

APPRAISAL COVER SHEET

TYPE OF REPORT: Appraisal for Market Value

ADOT PARCEL NO.: L-C-148

OWNER NAME: State of Arizona, by and through its Department of Transportation

NAME & LOCATION OF PROPERTIES: Disposal parcel consisting of approximately 19,425 square feet (0.446 acres). The disposal parcel is identified as Lots 1, 2, 3 and 4, Rio Del Rey-Unit II, a Planned Residential Development at the intersections of SR 202L and West Broadway Road. The physical property addresses are 4227, 4231, 4235 and 4239 South 61st Avenue, Phoenix, Arizona 85043.

PROJECT: M6975 01X

HIGHWAY: SR 202L (South Mountain Freeway)

SECTION: Salt River – Junction I-10 Papago Segment

DATE OF APPRAISAL REPORT: July 3, 2023

EFFECTIVE DATE OF VALUE: June 3, 2023

APPRAISERS: Richard G. Lee
Certified General Real Estate Appraiser #31626

Steven R. Cole, MAI, SRA
Certified General Real Estate Appraiser #30130

ADOT AERIAL EXHIBIT



<p>ADOT Right of Way SEE EXISTING PLANS FOR ADOT INTERNAL USE ONLY</p>	DISPOSAL #	L-C-148	HIGHWAY NAME	
	Parcel #	7-11522, 7-11553	SOUTH MOUNTAIN FREEWAY	
<p>Parcel 7-11553 REM</p>	DATE	01/09/2023	PROJECT NO	202 MA 000 H5439
	ROUTE NO.	SR 202L	LOCATION	SALT RIVER - JCT. I-10
			FEDERAL A/D NO	202D(200)S
			SHEET NO	1 OF 1

ROADPROJECT: 2020MA000H5439 - South Mountain Freeway Exhibit, C-148, C-148 Disposal Aerial Exhibit.sgn



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TUCSON, ARIZONA 85732
(520) 327-0000
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LETTER OF TRANSMITTAL

July 3, 2023

Mr. Jim Walcutt
Arizona Department of Transportation
205 South 17th Avenue, Room 331
Mail Drop #612E
Phoenix, Arizona 85007

RE: Appraisal of ADOT Parcel L-C-148. The subject represents four formerly subdivided and developed single-family residential lots within the Rio Del Rey-Unit II, a planned residential development located in the Estrella Village area of south Phoenix near the intersections of West Broadway Road and SR 202L (South Mountain Freeway). According to ADOT, the disposal parcel area consists of 19,425 square feet, (0.446 acres). According to Maricopa County Assessor, the physical property addresses are 4227, 4231, 4235 and 4239 South 61st Avenue, Phoenix, Arizona 85043.

Appraiser's File No.: 23-094-L

Mr. Walcutt:

At your request, we have provided our market value opinions for the subject disposal parcel referenced above. The disposal area is situated within the Rio Del Rey-Unit II, a planned residential development at 4227, 4231, 4235 and 4239 South 61st Avenue, Phoenix, Arizona 85043. The disposal area is further identified as Maricopa County Assessor Parcel No's.: 104-57-236 (4239 South 61st Avenue), 104-57-237 (4235 South 61st Avenue), 104-57-238 (4231 South 61st Avenue), and 104-57-239 (4227 South 61st Avenue). The disposal area consists of four, previously developed, residential lots identified as ADOT Parcel L-C-148, containing 19,425 square feet (0.446 acres).

Based on the zoning designation and lot depth/width requirements, land area, limited street frontage and access, and the comparable data reviewed, the highest and best use of the disposal area is to subdivide the land into two, single-family residential lots consisting of approximately 9,000 square feet each, with an access easement to the backage lot (identified as Lot B) consisting of approximately 1,425 square feet (15 feet wide x 95 feet deep). To the best of our knowledge, the proposed two residential lots would be permitted within the R1-6, Single-Family Residence District, which requires a minimum lot size of 6,000 square feet, with a maximum dwelling unit density of 5.5 units per acre, or 1 unit per 7,920 square feet of lot area.

The comparable data reviewed indicates demand is for lots greater than 6,000 square feet, with four of five comparables being larger than 8,000 square feet. Further, the R1-6 zoning requires a minimum lot depth of 110 feet. The appraisers estimate the two lots at about 100

feet deep with lot widths greater than 85 feet thus, a favorable variance would be probable with the City. Additionally, having two households sharing one driveway for access to more multiple lots is not desirable in the marketplace. Any more than two lots would diminish potential mountain views and overall privacy. Thus, we concluded two lots is the highest and best use of the disposal area.

The purpose of this appraisal is to provide market value opinion for the subject disposal parcel identified in the ADOT Right of Way Disposal Report dated September 1, 2022, as of June 3, 2023, the effective date of value, pursuant to Arizona Revised Statute 28-7091, as follows:

"... 'Market Value' means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable."

The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation (ADOT). No other use or users are intended, and any unintended use may be misleading. The intended use of the appraisal is to utilize the market value estimate to assist in decisions regarding the disposition of the properties identified herein.

This appraisal report is intended to comply with the requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; and (2) the *Uniform Standards of Professional Appraisal Practice 2020-2023* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach is utilized to support our market value opinions.

This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given, or relied on by any other person other than the client without the prior, expressed written permission of the authors, as set forth within the Assumptions and Limiting Conditions contained in this report.

Based upon the data, analysis, opinions, and conclusions contained in this report, our market value opinions for the subject disposal parcel, as of June 3, 2023, is as follows:

ADOT PARCEL L-C-148, MARKET VALUE OPINIONS:

LOT A, ±9,000 SQUARE FEET (0.21 ACRES)	\$135,000
This estimate of Market Value equals approximately	\$15.00 Per Square Foot
LOT B, ±9,000 SQUARE FEET (0.21 ACRES)	\$135,000
This estimate of Market Value equals approximately	\$15.00 Per Square Foot
TOTAL SUM OF THE RETAIL VALUES.....	\$270,000

An exposure time of 4 to 6 months is estimated for the sale of the disposal parcel.

Extraordinary Assumption:

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis”.

This appraisal report is based on the following extraordinary assumptions:

- 1) *No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the disposal parcel.*
- 2) *No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the disposal parcel.*
- 3) *The disposal parcel was inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the disposal parcel.*
- 4) *This appraisal relies on the site areas provided by ADOT, and the Maricopa County Assessor’s measurement tool. It is an extraordinary assumption that the site areas contained in this appraisal are accurate.*

Hypothetical Condition:

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), hypothetical condition is defined as follows:

“A hypothetical condition is a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”¹

This appraisal report is based on the following hypothetical conditions:

There are no hypothetical conditions that apply to this appraisal.

The use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.


¹ *Uniform Standards of Professional Appraisal Practice, 2020-2023 Ed., Appraisal Foundation*

We hereby certify that to the best of our knowledge and belief, all statements and opinions contained in this appraisal report are correct. This transmittal letter is not valid for any purpose unless accompanied by the appraisal referred to herein.

In order to guarantee the authenticity of this report, the designated appraisers have imprinted this letter of transmittal with an embossed seal. Any copy without same is not a certified copy and the appraisers assume no responsibility or liability for such a report.

Respectfully submitted,

Southwest Appraisal Associates, Inc.

By 
Richard G. Lee
*Certified General Real
Estate Appraiser #31626*

By 
Steven R. Cole, MAI, SRA
*Certified General Real
Estate Appraiser # 30130*

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ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the Appraisers appearing in the report is subject to the following conditions, and to such other specific and limiting conditions as are set forth by the Appraisers in the report.

This report is being prepared for the client. This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given or relied on by any other person than the client without the prior, expressed written permission of the authors, as set forth within the Limiting Conditions contained in this report.

The Appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the Appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised assuming responsible ownership, competent management, and adequate marketing typical for that type of property. The legal description provided is assumed to be correct. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

The Appraisers have made no survey of the property. Any sketch or map in the report may show approximate dimensions and is included for illustrative purposes only. It is the responsibility of a certified engineer, architect, or registered surveyor to show by a site plan the exact location of the subject property or any improvements or any proposed improvements thereon, or the exact measurements or calculations of estimated area of the site. In the absence of such a survey, the Appraisers may have utilized Tax Assessor's maps or other maps provided by the client which may not represent the exact measurements of the subject property, or other comparable information utilized to establish an opinion of value of the subject property. Any variation in dimensions or calculations based thereon may alter the value contained within the report.

In determining an opinion of market value of the subject property and in analyzing comparable information, the Appraisers have relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans, and the like. In the opinion of market value, the Appraisers may consider the extent to which a knowledgeable and informed purchaser or seller, as of the date of the appraisal, would reflect the reasonable probability of changes in such land uses becoming actualized in the future. To the extent that these plans may change, the value opinions of this report may also change.

In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraisers assume no responsibility for the actual availability of utilities, their capacity or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons. The Appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless prior arrangements have been made and confirmed in writing.

Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used. The Appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraisers assume no responsibility for such conditions or for engineering which might be required to discover such factors. To the extent that published data from public agencies is available on the above, the Appraisers have made an effort to consult this information.

Unless otherwise stated within this report, the existence of hazardous materials, which may or may not be present within or on the property, will not be considered by the Appraisers. The Appraisers assume, and the client warrants, that no such materials adversely affect the utility, usability or developability of the property to the best of their knowledge. The Appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas or other potentially hazardous materials may affect the value of the property. The opinion of value has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. If at a later time hazardous materials or substances are discovered, the Appraisers reserve the right, for an additional agreed upon fee, to re-analyze and revalue said property, taking into account the discovery of such factor or factors and their effects on the value of the subject property.

The presence of barriers to the disabled, which may or may not be present within or on the subject property, will not be considered by me. The Appraisers assume, and the client warrants, that no such barriers adversely affect the utility, usability, or developability of the property to the best of their knowledge. The Appraisers are not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions, or for any expertise or architectural knowledge required to identify and analyze them. The client is urged to retain an expert in this field, if desired. If at a later time the presence of such barriers is surveyed by an expert, we reserve the right, for an additional agreed upon fee, to reanalyze and revalue said property, taking into account the discovery of such factors and their effects on the value of the subject property.

Information, estimates, and opinions furnished to the Appraisers and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraisers can be attributed to the Appraisers. Disclosures of the contents of the report by the Appraisers is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraisers are affiliated.

On all reports which are undertaken subject to satisfactory completion of, alterations of or repairs to improvements, the report and value conclusions contained in it are contingent upon completion of the improvements or of the repairs thereto or alterations thereof in a workmanlike manner and consistent with the specifications presented to the Appraisers.

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants along with available factual data. They should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized. The appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the report.

The use of this report or its analysis and conclusions by the client or any other party constitutes acceptance of all the above limiting conditions.

EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS

Extraordinary Assumption:

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis”.

This appraisal report is based on the following extraordinary assumptions:

- 1. No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the disposal parcel.*
- 2. No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the disposal parcel.*
- 3. The disposal parcel was inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the disposal parcel.*
- 4. This appraisal relies on the site areas provided by ADOT, and the Maricopa County Assessor's measurement tool. It is an extraordinary assumption that the site areas contained in this appraisal are accurate.*

Hypothetical Condition:

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), hypothetical condition is defined as follows:

“A hypothetical condition is a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”²

² *Uniform Standards of Professional Appraisal Practice, 2020-2021 Ed., Appraisal Foundation*

There are no hypothetical conditions that apply to this appraisal.

The use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.

EXECUTIVE SUMMARY

General Identification/Location:	The disposal parcel area consists of four former subdivided single-family residential lots situated within the Rio Del Rey-Unit II, a planned residential subdivision located in the Estrella Village area of south Phoenix at the intersections of West Broadway Road and SR 202L (South Mountain Freeway). The physical property addresses are 4227, 4231, 4235 and 4239 South 61st Avenue, Phoenix, Arizona 85043.
Section, Township & Range:	Portion of the South Half of the Southeast Quarter of Section 19, Township 1 North, Range 2 East, also known as Lots 1, 2, 3 and 4, Rio Del Rey-Unit II, a Planned Residential Development.
Assessor's Parcel Numbers:	The disposal area is further identified as Maricopa County Assessor Parcel No's.: 104-57-236 (4239 South 61st Avenue), 104-57-237 (4235 South 61st Avenue), 104-57-238 (4231 South 61st Avenue), and 104-57-239 (4227 South 61st Avenue).
Subdivision Lot Numbers:	1, 2, 3 and 4, Rio Del Rey-Unit II
Subject Lot Sizes/Shapes:	Lot A, ±9,000 square feet, (0.207 acres)/Mostly Rectangular Lot B, ±9,000 square feet, (0.207 acres)/Mostly Rectangular Access easement to Lot B, ±1,425 square feet (0.033 acres)
Effective Date of Value:	June 3, 2023
Interest Appraised:	Fee Simple Estate
Intended Use of the Appraisal:	The intended user of the appraisal includes the officials and agents of the Arizona Department of Transportation. No other use or users are intended, and any unintended use may be misleading.
Intended Use of the Appraisal:	The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the disposition of the disposal property identified herein.
Flood Insurance Zone:	The disposal parcel area is identified as being located in the Flood Zone X (shaded) per FIRM Map Panel No.: 04013C2190M, dated November 4, 2015. Zone X (shaded), which is an area defined by FEMA as 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average

depth less than one foot or with drainage areas of less than one square mile.

Zoning:

R1-6, Single-Family Residence District, with a Planned Residential Development (PRD) designation. The basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits.

Highest and Best Use:

Two single-family residences.

Market Value Opinions:

ADOT PARCEL L-C-148, MARKET VALUE OPINIONS:

LOT A, ±9,000 SQ. FT. (0.21 ACRES)\$135,000

LOT B, ±9,000 SQ. FT. (0.21 ACRES)\$135,000

THE APPRAISAL PROCESS

An appraisal is an opinion based upon research, judgment, and an analysis of factors influencing real estate value. These factors consider the four major forces at work in the economy: physical, legal/political, social, and economic forces.

The sections comprising the first portion of the report include: Date, Function and Purpose of the Appraisal, Property Identification, Scope of Work, Regional and Neighborhood Analysis, Site Analysis, and Highest and Best Use. The highest and best use of the subject disposal parcel is the basis upon which market value is determined.

The second portion of the report contains the approaches used to determine an opinion of market value of the fee simple interest in the subject disposal parcel. The fee simple interest is the unencumbered interest in a property. The three traditional approaches to value are considered. However, since the subject disposal parcel represent vacant land with no existing vertical improvements which does not actively generate any rental income, the only applicable approach to value is the Sales Comparison Approach.

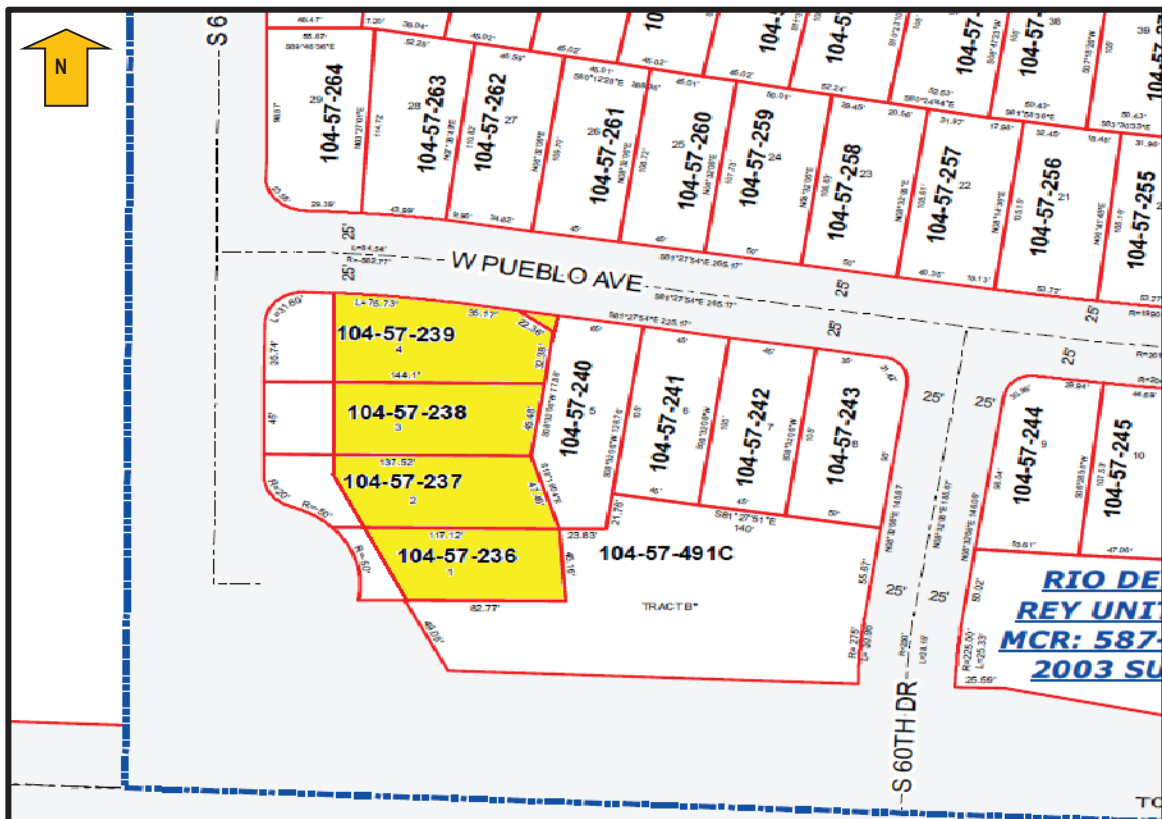
In the Sales Comparison Approach, recent sales of similar vacant residential lots, known as "comparables," are analyzed and adjusted to the two proposed subject lots. This approach best represents the actions of buyers and sellers in the market for this type of property. The degree of similarity between the comparables and the two proposed subject lots determines the reliability of this approach.

PROPERTY IDENTIFICATION

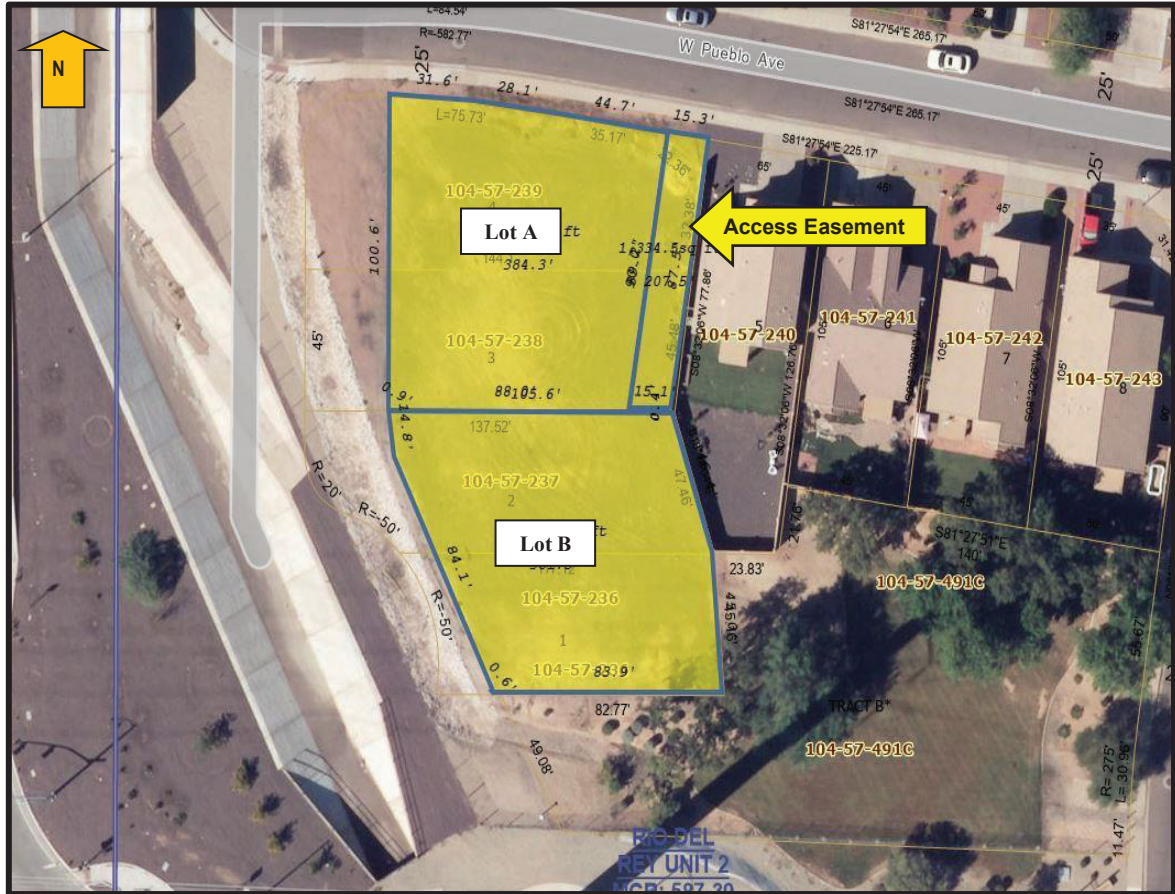
The disposal parcel area consists of four former subdivided single-family residential lots situated within the Rio Del Rey-Unit II, a planned residential development located in the Estrella Village area of south Phoenix at the intersections of West Broadway Road and SR 202L (South Mountain Freeway). The physical property addresses are 4227, 4231, 4235 and 4239 South 61st Avenue, Phoenix, Arizona 85043. The subject parcels are further identified as Maricopa County Assessor Parcel No's.: 104-57-236 (4239 South 61st Avenue), 104-57-237 (4235 South 61st Avenue), 104-57-238 (4231 South 61st Avenue), and 104-57-239 (4227 South 61st Avenue). The following legal description for the disposal parcel was provided by ADOT in the Right of Way Disposal Reports as follows:

That portion of the South half of the Southeast quarter of Section 19, Township 1 North, Range 2 East, also known as Lots 1, 2, 3 and 4, Rio Del Rey-Unit II, according to Book 587 of Maps, Page 39, as depicted on Exhibit "A" attached, Sheets P-3, and P-16 of ADOT Drawing D-7-T-1014, the Right of Way Plans of SOUTH MOUNTAIN FREEWAY, Section SALT RIVER-JCT I-10 PAPAGO, Project 202L MA 056 H5439 01R / Parcel No's. 7-11522, 7-11553, 7-11613 and 7-11672.

PLAT MAP



PROPOSED LOT DELINEATION MAP



PURPOSE OF THE APPRAISAL

- Purpose of the Appraisal:*** The purpose of this appraisal is to estimate the market value of the fee simple estate.
- Intended User of the Appraisal:*** The intended user of the appraisal includes the officials and agents of the Arizona Department of Transportation. No other use or users are intended, and any unintended use may be misleading.
- Intended Use of the Appraisal:*** The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the disposition of the disposal parcel identified herein.
- Date of Value Opinion:*** The effective date of the value opinion is June 3, 2023.
- Date of the Appraisal Report:*** The date of the appraisal report is July 3, 2023.

DEFINITIONS

Definition of Market Value:

Pursuant to Arizona Revised Statute 28-7091:

"... 'Market Value' means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable."

Interest To Be Appraised:

The interest to be appraised for the subject disposal parcels is the fee simple estate interest, defined as follows:

Absolute ownership, unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

³ *The Dictionary of Real Estate, 7th Ed.*, Appraisal Institute, 2022, p. 73.

OWNERSHIP HISTORY AND FIVE-YEAR CHAIN OF TITLE

ADOT Parcel L-C-148:

Title to subject disposal parcel is vested in the State of Arizona, by and through its Department of Transportation, through four separate Warranty Deeds from SS 1 Holdings - 2, LLLP, dated April 14, 2015, recorded June 18, 2015 in Document No. 2015-0435520; Filipe N. Oblea & Erika Gallardo De Negrete, dated June 15, 2015, recorded July 2, 2015 in Document No. 2015-1479279; Kenneth C. & Machele Kilgore, dated July 16, 2015, recorded July 31, 2015 in Document No. 2015-0555335; and Laura Nava, dated September 24, 2015, recorded September 30, 2015 in Document No. 2015-0707071.

A Right of Way Disposal Report was provided to the appraisers. Based on our review of the report, public records, and other sources, there have been no other sales, title transfers, or offers to purchase the subject disposal parcel for the five years prior to this appraisal. To the best of our knowledge, the subject disposal parcels are not currently listed for sale.

RIGHT OF WAY / VESTING

- 1.) Warranty Deed from SS 1 Holding -2 LLLP, an Arizona limited liability limited partnership, to the State of Arizona, by and through its Department of Transportation, dated April 14, 2015, recorded June 18, 2015, in Document No. 2015-0435520.
[Parcel 7-11672, Project 202L MA 000 H5439]
- 2.) Warranty Deed from Felipe N. Oblea and Erika Gallardo De Negrete, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated June 15, 2015, recorded July 2, 2015, in Document No. 2015-1479279.
[Parcel 7-11522, Project 202L MA 000 H5439]
- 3.) Warranty Deed from Kenneth C. Kilgore, Jr. and Machele Kilgore, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated July 16, 2015, recorded July 31, 2015, in Document No. 2015-0555335.
[Parcel 7-11553, Project 202L MA 000 H5439]
- 4.) Warranty Deed from Laura Nava, an unmarried woman, to the State of Arizona, by and through its Department of Transportation, dated September 24, 2015, recorded September 30, 2015, in Document No. 2015-0707071.
[Parcel 7-11613, Project 202L MA 000 H5439]

SCOPE OF WORK

The Scope of Work for an appraisal is the extent of the process of collecting, confirming, and reporting data, as well as the methods used in supporting the value opinions. The Sales Comparison Approach is employed to estimate the market values for the subject disposal parcel, with a highest and best use to subdivide the parcel into two, single-family residential lots of approximately 9,000 square feet each. The Cost and Income Approaches are excluded since the market does not rely on these approaches when valuing vacant land.

In accordance with *Uniform Standards of Professional Appraisal Practice* (USPAP), effective January 1, 2023, the scope of work for the appraisal includes, but is not limited to, the following:

- Inspection and analysis of the subject disposal parcel, market conditions, and other restrictions that affect value; and
- Research, analysis, and confirmation of comparable market data.

Research included the examination of sales and listing data published by ARMLS, Maricopa County records, and interviews with real estate participants and realtors/agents. Based on our conclusion of Highest and Best Use, similar land comparables throughout south Phoenix area were selected.

The comparable residential lot sales and other market data that is included in the analysis are considered to be the best available. The data selected is adequate to provide reliable indications of market values for the disposal parcel. Overall, the market value opinions provided in this report are well supported.

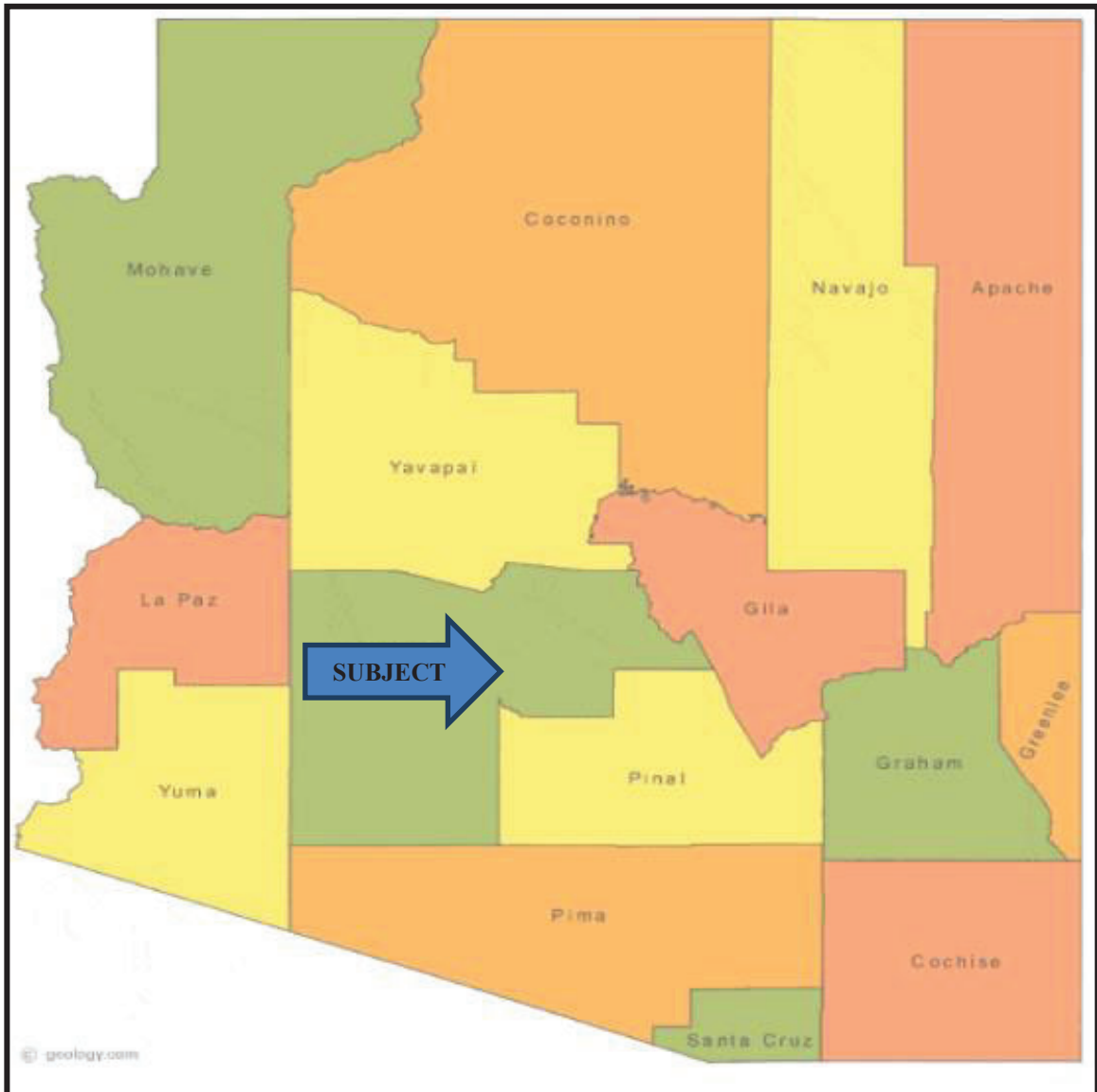
Limitation in Scope:

This report is a narrative appraisal report. There are no other limitations in the scope of the assignment, other than those discussed in the Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions.

REGIONAL ANALYSIS

The subject disposal parcel is located within Maricopa County within the State of Arizona. This section presents an analysis of Maricopa County's growth and economic trends. The city of Phoenix is also reviewed here. Then, we provide a conclusion relating these area trends to the valuation of the subject disposal parcel.

ARIZONA COUNTY MAP



OVERVIEW – MARICOPA COUNTY

It is well known that the Maricopa real estate market has been volatile over the past three years. Real estate market volatility resulted from the COVID-19 pandemic, as well as other events such as energy price changes and record price inflation. Every day, there is greater clarity about their effects and expectations as evidenced by transaction activity, various data sources, and market participants.

Maricopa County, named after the Maricopa Tribe, was created from portions of Pima and Yavapai counties in 1871. It was the fifth county formed in Arizona, and eventually portions were used to create Gila and Pinal counties. In the late 19th century, citizens living far south of Prescott, the territorial capital and site of the Territorial Legislature, petitioned for a more local seat of government. Residents of the Salt River Valley and the Gila River area wanted a new county in their respective locations. After weighing both proposals, the legislature agreed with the Salt River Valley group and created Maricopa County. In 1889, Phoenix became the final site of the territorial capital and retains its status as Arizona's capital city.

More than half of the state's population resides in Maricopa County, which includes the cities of Phoenix, Mesa, Glendale, Scottsdale, Tempe, Chandler, Peoria and the town of Gilbert. This metropolitan area is the state's major center of political and economic activity. In addition to housing the state capital, the county is home to a growing high-tech industry; manufacturing and agricultural industries; 15 institutions of higher learning, including Arizona State University and the Thunderbird Garvin School of International Management; various cultural attractions; major league professional basketball (Phoenix Suns and Phoenix Mercury), football (Arizona Cardinals), hockey (Phoenix Coyotes) and baseball's 2001 World Champion Arizona Diamondbacks; and Phoenix Sky Harbor International Airport, fifth busiest in the world with over 1,300 daily flights.

Today Maricopa County measures 9,222 square miles, 98 square miles of which is water. Twenty-nine percent of this area is owned individually or by corporation, and 28 percent is owned by the U.S. Bureau of Land Management. The U.S. Forest Service and the State of Arizona each control 11 percent of the county; an additional 16 percent is owned by other public entities. Almost 5 percent is Indian reservation land.

POPULATION – MARICOPA COUNTY

The population for Maricopa County is detailed in the following table. The County

has had positive population growth for the past ten years, albeit growth slowed over the past few years due to the Covid-19 pandemic. The current population is 4,586,431. The five-year population growth was 8.4%.

Population Maricopa County			
Year	Total Population	Numerical Increase	Percent Increase
2013	3,945,153	Not. Appl.	Not. Appl.
2014	4,004,060	58,907	1.49%
2015	4,076,400	72,340	1.81%
2016	4,154,976	78,576	1.93%
2017	4,221,203	66,227	1.59%
2018	4,293,823	72,620	1.72%
2019	4,366,987	73,164	1.70%
2020	4,436,704	69,717	1.60%
2021	4,507,419	70,715	1.59%
2022	4,586,431	79,012	1.75%

Note: All estimates are as of July 2022.

Source: State of Arizona, Office of Employment & Population Statistic:
<https://population.az.gov/population-estimates>

GROSS DOMESTIC PRODUCT – PHOENIX (MSA)

The primary measure of an area’s economic activity is Gross Domestic Product (GDP). GDP figures for the Phoenix Metropolitan Statistical Area, (MSA), are provided in the following table for the past seven years. The figures are in current dollars. Positive GDP growth was reported from 2015 to 2019, prior to pandemic. During 2020, the height of the pandemic, GDP declined well below annual averages. As of 2021, the GDP figure recovered. Overall, 2021 GDP growth in the Phoenix MSA was 6.93%, a trend that will likely continue through 2022 into 2023.

Gross Domestic Product Phoenix MSA			
Year	Total	Numerical Increase	Percent Increase
2015	\$207,170,720	---	---
2016	\$214,024,595	\$6,853,875	3.31%
2017	\$222,960,470	\$8,935,875	4.18%
2018	\$232,915,200	\$9,954,730	4.46%
2019	\$242,939,171	\$10,023,971	4.30%
2020	\$244,882,735	\$1,943,564	0.83%
2021	\$261,707,170	\$16,824,435	6.93%

Note: Dollars are in millions.

Source: U.S. Bureau of Economic Analysis
https://www.bea.gov/iTable/index_regional.cfm

EMPLOYMENT AND UNEMPLOYMENT – MARICOPA COUNTY

Total employment and unemployment rates for Maricopa County are provided in the following tables for the period from 2015 through 2022. Please note that all statistics are as of December. Maricopa County had positive employment growth in each of the years prior to 2020 and the pandemic, with an average annual employment growth of 3.22%. As of December 2022, the-year-over-year employment growth was 7.73%, a sign of recovery after posting negative 2.75% employment growth in 2020, during the height of the pandemic. Previous employment growth was in line with the national statistics.

Employment Maricopa County			
	Total	Numerical	Percent
<u>Year</u>	<u>Employment</u>	<u>Increase</u>	<u>Increase</u>
2015	\$1,817,078	---	---
2016	\$1,871,953	54,875	3.02%
2017	\$1,927,372	55,419	2.96%
2018	\$1,993,417	66,045	3.43%
2019	\$2,062,384	68,967	3.46%
2020	\$2,005,661	(56,723)	-2.75%
2021	\$2,083,731	21,347	1.06%
2022	\$2,166,728	161,067	7.73%

Note: All figures are as of December.

Source: U.S. Bureau of Labor Statistics.

<https://www.bls.gov/regions/west/arizona.htm>

Unemployment as of year-end 2022 was 3.4%, which was in-line with pre-Covid pandemic years. Unemployment has been steadily trending downward after a rise during the height of the pandemic in 2020. This is a trend that is likely to continue through 2023.

Unemployment Rates Maricopa County	
	Unemployment
<u>Year</u>	<u>Rate</u>
2015	5.2%
2016	4.7%
2017	4.3%
2018	4.2%
2019	4.2%
2020	7.3%
2021	4.6%
2022	3.4%

Note: All figures are as of December.

Source: U.S. Bureau of Labor Statistics.

<https://www.bls.gov/regions/west/arizona.htm>

RECENT PERFORMANCE

Phoenix MSA is enhancing its advantage over the region. Job growth has gained momentum, lifting payrolls further above their pre-pandemic peak. This stands in contrast

to the region, which only recouped its COVID-19-induced job losses in July. Although job gains are broad-based, explosive growth in manufacturing has been the main driver as of late. Industry payrolls are a whopping 7% above February 2020 levels, boosted by a sharp rise in the past year. The unemployment rate is more than a full percentage point below its previous cyclical low, though it has ticked up as the labor force grows rapidly. The housing market is cooling as rising mortgage rates and declining affordability dampen demand.

MARKET COMPARISON

The following table illustrates key economic indicators and a comparison of the Phoenix MSA to the regional grouping as a whole. As indicated, Phoenix MSA is projected to outperform the West Region Metros in six of the eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Phoenix MSA Metro to West Region										
Indicator	Phoenix MSA			Annual Growth		West Region Metros			Annual Growth	
	2016	2021	2026	2016 - 2021	2021 - 2026	2016	2021	2026	2016 - 2021	2021 - 2026
Gross metro product (C12\$ bil)	205.4	238.8	306.8	3.1%	5.1%	4,450	5,178	6,109	3.1%	3.4%
Total employment (ths)	1,914.8	2,119.6	2,418.8	2.1%	2.7%	32,854	33,515	36,698	0.4%	1.8%
Unemployment rate (%)	5.2%	7.4%	3.5%			5.1%	6.4%	4.3%		
Personal income growth (%)	5.9%	10.1%	5.6%			4.3%	6.9%	4.9%		
Population (ths)	4,578.5	5,035.4	5,420.7	1.9%	1.5%	76,560	79,179	81,824	0.7%	0.7%
Single-family permits (#)	16,621	31,658	35,362	13.8%	2.2%	178,090	274,750	308,196	9.1%	2.3%
Multifamily permits (#)	5,781	16,561	10,479	23.4%	-8.7%	131,497	153,354	117,945	3.1%	-5.1%
FHFA house price (1995Q1=100)	221	321	412	7.8%	5.1%	487	661	734	6.3%	2.1%
Phoenix MSA outperforming West Region Metros										
Phoenix MSA underperforming West Region Metros										

Source: Moody's Analytics Precis® US Metro; Compiled by Newmark

LARGEST EMPLOYERS – PHOENIX MSA

The 20 largest employers for The Phoenix MSA, as reported by Moody's are noted in the table on the following page. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The top five largest private sector employers are Banner Health, Walmart Inc., Fry's Food Stores, Wells Fargo, and Arizona State University.

Selected Major Employers: Phoenix MSA

Rank	Employer	Employees
1	Banner Health	45,894
2	Walmart Inc.	33,619
3	Fry's Food Stores	20,165
4	Wells Fargo	16,700
5	Arizona State University	14,889
6	HonorHealth	12,163
7	Dignity Health	10,598
8	Intel Corp.	10,400
9	Bank of America	10,000
10	JP Morgan Chase & Co.	10,000
11	Freeport-McMoran Copper & Gold Inc.	9,300
12	Grand Canyon Education	8,500
13	Bashas' Family of Stores	8,299
14	American Express	7,795
15	Honeywell Aerospace	7,792
16	Mayo Clinic Hospital	7,500
17	UnitedHealthcare of Arizona Inc.	7,302
18	State Farm	7,200
19	Arizona Public Service Co.	5,866
20	Salt River Project	5,239

Source: Moody's Analytics Precis@ US Metro

Phoenix MSA's core white-collar drivers are primed for solid growth in the near and medium term. Finance employment reversed course in the second quarter, regaining some momentum following a decline for the majority of last year. Credit intermediation accounts for the bulk of Phoenix MSA's finance employment, and its share of total jobs is nearly three times the national average. This sector will benefit from a rising interest rate environment as well as historically solid credit quality and credit growth, which will enable banks and credit card issuers to expand. Additionally, moderate business and living costs, a high quality of life, a strong labor pool, and a business-friendly climate will make Phoenix MSA a hub for expansions and relocations of back-office banking and insurance roles. Tech will offer additional support as many firms are opting to expand in the metro area given its cost advantage over other tech hubs through California.

Strong global demand for semiconductors will keep manufacturing on a growth trend. The industry is becoming increasingly important in the metro area, with job growth outpacing the overall labor market since 2016. The local semiconductor industry, Phoenix MSA's specialization, will benefit from solid demand and rising prices for chips used in automobiles and electronic devices. Phoenix MSA's reasonable costs, large labor pool, and abundance of available land are already enabling it to attract a vast amount of factory investment. Semiconductor producers Intel and Taiwan Semiconductor as well as battery cell maker KORE Power are the latest firms to choose Phoenix MSA. KORE Power and

Intel are in the process of expansion, which will result in the addition of a few thousand workers over the next few years. This will provide a generous tailwind to the rapidly growing industry.

Strong demographic tailwinds and robust income growth driven by expansion of high-paying industries will allow consumer industries to press ahead. Phoenix MSA's population will expand at three times the national pace in the coming years, while the addition of good-paying finance, tech and manufacturing jobs will allow incomes to grow faster than regionally and nationally. More residents will increase foot traffic at restaurants, stores and bars and boost demand for medical services, driving strong job growth in leisure/hospitality, retail and healthcare.

EMPLOYMENT GROWTH PROJECTIONS – MARICOPA COUNTY

The University of Arizona Eller College of Management tracks the Phoenix area economy. Employment figures were obtained from the Eller School of Management and are noted below. Employment growth is projected to continue at a more moderate pace than over the past few quarters this, as the economic slowdown decreases due to moderating inflation. Please note that the figures exclude agricultural jobs.

Employment Projections Maricopa County			
Year	Total Nonfarm Employment	Numerical Increase	Percent Increase
Nov-22	2,373,900	---	---
Dec-22	2,388,800	14,900	0.63%
Jan-23	2,412,000	23,200	0.97%
Feb-23	2,407,500	(4,500)	-0.19%
Mar-23	2,424,300	16,800	0.70%
Apr-23	2,426,100	1,800	0.07%

Note: Excludes agricultural employment.

<https://www.azeeconomy.org/data/maricopa-county/>

Transportation – Phoenix MSA

Phoenix is well served by all major modes of transportation. Phoenix Sky Harbor International Airport is Arizona's largest and busiest airport, and among the largest commercial airports in the United States. The airport serves as a hub for American Airlines and a base for Southwest Airlines. In 2021, American Airlines carried approximately 43% of all Phoenix Sky Harbor passengers followed by Southwest Airlines with approximately 35%. Thus, American and Southwest are the airport's largest passenger carriers which provide domestic and international air services.

Interstate 10 connects Phoenix with California to the north and west and with Tucson and New Mexico to the south and east. Interstate 17 connects Phoenix with Flagstaff to the north. The Phoenix area is further served by a highly functional light rail system, transit system, and arterial freeways, highways and state routes.

OVERVIEW – PHOENIX

With an outstanding quality of life, affordability and steady growth in job opportunities, more than 1.63 million people call Phoenix home. Phoenix is the vibrant center of one of the fastest growing job markets and economies in the United States. As the fifth largest city in the country, Phoenix is emerging in a new economy with strengths in high technology, manufacturing, bioscience research and advanced business services. As a top market for skilled and available workforce, companies are growing in Phoenix because it is not only a thriving business environment, but a great place to live.

Principal Economic Activities

Phoenix remains one of the nation's better-performing markets for employment growth recording more than 56,000 job additions in the trailing 12-month period ending April 2023. The labor market now has 151,700 more jobs than before the pandemic, the fourth-highest gain in the nation. The local economy was highly resilient during the pandemic, thanks to a diversified employment base across a broad range of industries. Metro Phoenix lost about a quarter million positions in March and April 2020 but by July 2021, Phoenix fully regained those losses, which was nearly a full year ahead of the U.S. This marks a stark contrast to its protracted recovery from the global financial crisis, when Phoenix didn't recoup its job losses until well after the broader nation did.

The competitive advantage and growth drivers that have historically stimulated growth in the Valley of the Sun remain strong. Affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. The adoption of remote work has given more people mobility and has enticed residents in California or East Coast markets to relocate. Population growth, a diversifying economy, relative affordability, and business friendly regulation have strengthened the Phoenix value proposition. These characteristics attracted an average of 175 people to the Phoenix metro each day in 2022 and made Maricopa County the fastest-growing county in the country.

An influx of residents and the market's large educational institutions and colleges are significant contributors to the local talent pool. Metro Phoenix is home to the country's

largest public and private universities: Arizona State University (ASU) and Grand Canyon University (GCU). ASU enrollment surpassed 140,000 students in fall 2022, spread across five campuses and including online students. ASU's primary location in Tempe is the largest, with more than 57,000 students on campus. Beyond producing new graduates, the universities collaborate with local employers on research and classroom curricula.

Businesses are selecting Phoenix to expand because of the extensive labor pool and favorable regulatory treatment. Numerous employers have announced expansions and relocations since the pandemic. Taiwan Semiconductor Manufacturing Company (TSMC) made national headlines when it confirmed plans to build a second fabrication plant in north Phoenix. The move increases the firm's investment from \$12 billion to \$40 billion, creating 10,000 high-tech jobs. Preliminary estimates from city economic development officials indicate the investment by TSMC could bring up to 45 additional businesses to the Valley that support and supply the plant. Additionally, Intel is underway on a \$20 billion expansion at its Chandler campus where the semiconductor giant is building two new fabs alongside its four existing ones. Amazon recently opened several last-mile and fulfillment sites throughout the metro and leased a 95,000-SF office in Tempe, which will generate thousands of new jobs. Other companies that have added hundreds of new jobs over the past few years include Allstate, Deloitte, Choice Hotels, Mayo Clinic, Wells Fargo, Farmers Insurance, and USAA. Microsoft, Google, and Apple have invested in data centers throughout the metro. While labor is the primary driver behind the market's business attraction success, relative affordability and a more accommodating regulatory environment help tip the scale in favor of Phoenix when companies make their site selection decision.

The number of companies moving to metro Phoenix is noteworthy, but the diversity of industries has helped sustain the region's long-term stability. Phoenix was synonymous with cheap labor and land that attracted call centers and back-office operators more than a decade ago. The economy depended on industries associated with household growth, construction, lending, brokerage, tile and cabinet manufacturers, etc. Because of its past reliance on housing, Phoenix was among the hardest-hit metros during the Great Recession; the market lost more than 240,000 jobs, 25% of which were in the construction industry alone. Phoenix recovered from the Great Recession about two years after the U.S. The companies that Phoenix is attracting have evolved, and the market has emerged as a hub for advanced manufacturing, aerospace, life sciences, logistics, technology, and finance.

POPULATION – CITY OF PHOENIX

Population information for the City of Phoenix is provided in the following table for the past 10 years. The City of Phoenix has the largest population in Maricopa County followed by the City of Mesa. The Phoenix’s current population is 1,634,061. The 11-year population growth totals 11.6%, or about 1.05% per year. The average annual growth rate is similar to the state level.

**Population
City of Phoenix**

Year	Total Population	Numerical Increase	Percent Increase
2013	1,482,253	Not. Appl.	Not. Appl.
2014	1,499,510	17,257	1.16%
2015	1,520,158	20,648	1.38%
2016	1,542,212	22,054	1.45%
2017	1,558,912	16,700	1.08%
2018	1,576,598	17,686	1.13%
2019	1,595,630	19,032	1.21%
2020	1,611,162	15,532	0.97%
2021	1,630,195	34,565	2.17%
2022	1,657,035	45,873	2.85%

Source: State of Arizona, Office of Employment & Population Statistics
<https://population.az.gov/population-estimates>

Transportation – Phoenix MSA

Phoenix is well served by all major modes of transportation. Phoenix Sky Harbor International Airport is Arizona's largest and busiest airport, and among the largest commercial airports in the United States. In 2020, Phoenix Sky Harbor was the 8th-busiest airport in the U.S., and 24th-busiest in the world. The airport serves as a hub for American Airlines and a base for Southwest Airlines. In 2019, American employed nearly 9,500 people, making it the airport's largest carrier provides domestic and international air service.

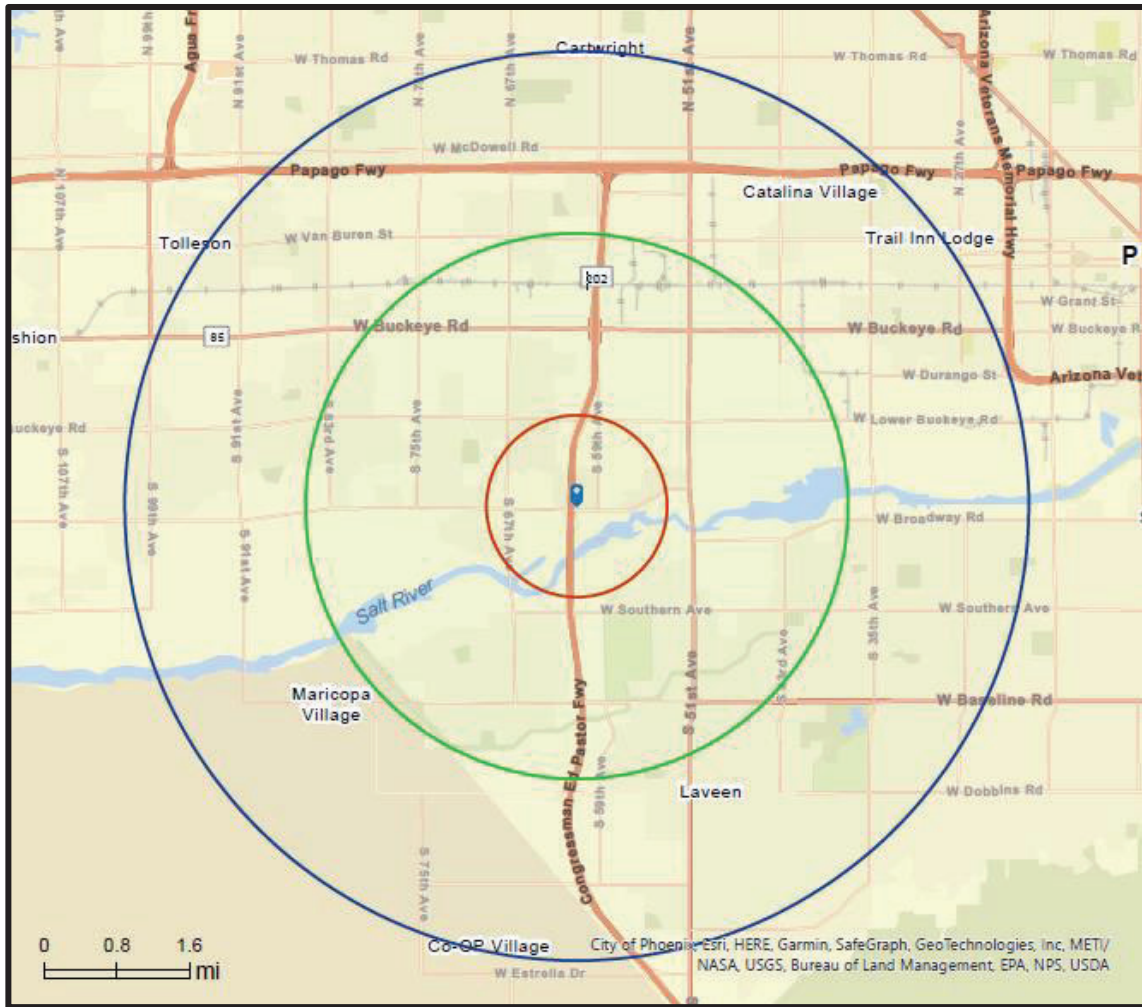
Interstate 10 connects Phoenix with California to the north and west and with Tucson and New Mexico to the south and east. Interstate 17 connects Phoenix with Flagstaff to the north. The Phoenix area is further served by a highly functional light rail system, transit system, and arterial freeways, highways and state routes.

CONCLUSION – REGIONAL IMPACT ON VALUE

Phoenix remains one of the nation's best-performing markets for job growth. The local economy has been one of the most resilient in the U.S. during the pandemic, thanks to a diversified job market. Affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. While labor is the primary driver behind the market's business attraction success, relative affordability helps tip the scale in favor of Phoenix when

companies make their site selection decision. Longer term, the Phoenix metro area will outperform the U.S. thanks to lower living costs, solid population gains and the continued diversification of industry.

NEIGHBORHOOD ANALYSIS



The value of any property is not solely determined by the physical characteristics of the site. The environmental, social, economic, and governmental forces in the immediate area must also be analyzed as they can have direct and indirect effects on value.

Location:

The subject disposal parcel is located in the Estrella Village area of south Phoenix at the intersections of West Broadway Road and SR 202L (South Mountain Freeway). The physical property addresses are 4227, 4231, 4235 and 4239 South 61st Avenue, Phoenix, Arizona 85043. It represents excess remnants of four formerly subdivided and improved single-family residential lots from the SR 202L right-of-way that have no physical or legal access from West Broadway Road and the SR 202L on-ramp due to access control.

Boundaries:

North: Interstate 10
South: Elliot Road and the Gila River Indian Reservation
East: 19th Avenue and the Interstate 17 alignment
West: Loop 101 Aqua Fria Freeway and 99th Avenue.

General Description:

The surrounding area is viewed as suburban, with the immediate area around the subject described as primarily residential, agricultural and industrial land uses. The area south of Interstate 10, from an industrial perspective, is heavily developed with distribution warehouses that cater to freeway traffic between Phoenix and the various California markets, most specifically the Los Angeles area. Notably, there is limited retail in the surrounding neighborhood, south of Interstate 10. The area is easily accessible from Interstate 10 and the Loop 202 along several main arterials.

Van Buren, Buckeye Road, Lower Buckeye Road, Broadway Road, Southern Avenue, Cesar Chavez Boulevard, Dobbins Road, and Elliot Road are the major neighborhood east/west arterials that are improved with a variety of retail and industrial service facilities, with residential subdivisions positioned off the main arteries. Surface roadway access within the neighborhood in connection with adjoining neighborhoods is good. Primary north-south roads are 35th, 43rd, 51st, 59th, 67th, and 75th avenues. Interstate 10 is the principal east/west transportation route for local residents, as well as residents living further west who use this roadway as regular commuting routes. Full diamond interchanges are currently in place along 35th, 43rd, 51st, 59th, 67th, and 75th avenues. The Larger Parcel is served and accessed via the Loop 202 South Mountain Freeway. The Loop 202 was recently completed in early 2020. This freeway alignment extends west from Interstate 10 in the southeast valley, south of Phoenix South Mountain Park (along the alignment of Pecos Road), then northwest along the Gila River Indian Reservation, and then north to Interstate 10 in the west valley between 55th and 63rd avenues.

The Black Canyon Freeway, (Interstate 17), is located about six miles north of the subject and extends north to Flagstaff and south through Phoenix to its junction with Interstate 10, which continues south through Tempe and Chandler to Tucson. Access to the freeway is provided by a full diamond interchange at its intersection with Interstate 10. The outer Loop 101 Agua Fria Freeway has been

constructed along the approximate 99th Avenue alignment and connects Interstate 10 and 17. This loop freeway now forms a three-quarter circle around the MSA and has greatly improved access for the subject's immediate area. Access to the subject property is considered to be good via transportation systems and local roadways.

Governmental Forces:

Police Protection: City of Phoenix
 Fire Protection: City of Phoenix
 Comment: The subject is located within the City of Phoenix. Most of the land in the area is for residential, agricultural and industrial use.

Environmental Forces:

Quality of Surrounding Area: Some environmental characteristics that influence value include land use patterns, topography, building densities, property maintenance, nuisances and hazards, and the adequacy of transportation corridors. The improvements range from new to about 50 years old and are in fair to excellent condition.

Utilities: The neighborhood is served with all municipal utilities including electric from Arizona Public Service (APS), natural gas from Southwest Gas, telephone from CenturyLink and other private providers. Water and sewer services are provided by the City of Phoenix.

The following data shows demographics within a one, three, and five-mile radius of the subject. All three demographic sets show household income and distribution to be lower than that of the Phoenix, MSA.

DEMOGRAPHICS

2022 Demographics: <i>Source: STDBOnline</i>	1-Mile Radius	3-Mile Radius	5-mile Radius
2022 Summary			
Population	6,706	66,626	218,478
Households	1,768	17,815	59,022
Families	1,399	14,286	46,162
Average Household Size	3.79	3.74	3.61
Owner Occupied Housing Units	1,217	12,708	34,761
Renter Occupied Housing Units	551	5,108	24,261
Median Age	28.2	29.6	28.7
Median Household Income	\$61,739	\$78,084	\$62,953
Average Household Income	\$81,678	\$96,889	\$82,051

CONCLUSION

The population within the subject neighborhood has experienced above average growth since 2010, a trend expected to continue for the next five years. The neighborhood has a middle to upper middle-income demographic profile, with a 2022 average household income

of \$78,084 within a three-mile radius of the subject. Overall, the neighborhood outlook over the next several years is generally favorable, with continued growth and new development anticipated. As a result, the demand for existing developments is expected to be positive in the long-term. Generally, the neighborhood is expected to maintain a modest and relatively stable growth pattern for the foreseeable future.

SUBJECT PHOTOGRAPHS

Photo 1: View Southwest Across Disposal Parcel



Photo 2: View Southeast Across Disposal Parcel



Photo 3: View East Along Pueblo Avenue, Subject on Right



Photo 4: View Northwest Across Disposal Parcel



Photo 5: View North Across Disposal Parcel



Photo 6: View North Across Disposal Along West Property Line



Photo 7: View South Along Access Easement to Lot B



Photo 8: View West Along Pueblo Avenue, Subject on Left



Photo 9: View of Typical SFRs in Subdivision



Photo 10: View East Along Broadway Road



3D AERIAL



The lot boundaries in yellow are approximate

SITE ANALYSIS

Location: The disposal parcel area consists of four former subdivided single-family residential lots situated within the Rio Del Rey-Unit II, a planned residential development located in the Estrella Village area of south Phoenix at the intersections of West Broadway Road and SR 202L (South Mountain Freeway). The physical property addresses are 4227, 4231, 4235 and 4239 South 61st Avenue, Phoenix, Arizona 85043.

Parcel Size/Shape/Topography: ADOT Parcel L-C-148 – 19,425 sq. ft. or 0.446-acre lot is mostly rectangular shaped with level topography.
Lot A, ±9,000 square feet, (0.207 acres)/Mostly Rectangular
Lot B, ±9,000 square feet, (0.207 acres)/Mostly Rectangular
Access easement to Lot B, ±1,425 square feet (0.033 acres)

Access (Legal / Physical)/View Potential:

The disposal parcel has direct access along the south right-of-way of Pueblo Avenue, a fully improved two-lane residential collector street with rolled concrete curbs, sidewalks, and streetlights. Access to Lot B would be provided by an Access Easement extending south along the east side of Lot A. The appraisers envision two residential lots improved with single-family homes with north-south orientation, offset to each other to allow for maximum mountain views to the south. South Mountain view potential would be available by loading the Lot A home footprint to the west side of the lot, while loading the Lot B home footprint to the east side of the lot.

Utilities:

Electric:	Arizona Public Service (APS)
Telephone:	Century Link and other providers
Gas:	Southwest Gas Corporation
Water:	City of Phoenix
Sewer:	City of Phoenix

Floodplain:

The disposal parcel area is identified as being located in the Flood Zone X (shaded) per FIRM Map Panel No.: 04013C2190M, dated November 4, 2015. Zone X (shaded), which is an area defined by FEMA as 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile.

Environmental Conditions:

No environmental reports were provided for our review. Lacking environmental reports, this appraisal assumes that there are no environmental conditions on or around the subject disposal parcel that would adversely impact it's market value.

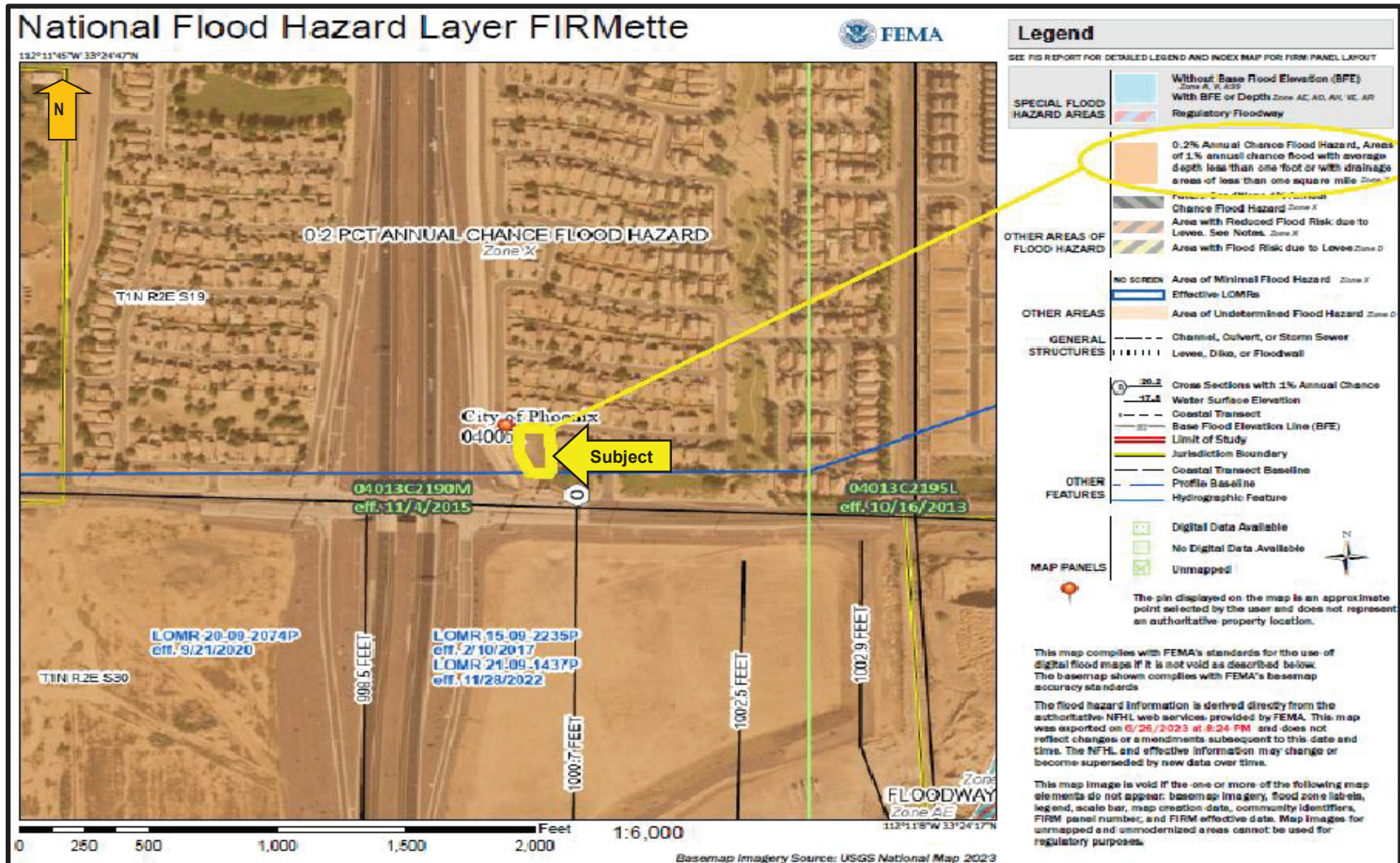
Soil & Subsoil Conditions:

No soils engineering reports were provided for our review. Thus, the soil and sub-soil conditions are not known. There is no visual evidence of adverse soil conditions on the subject disposal parcel. The surrounding improved properties indicate that subsoil conditions support single-family residential home development.

Restrictions & Easements:

A Right Of Way Disposal Report was provided for our review. Based on the report reviewed, there are no adverse easements or encroachments identified or that were visually observed during the property inspection. This appraisal assumes that the subject disposal parcel is encumbered by typical public utility, easements that do not adversely affect value.

FLOOD MAP

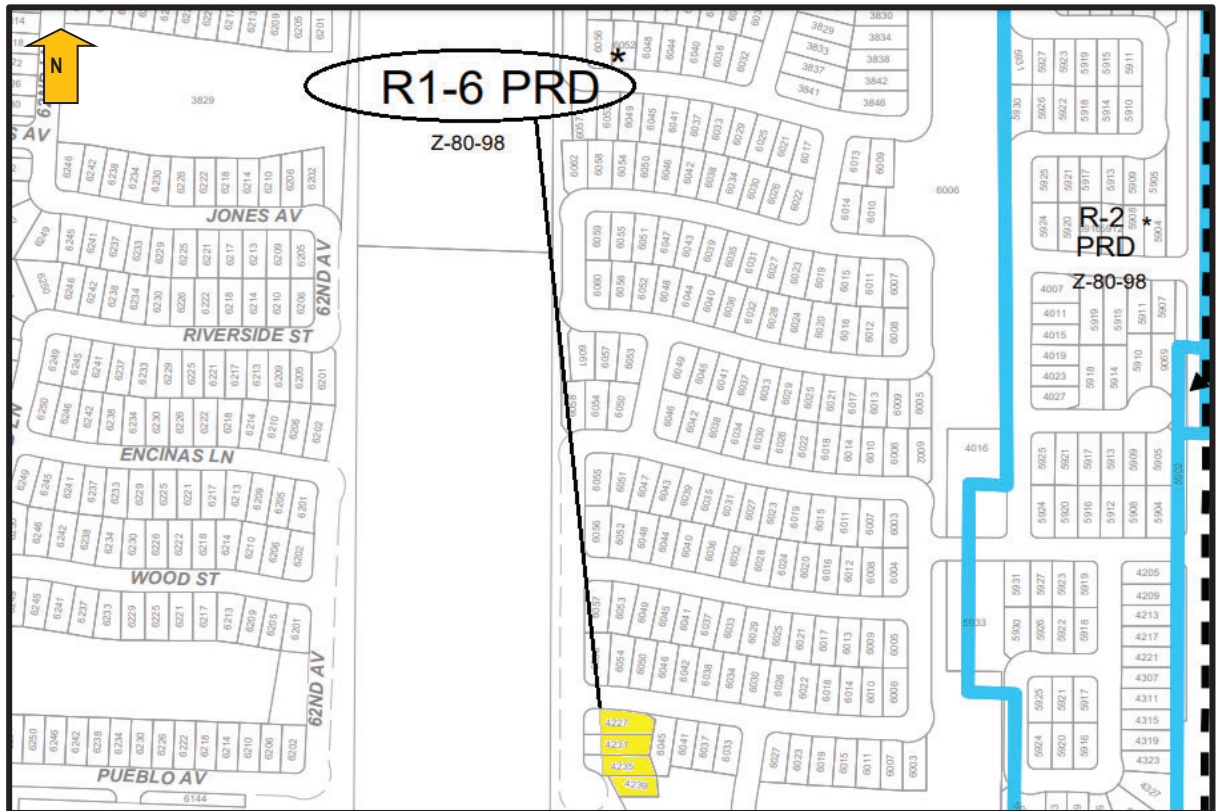


The lot boundaries in yellow are approximate

ASSESSED VALUATION & TAX DATA

The subject disposal parcel represents an excess remnant of vacant land from the SR 202L (South Mountain Freeway) right-of-way. The property owner, State of Arizona, is exempt from property taxation. It is an assumption of this appraisal that taxes for a non-exempt buyer would be assessed based on tax rates consistent with other properties in the immediate area.

ZONING



R1-6, Single-Family Residence District, with a Planned Residential Development (PRD) designation. The basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits. The R1-6 development options are summarized in the following table.

Table A. Single-Family, Detached Development

<i>Standards</i>	<i>R1-6 Development Option</i>	
	<i>Conventional</i>	<i>Planned Residential Development</i>
Minimum lot width (in the event of horizontal property regimes, "lot" shall refer to the width of the structure and exclusive use area)	55' minimum	45' minimum (unless approved by either the design advisor or the Single-Family Architectural Appeals Board for demonstrating enhanced architecture that minimizes the impact of the garage (see Section 507 Tab A.2.12.1 B(2)(b) [sic]))
Minimum lot depth	None, except 110' adjacent to freeway or arterial	None, except 110' adjacent to freeway or arterial
Dwelling unit density (units/gross acre)	5.0	5.5; 6.5 with bonus
Minimum perimeter building setbacks	Front: 15'; Rear: 15' (1-story), 20' (2-story); Side: 10' (1-story), 15' (2-story)	Street (front, rear or side): 15' (in addition to landscape setback); Property line (rear): 15' (1-story), 20' (2-story); Property line (side): 10' (1-story), 15' (2-story)

This area is expected to experience continued growth in the near future. The location is conducive to a range of residential uses and densities. To the best of our knowledge, the proposed two subject lots would be a legally conforming uses although, the lots may have less than the minimum lot depth of 110 feet, which would be offset by the higher lot width and larger minimum lot size, allowing for the application of a variance by the City of Phoenix. Additional information may be obtained from the appropriate governmental authority.

MARKET ANALYSIS - RESIDENTIAL

“Market analysis is a process for the examination of the demand for, and supply of, a property type and the geographic market area for the property type.”⁴

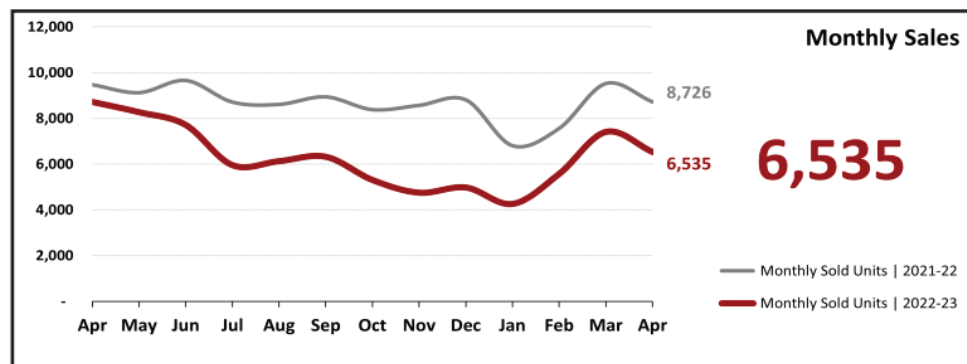
Subject Attributes

In our opinion, the subject disposal parcel's highest and best use is for development of two residential lots for improvement with single-family homes (the highest and best use will be discussed in more detail in the following section). They represent “shovel ready” single-family residential home lots consisting of approximately 9,000-square feet each within the existing Rio Del Rey - Unit II, a planned residential development. The Rio Del Rey – Unit II subdivision is situated within the Estrella Village plan area in south Phoenix, at the intersections of Broadway Road and SR 202L. The lots are zoned R1-6, Single-Family Residence District, with a Planned Residential Development (PRD) by the City of Phoenix. The two proposed subject lots would be developed with similar home sizes existing within the subdivision. Thus, the focus of the market analysis is on the surrounding residential market.

PHOENIX METRO & ZIP CODE 85043 SINGLE-FAMILY REPORT (MACRO/MICRO)

As stated in the “Neighborhood Analysis” section, the subject disposal parcel is located in South Phoenix within the Estrella Village Plan area in zip code 85043, as defined by the Arizona Regional MLS.

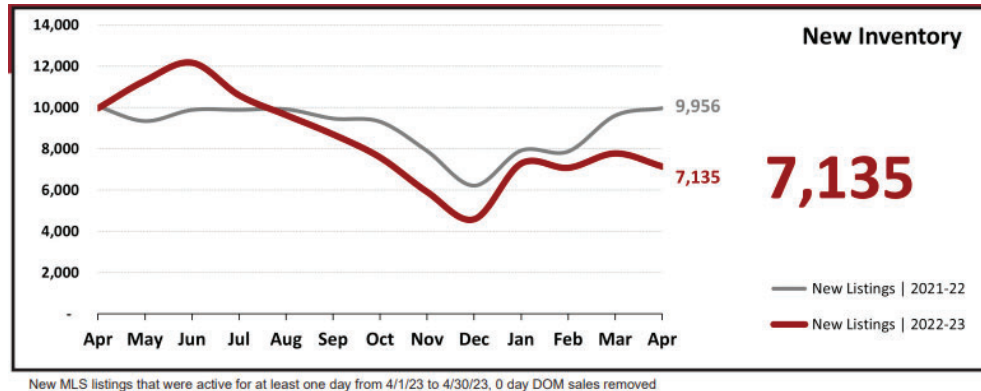
According to the ARMLS statistics for the First Quarter 2023 and the April 2023 monthly statistics, home sales volume in metro Phoenix was down 11.9% month-over-month, while the year-over-year comparison decreased 25.1%.



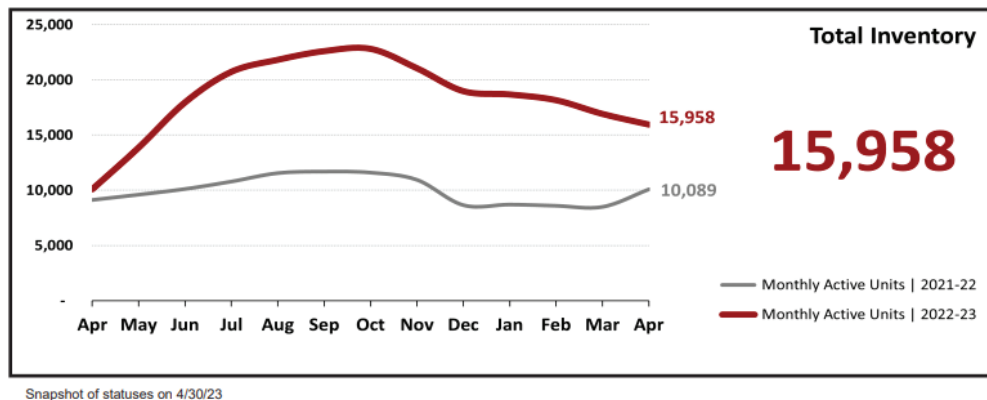
Closed MLS sales with a close of escrow date from 4/1/23 to 4/30/23, 0 day DOM sales removed

⁴ *The Appraisal of Real Estate, 14th Edition*, Appraisal Institute, P 299

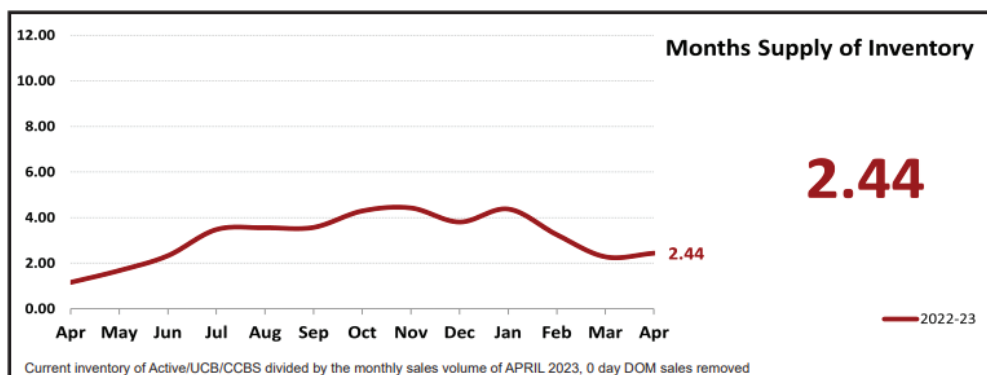
New home inventory in MLS is down -8.2% month-over-month, while the year-over-year comparison decreased by -28.3%.



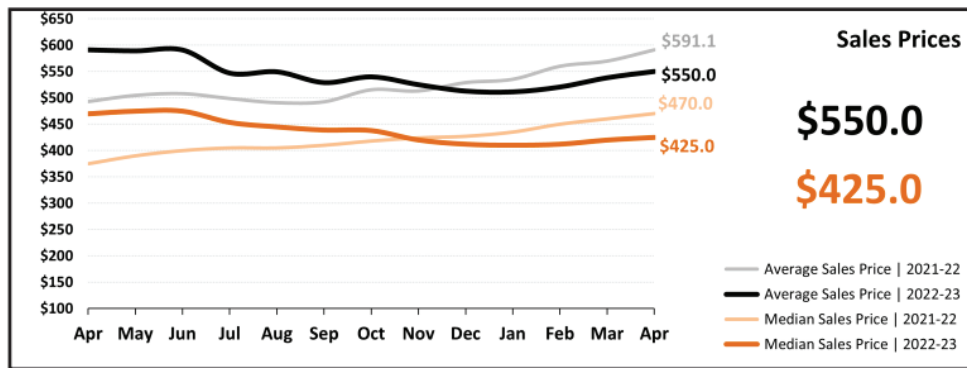
Total housing inventory available for sale in ARMLS had a month-over-month decrease of -5.7%, while year-over-year reflects a decrease of -58.2%.



Monthly supply of housing inventory available for sale in ARMLS for March 2023 was 2.28, with April 2023 at 2.44 months.

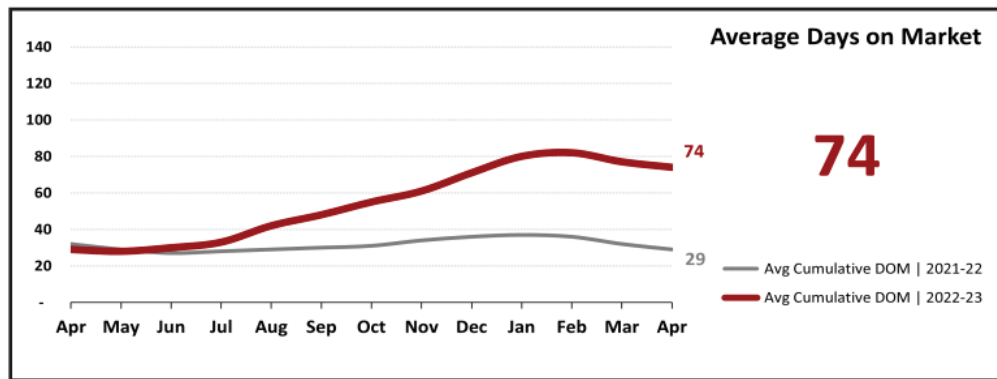


The average sales price decreased 7.0% year-over-year, while the year-over-year median sales price decreased 9.6%.



MLS sales prices for closed listings with a close of escrow date from 4/1/23 to 4/30/23, 0 day DOM sales removed

Days-on-market increased 45 days year-over-year, while month-over-month decreased 3 days.



MLS sales prices for closed listings with a close of escrow date from 4/1/23 to 4/30/23, 0 day DOM sales removed

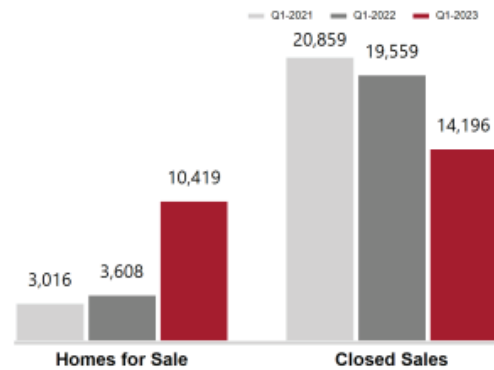
High mortgage rates continue to cast a shadow not only on buyers, but sellers as well. A recent Realtor.com home seller survey found that 82% of prospective sellers are worried about “rate lock,” or having to trade in the ultralow rate on their current home for a much higher one if they were to sell and then try to buy. With restricted supply, home prices are once again on the rise. The median priced home, as reported by ARMLS, peaked in May and June 2022 at \$475,000. As interest rates began to climb, prices started to fall. Over the next seven months, the month-over-month median price fell to \$410,000, a 13.68% drop. As the new year began, it became obvious that prices were not only stabilizing, but were actually starting to grow. Prices have now risen for three consecutive months and will rise again in May.

As for the Arizona Department of Housing’s 270,000 estimated housing shortage, a more recent report done by the Common-Sense Institute determined Arizona needs 74,419 additional housing units to meet demand in the state with affordable housing as part of that need.

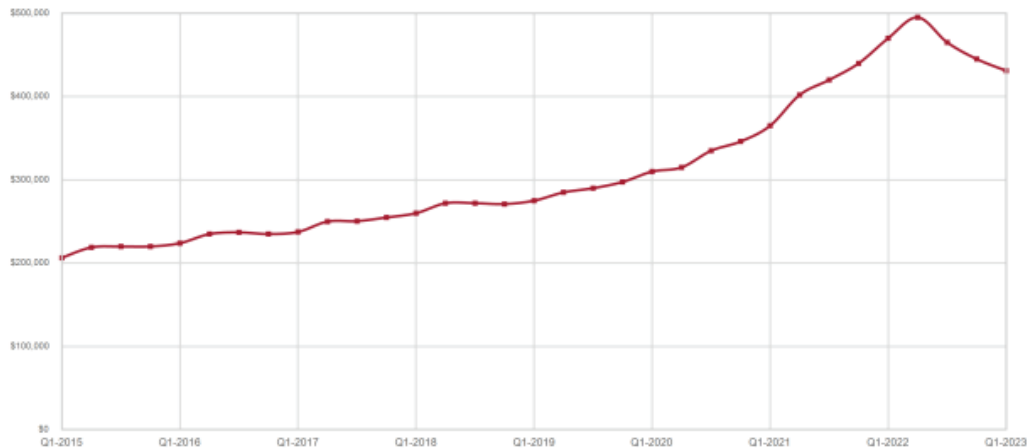
Maricopa County

Key Metrics	Q1-2023	1-Yr Chg
Median Sales Price	\$431,000	-8.3%
Average Sales Price	\$554,268	-6.0%
Pct. of List Price Received	93.2%	-7.9%
Days on Market	78	136.4%
Closed Sales	14,196	-27.4%
Homes for Sale	10,419	188.8%
Months Supply	1.7	265.6%

Market Activity



Historical Median Sales Price for Maricopa County



In the subject's 85043 zip code, the average sales price of a single-family residence decreased 10.5% year-over-year to \$355,848, while the median sales price decreased 9.8%, to \$354,000 as of the 1st Quarter 2023. The days-on-market increased to 79, an increase of 192.6% from the prior year. Closed sales in the 1st Quarter 2023 were 89, which represents a decline of 11% from the prior year.

	Median Sales Price		Average Sales Price		Pct. of List Price Received		Days on Market		Closed Sales	
	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg
85042	\$380,000	▼ -14.6%	\$409,899	▼ -13.5%	92.0%	▼ -9.0%	89	▲ 154.3%	103	▼ -43.1%
85043	\$354,000	▼ -9.8%	\$355,848	▼ -10.5%	91.4%	▼ -10.7%	79	▲ 192.6%	89	▼ -11.0%
85044	\$425,000	▼ -9.2%	\$486,447	▼ -6.0%	93.5%	▼ -8.5%	82	▲ 215.4%	119	▼ -17.4%

Conclusion

The housing market in metro Phoenix is showing signs of declines in total sales volume and average and median sales prices, with increases in the days-on-market. This is a trend that

is likely to continue through the first half of 2023, as the Spring buying seasons transitions to the Summer market. The long-term prospects for the metro Phoenix housing market remains favorable due to a shortage of resales and new homes, an issue that is not likely to be remedied in the foreseeable future.

Residential lot trends tend to mirror the housing market but have been more resilient to the recent declines due to a supply shortage. There is a shortage of vacant "ready to build" residential lots available within the subject's immediate market and surrounding submarkets. Most new home developments include the lot and the home which are sold as part of a package price. Thus, residential lot values have remained fairly stable even as interest rates rose beginning in March 2022. The five lot comparables analyzed in Land Analysis section transacted between late January 2022 and early June 2023. During this time period there has been a limited number of transactions, but values appear to have remained stable with no discernable increases or decreases. Thus, the appraisers have not made any adjustments for market conditions to any of the comparables.

HIGHEST AND BEST USE

According to *The Appraisal of Real Estate, 14th Edition*, published by the Appraisal Institute, highest and best use is defined as:

The reasonably probable 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.

The highest and best use of the land as vacant must meet four criteria. The highest and best use must be:

- 1) ***Legally Permissible:*** What uses are permitted by zoning, private restrictions, historic districts, and environmental regulations on the site?
- 2) ***Physically Possible:*** Based on the physical characteristics of the site, what uses are physically possible?
- 3) ***Financially Feasible:*** Which uses meeting the first two criteria will produce a positive return to the owner of the site?
- 4) ***Maximally Productive:*** Among the feasible uses, which use will produce the highest price, or value, consistent with the rate of return warranted by the market? This use is the highest and best use.

AS VACANT

Legally Permissible

As vacant, the legally permissible uses of the subject's disposal parcel is to be subdivided into two residential lots and developed with single-family homes this, as permitted by the R1-6, Single-Family Residence District. As previously discussed in the zoning section, the R1-6 zone is intended to provide areas of single-family residential development at moderate densities. To the best of our knowledge, the two proposed residential lots would be legally conforming.

Physically Possible

The subject's two residential lots are estimated to be approximately 9,000 square feet each, with an access easement of about 1,425 square feet providing access to the rear lot (identified as Lot B) from Pueblo Avenue. They are located within the Rio Del Rey – Unit II residential subdivision situated at the intersection of Broadway Road and SR 202L in a primarily residential area. The subject lots are mostly rectangular in shape and functional for single-family residential development.

Based on the zoning, location, physical characteristics and surrounding improved uses, the physically possible use, as vacant, is for single-family residential homes which conform to the zoning, surrounding uses, and physical constraints of the lots.

Financially Feasible

Potential use of the two subject lots include single-family residences. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the previous market analysis, within the subject's 85043 zip code, the average sales price of a single-family residence decreased 10.5% year-over-year to \$355,848, while the median sales price decreased 9.8%, to \$354,000 as of the 1st Quarter 2023. The days-on-market increased to 79, an increase of 192.6% from the prior year. Closed sales in the 1st Quarter 2023 were 89, which represents a decline of 11% from the prior year.. A review of single-family home sales in the subject's subdivision, using ARMLS, indicated sale prices for resale homes of mid-\$300's to mid-\$400's. New homes in the area range from the mid-\$400's to mid-\$500's. These statistics indicate that demand for single-family homes is showing signs of decline but the lack of supply of both new and resale homes available for purchase is keeping prices fairly stable. The market data supports development of single-family homes on the subject lots.

Based on the zoning designation and lot depth/width requirements, land area, limited street frontage and access, and the comparable data reviewed, the highest and best use of the disposal area is to subdivide the land into two, single-family residential lots consisting of approximately 9,000 square feet each, with an access easement to the backage lot (identified as Lot B) consisting of approximately 1,425 square feet (15 feet wide x 95 feet deep). To the best of our knowledge, the proposed two residential lots would be permitted within the R1-6, Single-Family Residence District, which requires a minimum lot size of 6,000 square feet, with a maximum dwelling unit density of 5.5 units per acre, or 1 unit per 7,920 square feet of lot area.

The comparable data reviewed in the following section indicates demand is for lots greater than 6,000 square feet, with four of five comparables being larger than 8,000 square feet. Further, the R1-6 zoning requires a minimum lot depth of 110 feet. The appraisers estimate the two lots at about 100 feet deep with lot widths greater than 85 feet thus, a favorable variance would be probable with the City. Additionally, having two households

sharing one driveway for access to more multiple lots is not desirable in the marketplace. Any more than two lots would diminish potential mountain views and overall privacy. Thus, we concluded two lots is the highest and best use of the disposal area.

Maximally Productive

The final test of highest and best use of the site, as vacant, is that the use be maximally productive, yielding the highest return to the land. Based on the information presented above, the appraisers conclude that the highest and best use, as vacant, is to subdivide the disposal into two residential lots and develop them with single-family homes in the near term. Our analysis of the subject lots and their respective market characteristics indicate the most likely buyer, as vacant, would be a home builder.

Conclusion, Highest and Best Use, As Vacant

Given the zoning, location, physical characteristics and general market conditions, the highest and best use, as vacant, is to subdivide the disposal into two residential lots and develop them with single-family homes.

LAND VALUATIONS

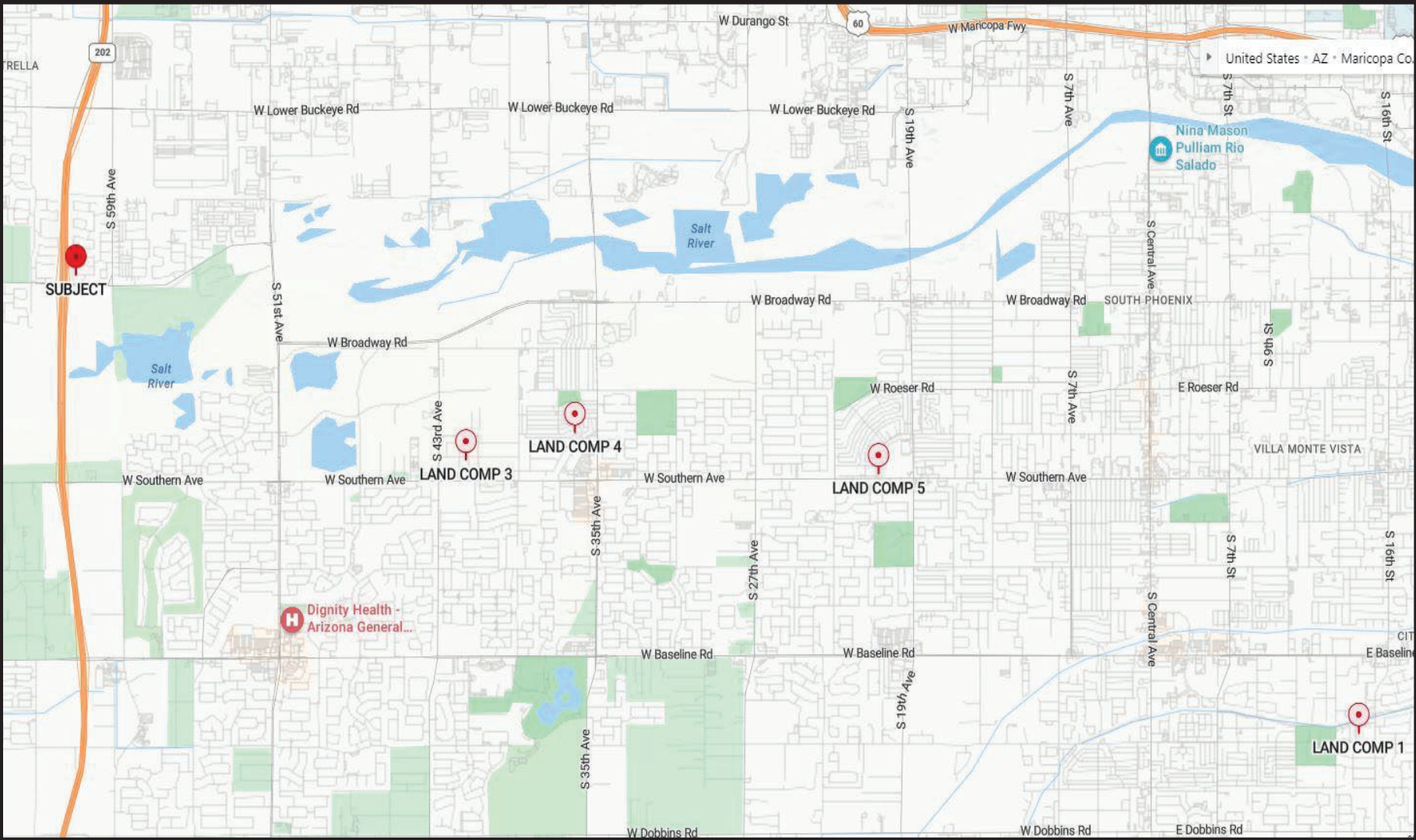
The Sales Comparison Approach is used to provide market value opinions for the subject lots, as vacant land. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay. The sales comparison approach is the only applicable approach to valuing vacant residential lots like the subjects. Thus, neither a Cost nor Income Approach is applicable to the valuation of vacant lots.

Adjustments are made to the comparable sales based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, and zoning/planned use. The subjects represent two “shovel ready” residential home lots. Thus, the appropriate unit of comparison is the lot sale price.

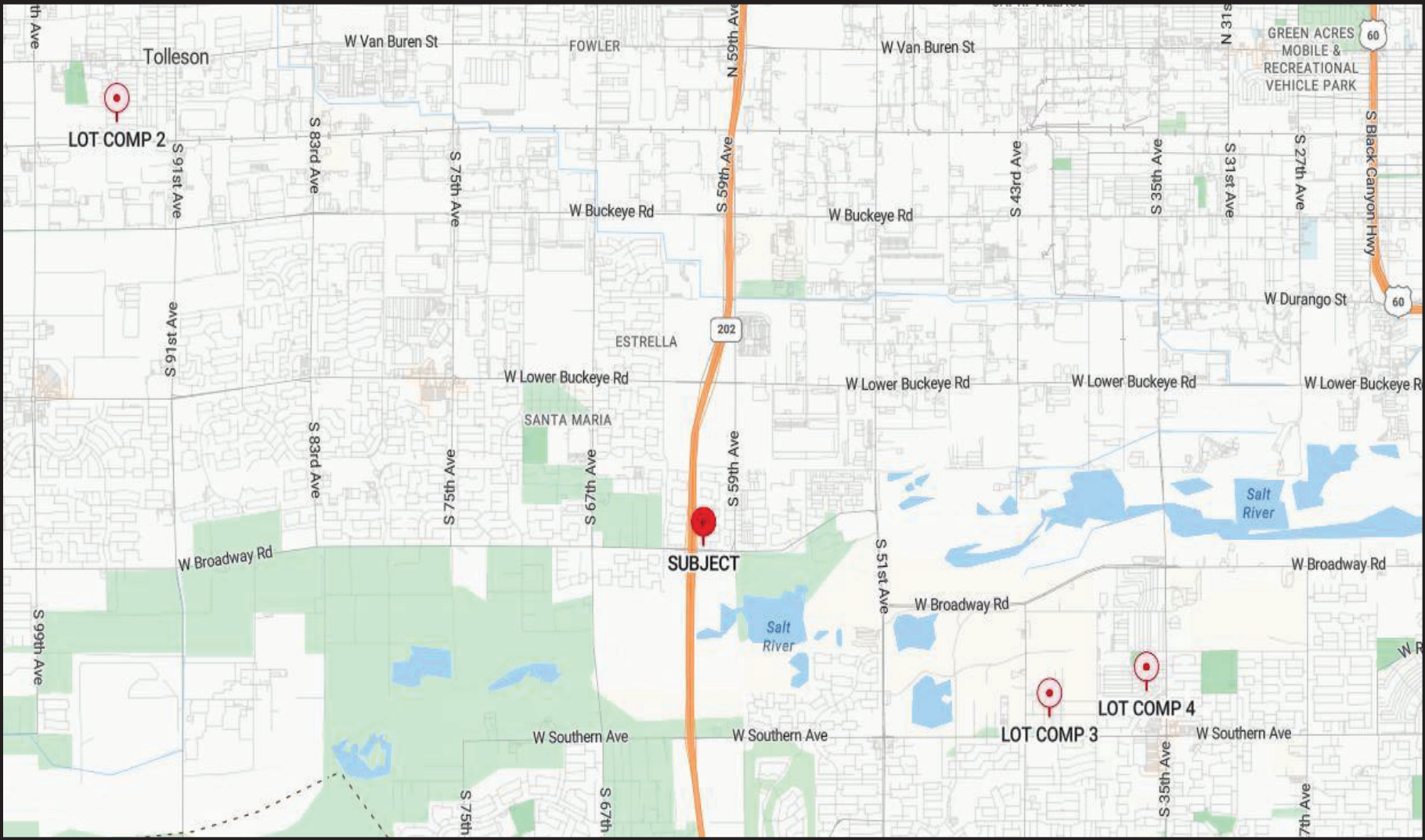
Search parameters for comparable “shovel ready” residential lots focused on sales and listings that are similar in location and size to those of the subjects. The search for recent lot sales included immediate and surrounding areas that have similar demographics and are planned for similar single-family residences. Due to the lack of comparable lot sales within the subject’s Rio Del Rey – Unit II subdivision and immediate surrounding area, the appraisers expanded their search to include residential lot sales throughout the south Phoenix area including Tolleson, Estrella Village, Laveen Village and South Mountain. The market data that is included in the analysis is considered to be the best available and provides credible opinions of value.

A location map showing the lot comparables relative to the subjects and individual data sheets are presented on the following pages. The comparable adjustment matrix follows the land value analysis.

LAND COMPARABLE MAP 1



LAND COMPARABLE MAP 2



COMPARABLE LOT SALE



COMPARABLE:	LOT COMP 1
LOCATION:	8223 S 15th Street, Phoenix, AZ 85042
LEGAL DESCRIPTION:	Lot 1, Simonton Estates, Book 11, Page 32
TAX CODE NUMBER(S):	300-23-043A
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	January 31, 2022
Affidavit of Fee No:	20220089075
SELLER:	Randy S. Heath
BUYER:	Lee & Diane Goebbert
LOT SALE PRICE:	\$175,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
LOT AREA IN SQ. FT.	10,233
LOT PRICE PER SQ. FT:	\$17.10
PHYSICAL DESCRIPTION	
Location:	Above Avg. / South Mountain Village
Topography/Shape/View:	Level / Rectangular / Good Mtn. Views
Utilities:	All to Site
Flood Plain:	Zone X (Shaded)
ZONING / PLANNED USE / DENSITY:	R1-10, Single-Family Residence / SFR
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	22 days
CONFIRMED WITH:	Eric Swiatek, RE/MAX 602-625-7652
DATE CONFIRMED:	6/3/2023
COMMENTS:	

This comparable represents the late January 2022 sale of a fully improved 10,233 SF, (0.23 acres), lot in the Simonton Estates subdivision in the South Mountain Village area of south Phoenix. It was on the market 22 days and sold at the list price. The lot sold for \$175,000 and the buyer plans to develop a single-family home on the property. The lot was purchased with cash and no sale conditions were reported.

I.D. : 23-094-LC.1

COMPARABLE LOT SALE



COMPARABLE:	LOT COMP 2
LOCATION:	9401 W. Madison Street, Tolleson, AZ 85353
LEGAL DESCRIPTION:	Lot 13, Block 103, Tolleson - Goetz Tract, Book 25, Page 13
TAX CODE NUMBER(S):	101-10-088
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	August 8, 2022
Affidavit of Fee No:	20220626882
SELLER:	Uliser M. Rocas Sosa
BUYER:	Cristhian Bermudez
LOT SALE PRICE:	\$155,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
LOT AREA IN SQ. FT.	8,938
LOT PRICE PER SQ. FT.:	\$17.34
PHYSICAL DESCRIPTION	
Location:	Average / Tolleson
Topography/Shape/View:	Level / Rectangular / Some Mtn. Views
Utilities:	All to Site
Flood Plain:	Zone X (Shaded)
ZONING / PLANNED USE / DENSITY:	R-2, Multi-Family Residence / SFR
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	334 days
CONFIRMED WITH:	Daniella Desrosiers, Century 21, 602-750-5032
DATE CONFIRMED:	6/3/2023

COMMENTS:

This comparable represents the August 2022 sale of a fully improved 8,938 SF, (0.21 acres), lot in the Tolleson-Goetz Tract subdivision in the Tolleson area of southwest Phoenix. It was on the market 334 days and sold below the list price of \$160,000. The lot sold for \$155,000 and the buyer plans to develop a single-family home on the property. The lot was purchased with the buyer paying cash and no sale conditions were reported.

I.D. : 23-094-LC.2

COMPARABLE LOT SALE



COMPARABLE:	LOT COMP 3
LOCATION:	5802 S. 41st Drive, Phoenix, AZ 85041
LEGAL DESCRIPTION:	Lot 15, Curtis Park, Book 124, Page 43
TAX CODE NUMBER(S):	105-69-432
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	August 16, 2022
Affidavit of Fee No:	20220647646
SELLER:	Deanna F. Gordon
BUYER:	Noel GC Silva
LOT SALE PRICE:	\$110,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
LOT AREA IN SQ. FT.	10,314
LOT PRICE PER SQ. FT.:	\$10.67
PHYSICAL DESCRIPTION	
Location:	Fair / Laveen Village
Topography/Shape/View:	Level / Rectangular / Some Mtn. Views
Utilities:	All to Site
Flood Plain:	Zone X (Shaded)
ZONING / PLANNED USE / DENSITY:	R1-6, Single-Family Residence / Investment
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	17 days
CONFIRMED WITH:	Maria Gonzales, My Home Group, 602-815-3557
DATE CONFIRMED:	6/3/2023
COMMENTS:	

This comparable represents the August 2022 sale of a fully improved 10,314 SF, (0.24 acres), lot in the Perry Estates subdivision within the Laveen Village area of south Phoenix. It was on the market about 17 days and sold below the list price of \$125,000. The lot sold for \$110,000 and the buyer purchased the lot as an investment. The lot was purchased with the buyer paying cash and no sale conditions were reported.

I.D. : 23-094-LC.3

COMPARABLE LOT SALE



COMPARABLE:	LOT COMP 4
LOCATION:	3617 W. Sunland Avenue, Phoenix, AZ 85041
LEGAL DESCRIPTION:	Lot 1, Independence Park Unit 8, Book 89, Page 29
TAX CODE NUMBER(S):	105-75-061
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	June 22, 2023
Affidavit of Fee No:	Current
SELLER:	Equity Investments & Management, LLC
BUYER:	Not available
LOT SALE PRICE:	\$120,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
LOT AREA IN SQ. FT.	6,726
LOT PRICE PER SQ. FT.:	\$17.84
PHYSICAL DESCRIPTION	
Location:	Average / Laveen Village
Topography/Shape/View:	Level / Rectangular / Some Mtn. Views
Utilities:	All to Site
Flood Plain:	Zone X (Shaded)
ZONING / PLANNED USE / DENSITY:	R1-6, Single-Family Residence / SFR
THREE YEAR HISTORY:	Sold for \$90,000 on 11/30/2021
MARKETING TIME:	100 days
CONFIRMED WITH:	Ana Garcia, Big Door Realty, 602-344-9790
DATE CONFIRMED:	6/3/2023
COMMENTS:	

This comparable represents the June 2023 sale of a fully improved 6,726 SF, (0.15 acres), lot in the Independence Park subdivision within the Laveen Village area of south Phoenix. It was on the market about 100 days and sold below the list price of \$149,900. The lot sold for \$120,000 and the buyer plans to develop a single-family home on the property. The lot was purchased with cash and no other sale conditions were reported.

I.D. : 23-094-LC.4

COMPARABLE LOT SALE



COMPARABLE:	LOT COMP 5
LOCATION:	2102 W. Southern Avenue, Phoenix, AZ 85041
LEGAL DESCRIPTION:	Lots 246, 247, 248, 249, 250 & 251, Park Phoenix 3, Book 97, Page 20
TAX CODE NUMBER(S):	105-75-330A
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	Pending Sale
Affidavit of Fee No:	Current
SELLER:	Suhag & Jaimika Patel
BUYER:	Not available
LOT LIST PRICE:	\$150,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
LOT AREA IN SQ. FT.	15,461
LOT PRICE PER SQ. FT.:	\$9.70
PHYSICAL DESCRIPTION	
Location:	Average / South Mountain Village
Topography/Shape/View:	Level / Rectangular / Some Mtn. Views
Utilities:	All to Site
Flood Plain:	Zone X (Shaded)
ZONING / PLANNED USE / DENSITY:	R-4, Multi-Family Residence / SFR
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Not available
CONFIRMED WITH:	Fred Tregaskis, eXp Realty, 480-720-9956
DATE CONFIRMED:	6/3/2023

COMMENTS:

This comparable represents the June 2023 pending sale of a fully improved 15,461 SF, (0.35 acres), lot in the Park Phoenix subdivision within the South Mountain Village area of south Phoenix. The property was listed and is under contract at the list price of \$150,000. The buyer is purchasing the lot with cash and no sale conditions were reported.

I.D. : 23-094-LC.5

LAND VALUE ANALYSIS

Value adjustments are considered to each comparable lot price for differences between the subject lots and the lot comparables for the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, zoning/planned use.

SUMMARY OF COMPARABLE LOTS

LOT COMP	SALE DATE	PROPERTY LOCATION	ACTUAL LOT PRICE	ADJUSTED LOT PRICE ¹	LOT AREA (SF)	PRICE PER SF	ZONING / PLANNED USE
1	01/31/22	8223 S 15th Street, Phoenix, AZ 85042	\$175,000	\$175,000	10,233	\$17.10	R1-10, Single-Family Residence / SFR
2	08/08/22	9401 W. Madison Street, Tolleson, AZ 85353	\$155,000	\$155,000	8,938	\$17.34	R-2, Multi-Family Residence / SFR
3	08/16/22	5802 S. 41st Drive, Phoenix, AZ 85041	\$110,000	\$110,000	10,314	\$10.67	R1-6, Single-Family Residence / Investment
4	06/22/23	3617 W. Sunland Avenue, Phoenix, AZ 85041	\$120,000	\$120,000	6,726	\$17.84	R1-6, Single-Family Residence / SFR
5	Pending Sale	2102 W. Southern Avenue, Phoenix, AZ 85041	\$150,000	\$150,000	15,461	\$9.70	R-4, Multi-Family Residence / SFR
<small>¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)</small>							
Subj.	---	2 Lots, 4227-4239 S. 61st Street, Phoenix, AZ 85043	---	---	Lot A - ±9,000 SF Lot B - ±9,000 SF		R1-6, Single-Family Residence / SFRs

Quantitative adjustments have been considered for elements of comparison including property rights conveyed, financing terms, conditions of sale, market conditions, location, and other physical differences. Here follows the analysis of the sales by each element of comparison. The adjustment matrix summarizing the adjustments as they apply to the lot comparables precedes the conclusion of this analysis. Five lot comparables are used in the analysis of the subject lots.

Property Rights Conveyed

No price adjustments to any of the comparables are made for property rights conveyed. The fee simple interest was transferred for each of the lot comparables.

Financing Terms

In accordance with the definition of market value, adjustments for financing terms assume all cash or cash to the seller with the buyer obtaining new conventional financing at prevailing interest rates. All five of the lot comparables were cash equivalent or assumed to

be cash equivalent. Thus, no price adjustments are unnecessary to any of the lot comparables.

Conditions Of Sale

An adjustment for conditions of sale is made if the transaction was influenced by outside factors such as financial duress, lack of a sales commission, a related-party transaction, or out of the ordinary motivations of the buyer or seller. All five lot comparables represent arm's-length transactions with broker or agent commissions being paid. Thus, no price adjustments are necessary for conditions of sale to any of the five lot comparables.

Market Conditions (Time)

An adjustment for market conditions considers any changes that occur in the marketplace over time. These changes include fluctuations in supply and demand, inflation, or deflation. Since the subjects are appraised as of a specific date, the comparables must be analyzed to determine the direction of change, if any, during the period between the sale date and the date of valuation.

The five lot comparables analyzed in this section transacted between late January 2022 and early June 2023. During this time period there has been a reduction in the number of transactions. However, values appear to have remained relatively stable. Thus, the appraisers have not made any adjustments for market conditions to any of the comparables.

Location/Access (Legal & Physical)

The subjects are located within the Rio Del Rey – Unit II residential subdivision, which is situated at the intersections of Broadway Road and SR 202L in south Phoenix. The subject lots are in an area of primarily residential uses with a stable housing base and above average median income levels. The subjects proximity to Broadway Road and the Loop 202 is a detriment due to increased road noise. This negative attribute had been accounted for

Lot Comp One is situated on the east side of 15th Street, north of South Mountain Avenue, west of 16th Street near Highline Park in south Phoenix, AZ about 12 miles southeast of the subject. This lot is in a more centralized location in an area with higher median income levels and higher lot values. Thus, the downward price adjustment for superior location.

Lot Comp Two is situated on the south side of Madison Street, north of Harrison Street, west of 91st Avenue near Tolleson Union High School in south Phoenix, AZ about 8 miles northwest of the subject. This lot is in a similar location in terms of median income

levels and land values but benefits from being on a residential street with less vehicles and road noise. Thus, the downward price adjustment for superior location.

Lot Comp Three is situated at the southwest corner of 41st Drive and Hidalgo Avenue, within Perry Estates in south Phoenix, AZ about 3 miles southeast of the subject. This lot, although in a more centralized area is in an older area with lower median income levels and lower land values. Thus, the upward price adjustment for inferior location. The upward adjustment for inferior location is partially offset by a downward adjustment for less vehicle traffic and less road noise. The net adjustment is upward for inferior location.

Lot Comp Four is situated on the south side of Sunland Avenue, west of 35th Avenue, near Manzanita Park within Independence Park in south Phoenix, AZ about 4 miles southeast of the subject. This lot, although in a more centralized area is in an older area with lower median income levels and lower land values. Thus, the upward price adjustment for inferior location. The upward adjustment for inferior location is partially offset by a downward adjustment for less vehicle traffic and less road noise. The net adjustment is upward for inferior location.

Lot Comp Five is situated at the northeast corner of 21st and Southern avenues, near El Prado Park within the Park Phoenix area in south Phoenix, AZ about 6 miles southeast of the subject. This lot is in a similar location in terms of median income levels and land values, and fronts along a major east-west arterial with heavy traffic and similar road noise to the subject. Thus, no price adjustments are necessary for location.

Physical Characteristics

Adjustments for physical characteristics include the size, topography/shape/potential view(s), zoning/planned use, availability of utilities, and floodplain issues.

Lot Sizes

Generally, larger lots offer more building envelop and construction flexibility with more open space and privacy, which tend to sell at higher lot prices than smaller ones. The subjects two residential lots are estimated at approximately 9,000-square feet each. The lot comparables range from 6,726 square feet to 15,461 square feet, with an average of 10,334 square feet. No paired sales were available with which to derive an adjustment for size. No price adjustments for size are made to Lot Comps One, Two and Three which are deemed similar to the subjects. An upward price adjustment for the smaller lot size is made to Lot Comp Four while, an downward price adjustment for large lot size is made to Lot Comp Five.

Topography / Shape / Potential View(s)

The subject lots have mostly rectangular lot shapes with level topography, which are graded and in shovel ready condition. The lots offer some mountain views to the south. Lot Comp One is closer in proximity to South Mountain with more expansive mountain views thus, the downward price adjustment for superior views. Lot Comps Two, Three, Four and Five all offer similar mountain views, with similar site shapes and topography. Thus, no price adjustments are necessary to these four comparables.

Zoning / Planned Use

Four of the five lot comparables have similar zonings or were purchased for development of single-family homes similar to that envisioned for the subject lots. Thus, no adjustments for zoning/planned use are made to Lot Comps One, Two, Three and Four. Lot Comp Five is zoned R-4 which is a multi-family zoning designation that allows for higher density development. It was not clear what the buyer intends to do with the site but, it is highly probable that a multi-unit housing project is built on the site. Thus, a downward price adjustment for superior zoning/planned use is indicated to Lot Comp Five.

Utilities (Offsites)

As previously described in the “Site Analysis” section, the subject lots were previously improved with single-family homes which have access to all municipal utilities and are in “shovel ready” to build condition. All five lot comparables represent similar shovel ready lots with all municipal utilities available. Thus, no price adjustments are necessary for the availability of utilities to any of the comparables.

Floodplain

The subject lots are outside the 100- and 500-year flood plains which are not required to carry flood insurance. All five lot comparables have similar flood designations with no flood issues. Thus, no price adjustments are necessary to any of the five lot comparables for floodplain issues.

Here follows the Adjustment Matrix summarizing the adjustments as they apply to the comparable lots and the subjects.

LOT COMPARABLE ADJUSTMENT MATRIX

	SUBJECT	LOT COMP 1		LOT COMP 2		LOT COMP 3		LOT COMP 4		LOT COMP 5	
ELEMENTS OF COMPARISON	ADOT PARCEL L-C-148, 4227-4239 S. 61st Street, Phoenix, AZ 85043	8223 S 15th Street, Phoenix, AZ 85042	Lot Price / Adjustments	9401 W. Madison Street, Tolleson, AZ 85353	Lot Price / Adjustments	5802 S. 41st Drive, Phoenix, AZ 85041	Lot Price / Adjustments	3617 W. Sunland Avenue, Phoenix, AZ 85041	Lot Price / Adjustments	2102 W. Southern Avenue, Phoenix, AZ 85041	Lot Price / Adjustments
SALE PRICE	N/A		\$175,000		\$155,000		\$110,000		\$120,000		\$150,000
PROPERTY RIGHTS CONVEYED <i>Adjustment</i>	Fee Simple	Fee Simple 0%	\$0	Fee Simple 0%	\$0	Fee Simple 0%	\$0	Fee Simple 0%	\$0	Fee Simple 0%	\$0
FINANCING TERMS <i>Adjustment</i>	Assume Cash to Seller	Cash to Seller 0%	\$175,000	Cash to Seller 0%	\$155,000	Cash to Seller 0%	\$110,000	Cash to Seller 0%	\$120,000	Cash to Seller 0%	\$150,000
CONDITIONS OF SALE <i>Adjustment</i>	Assume Arm's -Length	Arm's-Length 0%	\$175,000	Arm's-Length 0%	\$155,000	Arm's-Length 0%	\$110,000	Arm's-Length 0%	\$120,000	Arm's-Length 0%	\$150,000
MARKET CONDITIONS (TIME) <i>Adjustment</i>	June 3, 2023 Date of Value	January 31, 2022 0%	\$175,000	August 8, 2022 0%	\$155,000	August 16, 2022 0%	\$110,000	June 22, 2023 0%	\$120,000	Pending Sale 0%	\$150,000
			\$0		\$0		\$0		\$0		\$0
ADJUSTED SALE PRICE			\$175,000		\$155,000		\$110,000		\$120,000		\$150,000
LOCATION General Access (Legal & Physical) <i>Adjustment</i>	Average / Estrella Village Yes - Paved	Above Avg. / South Mountain Village Yes - Paved -15%	-\$26,250	Average / Tolleson Yes - Paved -10%	-\$15,500	Fair / Laveen Village Yes - Paved 15%	\$16,500	Average / Laveen Village Yes - Paved 5%	\$6,000	Average / South Mountain Village Yes - Paved 0%	\$0
PHYSICAL CHARACTERISTICS Lot Size in SF	Lot A ±9,000 Lot B ±9,000										
Lot Size in SF <i>Adjustment</i>		10,233 0%	\$0	8,938 0%	\$0	10,314 0%	\$0	6,726 5%	\$6,000	15,461 -5%	-\$7,500
Topography / Shape / Potential View <i>Adjustment</i>	Level / Mostly Rectangular / Some Mtn. Views	Level / Rectangular / Good Mtn. Views -5%	-\$8,750	Level / Rectangular / Some Mtn. Views 0%	\$0	Level / Rectangular / Some Mtn. Views 0%	\$0	Level / Rectangular / Some Mtn. Views 0%	\$0	Level / Rectangular / Some Mtn. Views 0%	\$0
Zoning / Planned Use <i>Adjustment</i>	R1-6, Single-Family Residence / SFRs	R1-10, Single-Family Residence / SFR 0%	\$0	R-2, Multi-Family Residence / SFR 0%	\$0	R1-6, Single-Family Residence / Investment 0%	\$0	R1-6, Single-Family Residence / SFR 0%	\$0	R-4, Multi-Family Residence / SFR -5%	-\$7,500
Utilities <i>Adjustment</i>	All to Site	All to Site 0%	\$0	All to Site 0%	\$0	All to Site 0%	\$0	All to Site 0%	\$0	All to Site 0%	\$0
Floodplain <i>Adjustment</i>	Zone X (Shaded)	Zone X (Shaded) 0%	\$0	Zone X (Shaded) 0%	\$0	Zone X (Shaded) 0%	\$0	Zone X (Shaded) 0%	\$0	Zone X (Shaded) 0%	\$0
ADJUSTED SALE PRICE / SF			\$140,000		\$139,500		\$126,500		\$132,000		\$135,000

Conclusion – ADOT Parcel L-C-148

After making adjustments for all of the appropriate elements of comparison, the adjusted price range from the five lot comparables is \$126,500 to \$140,000, with an average of \$134,600, and a median of \$135,000. Lot Comps Two, Four and Five required the least number of net adjustments. These three lot comps had more tightly adjusted values of \$132,000 to \$139,500, with an average of \$135,500. Thus, Lot Comps Two, Four and Five are given most weight in estimating the two subject lot market values.

Based on the foregoing data and analysis, it is our opinion that the subjects two lot market values are as follows.

ADOT PARCEL L-C-148, MARKET VALUE OPINIONS:

LOT A, ±9,000 SQUARE FEET (0.21 ACRES)\$135,000
This estimate of Market Value equals approximately\$15.00 Per Square Foot

LOT B, ±9,000 SQUARE FEET (0.21 ACRES)\$135,000
This estimate of Market Value equals approximately\$15.00 Per Square Foot

EXPOSURE TIME

Exposure time is the estimated length of time the appraised property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The marketing times from the four of the five lot comparables are analyzed to estimate the exposure time for the six subject lots.

Lot Comps One, Two, Three and Four reported marketing periods of 17 days to 334 days months, with an average of 118 days, or about 4 months. If priced accordingly and offered individually on the open market at alternating times, the two subject lots should sell within 4 to 6 months.

AUDITING BREAKDOWN

The following is the Auditing Breakdown for the six appraised properties.

Parcel L-C-148	
Total Sum of Retail Values	\$270,000
Improvements to be Acquired	\$0
Severance Damages	\$0
Special Benefits	\$0
Cost to Cure	<u>\$0</u>
Total Market Value	\$270,000

PROJECT: M6975 01X
HIGHWAY: SR 202L (SOUTH MOUNTAIN FREEWAY)
SECTION: SALT RIVER – JUNCTION I-10 PAPAGO SEGMENT
PARCELS: L-C-148
CONTRACT: JW-23-020

We hereby certify:

That we personally inspected the properties herein appraised. We did not make a personal field inspection of each of the comparables relied upon in making said appraisal. The comparables relied upon in making the appraisal were as represented by the photographs, and aerials and plat maps contained in the appraisal.

To the best of our knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions for the subject disposal parcel, subsoil, or structures were found or assumed to exist which would render the property more or less valuable; and we assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the properties, were not observed by the appraisers. The appraisers, however, are not qualified to detect such substances, the presence of which may affect the values of the properties. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

That our analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Arizona Department of Transportation Appraisal Standard and Specifications and the Uniform Standards of Professional Appraisal Practice.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, policies, and procedures applicable to appraisal.

That we understand this appraisal may be used in connection with the potential disposal of the property by the State of Arizona.

That neither our employment nor our compensation for making the appraisal and report are in any way contingent upon the values reported herein.

That we have no direct or indirect present or contemplated future personal interest in the property that is the subject of this report, or any benefit from the potential disposal of the property appraised herein.

That we have not revealed the findings and result of such appraisal to anyone other than the property officials of the Arizona Department of Transportation, and we will not do so unless so authorized by property State officials, or until we are required to do so by due process of law, or until we are released from this obligation by having publicly testified as to such findings.

That our opinions of the MARKET VALUE for the subject disposal parcel as of the 3rd day of June, 2023, based upon our independent appraisal and the exercise of our professional judgment is as follows:

ADOT PARCEL L-C-148, MARKET VALUE OPINIONS:

LOT A, ±9,000 SQUARE FEET (0.21 ACRES)	\$135,000
This estimate of Market Value equals approximately	\$15.00 Per Square Foot
LOT B, ±9,000 SQUARE FEET (0.21 ACRES)	\$135,000
This estimate of Market Value equals approximately	\$15.00 Per Square Foot
TOTAL SUM OF THE RETAIL VALUES.....	\$270,000



Richard G. Lee
Certified General Real
Estate Appraiser #31626



Steven R. Cole, MAI, SRA, AI-GRS
Certified General Real
Estate Appraiser #30130

CERTIFICATION

THE APPRAISERS CERTIFY TO THE BEST OF THEIR KNOWLEDGE AND BELIEF:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The reported valuations, assumptions and limiting conditions are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have **no** present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

We have not performed services as appraisers regarding the subject disposal parcel which is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our compensation is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

Richard Lee has made personal inspections of the property that is the subject of this report, while Steve Cole did not inspect the subject property.

No one provided significant real property appraisal assistance to the person(s) signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. The use of this report is also subject to the requirements of the Arizona Board of Appraisal.

We hereby certify that we are competent to complete the appraisal assignment. The reader is referred to appraisers' Statement of Qualifications.

All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraisers whose signatures appear on the appraisal report, unless indicated as "Review Appraiser".

No change of any item in the appraisal report shall be made by anyone other than the Appraisers, and the Appraisers shall have no responsibility for any such unauthorized change.

As of the date of this report, Steve Cole, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.

Date: July 3, 2023



Richard G. Lee
Certified General Real
Estate Appraiser #31626



Steven R. Cole, MAI, SRA, AI-GRS
Certified General Real
Estate Appraiser #30130

QUALIFICATIONS OF STEVEN R. COLE, MAI, SRA, AI-GRS

FORMAL EDUCATION:

Bachelor of Arts Degree with high honors, University of California,
Santa Barbara, 1971

Master's Degree in Business Administration, University of California,
Los Angeles, 1973. Concentration: Urban Land Economics

PROFESSIONAL EDUCATION:

Successful Completion of Examinations for the following courses given by the
Appraisal Institute:

"Real Estate Appraisal Principles" and "Basic Valuation Procedures"

"Capitalization Theory & Techniques", Parts 1, 2, and 3

"Case Studies in Real Estate Valuation"

"Introduction to Real Estate Investments Analysis"

"Litigation Valuation"

"Standards of Professional Practice", Part A, B & C

"Market Analysis"

"Review Theory - General"

Attendance at Numerous Educational Seminars:

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute (MAI), Certification Number 6080. The institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. As of this date, I have completed the requirements under the continuing education program of the Appraisal Institute. I am currently certified through December 31, 2021.

Senior Residential Appraiser (SRA), of the Appraisal Institute. This designation signifies expertise in the valuation of residential properties of 1 to 4 units.

General Review Specialist (AI-GRS), of the Appraisal Institute. This designation signifies expertise in the review of appraisals of general real estate properties.

EXPERIENCE:

Includes valuation of most types of urban real property: single and multi-family residential, commercial, industrial, and vacant land. Experience also includes special purpose properties, feasibility studies, Fee Simple and leasehold interest, counseling, and appraisal for condemnation since 1975.

ADDITIONAL EDUCATIONAL AND PROFESSIONAL ACTIVITY:

Publication of articles in Professional Journals:

“A New Methodology for Estimating Highest and Best Use”,
Real Estate Appraiser and Analyst, Summer, 1987

“Estimating the Value of Proposed Developments by Discounting
Cash Flow”, *Real Estate Review*, Summer, 1988.

Formerly a Certified Instructor with the Appraisal Institute for “Highest and Best Use Applications”, “Feasibility Analysis and Highest and Best Use- Nonresidential Properties”, and “Principals and Procedures of Real Estate Appraisal”.

Associate Faculty, Pima Community College for “Real Estate Appraisal Principals” and “Basic Valuation Procedures”, 2000-2006.

Instructor for Tucson Board of Realtors, American Bar Association, Brodsky School of Real Estate, and Hogan School of Real Estate. Appraisal Principles, Appraisal Procedures, Market Analysis. Using the Internet for Due Diligence.

President of Southern Arizona Chapter #116, Appraisal Institute, 1983-84.

President for the Arizona State Chapter #41, Appraisal Institute, 1990.

Chairman, Pima County Real Estate Council, 2003-2004, Director 1989-2007.

Chairman, Tucson Airport Authority Chairman, 2015.
Board of Directors, 2011-2016. Member, Tucson Airport Authority, 2007-2016.

APPROVED APPRAISER:

With most major commercial banks and mortgage companies in Arizona.

STATE CERTIFICATION:

Arizona Certified General Real Estate Appraiser Number 30130. Currently certified through August 31, 2024.

Department of Insurance and Financial Institutions
State of Arizona

CGA - 30130

This document is evidence that:
Arizona Revised Statutes, relating to the establishment and operation of a:

STEVEN R. COLE

has complied with the provisions of

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

STEVEN R. COLE

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **August 31, 2024**

QUALIFICATIONS OF RICHARD LEE

FORMAL EDUCATION:

Bachelor of Arts, Criminal Justice, The University of Reno, Reno, Nevada, 1997

PROFESSIONAL EDUCATION:

Classes Provided by The Appraisal Institute:

- Standards of Professional Practices – Part A& B
- Uniform Standards of Professional Appraisal Practices
- Real Estate Appraisal Principles
- Basic Valuation Procedures
- General Applications
- Basic & Advanced Income Capitalization
- Market Analysis and Highest and Best Use
- Computer-Enhanced Cash Flow Modeling
- Review Theory - General

EXPERIENCE:

1999 - 2001	Staff Appraiser, Baker, Peterson, Baker & Associates, Tucson, Arizona
2001 – 2007	Appraiser, Lipman Stevens & Carpenter, San Diego, California
2007 – 2007	Senior Analyst, Integra Realty Resources, San Diego, California
2007 - 2008	Appraiser, Capital Markets Group, Cushman & Wakefield, San Diego, California
2008 - 2013	Appraiser, Southwest Appraisal Associates, Tucson, Arizona
2013 - 2014	Senior Appraiser, Lefevers Viewpoint Group, Inc./Viewpoint Group, LLC, Phoenix, Arizona
2014 - 2019	Senior Appraiser, CBRE, Inc., Tucson, Arizona
2019 - 2021	Senior Appraiser, Southwest Appraisal Associates, Tucson, Arizona

Appraisal experience has been in the fee preparation of real estate appraisals, rent analyses, and feasibility studies for a variety of clients. Experience involves a broad spectrum of property types including retail centers, industrial buildings and facilities, traditional office buildings, medical offices and surgical centers, ground leases, convenience stores/gas stations, car washes, self-storage facilities, and vacant land. Experience also encompasses property types including mobile home/RV parks, residential subdivisions, master-planned communities, PUD's, assisted living facilities, private/charter schools, restaurants, apartments, automotive facilities, and a variety of special use properties with an emphasis in going-concern valuations.

PROFESSIONAL MEMBERSHIP:

Arizona Certified General Real Estate Appraiser, No. 31626, Expires April 30, 2024

Department of Insurance and Financial Institutions
State of Arizona

CGA - 31626

This document is evidence that:
Arizona Revised Statutes, relating to the establishment and operation of a:

RICHARD G LEE

has complied with the provisions of

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

RICHARD G LEE

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **April 30, 2024**

ADDENDA



L-C-148 Aerial Map Dated: 9.16.22



Disposal Area





 ADOT Right Of Way <small>THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY</small>	DISPOSAL #	L-C-148	HIGHWAY NAME	
	Parcel #	7-11522, 7-11553 7-11672, 7-11613	SOUTH MOUNTAIN FREEWAY	
ROUTE NO. SR 202L	DATE	01/09/2023	PROJECT NO	
	LOCATION	SALT RIVER - JCT,I-10	202 MA 000 H5439	
Parcel 7-11550-REM	FEDERAL A/D NO	202D(200)S	SHEET NO	
			1 OF 1	

EXHIBIT "A"

Those portions of Lot 1, Lot 2, Lot 3, and Lot 4, RIO DEL REY – UNIT II, according to Book 587 of Maps, Page 39, records of Maricopa County, Arizona, located in Section 19, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona, which lie easterly of the following described **EXISTING RIGHT OF WAY LINE**.

EXISTING RIGHT OF WAY LINE DESCRIPTION:

Commencing at a 3 inch City of Phoenix brass cap in handhole marking the South quarter corner of said Section 19, being North 87°46'02" West 2734.96 feet from a 3 inch aluminum cap flush marking the Southeast corner of said Section 19;

thence along the South line of said Section 19 South 87°46'02" East 1172.98 to the existing westbound centerline of State Route 202L (SOUTH MOUNTAIN FREEWAY);

thence along said existing westbound centerline North 00°41'50" East 304.16 feet;

thence South 89°18'10" East 295.90 feet to the POINT OF BEGINNING on the existing easterly right of way line of said State Route 202L on the North line of said Lot 4;

thence along said existing easterly right of way line South 00°25'12" West 111.94 feet;

thence continuing along said existing easterly right of way line South 26°53'53" East 137.49 feet to the existing northerly right of way line of Broadway Road;

thence along the existing northerly right of way line of Broadway Road South 87°46'02" East 286.62 feet;

thence continuing along said existing northerly right of way line of Broadway Road South 78°27'58" East 247.49 feet to the POINT OF ENDING, being North 02°13'58" East 40.00 feet and North 87°46'02" West 673.02 feet from said Southeast corner of said Section 19.

(continued)

PAGE 1

There shall be no right or easement of access to, from or between the parcel of land described above and said State Route 202L.

The Access Control provisions set forth above shall be a covenant running with the land and shall be binding upon, and shall inure to the benefit of the State of Arizona, the landowners and their respective successors and assigns with respect to the property. The Access Control provisions shall also remain enforceable by the State of Arizona even if all or part of any roadway is abandoned to a local jurisdiction.

GRANTOR RESERVES unto the public and various utility companies, easements for existing utilities, if any, within the above described property, in accordance with Arizona Revised Statute 28-7210. Access to the existing utilities will be by way of what exists at the time of this conveyance and shall be the responsibility of the Grantee herein and of the public or utility companies to show where that access is located.

EXHIBIT "A"

PAGE 2

OWNERSHIP

RECORD

ACQUIRE

NOTES	PARCEL NUMBER	OWNER	DESCRIPTION OF AREA REQUIRED	TOTAL AREA	AREA ACQUIRED			REMAINDER		SHEET NO.	TYPE	DOCUMENT
					EXISTING (ACQ. DATE)	NEW EASEMENTS	LEFT	RIGHT				
②	7-11484	Dolphin Incorporated	NE4 Sec. 7, T.1N. R.2E.	604,038	② 240,224		363,814		P-10	SWD	16-027772E	
②	7-11491	EastGroup Properties, L.P.	Lots 1 & 2 Interstate Commons-Roosevelt Street Business Park	369,715	② 1,313		368,402		P-12	SWD	16-0371194	
	7-11495	Carrollville Village Commerce Center, LLC	Lot 1 The Villas at Caronde		DELETED 3-06-17				P-13 & P-19			
②	7-11500	59 NW Properties, LLC	Lot 1 Ruen Subdivision	411,093		51,669 TCE	296,126		P-10	RD	17-0522242	
②	7-11501	Ruben Flores, et ux	Lot 25 Le Terrace Subd.	6,353	② 3,244		3,109		P-13 & P-19	RD	15-0466915	
②	7-11508	Foreight Group Holdings I, LLC	NE4 Sec. 19, T.1N. R.2E.	1,194,577		7,385	1,187,192		P-4	FOC	18-0888717	
②	7-11515	GP Southwest, LLC	SE4 Sec. 7, T.1N. R.2E.	128,007	② 64,647		63,360		P-8 & P-9	RD	17-026683C	
②	7-11516	Luz Adriana Granada	Lot 48 Rio Del Rey - Unit I	5,600	② 5,600				P-3 & P-16	RD	15-0418249	
②	7-11517	Oscar Granados et ux	Lot 10 Patlo Homes West	6,791	② 6,791				P-13 & P-19	RD	15-0537994	
②	7-11522	Felipe N. Oblea, et ux	Lot 4 Rio Del Rey - Unit II	7,355	② 1,739		5,615		P-3 & P-16	RD	15-0479271	
②	7-11523	AMPJ Hospitality, Inc.	Lot 22 I-10 Industrial Park West Unit Two	107,380	② 0		107,380		P-15	RD	16-0140527	
②	7-11524	George Vernon Headley, et al	SW4 Sec. 6, T.1N. R.2E.	311,482	② 31,748		279,734		P-8	ODP	19-0438319	
②	7-11525	Reep-Ind ID West II AZ LLC	SE4 Sec. 6, T.1N. R.2E.	1,581,438	42,821	9,645 TCE	1,538,617		P-11	SWD	17-042629E	
	7-11529	Desert Pointe Properties LLC	Lot 72 Rio Del Rey - Unit I		DELETED 3-30-15				P-3 & P-16			
②	7-11530	Ricardo Serna Hernandez	Lot 24 Le Terrace Subd.	6,347	② 3,119		3,228		P-13 & P-19	FOC	16-0653582	
②	7-11531	Octavio Higuera, et ux	Lot 14 Patlo Homes West	6,405	② 6,405				P-13 & P-19	RD	15-0463851	
②	7-11532	Sandra Hoffman	Lot 73 Rio Del Rey - Unit I	5,905	② 5,905				P-3 & P-16	RD	15-0561811	
	7-11535	Danielle M. DeBruin, et ux	Lot 30 Patlo Homes West		DELETED 3-1-16				P-13 & P-19			
①	7-11538	Inland Kenworth Inc.	Lot 1 Inland Kenworth Plat & Lot 43 & Lot 48 I-10 Industrial Park West Unit II		SEE NOTE 1				P-12	RD	12-106562E	
②	7-11541	Jewel Investment Company, LP	Lots 35-38 Westgate Lot 5 Replat	111,745	② 36,570	27,988 TCE	75,175		P-10	SWD	17-060975E	
②	7-11542	JGZ Properties I, LLC	SE4 Sec. 7, T.1N. R.2E.	322,577	② 162,993		159,584		P-9	SWD	17-0575614	
②	7-11549	JW Redfem, L.L.C.	Lot 8 West Phoenix Freeway Industrial Center	46,205	② 46,205				P-10	RD	15-0437634	
②	7-11553	Kenneth C. Kilgore Jr, et ux	Lot 3 Rio Del Rey - Unit II	6,336	② 1,476		4,860		P-3 & P-16	RD	15-055533E	
②	7-11564	The Lark Group Limited	NE4 Sec. 7, T.1N. R.2E.	99,702	② 4,493 TCE		99,702		P-10 & P-11	ESMT	19-0452521	
②	7-11566	Colette Bailey	Lot 74 Rio Del Rey - Unit I	5,831	② 5,831				P-3 & P-16	RD	15-0561091	
②	7-11571	Liberty Fuel, L.L.C.	Lot 1 I-10 Industrial Park East Unit Two Plat Addition Lots 3 & 4 I-10 Industrial Park West Unit Two	565,864	② 565,864				P-12 & P-14	FOC	18-0248311	
②	7-11582	Melissa D. Lopez	Lot 22 Rio Del Rey - Unit I	5,624	② 5,624				P-3 & P-16	RD	15-0659431	
②	7-11583	Pedro Lopez, et ux	Lot 18 Patlo Homes West	8,268	② 8,268				P-13 & P-19	RD	15-062998E	

ALL AREAS ARE IN SQUARE FEET UNLESS OTHERWISE NOTED

ADVANCE ACQUISITION PER PROJECT #600-6-701 and 202L MA 000 H5439 OIR TO BE ACQUIRED AS A TOTAL ACQUISITION

CHANGE ORDER REVISIONS

C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS
1	12-17-20	RD	REVISED 7-11524 NET, REMAINDER, & RECORDING NUMBER

Arizona Department of Transportation
INFRASTRUCTURE DELIVERY AND OPERATIONAL DIVISION
OPERATIONS SECTION

PROJECT #202L MA 000 H5439
SOUTH MOUNTAIN FREEWAY
SECTION 08.01, 202-DI200015

AZTEC
REGISTERED PROFESSIONAL ENGINEER
SR 202L

PROJECT #202L MA 000 H5439
SOUTH MOUNTAIN FREEWAY
SECTION 08.01, 202-DI200015

12/17/2028

13:50:29

15-CET 08-2

OWNERSHIP RECORD

PARCEL NUMBER	OWNER	DESCRIPTION OF AREA REQUIRED	TOTAL AREA	AREA REQUIRED (EXISTING & NEW EASEMENTS)		REMAINDER		SHEET NO.	ACQUIRED
				(EXISTING)	(NEW)	LEFT	RIGHT		
7-11585	Benny Elwell Family LLC	NE4 Sec. 7, T.1N, R.2E.		DELETED 1-16-17				P-11	
7-11586	JEFO, LLC	Lot 15 Patio Homes West	6,326	2	6,326			P-13 & P-19	SWD 15-0551816
7-11589	Marloopa Rentals Limited Partnership	Lot 47 Rio Del Rey - Unit I	5,845	2	5,845			P-3 & P-16	WD 15-0591053
7-11595	Northhold, LLC	Lot 22 Le Terrazo Subd.	11,143	2	3,264		7,879	P-13 & P-19	WD 15-0574498
7-11597	Antonio Berrueta Olvera	Lot 23 Le Terrazo Subd.	6,573	2	3,534		3,039	P-13 & P-19	WD 15-0570532
7-11599	Glende Dugger Massey	NW4 Sec. 17, T.1N, R.2E.	249,204	30,089			219,115	P-7 & P-8	SWD 19-0549111
7-11606	Bella F. Martinez	Lot 20 Rio Del Rey - Unit II		DELETED 3-30-15				P-3 & P-16	
7-11607	Mival, L.L.C.	SE4 Sec. 7, T.1N, R.2E.	790,031	283,685	5,330 TCE	506,346		P-8	SWD 17-0612837
7-11613	Laura Nava	Lot 1 Rio Del Rey - Unit II	4,864	2	695		4,169	P-3 & P-16	WD 15-0707071
7-11614	Bella F. Martinez	Lot 49 Rio Del Rey - Unit I		DELETED 3-30-15				P-3 & P-16	
7-11621	The Newport Group 22, L.L.C.	NE4 Sec. 19, T.1N, R.2E.	2,332,615		648,044	34,719	1,649,852	P-4	FOC 18-0888717
7-11622	The Newport Group 37, L.L.C.	NE4 Sec. 19, T.1N, R.2E.	835,149	2	9,129	826,020		P-4 & P-5	FOC 18-0888717
7-11625	Juana Ortega Nunez	Lot 11 Patio Homes West	6,323	2	6,323			P-13 & P-19	WD 15-0595079
7-11634	Himanshu Sarvaya	Lot 23 1-10 Industrial Park West Unit Two	101,826	2			101,826	P-15	WD 15-0775663
7-11637	Felipe Perez, et ux	Lot 20 Rio Del Rey - Unit I	4,725	2	4,725			P-3 & P-16	WD 15-0695000
7-11638	Guadalupe Mielba Perez	Lot 12 Patio Homes West	6,403	2	6,403			P-13 & P-19	FOC 16-0587255
7-11641	Rogelio Pino Benitez, et al	Lot 21 Le Terrazo Subd.		DELETED 3-1-16				P-13 & P-19	
7-11642	Horacio Valdez Pino	Lot 4 Patio Homes West	6,302	2	6,302			P-13 & P-19	WD 15-0486727
7-11645	Property Reserve Arizona, L.L.C.	E2 Sec. 18, T.1N, R.2E.	13,088,338	2,993,736		9,796,733	297,869	P-3, P-4, P-7, P-8	FOC 17-0346068
7-11646	Salt River Project	NE4 Sec. 19, T.1N, R.2E.	825,796	65,695			760,101	P-5	SWD 19-0877933
7-11647	Ismael Valenzuela-Ouintana	Lot 6 Patio Homes West	6,302	2	6,302			P-13 & P-19	WD 15-0595083
7-11649	Ram-Bal, LLC	SW4 Sec. 6, T.1N, R.2E.		DELETED 3-30-15				P-9	
7-11652	The Demore Family Limited Partnership	SE4 Sec. 7, T.1N, R.2E.	51,001	2	46,120	2,881		P-9 & P-10	WD 16-0192737
7-11655	Maria Segado, et ux	Lot 9 Patio Homes West	6,865	2	6,865			P-13 & P-19	WD 15-0458811
7-11657	Rio Del Rey Homeowners Association	Tracts A, B & C Rio Del Rey - Unit I	677,832	155,251		321,875	200,706	P-3, P-4, P-16, P-17	FOC 18-0055854
7-11657-A	Rio Del Rey Homeowners Association	Tracts A, B & C Rio Del Rey - Unit I	220,592	7,378	66,871 TCE	193,944	19,270	P-3, P-4, P-16	OIP 18-0282362
7-11658	R&V Properties LLP	Lot 6 & 7 West Phoenix Freeway Industrial Center	92,522	2	85,420		7,103	P-10	WD 15-0341626
7-11661	Roland S. Meder, et ux	Lot 29 Le Terrazo Subd.	6,455	2	3,710		2,745	P-13 & P-19	WD 15-0413927
7-11662	Pedro Casas Robles	Lot 30 Le Terrazo Subd.	10,293	2	5,751		4,542	P-13 & P-19	WD 15-0416350
7-11665	Brian Johnson	Lot 66 Rio Del Rey - Unit II		DELETED 3-30-15				P-3	

ALL AREAS ARE IN SQUARE FEET UNLESS OTHERWISE NOTED

) TO BE ACQUIRED AS A TOTAL ACQUISITION
) UNECONOMIC REMNANT

C.O. NO.	DRAWING NO.	SOUTH	PROJECT NO.	SHEET
	D-7-1-1014	SR 202L	202-020015	08-3
DATE	BY	DESCRIPTION OF REVISIONS	FEDERAL AGENCY: SOUTH MOUNTAIN FREEWAY PROJECT NO: 202L MA 000 H5439 202L MA 056 H8827	
			SOUTH MOUNTAIN FREEWAY JCT. I-10 PAPAGO SEGMENT	

OWNERSHIP

RECORD

ACQUIRED

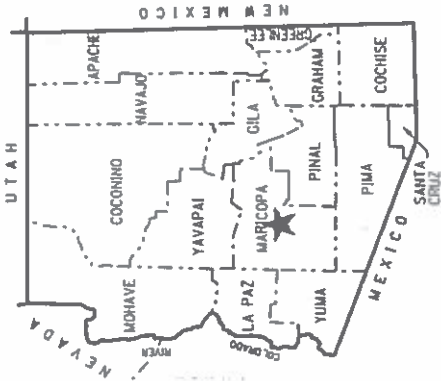
NOTES	PARCEL NUMBER	OWNER	DESCRIPTION OF AREA REQUIRED	TOTAL AREA	AREA REQUIRED (EXCLUDING DELETED)		REMAINDER		SHEET NO.	TYPE	DOCUMENT
					EXISTING	NEW EASEMENTS	LEFT	RIGHT			
(2)	7-11666	Roosevelt Irrigation District	NW4 Sec. 6, T.1N, R.2E.		DELETED 9-01-15				P-11		
(2)	7-11667	Marja Rovela	Lot 8 West Phoenix Freeway Industrial Center	6,502	(2) 6,502				P-10		15-05-47229
	7-11669	Ryder Truck Rental, Inc.	Lots 11, 15 1-10 Industrial Park West Unit Two	422,841	26,764	9,512 TCE		396,077	P-14, P-15, P-20		PHOENIX CONDOMINIUM
	7-11671	RS-110-110-Industrial-Park-West-Unit-One			DELETED 9-01-15				P-15		
(2)	7-11672	SS 1 Holding-2 LLLP	Lot 2 Rio Del Rey - Unit II	6,143	(2) 1,162			4,781	P-3 & P-16		15-04-35520
(2)	7-11681	Silvano Sepulveda	Lot 20 La Terraza Subd.	6,367	(2) 3,175			3,192	P-13 & P-19		15-06-35761
(2)	7-11683	Sherwood Family Trust, et al	SE4 Sec. 18, T.1N, R.2E.	166,753	(2) 166,753				P-6 & P-7		16-00-2087 16-05-87242
(2)	7-11687	Ang Beatriz Ramirez	Lot 19 Patio Homes West	12,848	(2) 12,848				P-13 & P-19		15-04-52197
(2)	7-11689	Daniel L. Simons, et ux	Lot 2 Patio Homes West	6,591	(2) 6,591				P-13, P-14, P-19		15-04-67408
(2)	7-11691	SJM Lend Company	Lot 9, 10, 11, 14 West Phoenix Freeway Industrial Center	493,766	(2) 445,316			48,450	P-10 & P-11		16-07-51043 16-07-55312
(2)	7-11693	Craig A. Smith	Lot 3 Patio Homes West	7,240	(2) 7,240				P-13 & P-19		15-04-66914
(2)	7-11695	Southern Cross, LLC	SW4 Sec. 5, T.1N, R.2E.	8,782,661	639,898	29,297 TCE		8,142,763	P-11 & P-12		17-06-30762
(2)	7-11696	Southwest Village Apartments, LLC	SW4 Sec. 5, T.1N, R.2E.	706,560	(2) 199,691			506,869	P-12		16-02-09118
	7-11700	Ameri-Idle Services, Inc.	NE4 Sec. 7, T.1N, R.2E.		DELETED 1-16-17				P-11		
(2)	7-11701	Sun Valley Investment 59th Ave Phoenix, LLC	NE4 Sec. 7, T.1N, R.2E.	41,659	(2) 1,420		40,239		P-11 & P-18		19-03-93384
(2)	7-11708	Toro Grande, LLC	Lot 1 Final Plot For Ross Equipment	157,873	(2) 157,873				P-11		16-03-12863
(2)	7-11709	Rayna Viridiana Amador Romero	Lot 17 Patio Homes West	5,308	(2) 5,308				P-13 & P-19		15-04-37222
(2)	7-11710	Tri-Ranch Properties, LLC	Lot 8 Patio Homes West	6,333	(2) 6,333				P-13 & P-19		16-00-05132
(2)	7-11716	Cemex Construction Materials South, LLC	NE4 Sec. 30, T.1N, R.2E.	3,897,572	(2) 1,313,781		594,654	1,989,137	P-1 & P-2		16-05-83566
(2)	7-11719	Marvin Spencer, et ux	NW4 Sec. 29, T.1N, R.2E.	3,890,738	(3) 3,890,738			(2) 3,890,738	P-1 & P-2		16-05-83566
(2)	7-11720	V.A.H., LLC	Lot 1 Patio Homes West	6,568	(2) 6,568				P-13, P-14, P-19		15-04-68571
(2)	7-11722	David Sanchez	Lot 5 1-10 Industrial Park West Unit Two	59,393	(2) 53,323			6,071	P-14		16-04-95092
(2)	7-11723	Jesus Victoria et ux	Lot 5 Patio Homes West	6,302	(2) 6,302				P-13 & P-19		15-04-25007
(2)	7-11727	Waffie House, Inc.	Lot 13 Patio Homes West	6,324	(2) 6,324				P-13 & P-19		15-05-12315
(2)	7-11731	West Valley Storage Solutions, LLC	Lot 1 1-10 Industrial Park West Unit Two	36,809	(2) 36,809				P-14		15-09-12637
	7-11734	John L. Fox	Lot 21 1-10 Industrial Park West Unit Two	(2) 104,298				104,298	P-15		15-09-03924
	7-11755	Rimax, Inc.	Lot 25 Rio Del Rey - Unit I		DELETED 3-30-15				P-3 & P-16		
(2)	7-11756	Southwest Village Investments I, LLC	Lot 31 B. Phoenix Freeway Industrial Center Phase II	90,667	(2) 71,322			19,345	P-11		15-06-90055
(2)	7-11759	The USA (Salt River Project Agricultural Improvement and Power District)	SW4 Sec. 5, T.1N, R.2E. N2 Sec. 5, T.1N, R.2E.	258,110	(2) 187,281			70,829	P-12		16-01-04272

ALL AREAS ARE IN SQUARE FEET UNLESS OTHERWISE NOTED

TO BE ACQUIRED AS A TOTAL ACQUISITION

AREA CALCULATED FROM ASSESSOR'S DATA AREA INCLUDES THE WEST 65' THEREOF.

DRAWING NO. D-7-1-1014		NATIONAL DEPARTMENT OF TRANSPORTATION	
SURVEY		REPLICATING PART OF T.V. PLANS SECTION	
DATE	11/19/2020	ADDRESS/ROUTE	SOUTH MOUNTAIN FREEWAY
BY	M. HERRERA	CITY	PHOENIX, AZ
PROJECT NO.	202L MA 055 439	PROJECT NO.	202L MA 055 439
SCALE	AS SHOWN	SCALE	AS SHOWN
AZTEC		AZTEC	
11/19/2020		11/19/2020	
SR 202L		SR 202L	
SHEET 085-4		SHEET 085-4	



★ PROJECT LOCATION

COUNTY NAME: MARICOPA
 LENGTH OF PROJECT: 4.3 MILES
 ADOT DISTRICT: CENTRAL (C)
 DRAWING NUMBER: D-7-T-1014

RIGHT OF WAY PLANS OF THE

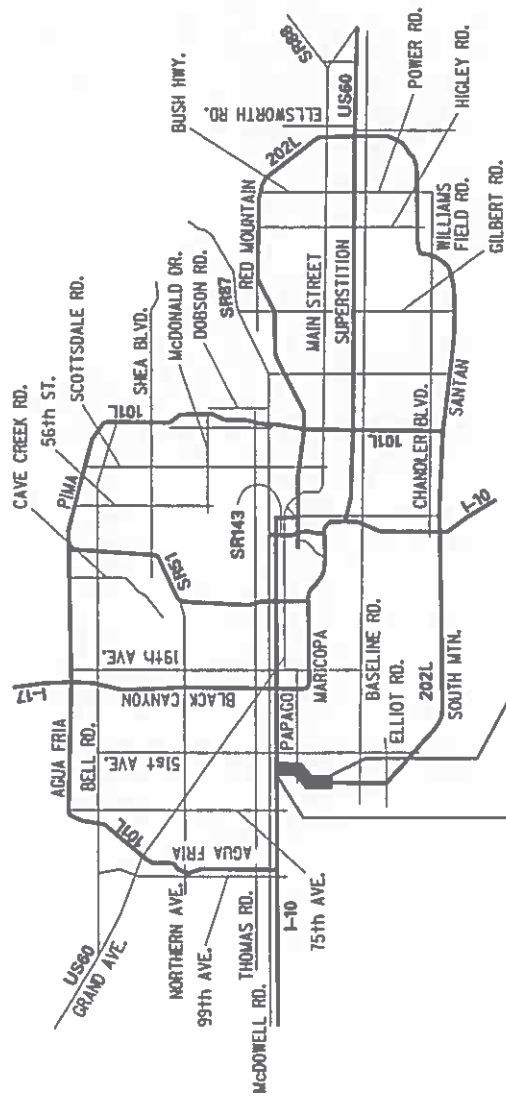
SOUTH MOUNTAIN FREEWAY

SALT RIVER - JCT I-10 PAPAGO SEGMENT

202L MA 000 H5439 / 202L MA 056 H8827

202D(200)S

**ARIZONA DEPARTMENT
 OF
 TRANSPORTATION**
 INFRASTRUCTURE
 DELIVERY AND OPERATIONS DIVISION



SHEET INDEX

COVER SHEET	1
STANDARD ABBREVIATIONS & SYMBOLS	S-1
OWNERSHIP RECORD SHEETS	ORS-1 TO ORS-5
VICINITY MAP	VM-1 TO VM-4
PLAN SHEETS	P-1 TO P-27
PARCEL INSERT SHEETS	PAR-1 TO PAR-2
RIGHT OF WAY MONUMENTATION SHEETS	MS-1 TO MS-15
TOTAL SHEETS	55

APPROVED IN ACCORDANCE WITH
 ARIZONA STATE TRANSPORTATION BOARD
 RESOLUTION 85-04-A-33 4/26/1985
 87-08-A-68 8/21/1987
 87-11-A-105 12/18/1987
 91-07-A-56 7/19/1991
 2011-09-A-062 9/15/2011
 2015-03-A-018 3/20/2015
 2016-07-A-040 7/15/2016
 2017-07-A-040 7/21/2017
 2018-05-A-025 6/12/2018
 2020-09-A-051 9/18/2020

P.O. 1 55+87.92
 P.O. 2 202L MED E
 P.O. 3 1319+59.30
 I-10 EXIST R/W E
 M.P. 77.8

M.P. 73.4
 P.O. 1 3226+63.73
 P.O. 2 202L E B E

202L MA 000 H5439
 202L MA 056 H8827

202L MA 000 H5439
 202L MA 056 H8827

NOTE: ALL RW ACQUISITION ACQUIRED
 UNDER PROJECT 202L MA 056 H8827
 OIR, FED AID 202-DI2001S.

SALT RIVER - JCT I-10 PAPAGO SEGMENT

SALT RIVER - JCT I-10 PAPAGO SEGMENT



ARIZONA DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY GROUP

RIGHT OF WAY DISPOSAL REPORT

The undersigned has examined the title to the property described in SCHEDULE A-1 herein, and the fee owner is:

The State of Arizona, by and through its Department of Transportation

Address: 205 South 17th Avenue, Mail Drop 612E, Phoenix, Arizona 85007-3212

By virtue of that certain: See Right of Way / Vesting Section.

Upon compliance with REQUIREMENTS herein, satisfactory title will vest in the proposed buyers.

LEGAL DESCRIPTION

SEE SCHEDULE A-1 ATTACHED

REMARKS: The Schedule B Items shown, if any, reflect only those matters that have occurred subsequent to the acquisition of the subject property.

Date of Search: 10/13/2022

Examiner: Jim Gregg

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

County: Maricopa

Tax Arb: 104-57-236, 237, 238 and 239 **Disposal:** N/A

Tracs No.: 202L MA 056 H5439

Highway: SOUTH MOUNTAIN FREEWAY **Excess Land:** L-C-148

Fed. No.: N/A

Section: SALT RIVER-JCT I-10 PAPAGO

Parcel No's.: 7-11522, 7-11553, 7-11613 and 7-11672

**SCHEDULE A-1
LEGAL DESCRIPTION**

That portion of the South half of the Southeast quarter of Section 19, Township 1 North, Range 2 East, also known as Lots 1, 2, 3 and 4, Rio Del Rey-Unit II, according to Book 587 of Maps, Page 39, as depicted on Exhibit "A" attached, Sheets P-3, and P-16 of ADOT Drawing D-7-T-1014, the Right of Way Plans of SOUTH MOUNTAIN FREEWAY, Section SALT RIVER-JCT I-10 PAPAGO, Project 202L MA 056 H5439 01R / Parcel No's. 7-11522, 7-11553, 7-11613 and 7-11672.

NOTE: The legal description of the area to be disposed will be produced by the ADOT Right of Way Delineation Unit.

END OF SCHEDULE A-1

RIGHT OF WAY / VESTING

- 1.) Warranty Deed from SS 1 Holding -2 LLLP, an Arizona limited liability limited partnership, to the State of Arizona, by and through its Department of Transportation, dated April 14, 2015, recorded June 18, 2015, in Document No. 2015-0435520.
[Parcel 7-11672, Project 202L MA 000 H5439]
- 2.) Warranty Deed from Felipe N. Oblea and Erika Gallardo De Negrete, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated June 15, 2015, recorded July 2, 2015, in Document No. 2015-1479279.
[Parcel 7-11522, Project 202L MA 000 H5439]
- 3.) Warranty Deed from Kenneth C. Kilgore, Jr. and Machele Kilgore, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated July 16, 2015, recorded July 31, 2015, in Document No. 2015-0555335.
[Parcel 7-11553, Project 202L MA 000 H5439]
- 4.) Warranty Deed from Laura Nava, an unmarried woman, to the State of Arizona, by and through its Department of Transportation, dated September 24, 2015, recorded September 30, 2015, in Document No. 2015-0707071.
[Parcel 7-11613, Project 202L MA 000 H5439]

END OF RIGHT OF WAY / VESTING

REQUIREMENTS

1. Proper showing that all assessments levied by the Rio Del Rey Homeowners Association have been paid in full or are current.
2. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

NOTE: Repurchase rights **do not** apply due to the properties being acquired with a signed right of first refusal.

END OF REQUIREMENTS

SCHEDULE B

1. Terms conditions and obligations disclosed in notice by Rio Del Rey Homeowners Association, dated August 12, 2016, recorded August 18, 2016, in Document No. 2016-0593627.

END OF SCHEDULE B

PHOENIX, on 6/28/2023

CTR054974/ JW-23-020/ M697501X/ L-C-148/ Appraisal due 45 days from approval. Split Funding-
SOUTHWEST APPRAISAL ASSOCIATES INC

SUPPLIER

SOUTHWEST APPRAISAL ASSOCIATES INC
Attn: STEVEN COLE
Address: Legal Address
 PO BOX 16156
 UNITED STATES
 TUCSON, Arizona 85732-6156
Phone: 5203270000
E-mail: STEVE@SWAA.BIZ

ORDER No. P0000555297-1

(please refer to this number on all documents)

Amendment: CANCELS AND REPLACES THE
 ORDER No.555297
Requestor: ESTHER VALENCIA
Agency: Department of Transportation
Division: Infrastructure Delivery & Operations
 Division Construction
Department: Right Of Way
Site: RIGHT OF WAY
Phone: 6027128793
Email: EVALENCIA@AZDOT.GOV

DELIVER TO

(unless specified differently per item)

Address: RIGHT OF WAY
 205 S 17TH AVE
 MD 612E RM 331
 UNITED STATES
 PHOENIX, Arizona 85007-3212
Deliver To:
Requested Delivery Date:

(Unless specified differently per item in section delivery details)

BILL TO

Address: RIGHT OF WAY
 205 S 17TH AVE
 MD 612E RM 331
 UNITED STATES
 PHOENIX, Arizona 85007-3212
Payment Terms: Net 30

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR054974-2	666456-2	CTR054974/ JW-23-020/ M697501X/ L-C-148/ Appraisal due 45 days from approval. Split Funding Commentaire : L-C-148	1.0000	Total Cost		2,686.91
2	CTR054974-2	656791-1	CTR054974/ JW-23-020/ M697501X/ L-C-148/ Appraisal due 45 days from approval. Split Funding Commentaire : L-C-148	1.0000	Total Cost		2,163.00

Total before Tax

Non-Taxable - 0 %

Total after Tax

0.00 USD

DELIVERY CONDITIONS

Delivery Conditions	Date	Type	%	Amount	Item

PURCHASE ORDER TERMS AND CONDITIONS

State of Arizona
PURCHASE ORDER TERMS AND CONDITIONS
Applied to APP Purchase Orders on or after 11/10/2022

1. Modification. No modification of the purchase order shall bind State of Arizona Buyer (Buyer) unless Buyer agrees to the modification in writing.

2. Packing and Shipping. Seller shall be responsible for industry standard packing which conform to all legal requirements. Containers must be clearly marked with any required identifying information such as the lot number, destination address, and purchase order number.

3. Title and Risk of Loss. The title and risk of loss of the materials shall not pass to Buyer until Buyer physically receives the materials at the point of delivery.

4. Invoice and Payment. A separate invoice shall be issued for each shipment. No invoice shall be issued prior to shipment of materials and no payment will be made prior to receipt and acceptance of materials and correct invoice. Payment due dates, including discount periods, will be computed from date of receipt of materials or date of receipt of correct invoice (whichever is later) to date Buyer's warrant as mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment shall be subject to the provisions of Title 35 of Arizona Revised Statutes (A.R.S.), subject to the requirements and limitations of A.R.S. § 35-154. The Buyer's obligation is payable solely from funds appropriated for the purpose of acquiring the materials or services referred to in this Purchase Order; should Buyer's funding change, no legal liability on the part of the Buyer for any payment may arise under this Purchase Order until funds are made available for performance.

5. Inspection. All materials are subject to final inspection and acceptance by Buyer. Material failing to meet the requirements of this Purchase Order will be held at Seller's risk and may be returned to Seller. If so returned, the cost of transportation, unpacking, inspection, repacking, reshipping, or other similar expenses are the responsibility of the Seller.

6. No Replacement of Defective Tender. Every tender of materials must fully comply with all provisions of Purchase Order as the time of delivery, quantity, quality and the like. If a tender is made which does not fully conform, it shall constitute a breach and Seller shall not have the right to substitute a conforming tender.

7. Gratuities. The buyer may, by written notice to the Seller, cancel this Purchase Order if it is found by Buyer that gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by the Seller, or any agent or representative of the Seller, to any officer or employee of the State of Arizona with the purpose of securing an order or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with the respect to the performing, of such order. In the event this Purchase Order is canceled by Buyer pursuant to this provision, Buyer shall be entitled to recover or withhold from the Seller the amount of the gratuity, in addition to any other rights and remedies available under Arizona state law.

8. Warranties. Seller warrants that all materials and services delivered under this Purchase Order will conform to the requirements of this Purchase Order (including all applicable descriptions, specifications, drawing and samples) will be free from defects in material and workmanship and will be free from defects in design and fill for the intended purposes. Any inspection or acceptance of the materials or services by Buyer shall not alter or affect the obligations of Seller or the right of Buyer under the foregoing warranties.

9. E-Verify. In accordance with A.R.S. § 41-4401, Seller warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.

10. Assignment and Delegation. No right or interest in this Purchase Order shall be assigned by Seller without the written permission of Buyer, and no delegation of any duty of Seller shall be made without written permission of Buyer.

11. Third Party Antitrust Violations. Seller assigns to Buyer any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Seller toward fulfillment of this Purchase Order

12. Interpretation – This Purchase Order is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties and no course of dealing or usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding. Whenever a term defined by the Uniform Commercial Code (U.C.C.) is used in the Purchase Order, the definition contained in the U.C.C. is to control.

13. Non-Discrimination. The Contractor shall comply with State Executive Orders No. 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

14. Indemnity. Seller agrees to indemnify and save Buyer harmless from any loss, damage or expense whatsoever resulting to the Buyer from any and all claims and demands on account of infringement or alleged infringement of any patent in connection with the manufacture or use of any product included in this Purchase Order and upon written request, Seller will defend at its own expense any legal action or suit against Buyer involving any such alleged patent infringement and will pay and satisfy any judgments rendered or settlements reached in any such legal actions or suits. Seller will indemnify Buyer against all claims for damages to persons or property resulting from defects in materials or workmanship

15. Liens. All delivered materials and services performed under this Purchase Order shall be free of all liens and if Buyer requests, a formal release of all liens shall be delivered to Buyer.

16. Contract Number. If an Arizona contract number appears on the face of this Purchase Order or the Purchase Order was placed against an existing Arizona contract, the terms of that contract are incorporated herein by this reference.

17. Taxes. Seller shall be responsible for paying any and all applicable taxes, including but not limited to state and local transaction privilege taxes.

18. Conflict of Interest. Pursuant to A.R.S. § 38-511, this Purchase Order is subject to cancellation by the buyer if any person significantly involved in initiation negotiating securing drafting or creating the contract on behalf of the State is at any time while the contract is in effect, an employee or any other party to the contract in any capacity or a consultant to any other party of the contract will respect to the subject matter of the contract.

19. Remedies and Applicable Law. This Purchase Order shall be governed by the law of the State of Arizona and suits pertaining to this Purchase Order may only be brought under Article 9 of the Arizona Procurement Code (A.R.S. §§ 41-2501 et seq., and the rules thereunder, A.A.C. R2-7-101 et seq.)

20. Books and Records. Under A.R.S. § 35-214 and § 35-215, the Seller shall retain all books, accounts, reports, files and other

records relating to the Purchase Order for five years after completion of the Purchase Order. These books and records shall be available at all reasonable times for inspection and audit by the State at such state offices designated by the State.

21. State Law Certifications. If Seller is a Company as defined in A.R.S. § 35-393, Contractor Seller certifies that it shall comply with A.R.S. § 35-394, regarding use of forced labor of ethnic Uyghurs, as applicable. If this purchase order is over \$100,000, Seller further certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 et seq. and will refrain from any such boycott for the duration of this Purchase Order.

22. Arbitration. The Buyer and Seller agree to use arbitration as required by A.R.S. § 12-1518.



205 S. 17th Ave. Room: 331
Mail Drop: 612E
Phoenix, AZ 85007

May 22, 2023

Steven Cole
Southwest Appraisal Associates, Inc
P.O. Box 16156
Tucson, AZ. 85732-6156

RE: Appraisal Assignment No.: JW-23-020
PROJECT: M6972 01X
HIGHWAY: SOUTH MOUNTAIN FREEWAY
SECTION: Salt River - Jct I-10 Papago Segment
PARCEL: L-C-148

Dear Steven Cole:

You are hereby requested to provide your fee quote to prepare an appraisal for the referenced parcel. Your appraisal report will need to reflect the market value using the current date of valuation, and be prepared in accordance with terms of this task; the ADOT Right of Way Procedures Manual Project Management Section Chapters Three and Four; The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines at the time of your valuation; and the enclosed scope of work and provided information.

The purpose of the appraisal report is to estimate the market value of the fee simple estate of the acquisition and its effect to the remaining property. The intended use of the appraisal report is to utilize value estimates to assist in decisions regarding the possible sale of disposal.

ADOT Procurement Group will issue a Purchase Order that will be your notice to proceed with the appraisal assignment. You may contact the property owners to arrange for the property inspection after you receive your notice to proceed from procurement. Inspection dates/times must be provided at least seven calendar days prior to inspection to the Property Owner and emailed to Chris Childers (CChilders2@AZDOT.GOV); Kathy Kline (KKline@AZDOT.GOV); Jim Walcutt (JWalcutt@AZDOT.GOV); (); and ().

Please direct any questions regarding this appraisal assignment to Jim Walcutt, (520-591-7923, JWalcutt@AZDOT.GOV), ADOT R/W Review Appraiser. All changes must be in writing to prevent any miscommunications.

Additional information regarding the parcel is as follows:

Type of Report: Appraisal
Type of Property: VACANT LAND
Scope Notes: This is excess land and Market Value is required.

The FHWA is to be named as an intended user of the appraisal. The appraisal report must include the ADOT Certificate of Appraiser immediately following the Auditing Breakdown section of the report. The addenda to the report is to include a current copy of the appraiser's State of Arizona Certified General Real Estate Appraiser license, a copy of the owner contact correspondence including Owner Contact Report Form(s), and a copy of the signed procurement purchase order.

Appraisal Contractor agrees that within any particular project wherein Contractor has provided appraisal or consulting services to ADOT, no other appraisal services may be provided to other clients/property owners in this project, without the written approval of ADOT. Any hypothetical assumptions, extraordinary limiting condition or jurisdictional exceptions of the appraisal must be pre-approved by the Review Appraiser prior to submittal of the appraisal report and identified in the appraisal report.

In the course of the appraisal assignment due diligence, if it is discovered that the property ownership has transferred to any entity other than that noted in the ADOT Title report, the Review Appraiser must be notified immediately. A new Title Report and Ownership Record Sheet will then be ordered for inclusion in the appraisal report.

Please note that there are changes to civil expert disclosure and discovery rules effective July 1, 2018. Please update your qualifications in the appraisal report to list all other cases in which you have testified as an expert witness at a hearing or trial during the previous four years.

A complete initial appraisal report in an electronic PDF file format is to be submitted by e-mail to the review appraiser by the appraisal due date. All subsequent appraisal report iterations are also to be e-mailed to the review appraiser. Within 5 business days after ADOT approves the acceptability for the initial report submittal, the Appraiser will deliver an electronic PDF file and four (4) bound color copies of the final report. The submitted final hard copies of the appraisal report are to include, a CD with a PDF copy of the appraisal report with the following naming convention:

ADOT Parcel # Owner Name – (Appraisal Firm Name) – Date of Value - Date of Appraisal Report,
eg; Owner Name - (Appraisal Firm) DOV xx-xx-2020 DOR xx-xx-2020.

The appraisal report package is to be addressed to ADOT Right of Way Operations - Appraisal, ADOT Mail Room, 1655 W. Jackson Street, Phoenix, AZ 85007. Packages must be marked Time Sensitive or Urgent. If a delivery service is utilized, a confirmation notice is to be e-mailed to the review appraiser.

Please complete the last page of this bid request with your quote and email to RightofWayContracts@azdot.gov no later than 5:00 p.m. on May 25, 2023.

Sincerely,
Jim Walcutt
R/W Project Management Section

Enclosure(s)
cc: Esther Valencia, R/W Contracts Section