

NOTICE OF PUBLIC AUCTION
FOR PLANNING & DEVELOPMENT BUSINESS LEASE
OF STATE TRUST LAND

Sandoval County
Rio Rancho,
New Mexico
State Land Office
Business Lease No. BL-1951

A public auction will be held at the time, place, and date stated below in paragraph A. The item to be auctioned is a 30-year lease of the lands described in paragraph B. The most important terms of the lease are summarized in paragraph C and D, below. If you would like a draft of the lease to be offered at auction, or if you require any further information, please make your request as described in paragraph D, below. If the Commissioner elects to award the lease, he will select the bid that, in his discretion, he determines offers the highest and best benefit to the State land trust. The Commissioner reserves the right to require additional information from any bidder before he makes a selection, and the right to reject all bids. *The minimum cash bid for the lease and terms contained therein, will be a bonus of \$1,000.00, with cash bids to augment in increments of \$10,000.00. Bids will also be required and accepted for the percentage split for the Planning Development Credit (PDC) and the percentage annual increase of Base Appraisal Value (BAV).* Bidders are encouraged to offer amounts greater than the minimums, whether in the cash bonus bid, the PDC percentage split, or percentage annual increase in the BAV. Bidders are also encouraged to offer additional financial incentives (*see the Bid Information Sheet contained in the Bid Packet for more details on how to bid*).

In order to qualify to bid, each prospective bidder must deposit with the Commissioner \$3,304,206.21 prior to commencement of the auction in the form of certified or cashier's check, made payable to the Commissioner of Public Lands. The deposits of the unsuccessful bidders will be refunded.

A) Auction:

The auction will be by sealed bid and qualified bidders will hand deliver their bid in a sealed container marked "Sealed Bid for BL-1951" at the following time and place:

date: March 23, 2010
time: 11:00 am
place: Thirteenth Judicial District Court
Sandoval County Courthouse
711 Camino del Pueblo
Bernalillo, New Mexico 87004

B) Description of the property to be leased: Approximately 146.69 acres of land in Rio Rancho, Sandoval County, New Mexico, described as follows:
4 non-contiguous tracts of land located in Section 36, T13N, R2E N.M.P.M., City of Rio Rancho, Sandoval County, New Mexico containing 146.69 acres, more or less.

All 4 tracts together comprise the lease land.
Bids to lease less than all 4 tracts will not be considered.
A complete legal description is available upon request and is contained in the Bid Packet.

C) Summary of the Terms of the Lease: The term of this lease shall be for 30 years. The rent shall be \$ 7,500.00 per annum, with the first year's rent to be due on or before the effective date of the Lease and annually thereafter. Rent shall be adjusted upward every 5 years by 2.5% over the annual rent due during the preceding lease year. Lessee will be responsible for all applicable taxes and utility expenses associated with development of the site. Permitted use of the premises will be for planning and development. A complete description of permitted use is provided in the Lease. The lease also contains terms regarding liens, assignment and subleasing, relinquishment, default, insurance, indemnification and the like, and is subject to all pertinent State Statutes and Rules.

D) How to Get Information on the Auction, Obtain a Bid Qualification Packet, a copy of the Lease or Other Information:

Please Contact:

Dallas Rippy
NM State Land Office
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
505-827-5760
dallasrippy@slo.state.nm.us

Disabled individuals who require aids to participate in the long-term business lease may call 505-827-5768; Fax 505-827-6157 and /or TTY (800) 659-8331. Upon request, these documents may be available in alternative formats.

The right to reject any and all bids is expressly reserved and no lease shall be effective unless and until approved in writing by the Commissioner of Public Lands.

Dated at Santa Fe, New Mexico, this 28th day of December, 2009.

Patrick H. Lyons
Commissioner of Public Lands

Santa Fe, New Mexico