyn A. Becenti personally appeared before me on the 16 day of January, ~~2014~~, and signed the above Affidavit as his free and voluntary act and deed. 2015 AS

 <b>OFFICIAL SEAL AARON M SICE</b> NOTARY PUBLIC-State of New Mexico My Commission Expires <u>2/14/2015</u>	<u>Aaron M Sice</u>
	Notary Public