AN APPRAISAL OF

AN IMPROVED PROPERTY

OFFICE/INDUSTRIAL FLEX USE PROPERTY

"FAIRMONT COMMERCE CENTER"

LOCATED AT

1919 WEST FAIRMONT DRIVE

TEMPE, ARIZONA 85282

ADOT Project:	**M697201X**
Highway:	**I-10 Phoenix – Casa Grande**
Section:	**Salt River-Baseline Road (Broadway Curve)**
Parcel:	**L-C-143 (Former 7-10702)**
Assessor Parcel No:	**123-28-071, 072, 073B (Split)**
Effective Date Of Appraisal:	**December 14, 2022**
Date of Report:	**July 20, 2023**

PREPARED FOR

ARIZONA DEPARTMENT OF TRANSPORTATION

205 SOUTH 17TH AVENUE, ROOM 306

PHOENIX, ARIZONA 85007

PREPARED BY

STEVEN NAGY, MAI

ARIZONA CERT. GEN. APPRAISER 30136

NAGY PROPERTY CONSULTANTS, INC.

2415 EAST CAMELBACK ROAD, SUITE 700

PHOENIX, ARIZONA 85016

Nagy Property Consultants, Inc.
Real Estate Appraisal • Investment Analysis

July 20, 2023

Arizona Department of Transportation
205 South 17th Avenue, Room 306
Phoenix, Arizona 85007

Re: Office/Industrial Flex Use Property
"Fairmont Commerce Center"
1919 West Fairmont Drive
Tempe, Arizona
Project: M697201X
Highway: I-10 Phoenix – Casa Grande
Section: Salt River-Baseline Road (Broadway Curve)
Parcel: L-C-143 (Former 7-10702)

To Whom It May Concern:

At your request and authorization, I have conducted an appraisal analysis of the above referenced property, prepared as an appraisal. This appraisal report provides an opinion of the Market Value of the Leased Fee Interest in the property, recognizing recent reconstruction of the site and building improvements, and the property is suitable for marketing and increased occupancy. The effective date of appraisal is December 14, 2022. The intended use of the report is to assist the client decisions regarding disposition of the property. The report is not to be used for any other purpose. The client is the Arizona Department of Transportation on behalf of the State of Arizona, as owner of the property. The intended users of this report are the Arizona Department of Transportation on behalf of the State of Arizona, and FHWA, their representatives and affiliated agencies. The report is not to be distributed to, or used by others, without written consent of Nagy Property Consultants, Inc.

The attached report, of which this letter is a part, is to be read in its entirety. It contains information relevant to the general location of the subject property, a description of the land and improvements, highest and best use analysis, comparison market data, etc., used as the basis of estimating market value of the property. Based on this analysis, the estimated value was:

TEN MILLION THREE HUNDRED THOUSAND DOLLARS
($10,300,000)

This appraisal was completed based on the appraiser's understanding of guidelines established by the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP), adopted by the Appraisal Standards Board of the Appraisal Foundation, and the Right of Way Appraisal Policies & Procedures Standards & Specifications of the Arizona Department of Transportation. The appraiser is not aware of environmental problems related to the property, however the firm is not qualified to detect the presence of hazardous or environmentally objectionable substances in the property, which may influence marketability and value. I previously appraised this property in January 2022. I have performed no additional services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.

The preceding value estimate is subject to the Limiting and Contingent Conditions contained herein, and to any special considerations or assumptions contained in the report, particularly those listed beginning on page 8. Use of this report by the client or any other party, for any purpose, constitutes acceptance of the Limiting and Contingent Conditions, and further, terms relating to the authorization of the assignment between the appraiser and the client. I was assisted in the preparation of this report by Cynthia Nagy, in inspection, real estate research, and analysis functions

Cordially,

Steven Nagy

Steven E. Nagy, MAI
Arizona Certified General Appraiser 30136

CONTENTS

LIMITING AND CONTINGENT CONDITIONS

This appraisal report is subject to the following Limiting and Contingent Conditions:

1. The title is assumed to be held in fee simple, and is good and merchantable. All mortgages, liens, encumbrances, restrictions and servitude have been disregarded unless so specified within the report. No separate consideration has been given to a division of fractional interest, partial interests, or interests of tenants in possession and mortgage holders, excepting as specifically otherwise noted. The property is appraised as though under responsible ownership and competent management, and available for its highest and best use.

2. The appraiser carries no responsibility for legal matters connected with the subject property. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements are made a reasonable time in advance for such additional employment.

3. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.

4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser. The appraiser reserves the right to make such adjustments to the valuation herein reported, as may be required by consideration of additional data or more reliable data that may become available.

5. The appraisers assume no responsibility for economic or physical factors which may affect the opinions herein stated occurring at some date after the date of valuation.

6. Maps, plats, and exhibits included herein are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purposes, nor should they be removed from, reproduced, or used apart from this report.

7. That no opinion is expressed as to the value of subsurface oil, gas, or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

8. That no opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by a real estate appraiser.

9. That no detailed soil report covering the subject property was available to the appraisers. Therefore, premises as to soil qualities employed in this report are not conclusive. It is assumed that structures can be supported without major soil preparation cost or unusual foundation costs except to the extent considered in cost estimates in this report.

10. Disclosure and discussion regarding property zoning are limited to information available in currently published and readily available zoning maps and zoning ordinances.

11. It is assumed that all required licenses, permits, zoning, clearances, use clearances,

consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

12. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

13. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

14. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

15. If the property has improvements in place, it was assumed to be improved as described herein, in accordance with properly executed plans and specifications. The physical condition of any existing improvements described herein, are based on limited visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the conditions of mechanical equipment, plumbing or electrical components since complete tests were not conducted.

16. No consideration has been given in this appraisal as to the value of any personal property located on the premises, or the cost of moving or relocating such personal property; only the real estate has been considered for valuation.

17. That no warranties are made by virtue of this appraisal as to health and safety problems which may exist or which future evidence may show exists as a result of use of potentially hazardous or substandard material used in the construction or maintenance of the building, except as noted otherwise. The appraiser is not qualified to detect such substances as formaldehyde foam insulation, toxic waste, and/or the existence of asbestos materials which may be present on the property, or adjacent properties. Furthermore, the appraiser is not qualified to conduct a soil or material analysis to detect the possible presence of environmental contaminants at, below, or above the land surface of the site, or from external sources. Known existence of these substances or contaminants may adversely influence property value, and create liability for past, present and future owners and/or tenants. The appraiser accepts no responsibility for these items, or their ramifications on liability, marketability or value. Should the client or any other interested party have concern over the existence of such substances he is urged to retain the services of a qualified, independent engineer or contractor to determine the extent of the condition, and the cost of any required or desired treatment or removal. The cost must be borne by the client or owner of the property, but has not been considered in

the valuation contained herein.

18. It is assumed that the utilization of the land and any improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted within the report.

19. If improvements are addressed in this report, the distribution of the total valuation between land and improvements applies only under the reported highest and best use of the property. The allocation of value between land and improvements applies only under the program of property utilization presented, and is invalidated if the appraisal is used for any other purpose or function.

20. The appraiser cannot predict or evaluate potential effects of future wage or price control actions of the government upon rental income or financing of the subject property. It is assumed that no controls will apply which would impact the ability of the property to achieve market revenue, or nullify contractual agreements.

21. Virtually all land in Arizona is affected by pending or potential litigation by various Indian tribes claiming superior water rights for their reservations. The amounts claimed and the effects on other water users are largely undetermined, but the claims could result in some curtailment of water usage or ground water pumping on private land.

22. Statement of Policy. The following statements represent official policy of the *Appraisal Institute* with respect to neighborhood analysis and the appraisal of residential real estate:

    (a) It is improper to base a conclusion or opinion of value upon the premise that the racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property is necessary for maximum value.

    (b) Racial, religious, and ethnic factors are deemed unreliable predictors of value trends or price variance.

    (c) It is improper to base a conclusion or opinion of value, or a conclusion with respect to neighborhood trends, upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

23. This appraisal assumes the subject property complies with the requirements of the *ADA, Americans With Disabilities Act*. The appraiser is not qualified to analyze the existing or proposed improvements based on ADA compliance, or the reasonableness relating to modification to create compliance. The value estimate is predicated on the assumption that there is no lack of compliance that would cause a loss in value.

24. This appraisal assumes the subject property, as vacant or as improved, has no historical or archeological significance, unless specifically stated in the report. The value estimate is predicated on the assumption that no such condition exists which would restrict or enhance property rights associated with the property.

25. The projections of income and expenses, including reversion at the time of resale, are not predictions of the future. Rather, they are the best estimate of current market thinking of what future trends may be. No warranty or representation is made that these projections will actually materialize. The real estate market is constantly fluctuating and changing. It is not the task of the appraiser to determine the conditions of future real estate markets, but rather to monitor, analyze, reflect and report what the consensus of the investment community envisions for the future, and upon what assumptions investment decisions are based.

26. Use of the appraisal report by the client, or any other party, for any purpose, constitutes acceptance of the Limiting and Contingent Conditions, and terms relating to authorization or instructions of the appraisal/consulting assignment between the appraiser and the client. Liability of the appraiser, if any, relating to this assignment is limited to the fee paid for services rendered.

APPRAISAL SUMMARY

PROPERTY LOCATION:	1919 West Fairmont Drive, Tempe, Arizona
PROJECT/OWNER:	M697201X, I-10 Phoenix – Casa Grande L-C-143 (Former 7-10702) Owner: State of Arizona Occupant: Various Tenants
PROPERTY TYPE:	The subject property analyzed within this report, is an 82,421 s.f. office/industrial flex use building property, identified as Fairmont Commerce Center, on a 7.18 acre land parcel, zoned GID, General Industrial District, by the City of Tempe. The building was built in 1981 and modified in 2021-2022. This appraisal recognizes recent modification/reconstruction of the site and building improvements, and the property is suitable for marketing and increased occupancy.
PROPERTY INTEREST:	Leased Fee Interest
INTENDED USE:	The intended use of the report is assist the client decisions regarding disposition of the property. The client is the Arizona Department of Transportation on behalf of the State of Arizona, as owner of the property.
INTENDED USERS:	The intended users of this report are the Arizona Department of Transportation on behalf of the State of Arizona, and FHWA, their representatives and affiliated agencies.
SPECIAL CONSIDERATIONS:	Listed beginning on page 8
DATE OF INSPECTION:	January 5, 2022, January 20, 2022, August 18, 2022, December 14, 2022 by Steven Nagy
EFFECTIVE DATE OF APPRAISAL:	December 14, 2022
HIGHEST AND BEST USE:	Commercial/Industrial Use
ASSESSOR PARCEL NO.:	123-28-071, 123-28-072, 123-28-073B (Split)
FLOOD ZONE:	Zone X
CONCLUSION:	$10,300,000

INTRODUCTION

Property Identification

The property appraised is an 82,421 s.f. office/industrial flex use property, identified as Fairmont Commerce Center, on a 7.18 acre land parcel located at 1919 West Fairmont Drive, Tempe, Arizona. This property is referred to as the subject property, or the Larger Parcel, within this report.

Intended Use of the Report, Intended Users:

This appraisal report provides an opinion of the Market Value of the Leased Fee Interest in the property, This appraisal report provides an opinion of the Market Value of the Leased Fee Interest in the property, recognizing recent reconstruction of the site and building improvements, and the property is suitable for marketing and increased occupancy. The effective date of appraisal is December 14, 2022. The intended use of the report is to assist the client decisions regarding disposition of the property. The report is not to be used for any other purpose. The client is the Arizona Department of Transportation on behalf of the State of Arizona, as owner of the property. The intended users of this report are the Arizona Department of Transportation on behalf of the State of Arizona, and FHWA, their representatives and affiliated agencies. The report is not to be distributed to, or used by others, without written consent of Nagy Property Consultants, Inc.

Definitions:

Market Value[1] as used in this report, is defined as:

> 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.

"Leased Fee Interest[2]" as used in this report is defined as:

> "The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."

Definitions utilized in this report are also consistent with those indicated in the *Dictionary of Real Estate Appraisal* published by the Appraisal Institute, Chicago, Illinois.

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[1] *Arizona Revised Statutes,* 28-7091

[2] The *Dictionary of Real Estate Appraisal*, Appraisal Institute, Chicago, Illinois

Scope of the Appraisal

To effectively analyze the subject property and solve the appraisal problem, the appraiser has conducted a field inspection of the subject property and surrounding neighborhood, collected and considered pertinent demographic, economic, governmental and environmental data, analyzed supply, demand and absorption trends and the effect of these forces on the subject property, and have collected, confirmed and analyzed pertinent market data necessary for the conclusion of value. Information in the Location Overview and other segments of the report was compiled from many sources, including *Blue Chip Economic Forecast, Arizona Statistical Review, Arizona Business, Arizona Community Profiles*. Other data sources utilized throughout the report include the *Phoenix Metro Housing Study, Apartment Insights* by Real Data, Inc., market statistics provided by CoStar, economic and real estate statistics provided by the Arizona State University College of Business, WP Carey College of Business, and also by the Economic and Business Research Center of the University of Arizona, plus real estate investment statistical information in the *PwC Real Estate Investor Survey,* via PricewatershouseCoopers and the Appraisal Institute, and demographic and other information from ESRI via the Site to Do Business. Additional statistics and studies are referenced, such as those published by locally active commercial real estate brokerage firms, such as CBRE, Cushman & Wakefield of Arizona, Inc./DTZ/Cassidy Turley, Colliers International, Lee & Associates, and others.

The property addressed within this analysis is an 82,421 s.f. office/industrial flex use property, identified as Fairmont Commerce Center, on a 7.18 acre land parcel located at 1919 West Fairmont Drive, Tempe, Arizona. The land and building improvements at the subject property have recently been modified, reduced in size to accommodate I-10 freeway expansion/construction at the east side of the property. The subject property is the reduced size remainder property, that is intended to continue to operate as the multi-user Fairmont Commerce Center, after land, building and exterior improvements modification. This remainder property appears functional for the office-industrial flex use project it was originally designed for, with recent completion of site and building improvement modifications. The current owner of record is the State of Arizona.

The Site Description and Improvement Description analysis, is based on an on-site inspection of the property, along with review of assessor maps, property improvement modification plans, and other exhibits. The Highest and Best Use analysis considers market influences from a variety of perspectives. Market data was confirmed by examination of public recorded documents, such as Affidavit of Value, Deed, or Recorded Mortgage as indicated, as well as interviews with market participants whenever possible. The report considers information potentially derived from the Cost Approach, Income Approach, and Sales Comparison Approach, in estimating value for the property. The report relies on analysis from the Income Approach and Sales Comparison Approach to indicate estimated conclusions of value for the property as improved. Analysis by a Cost Approach is not utilized herein, as that approach is not likely to provide a reliable indication of value.

This appraisal analysis and conclusion are subject to various assumptions, beyond those within the Limiting and Contingent Conditions, as follows. The conclusions of this report are subject to change, if the assumptions change, or are not valid.

1. The size of the subject property, for both land and building improvements, is based on information provided by the client, supplemented by information on property modification improvement plans. The site size is derived from ADOT Right of Way Plans, indicating the existing (remainder) site size of 312,770 s.f. or 7.18 acres, assumed accurate. The site size differs from that indicated on county assessor records, as the county records do not indicate the recent site size change after land along the east side of the site was relinquished for planned freeway right of way use. The building area size is based on a compilation of tenant sizes from building lease exhibits for building suites 1 through 7 at 50,398 s.f., plus the size indicated on suite 8 building improvement plans of 32,023 s.f. for suite 8, totaling 82,421[1] s.f., assumed accurate.
2. The land, and the site and building improvements at the subject property have recently been modified, reduced in size to accommodate I-10 freeway expansion/construction at the east side of the property. The subject property is the reduced size remainder property, that is intended to continue to operate as the multi-user Fairmont Commerce Center, after land, building and exterior improvements modification. This modification/construction work was recently completed, needing additional interior improvement in Suite 8 to suit a tenant needs. This remainder property appears functional for the office-industrial flex use project it was originally designed for, pending final completion of site and building improvement modifications. A key determinant of this functionality opinion is parking availability and compatibility of the designed/intended use. The existing (new) site configuration of on-site parking has a total of 422 parking spaces, estimated to be adequate per zoning and estimated marketability standards for the combined back office and flex use industrial building uses. Specifically, the 442 space parking total accommodates a parking ratio of at least 3.3 parking spaces per 1,000 s.f. for the suites 1 through 6 as flex use industrial spaces in 29,416 s.f. or 36% of the overall building, and a parking ratio of at least 6.0 parking spaces per 1,000 s.f. for the suites 7 and 8 as back office flex use space in 53,005 s.f. or 64% of the overall building. The overall parking ratio is 5.1 parking spaces per 1,000 s.f. of building area. This appraisal analysis addresses the property as is, with the value conclusion including a cost allowance adjustment for the cost of property improvement modification completion, and marketing costs for occupancy of vacant space, as deemed appropriate.
3. The subject property had been acquired in 2000 by the State of Arizona, Arizona Department of Transportation (ADOT) as the current owner, for partial right of way purposes for the I-10 Freeway improvement project, typically referred to as the Broadway Curve project. It is analyzed now as the remainder property parcel, after the portion of the property needed for right of way, was segregated. This appraisal recognizes the existing and pending influence of the I-10 improvement project, rather than disregarding project influence under other valuation circumstances. Essentially, this I-10 improvement project retains the general alignment and access points of the existing freeway, adding additional lanes of traffic, with the intention of alleviating some of the

[1] 82,421 s.f. per building lease exhibits for building suites 1-7 of 53,005 s.f., plus the area calculation of 32,023 s.f. for suite 8 indicated on the suite 8 building improvement plans. This figure differs from a total building area of 82,817 s.f. indicated on the suite 8 building improvement plans.

traffic congestion that occurs in peak traffic time periods.

4. The appraiser has been provided with limited financial operating information for the subject property, that includes limited information on property operating expenses, plus revenue information from addendum and amendment excerpts of existing leases, but not full copies of leases, or property management reports. Other information indicates that the existing leases are structured on an industrial gross basis. The appraiser utilizes this information in this appraisal; without full leases and property management summary reports, it is assumed that existing leases are structured on an industrial gross basis, and that property operating expenses are typical of local real estate industry standards.
5. The client indicates that a cultural deed restriction exists encumbering a significant amount of the center and south site area, in the non-building footprint area, over approximately 3.23 acres. This is due to the potential presence of buried archaeological resources at the property, as determined by the Arizona State Historic Preservation Office (AZSHPO). It is estimated and assumed that the presence of this restriction is not disruptive to current or anticipated property use, with the existing configuration of building and site use. It potentially prohibits building expansion use, if building enlargement modification or property redevelopment is a future feasible option. The presence of the restriction does not definitively preclude property improvement changes, as an archaeological investigation of subterranean could clear an impacted area for alternative use. Otherwise it could constrain the future use flexibility for future change in use and expansion modifications. Interpretation of this restriction factor is considered in analysis herein of the property as improved.
6. A backup generator exists in a walled enclosure area, to the west rear side of suite 8. This is regarded as equipment, as movable personal property, not as a part of the real estate. This generator is disregarded in this appraisal report.
7. COVID-19 Statement: This appraisal analysis recognizes that the general economy and the real estate market is subject to a strong degree of uncertainty and potential disruption, as a result of the COVID-19 pandemic, as a situation that became evident beginning within the first several months of 2020, continued through 2021, with decreasing impact in 2022. This was and is an unexpected and relatively fast evolving occurrence that has potential local, regional, national and world wide negative impact. There are many moving parts in the current market situation, including temporary public interaction restrictions, temporary business closures, temporary layoffs, pending congressional legislation, stimulus programs, vaccine and treatment development timelines, and Federal Reserve actions. These have to settle out before any meaningful metrics can lead to substantive analysis. The range of impact on specific property values will vary based on local, regional and national economic indicators, and will likely vary depending on type of property. The appraisal analysis will consider all relevant factors on a case-by-case basis. Moving forward, appraisal analysis will look closely at economic indicators and market reactions with a cautious approach, rather than to make specific significant and immediate adjustments, because it is believed that institutional and other investors are astute and look beyond temporary market shocks. Employment levels, consumer confidence indices, and industry specific statistics will give better indications on what to expect as an outcome of this market disruption. As economic and real estate metrics become available, analytical assumptions may be adjusted accordingly. As of a current date, it is not considered wise to attempt to make widespread pricing-related risk adjustments before having input of meaningful data from important reliable economic indicators. As of 2022, it is known that various aspects of the economy and the real estate

market have been influenced differently; various residential and industrial real estate segments have recently been very progressive, while other hotel, office, retail and restaurant real estate market segments have experienced fluctuations or difficulties. Specifically for the subject property as a property that is analyzed as if compatible for industrial uses, as well as back office uses in a generally progressive submarket area, very recent activity in the local real estate market has shown strength in the industrial market, and mixed results with negative performance in the office market segment, particularly in back office properties. In this appraisal report, without knowing whether the COVID-19 impacts will be temporary or longer lasting, the analysis utilizes the recent pertinent information available, with a cautious upcoming outlook.

Environmental Considerations

Unless otherwise stated in this report, the existence of hazardous substances including, without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the properties, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such, during the appraiser's inspection. The appraiser is not qualified to test for hazardous substances or conditions. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated herein. It is assumed that the property is free of any environmental problems that may adversely affect value or marketability.

Appraisal History

I previously appraised this property in January 2022. I have performed no additional services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.

LEGAL DESCRIPTION

The appraiser was not provided with a specific legal description for the subject property. It is identified via public record as a portion of Lots 68, 69 and 70, Eaton Freeway Industrial Park, as recorded in Book 171 or Maps, Page 31, Records of Maricopa County, Arizona.

The property is identified via Maricopa County Assessor records, as a portion of tax parcel numbers 123-28-071, 123-28-072, and 123-28-073B.

The conclusions of this report are subject to change, based on clarification of legal description information, and matters of record.

PROPERTY SALE AND OPERATION HISTORY

An investigation of the subject property involving ownership transfers within the previous five years was conducted utilizing sources deemed reliable by the appraiser. One transaction occurred, summarized below. No additional known arms length transactions are known to have occurred in that time period.

Grantor:	BAR JCR PHX FLEX INVESTORS LLC
Grantee:	State of Arizona, Arizona Department of Transportation (ADOT)
Date:	March 31, 2020

This transaction represents the sale of the property, as the Fairmont Commerce Center, consisting of an 86,257 s.f. multi-tenant and flex use industrial use building, situated on a 7.964 acre site, originally built in 1981. It was purchased to accommodate right of way expansion of the adjacent I-10 freeway, for the Broadway Curve freeway improvement project. The property has subsequently been modified via a size reduction of the land and the building as a remainder property, analyzed in this appraisal report. The reconstruction/modification process for the site and building improvements was completed in 2022, except for completion of interior improvement in Suite 8. The owner, ADOT, intends to sell or otherwise dispose of the property.

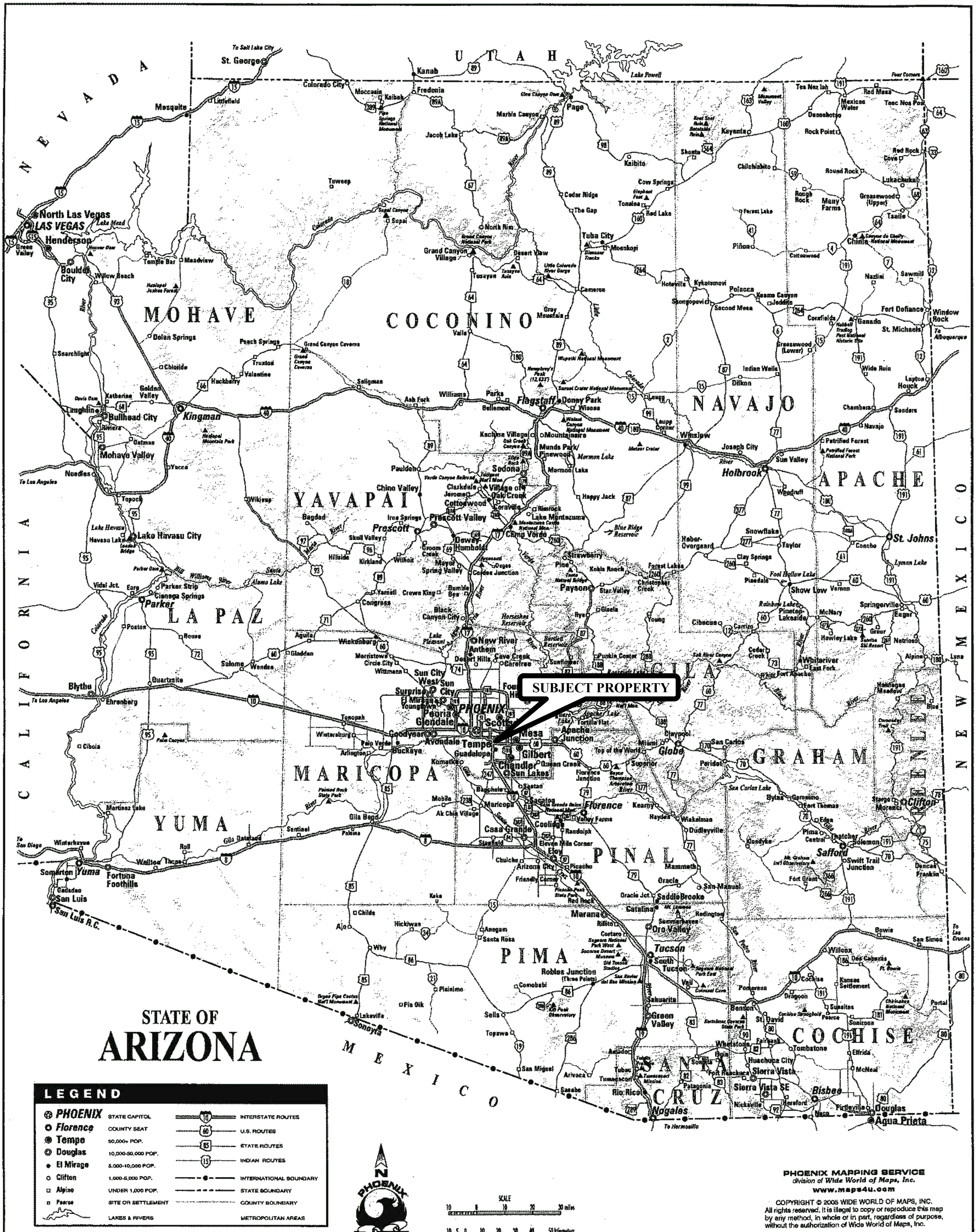
LOCATION OVERVIEW

State of Arizona

Arizona is located in the southwestern portion of the United States, contiguous to the states of California, Nevada, Utah, and New Mexico, and also borders the country of Mexico to the south. The state population was 7,151,502 persons as of the 2020 census, and the state land area is 113,998 square miles. The population density at 63 persons per square mile ranks it among the least densely populated states in the United States, in contrast to ranking 6th of 50 in total land area, and 14th in total population. Arizona ranks as one of the fastest growing population states in the nation with a recent 1.2% annual rate, versus the 0.7% national rate, and 12% over the past 10 years, and has been among the leaders in percentage job growth and other relative growth categories. The state population previously doubled between 1978 and 2000, compared to a 26% national increase during that time period. Arizona is anticipated to sustain a strong growth orientation; year 2030 population is likely to exceed 8 million, that will likely rank it 11th or 12th nationally in relative size.

The state is roughly divided on a northwest to southeast diagonal between the warm deserts south of the diagonal, and the high plateaus and mountains north of the diagonal. The high country winters are cold, the summers cool and pleasant. In the south-central portion of the state, where 85 percent of the people live, winters are warm and pleasant, and the summers hot and dry. Air conditioning of homes, offices, stores, and automobiles provides comfortable desert living year-round.

Population concentration has historically primarily occurred within the Phoenix and Tucson metropolitan areas, comprising approximately 60% and 15% of the state's total residents. These areas are expected to retain this dominant position because of established nature of the physical infrastructure, established economic mix, availability of privately owned land and housing opportunities, plus the attraction of existing resort facilities, retirement communities and warm climate. Satellite city areas such as Flagstaff in the north, Casa Grande between Phoenix and Tucson, and Yuma, in the southwest part of the state will continue to grow at moderate rates because of their appeal due to access, geographic proximity, tourism, physical characteristics, limited alternative areas of private land ownership, or a combination of all these factors. Growth patterns throughout Arizona are limited by the fact that only 17% of the state is owned by private parties. Significant major land holdings are for Indian Reservations, Federal Military Installations, National Forests, and State Trust Lands.


SUBJECT PROPERTY
STATE OF
ARIZONA
U T A H
N E V A D A
C A L I F O R N I A
N E W M E X I C O
M E X I C O
MOHAVE
COCONINO
NAVAJO
APACHE
YAVAPAI
LA PAZ
GILA
MARICOPA
GRAHAM
YUMA
PINAL
PIMA
COCHISE
SANTA CRUZ
PHOENIX
Tempe
Mesa
Scottsdale
Chandler
Gilbert
Glendale
Peoria
Flagstaff
Prescott
Tucson
Yuma
Kingman
Holbrook
Nogales
LEGEND
PHOENIX STATE CAPITOL
Florence COUNTY SEAT
Tempe 50,000+ POP.
Douglas 10,000-50,000 POP.
El Mirage 5,000-10,000 POP.
Clifton 1,000-5,000 POP.
Alpine UNDER 1,000 POP.
Pearce SITE OR SETTLEMENT
LAKES & RIVERS
INTERSTATE ROUTES
U.S. ROUTES
STATE ROUTES
INDIAN ROUTES
INTERNATIONAL BOUNDARY
STATE BOUNDARY
COUNTY BOUNDARY
METROPOLITAN AREAS
SCALE
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Phoenix Metropolitan Area

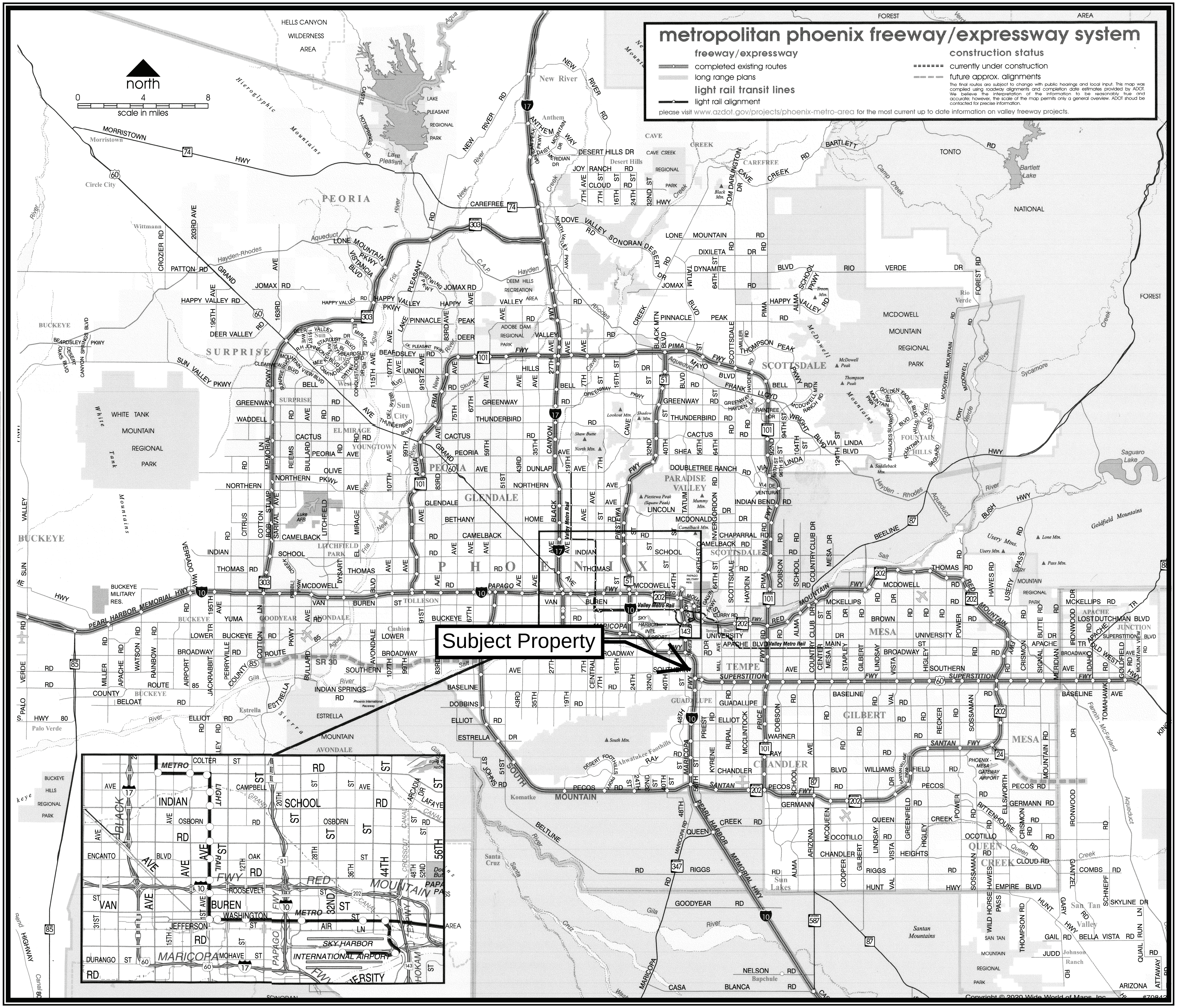
Location, Population, Employment and Economic Characteristics

The subject property is located in the southeast portion of the Phoenix metropolitan area, in the City of Tempe. This is a city approximately 184,000 persons adjacent to Phoenix, Scottsdale, Mesa and Chandler. Phoenix is the state capital, and dominant city in this region, with a population of approximately 1,650,000 persons, ranked as the fifth largest U.S. city. The Greater Phoenix area, consisting of Phoenix and the peripheral communities of Glendale, Peoria, Sun City, Scottsdale, Paradise Valley, Goodyear, Avondale, Tempe, Mesa, Chandler, Gilbert, and Apache Junction, has an estimated total population of approximately 4.3 million persons. These communities are primarily located within Maricopa County and also in the north part of Pinal County. Census Bureau statistics in 2010 indicate that Maricopa County had a population increase of 24.2% in the 2000-2010 time period, which was the 14th highest increase of counties in the United States in that period. Studies by the Arizona Department of Economic Security indicate that the metropolitan area population is projected to continue to increase at a rate of 1.5-2.5% per year in the current decade. This active growth rate will result in Phoenix maintaining a position among the top national growth areas, however recent figures have lagged. Population statistics for Arizona and the Greater Phoenix area are as follows.

MID YEAR POPULATION TOTALS AND PERCENT CHANGE

Year	Arizona		Maricopa County (Phoenix Metro)	
1990	3,680,800	2.5%	2,130,400	2.7%
1995	4,228,900	3.9%	2,454,525	4.2%
2000	5,181,925	2.5%	3,096,625	2.7%
2004	5,725,610	3.1%	3,466,592	3.4%
2005	5,924,476	3.5%	3,577,074	3.2%
2006	6,116,409	3.2%	3,663,915	2.4%
2007	6,274,981	2.6%	3,753,413	2.4%
2008	6,368,649	1.5%	3,808,829	1.5%
2009	6,389,081	0.3%	3,821,136	0.3%
2010	6,398,985	0.2%	3,824,083	0.1%
2011	6,425,167	0.4%	3,843,518	0.5%
2012	6,474,915	0.8%	3,884,967	1.1%
2013	6,546,491	1.1%	3,945,153	1.5%
2014	6,616,014	1.1%	4,004,060	1.5%
2015	6,701,021	1.3%	4,076,438	1.8%
2016	6,797,006	1.4%	4,154,976	1.9%
2017	6,884,547	1.3%	4,221,203	1.6%
2018	6,982,246	1.4%	4,293,823	1.7%
2019	7,082,093	1.4%	4,366,987	1.7%
2020	7,176,401	1.3%	4,436,704	1.6%
2021	7,294,587	1.6%	4,507,419	1.6%

Source: Office of Employment & Population Statistics, Arizona Dept. of Administration


metropolitan phoenix freeway/expressway system
freeway/expressway
completed existing routes
long range plans
light rail transit lines
light rail alignment
construction status
currently under construction
future approx. alignments
please visit www.azdot.gov/projects/phoenix-metro-area for the most current up to date information on valley freeway projects.
north
0 4 8
scale in miles
Subject Property
PHOENIX
SCOTTSDALE
GLENDALE
PEORIA
TEMPE
MESA
CHANDLER
GILBERT
SURPRISE
BUCKEYE
PARADISE VALLEY
SKY HARBOR INTERNATIONAL AIRPORT
PEARL HARBOR MEMORIAL HWY
PAPAGO FWY
RED MOUNTAIN FWY
SUPERSTITION FWY
SANTAN FWY

An analysis of the metropolitan area demographic information[1] indicates that the overall median age of the population is 36.3 years (versus the national median of 38.8 years), as of 2022 projections. Average household size is 2.7 persons. Twenty five percent of the population is comprised of under 25, and 16.1% is 65 or older. The median annual household income is approximately $69,494, compared to the US average of $64,730. Eighty-eight percent of the adults are high school graduates, while 42% are college graduates. Sixty-five percent of the housing is owner occupied, with a median home value for existing homes of approximately $460,000[2]. Local housing prices had increased significantly since 2000 up to 2006, then declined significantly by approximately 50% in 2007-2010, as a result of a major real estate correction, and reaction to the economic recession and banking industry turmoil, and have since surged to record levels in 2020-2022.

The extraordinary growth of the metropolitan area is primarily in response to the attractive sun-belt style of living, affordability based on housing costs and cost of living, expanding economic base, job creation, and central geographic location within the southwestern United States. The business climate and tax laws are favorable, and many national manufacturing concerns, primarily in electronics, have established large plants here and/or are in the process of expanding. Large firms which are present statewide include Banner Health System, Wal-Mart, Fry's Food Stores, Wells Fargo, Amazon, Honor Health[3], Dignity Health, Intel, and JP Morgan Chase which are among largest private sector employers, with 45,894, 33,619[4], 20,165, 16,700, 15,000, 12,163, 10,598, 10,400, and 10,000 employees, respectively. Other technology/electronic oriented, retail, and other types of major employers include American Airlines Group, Boeing, United Parcel Service, United Healthcare, Mayo Clinic, Raytheon[5], Freeport-McMoRan, Target, Apollo Group, Bashas, Arizona Public Service, and Abrazo Community Health. The largest employers are in government, healthcare, and retail. Other significant segments are in education, particularly university staffs. Aerospace and technology sector employers are present. Firms such as Freeport McMoRan, Best Western, U-Haul, Avnet, and Ramada Hotel Resorts have established national or regional headquarters in this area. The following chart lists major employer size in the state.

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[1] Phoenix metro area statistics, within a 40 mile radius of downtown Phoenix, per ESRI, via STDB, CCIM Institute.
[2] Arizona Regional MLS, median sale price, existing homes
[3] Combined entity of Scottsdale Healthcare and John C. Lincoln Hospitals
[4] A significant portion of the WalMart employees are located outside the Phoenix metropolitan area.
[5] Raytheon in Tucson only

MAJOR EMPLOYERS –TOTAL ARIZONA EMPLOYEES

Employer	No. of Employees	Employer	No. of Employees
Banner Health System.	47,000	Freeport-McMoRan	9,370
State of Arizona	41,847	JPMorgan Chase & Co.	9,200
Arizona State University	35,730	Bank of America	9,000
Walmart, Inc.	33,460	Grand Canyon University	8,682
Fry's Food Stores	21,738	Basha's Family of Stores	8,454
University of Arizona	20,462	American Express Co.	7,940
Wells Fargo & Co.	17,217	Honeywell International	7,661
City of Phoenix	14,858	State Farm	7,600
Maricopa County	13,933	Mayo Clinic	7,500
Intel Corp.	12,190	United Health Care of Arizona	7,056
HonorHealth	12,163	Arizona Public Service, Co.	5,911
Maricopa County Comm College Dist.	10,870	Phoenix Children's Hospital	5,580
Dignity Health Arizona	10,598	Salt River Project	5,286
Amazon.com, Inc.	9,500	Cigna	4,700

Source: *Business Journal*, *2020*. Employee totals are statewide.

The local area has been historically progressive relative to national and state averages, with recent declines, relating to key economic growth barometers, such as for unemployment levels and job growth statistics. This information is indicated in the following charts.

UNEMPLOYMENT RATES

Year	United States Unemployment	Arizona Unemployment	Greater Phoenix/ Maricopa County Unemployment
1990	5.5%	5.3%	4.3%
1994	6.1%	6.4%	4.7%
2000	4.0%	4.1%	3.3%
2002	5.8%	6.0%	5.7%
2004	5.5%	5.0%	4.5%
2005	5.1%	4.7%	4.1%
2006	4.6%	4.1%	3.7%
2007	4.6%	3.7%	3.3%
2008	5.8%	6.2%	5.5%
2009	9.3%	10.3%	9.3%
2010	9.6%	10.4%	9.6%
2011	8.9%	9.5%	8.7%
2012	8.1%	8.3%	7.4%
2013	7.4%	7.7%	6.7%
2014	6.2%	6.6%	5.9%
2015	5.3%	6.0%	5.2%
2016	4.9%	5.3%	4.6%
2017	4.4%	4.9%	4.2%
2018	4.1%	4.8%	4.5%
2019	3.5%	4.5%	3.6%
2020	6.5%	7.3%	6.9%

Source: US Bureau of Labor Statistics

GREATER PHOENIX/MARICOPA COUNTY ECONOMIC INDICATORS(1)

Year	Consumer Price Index % Change	Retail Sales % Change	Wage & Salary Employment % Change
1986	1.3%	18.8%	4.9%
1987	4.1%	3.5%	3.4%
1988	4.0%	4.1%	2.7%
1989	4.9%	6.0%	2.5%
1990	5.6%	2.4%	2.5%
1991	2.8%	1.8%	-0.7%
1992	2.7%	7.5%	1.2%
1993	4.1%	9.8%	4.6%
1994	3.3%	14.3%	6.8%
1995	5.0%	9.9%	6.3%
1996	4.6%	8.2%	7.0%
1997	4.1%	7.8%	5.6%
1998	1.6%[2]	7.9%	5.5%
1999	2.2%	10.4%	4.8%
2000	3.4%	8.3%	3.5%
2001	2.8%	1.4%	1.2%
2002	1.6%	0.1%	-0.1%
2003	2.3%	5.4%	1.5%
2004	2.7%	9.1%	3.9%
2005	3.4%	14.8%	6.2%
2006	3.2%	7.6%	5.4%
2007	2.8%	-0.1%	1.7%
2008	3.8%	-11.1%	-2.5%
2009	-0.4%	-11.2%	-7.8%
2010	1.6%	-0.7%	-1.9%
2011	3.2%	11.3%	1.5%
2012	2.1%	4.3%	2.5%
2013	1.5%	8.3%	2.9%
2014	1.6%	7.0%	2.3%
2015	0.1%	8.3%	3.4%
2016	1.3%	3.7%	3.4%
2017	2.1%	4.3%	3.0%
2018	2.4%	7.0%	3.4%
2019	1.8%	5.8%	3.3%
2020 (Forecast)	1.0%	-1.4%	-3.5%

(1) *Blue Chip Economic Forecast-Phoenix,* W P Carey School of Business, Arizona State University
(2) CPI figures in Phoenix area are discontinued. CPI figures here are national beginning 1998.

Figures in the preceding charts indicate that the Maricopa County/Phoenix metropolitan area unemployment rate typically is lower than the State rate, and lower than the national rate. The current rates reflect the recessionary impact of the COVID-19 crisis. The Arizona and local rate were at or above national rates in the 2009-2010 recessionary periods. The Phoenix metropolitan area (Maricopa County) usually has been to be able to maintain this edge for a long time period of time because of history of job growth, and migration attractiveness for both businesses and population. Job creation is a highly influential factor; it had been low in 2001-2003, but had been very progressive in the mid 2000's. This completely changed beginning with weak job growth in 2007, and significant declines in 2008 to 2010. The Phoenix area lost approximately 230,000 jobs in the recession time period of 2007-2010, and had recently recovered a majority of these jobs, prior to the 2020 downward impact of COVID-19. Statewide jobs declined from a peak of 2,676,000 jobs (wage and salary employment), by approximately 300,000 positions. In stable and progressive times, local and state job creation statistics have historically been higher than the national average, but now are modest or low per national averages. The job loss issues had strong negative impact on the already declining economy, and in the real estate market. Historic strengths in the employment sector is primarily in the high technology industries, construction, and tourism, in contrast to the previously dominant sectors of the economy prior to 1960, involving the four "C's" - Cotton, Copper, Cattle, and Citrus. A slow pace of recovery is evident as the end of 2011 into 2012 and 2013, then stronger in 2014 - 2019. Various forecasting sources indicate that Arizona is likely to regain strength and be among the leaders in the next decade for job growth, after the recent distressed period, at approximately 2.0%-4% annually, compared to modest average overall job growth for the United States as a whole. Recent annual statistics indicate approximately 68,000 jobs added in 2019 in Maricopa County, with emphasis in the east and southeast parts of the metropolitan area, then a decline of over 200,000 jobs in early 2020 due to the impact of COVID-19. The long term impact of the COVID-19 situation is unknown at this time, although the 2020 job losses have been recovered in most sectors, and the unemployment rate is very low. The recent overall growth trend is attributed to Arizona's reasonable level of wage rates, low levels of unionization, reasonable housing costs and cost of living, the proximity to California, and low population density. The on-going transportation infrastructure improvements in freeways, mass transit, and at the airport, will make the Phoenix metropolitan area more competitive and attractive location in the future.

Transportation Issues

The central geographic location of the Phoenix Metropolitan area within the southwestern United States, and established transportation linkages (Sky Harbor International Airport, Union Pacific Railroad/BNSF Railroad Co, Interstate Highway System, etc.), places it in a good logistical position for location of distribution and other business facilities. Various firms utilize Phoenix as a major transportation hub in the southwestern United States. Interstate highways link Phoenix directly to southern California and other southwest United States locations, and Mexico to the south. An existing network of railroad lines also serves the metropolitan area.

An on-going program in the metropolitan area involving freeway construction is one of the major factors influencing growth patterns in this decade. A 1985 bond issue, funded by a one-half percentage increase in sales tax, is the revenue source behind the initial 20-year program involving construction of a master plan concept involving 231 miles of freeways. This transportation funding source was approved by public vote for a 20 year extension in 2004. It provides for further progression and improvement of the freeway system, extension of the initial phase of the light rail system, expansion of bus routes, and other transportation projects. The initial freeway projects have progressed, and modified to coincide with priority and funding limitations. Work has been completed on the sections of a perimeter freeway loop system in the Glendale/Peoria/Northwest Phoenix area (the Agua Fria 101 Freeway), which includes a stack interchange at I-17, and direct connection to I-10 in southwest Phoenix. The 101 Pima Freeway has been completed through Scottsdale. The Piestewa (Squaw) Peak Parkway and inner loop section of the Papago Freeway have been completed in the central and east Phoenix areas, with construction on the 202 Red Mountain Freeway and Santan Freeway completed through Tempe, Mesa, Gilbert, and Chandler. The first phase extension into the San Tan area is complete as SR 24. Grand Avenue expressway improvements were completed in 2006, with further extensions planned. Improvement work on SR85 is complete, along with west portions of I-10, and north segments of I-17. Most recent completions are the 303 Bob Stump Memorial Parkway, as a west outer loop freeway, and the 22 mile South Mountain Freeway as a bypass route for I-10 in central Phoenix. Concept and design plans are progressing for State Route 30, as a reliever route south of I-10 in the southwest metropolitan area.

The massive freeway expansion is a response to increasing traffic congestion problems which have occurred throughout the developed areas of Phoenix. Problems are magnified because of inefficient distribution of development core areas, and physical constraints because of river or mountain geographic barriers. Initial freeway plans had been scaled back or altered in response to significantly escalating costs, funding short falls, and growth dynamics. Prior to the 2004 approval of the sales tax funding measure, various additional funding proposals had been considered, such as implementation of an additional half-cent sales tax, and use of toll roads, etc.

It is recognized that continuing large increases in the population will likely create strains on even the new freeway corridors, which will create future needs for transportation alternatives, such as the design of mass transit systems. Voters in the City of Phoenix approved funding the Proposition 2000 mass transit enhancement plan in March, 2000, via a 20 year, .4% city sales tax increase. This plan primarily involves expansion of bus lines and frequency of their scheduling, and creation of light rail (electric train) service. This approval came after voter rejection of a variety of mass transit plans in the central portion of the metropolitan area over the prior two decades. The initial $1.4 billion Valley Metro light rail system, extending 20 miles along city streets through parts of Phoenix, Tempe, and Mesa including their central core areas, began operating in December 2008. After two expansions, including a Sky Harbor Airport linkage, it currently extends 28.2 miles with termini at 19th Avenue/Dunlap Road in Phoenix, and Gilbert Road/Main Street in Mesa. Daily ridership is over 50,000 per day. Funding is in place for a 1.3 mile northwest extension to Metrocenter, and the 5.5 mile South Central/Downtown Hub extension to Baseline Road, in a design and initial acquisition/construction phase, both to be operational by 2024. Further expansions are anticipated, as the Capital/I-10 West extension, and West Phoenix/Glendale.

Phoenix Sky Harbor International Airport is the dominant airport in the state of Arizona. It is the 13th busiest airport in the United States in passenger volume, and 13th in aircraft movements. Passenger volume has increased from 13,422,764 in 1985, over 40 million in 2014, and was forecasted at over 53 million by 2020, tempered by the COVID-19 issues that have drastically cut travel. The dominant domestic carriers are American Airlines (via merger with U S Airways, as successor by acquisition by America West Airlines) and Southwest Airlines, operating out of a total of at least 60 gates. Over 15 carriers operate. Terminal facilities have been significantly expanded in the past 15 years; airline operation efficiency has been enhanced with the construction of a third runway which opened in October, 2000. Operation of this airport has been enhanced by expanding the west side of the airport via realignment of 24th Street in 2000. A consolidated rental car facility opened in 2009. A forth runway is planned but not built. A monorail transit system has been built to link terminals to parking lots, and to a transit station south of Washington Street at 42nd Street as a transfer point for the Valley Metro Light Rail system.

Real Estate and Development Activity

The Greater Phoenix Area has historically ranked among the top national areas in the real estate development and construction industries for multiple decades. This changed as of 2007-2010 when development activity declined drastically to minimal levels, corresponding with and following the time period of the national and regional recession. Building permit and construction activity for single-family residences dropped off first, followed by inactivity in most commercial, industrial, and multi-family segments of the market. Recovery trends now prevail, at varying paces depending on the real estate product type. Previous affordability levels in housing in the Phoenix metropolitan area, versus other national markets had declined due to dramatic increases in home values in 2004 and 2005, but then improved with significant downward price correction in the residential market in 2007 through approximately 2011. Arizona and the Phoenix area in particular, experienced some of the most significant declines in home values in the 2007-2011 time period compared to other US locations, averaging approximately 50%. The local market has subsequently experienced a very strong recovery, with prices in the strongest areas exceeding the prior levels, with strong appreciation even in the COVID-19 time period. The apartment market also saw significant declines in those time periods, with very strong recovery and resurgence particularly in the east and central submarket areas. In the commercial segments of the market, the office market has been among the weakest segments, where vacancy rates had previously risen to over 20%, but began trending down as of late 2003 with further significant improvement into 2005 and 2006. These vacancies climbed to record high levels near 25% in late 2008 into 2009-2011. Significant improvement has occurred in 2013-2020, with the increased with the impact of the COVID-19 situation. The industrial segment of the market experienced weak demand in 2001 and 2002, with significant strength in 2003-2007, then weakness and rising vacancies occurred due to the recession and overbuilding in 2008 into 2010. Recovery in absorption of vacant space began as of 2011 into 2012-2020, inspiring new large-scale project development. The 2020-2022 time period has been dramatically active in industrial development with strong absorption. The retail segment of the market has problems in large spaces where come big box tenants have vacated, and in small shop spaces in weaker market areas. Retail space marketability and longevity is hampered both locally and nationally by changing consumer trends and habits, particularly by the emerging very strong influence of e-commerce on-line shopping, impacting a decline in sales and traffic volumes at traditional brick and mortar store locations. Several significant sized retailers have closed Phoenix area operations, or have consolidated, creating large vacancies in a variety of retail centers, which adversely impacts customer traffic flow and sale volumes. These retail trends had recently stabilized, and the retail market is improving with declining vacancies and increasing revenues, helped by a low level of new competitive development. The entire commercial real estate market had been vulnerable to downward value trends, with recent significant recovery, now potentially impacted to a negative extent by the COVID-19 situation, particularly for restaurant, hospitality, entertainment, and various retail properties. Despite market improvements, various properties with location and design feature limitations still have current value potential that is below replacement value.

Residential building permit statistics are summarized in the following chart.

PHOENIX METROPOLITAN AREA RESIDENTIAL BUILDING PERMIT STATISTICS

Year	Total Building Permits	Single Family Permits	Townhouse Permits	Apartment Permits
1985	50,162	19,432	6,617	24,113
1987	27,494	15,944	3,123	8,427
1989	13,508	11,194	625	1,689
1990	12,973	10,633	449	1,891
1991	14,687	13,492	485	710
1992	20,129	18,329	566	1,234
1993	24,302	21,896	600	1,799
1994	33,853	26,626	1,212	6,015
1995	36,414	26,824	1,599	7,991
1996	38,146	28,157	1,456	8,533
1997	39,097	29,124	2,174	7,799
1998	43,213	33,811	1,525	7,877
1999	42,465	33,252	1,454	7,759
2000	42,737	32,494	2,234	8,009
2001	41,869	32,867	1,801	7,201
2002	41,386	34,309	1,487	5,607
2003	46,382	39,652	1,894	4,836
2004	55,730	48,136	2,597	4,997
2005	51,032	43,256	4,526	3,250
2006	38,085	27,976	6,187	3,922
2007	35,761	21,882	7,203	6,676
2008	17,798	10,348	1,085	6,365
2009	7,553	6,355	561	637
2010	6,373	5,612	353	1088
2011	8,746	6,284	501	1,784
2012	15,651	11,615		4,036
2013	18,553	12,765		5,788
2014	20,341	11,557		8,784
2015	22,402	16,621		5,781
2016	28,583	18,433		9,579
2017	29,653	20,551		8,598
2018	30,574	23,526		7,048
2019	35,035	25,026		10,009
2020	47,331	31,658		15,673
2021	50,621	35,188		15,433

Review of the housing activity statistics reveals an active and increasing market over the past five years, with continued strength moving forward, with very strong activity in the COVID-19 time period as interest rates remain low and demand high. Historically, the single-family residential segment of the market had been extremely active for over ten years prior to 2008. The local market, as well as the national market, experienced a significant downward correction in values and construction activity beginning in 2006, corresponding with the recession, extending into 2011. Housing prices had made a substantial recovery beginning in 2011 into 2013, then progressed to the current period. This market had been impacted by national and worldwide distress relating to housing, credit, and financial constraints, at a magnitude that is unprecedented since the 1930's. Local housing starts/permits had declined more than 80% since peak periods of 2004 and 2005; this has impacted drastic decline in housing prices after a time period of rapid escalation, and also impacts a strong decline in land prices for development sites, since recovered. The magnitude of these changes and recovery patterns varies between submarket areas. The most favorable areas have been in the east and north areas, corresponding to the areas that have attracted the most new jobs, with lingering weakness in some other areas. The Phoenix area has and typically is ranked among the top three or four most active housing markets in the United States, even when the market is down, but was essentially inactive for three to four years after 2006. New home building activity began a resurgence in late 2011 into 2012 then has continued. Buyer demand for new homes has moderately declined in mid-2013 through 2014, and has increased in 2015 and beyond. The residential resale market had been dominated by distressed sales of foreclosure and short sale properties during the down years, with minimal current influence. Continuing progression in the housing market is anticipated in the next 12-24 months, as general economic conditions and employment strength continue, despite COVID-19 impact. There has been a COVID-fueled suburban migration that has benefited single-family residential demand, with an increase in building permits at a time when inventory of resale homes is low. Median re-sale home prices had increased to over $260,000 at the height of the market in 2005-2006, then moved significantly downward to less than $120,000 by 2008 to 2010, and have moved back and recently appreciated strongly to approximately $410,000 (over $500,000 for new homes). The previous explosive nature of the population growth, and real estate development activity had a geographic expansive influence on development trends. This activity over the prior decade pushed active development areas into the far reaches of the county, such as rural portions of southwest Maricopa County. This curtailed for several years, however development in the outlying areas has now increased.

The apartment segment of the residential market is currently very active in development and investment activity. It had previously declined drastically in the four to five years following 2007, as it had been plagued by a degree of over building, high vacancy, and competition from rentals of single-family homes. Prior to 2007, apartment vacancy rates had been generally stable, as the economy continued to support new jobs and residents, alternative single-family housing affordability declined, and condominium conversion of apartments had depleted a portion of the inventory. However, in 2008 into 2010, a significant decline in jobs, and economic distress of a variety of typical apartment occupants, impacted increased vacancies, and a drop in rent rates. New project construction stopped for roughly four years, and many over-leveraged or otherwise distressed properties were sold via foreclosure. The time period of 2011 into 2013, 2014, and continuing into 2015 - 2022 has shown strong increases in occupancy levels and rental rates. Significant development activity has occurred over the past six years, particularly in the moderate to high-end submarket areas. Investors have recently been very active in the market, with recent sale prices significantly increasing. Transactions show aggressively low capitalization rates. Single-family residential projects are likely to remain as the dominant housing opportunity in the metropolitan area, with master-planned communities influencing current and future housing trends. The master-planned areas provide interaction between housing, shopping, and employment land uses in a coordinated environment. However, since the millennial generation is slow to enter the home buying market, the apartment market remains strong, particularly in the strong employment areas in east, central and some north metropolitan area locations. A new and initially strong trend evolved locally in the mid 2000's involving construction of luxury residential condominiums, with several in mid-rise and high-rise structures, but has since declined as there was not much depth to that market, particularly during difficult economic times.

Commercial and industrial development activity has historically been attractive to investors and construction firms in Maricopa County/Phoenix Metropolitan area because of the historically expansive population base and strong local economy. The activity had declined in recent years due to economic duress, and significant market correction, with recent strong resurgence. The statistics on the next page are excerpts from several sources, including the Cushman & Wakefield *Marketbeat* Reports, and *CoStar*, involving inventory, occupancy levels, and absorption levels.

REAL ESTATE BUILDING INVENTORY STATISTICS
MAJOR PROPERTY USE CATEGORY SUMMARIES-METRO PHOENIX[1]

Year	Office Inventory	Office Vacancy	Office Absorption	Industrial Inventory	Indust. Vacancy	Industrial Absorption	Retail Inventory	Retail Vacancy	Retail Absorption
1977	9.0	--	--	15.0	--	--	27.2	--	--
1985	27.4	22%	3.5	33.5	16%	2.9	41.50	7%	1.5
1986	32.8	23%	3.4	38.7	24%	1.7	46.61	9%	1.8
1987	33.6	21%	3.0	41.8	25%	2.1	50.57	10%	3.3
1988	35.9	21%	2.1	44.7	22%	3.3	53.77	12%	3.2
1989	39.5	23%	1.7	44.7	22%	2.9	57.67	13%	1.9
1990	38.6	26%	2.1	44.8	23%	1.0	62.73	14%	1.4
1991	38.8	25%	1.2	45.0	21%	.6	66.05	14%	2.2
1992	38.8	22%	1.5	45.9	18%	1.8	66.99	13%	1.0
1993	38.8	19%	1.7	45.1	14%	1.8	68.11	11%	2.9
1994	38.8	14%	2.0	45.8	11%	2.3	72.89	10%	2.5
1995	39.7	13%	2.8	78.3	13%	4.0	74.20	9%	3.1
1996	42.2	11%	1.3	84.7	11%	5.3	77.26	9%	2.5
1997	41.9	10%	1.7	78.8	11%	3.8	76.92	8%	2.3
1998	44.3	10%	2.1	85.0	13%	4.0	77.52	7%	2.2
1999	45.0	11%	2.3	91.4	13%	5.8	83.45	7%	2.1
2000	48.3	11%	2.5	221.5	6.4%	4.3	87.37	6%	3.0
2001	51.8	16%	0.5	224.5	8.4%	0.5	92.50	7%	4.0
2002	54.2	22%	(0.5)	228.8	10.8%	1.3	99.20	8%	5.0
2003	53.5	20%	0.7	232.4	11.4%	1.6	101.82	6%	5.5
2004	130.0	14.8%	4.5	249.4	9.5%	7.7	104.81	5%	4.1
2005	134.3	11.9%	7.6	256.2	7.5%	11.2	113.46	5%	5.9
2006	140.3	10.7%	7.0	264.8	7.8%	7.1	125.06	6%	1.9
2007	148.7	13.8%	2.9	275.6	9.5%	5.5	204.7	6.6%	9.8
2008	156.3	18.4%	(0.7)	287.3	13.7%	(1.6)	213.7	9.4%	2.6
2009	158.7	20.9%	(1.9)	291.0	16.5%	(4.8)	216.8	11.9%	(2.8)
2010	160.1	21.2%	(0.5)	292.4	15.3%	4.5	217.6	12.4%	(0.2)
2011	160.8	20.9%	1.0	293.2	13.2%	7.0	218.2	12.5%	0.4
2012	162.1	19.5%	3.3	295.9	12.0%	6.0	218.8	11.5%	2.6
2013	162.0	18.4%	1.7	301.3	12.2%	4.0	219.8	10.7%	2.5
2014	162.9	17.1%	2.8	308.1	11.7%	7.6	219.9	9.8%	2.1
2015	165.7	16.4%	3.6	312.4	10.5%	7.5	220.5	9.3%	1.7
2016	101.1	17.6%	3.6	305.4	9.1%	7.4	135.0	11.2%	1.5
2017	102.3	17.4%	1.4	310.6	7.9%	8.5	137.1	9.8%	2.2
2018	102.9	15.6%	2.8	319.0	7.2%	7.6	138.0	8.7%	1.8
2019	105.7	14.4%	2.9	327.5	6.4%	8.7	136.2	8.5%	0.5
2020	91.5	15.4%	(1.9)	345.6	7.8%	14.6	136.7	8.9%	0.5
2021	94.5	22.5%	(2.4)	357.6	4.8%	27.0	137.8	7.9%	1.4

(1)Sources: Combination of Cushman & Wakefield (previously DTZ, Cassidy Turley-BRE Commercial LLC, and Grubb & Ellis-BRE Commercial LLC), and CoStar for figures since 2004 (2007 in the Retail category). Reclassification of inventory and change in criteria, changed inventory totals in 2016. Inventory figures in millions of square feet, for non-owner occupied buildings for 1997 to 2003 data, total market for 2004 and beyond, then owner occupancy in 2016 . Absorption figures reflect net absorption, since 2000. Annual inventory totals reflect periodic changes in the classification via size and type of buildings that are included in each category, including new construction and for changes in owner vs. tenant use, therefore changes in total inventory figures in space do not necessarily reflect exact total year by year changes. Some inconsistencies exist in the data because reporting guidelines of the research sources have changed at various points in time.

The general characteristics of the current real estate market, involving three major use categories (office, industrial, and retail) has historically been characterized as moderate to strong, but had been impacted by lack of a significant volume of transaction activity except in distressed property, negative absorption, and distress for many property types in the 2008 to 2011 time period. Significant recovery trends and market strength have been evident since 2012, with potential partial moderation or decline in 2020 as a result of the COVID-19 situation. Historically, the market has experienced several cycles. A long period of real estate market expansion occurred in the mid to late 1980's, following a period of market correction, and relatively difficult real estate market conditions which had prevailed during the late 1980's into the early-mid 1990's with the savings and loan crisis. Recovery occurred in the mid to late 1990's, followed by economic and real estate weakness in 2000-2003. The market rebounded strongly in 2004-2006, then began to experience weakness in 2007. In the time period of approximately 2008 –2011, economic distress and the impact of recession had a negative impact on employment, consumer spending habits, and viability and demand for various users of retail, office and industrial properties. Vacancy rates significantly increased, and highly competitive factors are resulting in a decline in lease rates, and investor outlook has become very conservative resulting in increased capitalization rates. These factors, combined with extremely tight credit policies in the distressed banking/lending industry, has resulted in a reduction in value potential for nearly all product types. The most recent years in 2013 to 2019 show recovery as most product types, directly related to improvement in overall economic conditions, then disruption of the progressive trends in 2020 due to the COVID-19 crisis. Statistical evidence of these situations was presented in charts on previous pages. A brief synopsis of the status of major real estate use categories is as follows:

In the ***office*** category, the market has experienced progress in recovery over the past several years, evidenced by declines in vacancy rates and a moderate level of new project development. Vacancies had declined to approximately 14% as of early 2020 as a dramatic improvement over historic high levels in the past decade at nearly 25%, and have increased due to the COVID influence. A recovery trend is generally evident since 2012, with recent strong absorption, and low to moderate levels of recent new construction. A majority of the new project construction and absorption has been in the southeast market areas, with additional absorption in the Camelback and Scottsdale submarkets. The entire market was nearly void of new construction in 2009 –2013, except for completion of prior approved projects. Recent new construction involves build to suit projects for users such as State Farm Insurance, General Motors, Go Daddy, and Garmin. Limited speculative construction has emerged in 2015 –2020, such as at Tempe Town Lake, Scottsdale, and in the Price Road corridor, with none in the west areas and most of the central area. A variety of significant office projects had been sold at low distressed prices, during the economic downturn; the market is now recovering however some are still selling at well below reproduction cost in weaker submarket areas. The most recent years have seen a strong level of absorption, with nearly half in the Tempe submarket. Other active areas are in other southeast areas such as Chandler and Gilbert, in Scottsdale, and central Phoenix including adaptive reuse space in the Warehouse District. 2020 saw disruption in the office market with negative absorption in the second half due to the impact of COVID-19 from an economic perspective, and a semi-permanent partial shift away from office space for some users. Gradually improving conditions will likely continue to prevail for several years, impacted by strong levels of employment increases.

The ***industrial*** segment of the market has been cyclical over the past decade or more. It is currently experiencing significant strength with a decline in vacancies in most submarkets, with particular strength in moderate and large sized distribution space. Historically, the industrial segment of the market had been very strong in the mid 2000's, but then experienced the negative impact of the local and national recession. Industrial vacancies reached a record high level in 2009, at approximately 16%, an increase of over 8% over the prior three years. Absorption figures were negative in 2008 to 2010. Recovery with moderate to significant absorption began in 2011, and continues. The supply of new projects had been down drastically in 2009, and generally stopped in 2010 and 2011. A resurgence of lease/absorption activity, and construction began in 2011, and has carried forward into 2015-2020, particularly in distribution facilities in the southwest valley, facilitated by I-10 freeway and rail transportation linkages, and recent new construction in the southeast valley. The COVID impacted time period since 2020 has be dramatically strong for industrial properties, with significant new construction. The Loop 202 freeway completion in the southeast valley has opened more opportunities, and the recent completion of the South Mountain 202 Freeway is inspiring new investment and development in the west submarkets to supplement the distribution facility growth. Strong new activity is evident in the west valley in the 303 Freeway corridor area. The largest areas of new project development have been in Southwest Phoenix, the 303 corridor area in Goodyear into points north, Mesa, Gilbert and Chandler. Strong demand has kept pace with new construction, as vacancy has declined despite increases in inventory. Significant activity in leasing and development is from very large fulfillment centers, related to increasing internet commerce of moderate and large sized companies. In the past several years, the investment market for purchase of industrial properties has improved, with prices on well located properties recovering to levels at or above that of pre-recession in the mid 2000's. The industrial segment of the overall real estate market has remained robust even through the COVID-19 time period, particularly for the fulfillment and distribution type properties.

The ***retail*** segment of the market has experienced a renewal beginning in 2012 and moving forward, after very difficult conditions in 2007 to 2011. The retail market had a very rough period during the recession and sharp decline in the housing market when population growth significantly slowed, employment levels dropped, and construction in the housing market effectively stopped. The retail market had been forced to adjust to declining economics, to the extent that several retail businesses have consolidated or closed, including several significantly large retailers, such as Mervyn's, Linen's N Things, Circuit City, Sports Authority, and Sam's Club, plus several furniture stores and other sporting goods retailers. This trend toward some closures continue, as some retailers close, downsize or otherwise adjust to changing consumer trends and habits, particularly by the emerging very strong influence of e-commerce on-line shopping, impacting a decline in sales and traffic volumes at traditional brick and mortar store locations. This has impacted regional mall tenants significantly, leading to significant weaknesses in that type of property. The ecommerce changes help a segment of the industrial market, and have a negative impact on retail space. Negative pressure is evident relating to the COVID-19 situation, particularly for properties where users involve restaurant or personal service businesses. A degree of new construction and positive absorption continues with neighborhood shopping centers, with modestly increasing trends in lease rates throughout the market. New construction is expected to remain at moderate levels in the next few years.

The ***tourism/hospitality*** segment of the market continues to play a vital role in the metropolitan area economy as visitors are attracted by the climate and relatively unique desert oriented scenic attractions. It is one of the largest single segments of the Arizona economy. Travel spending as of 2018 in Arizona is estimated at $24.4 billion, of which $16.1 billion is in the Phoenix metropolitan area (Maricopa County, Central Arizona). The industry has experienced operating difficulties nationally, regionally, and locally in the 2008 and 2009 time periods, corresponding to the national and worldwide recession, then dramatically improved in the 2012 – 2020 time period, and is now negatively impacted by the COVID-19 circumstances in 2020 to a very significant extent. Hotel guestroom inventory more than doubled from approximately 24,000 in 1985 to 52,200 in 2000, 60,572 in 2010, with current total of approximately 66,000. A surge in room inventory occurred in 2008 and 2009 despite economic duress, and other negative impacts on Arizona tourism and convention attendance (such as the negative reaction to Arizona enactments of immigration legislation), as several majors projects were already funded and in process for those completion dates. New hotel development activity was minimal in 2012 and 2013, and declined by 2014 due to some closures. Near term development pace over the past 6 years has improved, with recovery in occupancies, financial performance, and value potential, with drastic decline as of mid 2020. The following table indicates recent and historic statistics relating to hotel/motel operations in the Phoenix metropolitan area.

METROPOLITAN PHOENIX LODGING INDUSTRY

YEAR	OCCUPANCY	AVERAGE DAILY RATE	REV PAR
1999	61.5%	$96.70	$59.48
2000	62.1%	$98.49	$61.10
2001	58.5%	$96.89	$56.70
2002	57.7%	$92.22	$53.26
2003	59.4%	$92.66	$55.03
2004	63.7%	$95.74	$60.97
2005	67.1%	$102.83	$68.98
2006	68.2%	$113.27	$77.22
2007	66.9%	$120.80	$80.76
2008	59.4%	$124.93	$74.15
2009	52.1%	$106.41	$55.42
2010	55.8%	$100.62	$56.17
2011	57.9%	$103.96	$60.22
2012	57.7%	$106.07	$61.19
2013	59.8%	$108.87	$65.11
2014	63.1%	$114.05	$71.92
2015	65.9%	$121.09	$79.77
2017	66.4%	$120.49	$80.01
2018	69.6%	$129.63	$90.00
2019	70.7%	$133.36	$94.23

Source: CHM Warnick/STR Smith Travel Research

Conclusion

In conclusion, Arizona and the Phoenix metropolitan area has been in a strong period of an economic and real estate cycle, corresponding to strengths in the national economy, following a very difficult time period of several years due to the impact of the national recession, and the correction that had previously occurred in the real estate markets. The recent 2020 COVID-19 situation has disrupted the economic and real estate patterns, but to uneven extents for different property types with particular strength in the residential and industrial market segments. Certain geographic areas of particular strength or weakness will continue to exist. The most recent situation of several years was demonstrated by the statistics on building permits, and industrial/office/retail inventory figures on previous pages. Over time, the overall characteristics of the market are expected to remain progressive. In the long run, the favorable climate, expansive economic base, population increase projections, demographic characteristics of the relatively young, active population, and the growth stage of economic development (versus a mature stable environment) in the Phoenix metropolitan area, will influence general expansion, and appreciation of overall property values in the metropolitan area.

References:

Metro Phoenix Blue Chip Economic Forecast, Arizona State University
Western States Blue Chip Economic Forecast, Arizona State University
Arizona Business, Arizona State University
Book of Lists, The Business Journal of Phoenix
Arizona Community Profiles, Arizona Department of Commerce
Arizona Economic Trends, Arizona Department of Economic Security
US Census Data
STDB, Site To Do Business (Demographic Analysis), CCIM Institute

Local Data

City of Tempe

The subject property is specifically located in the west portion of the City of Tempe. Tempe, a city of approximately 180,587 persons according to the 2020 U.S. Census figures, as Arizona's seventh largest city. The current estimated population is approximately 184,000. It was originally settled in 1874 as "Haydens Ferry", and incorporated as the Town of Tempe in 1894, with a land area of 1.8 square miles adjacent to the Salt River. It was recognized as the City of Tempe in 1929. Population grew gradually during the first half of the twentieth century, with 2,906 in 1940, then expanded to 7,700 by 1950 in a 2.76 square mile area. The population grew dramatically after 1950, with 24,000 in 1960, 63,000 in 1970, 117,000 in 1980, 147,000 in 1990, 158,025 in 2000, and 161,719 in 2010. Annexation of land occurred principally in the 1950-1980 time period; the city currently has 40.3 square miles within its jurisdiction. The expansion has extended city limits to bordering communities, therefore only the city land growth is nearly complete excepting the presence of a few "county islands."

Tempe has grown to be one of the most significant cities in the Phoenix metropolitan area, with a well developed and diversified economic base. Core industries are businesses and institutions related to education, finance, insurance, real estate, high technology, manufacturing, retail, and tourism. Tempe is the home to the main campus of Arizona State University (ASU), with approximately 53,000 students at this campus. Top employers are ASU and the Maricopa County Community College District, SRP, Safeway, Wells Fargo, State Farm Insurance, Freescale Semiconductor (Motorola), Honeywell, Kyrene School District, Chase Bank, American Airlines (US Airways), City of Tempe, and Insight Direct. This economic base is a dramatic shift away from its original agricultural oriented origins, to the point where agricultural uses have nearly been eliminated.

The strength of the economic base in Tempe is related to the strategic location of this city within the Phoenix metropolitan area. The location characteristics are bolstered by the current freeway transportation access, via the I-10 Freeway which extends across Arizona and the southwest US, locally from central Phoenix into Tempe and then beyond to Tucson, and also the Superstition Freeway US 60 that extends in an east/west direction through the entire southeast valley. Additional newer freeway linkages have dramatically enhanced accessibility, such as the Red Mountain Freeway extending in a general east/west direction across north Tempe from Phoenix to the west into Mesa to the east, locally primarily north of Tempe Town Lake and the Salt River, plus the Price Freeway (at the Price Road alignment) directly linking to Scottsdale to the north, and Chandler to the South. Sky Harbor International Airport (Phoenix) is within a 10-15 minute drive to the west. Transportation linkage has been further enhanced with improvements in mass transit, through regional expansion of the bus system, and creation of the Metro light rail system. The initial 20 mile network of Metro Light Rail tracks extended from the Phoenix Spectrum Mall area at 19th Avenue and Bethany Home Road, to central Mesa. The route directly links downtown Tempe to the airport area, along with downtown Phoenix. The initial 20 mile segment of this project was completed in 2008, with a northwest extension of several miles completed in 2014, and a Mesa extension opened in 2015. Phoenix voters in 2015 approved a 35 year sales tax funding measure for mass transit expansion, including expanding light rail.

Tempe is the home of the main campus of Arizona State University (ASU), which is a major influence in the community. This overall institution has a current enrollment of approximately 75,000 students, with approximately 53,000 on the main Tempe campus ranking it as one of the largest universities in the United States. Students, faculty, and staff make up a significant portion of the population of Tempe. ASU research sources indicate that total annual economic impact produced by the spending of the university, its students and employees, and university visitors produces a gross product of $3.6 billion in the state. ASU was responsible for 47,650 jobs in FY 2016 with a labor income of $2.4 billion; 11,360 direct jobs are at the Tempe campus. The University has seen consistent enrollment increases in recent years, and is established in many major fields of study. The 700-acre main campus is located in the northern portion of Tempe; student and staff provide primary demand for apartments and commercial developments in the area. The University also operates coordinated programs at large and small satellite campus sites, most notably at ASU West (300 acres in Glendale), ASU Downtown Phoenix, and the ASU Polytechnic Campus (Mesa, on 600 acres at the former Williams Air Force Base). The Downtown Phoenix campus initiated classes in Fall 2006, and has expanded to include several of the ASU colleges such as the College of Nursing, School of Journalism, and College of Law, permanently locating at the Downtown campus. The Metro light rail system provides a direct and efficient transportation link between the main Tempe Campus and the downtown Phoenix campus. ASU has affiliations with several private sector/corporate groups, which are located on the main campus, the 300-acre ASU Research Park in southeast Tempe, and the 42-acre SkySong-ASU Scottsdale Innovation Center in Scottsdale. The main campus facilities have been expanded in the past 2 decades, adding a new College of Architecture building, the Fine Arts building, the University Services Building, Interdisciplinary Science and Technology Buildings, Biodesign Buildings, other classroom buildings, significant expansion has been made to the Hayden Library, Memorial Union, College of Business, and parking facilities. New facilities for the Honors College were recently completed. Sun Devil Stadium hosts the ASU football team, and the Insight Bowl; it previously hosted the NFL Arizona Cardinals, and Fiesta Bowl before their move to a new stadium in Glendale. A $256 million stadium renovation is in process. The Grady Gammage Memorial Auditorium, a significant theatrical production and concert venue designed by Frank Lloyd Wright, is located on the main campus. Proposals are pending for new and significant main campus expansion projects, including development of a mixed use commercial project with a conference center with a 300 room hotel plus meeting space, at Mill Avenue and University Drive. A city block north of University Drive on College Avenue has been developed with a new 130,000 s.f. mixed use classroom, auditorium and retail structure. ASU facilitated a long-term ground lease agreement for development of the very large regional office complex for State Farm Insurance on approximately 20 acres of land directly adjacent to Tempe Town Lake. This 2 million square feet office complex was complete as of

2017, intended as an employment hub for approximately 8,000, to become a highly significant employment center for the region.

The most dramatic pending project for the ASU area is the current plan to implement redevelopment of northeast part of the university campus, as a 330-acre mixed-use development project, known as the Athletic Facilities District (AFD). It is now marketed as the Novus Innovation Corridor, planned for mixed use private sector development on long term ground use sites. The Novus Innovation Corridor is a venture owned and controlled by ASU and the Arizona Board of Regents, in conjunction with their master developer partner Catellus Development Corporation. This overall 330 acre project land area has been a portion of the ASU campus for an extended period of time of many decades, and currently includes the former fraternity and sorority housing area, the Sun Angel track stadium, tennis facility, Packard Baseball Stadium, and the Karsten Golf Course. These facilities are being phased out, with their activities being relocated to other parts of the campus or to off campus locations. The Novus – Athletic Facilities District land use concept has been created as a long term funding mechanism of ASU to support ASU athletics via long term ground leases of the ASU owned land, and receipt of in-lieu assessment revenue from site developers rather than their payment of property taxes per State statute 48-4235 approval. The Novus project is master planned for a combination of office, hotel, retail, restaurant, multi-family residential and ASU athletic uses, potentially encompassing over 4 million square feet of office space, 670 hotel rooms, and 300,000 s.f. of retail/commercial space to be phased in over approximately two decades. Novus will change the land use character of this immediate area. Initial phases of physical redevelopment process are in place as of 2018, with vertical project construction in the south first phase anticipated for 2019. Exhibits for the Novus Innovation Corridor are on following pages.

Demographic information provided by the City of Tempe, from 2020 census data, indicates that the City of Tempe year 2020 population was 180,587, with a median age of 28.1 years, consisting of 73,032 households. The median household income was $57,994 annually. Forty-two percent of the adult population is college educated. These figures compare to metropolitan area statistics presented earlier.

Northern Tempe

The northern and downtown portions of Tempe are among the most intensely developed in the City, because of the character of the original downtown core itself, and its direct proximity to the Arizona State University campus, and Tempe Town Lake. Community leaders of Tempe have maintained an aggressive posture over the past three decades to bolster the attractiveness and competitiveness of this general location with respect to other core use areas, via a specific program targeting downtown redevelopment. This has coincided well with a continuing intensity of development on the Arizona State University campus. As of the mid to late 1990's, Tempe had initiated development of the Tempe Rio Salado Project via redevelopment of the barren Salt River bed; it now exists as "Tempe Town Lake" as a first-class mixed-use redevelopment area surrounding a 220-acre lake that rivals other nationally recognized water feature-oriented use areas, such as San Antonio's Riverwalk.

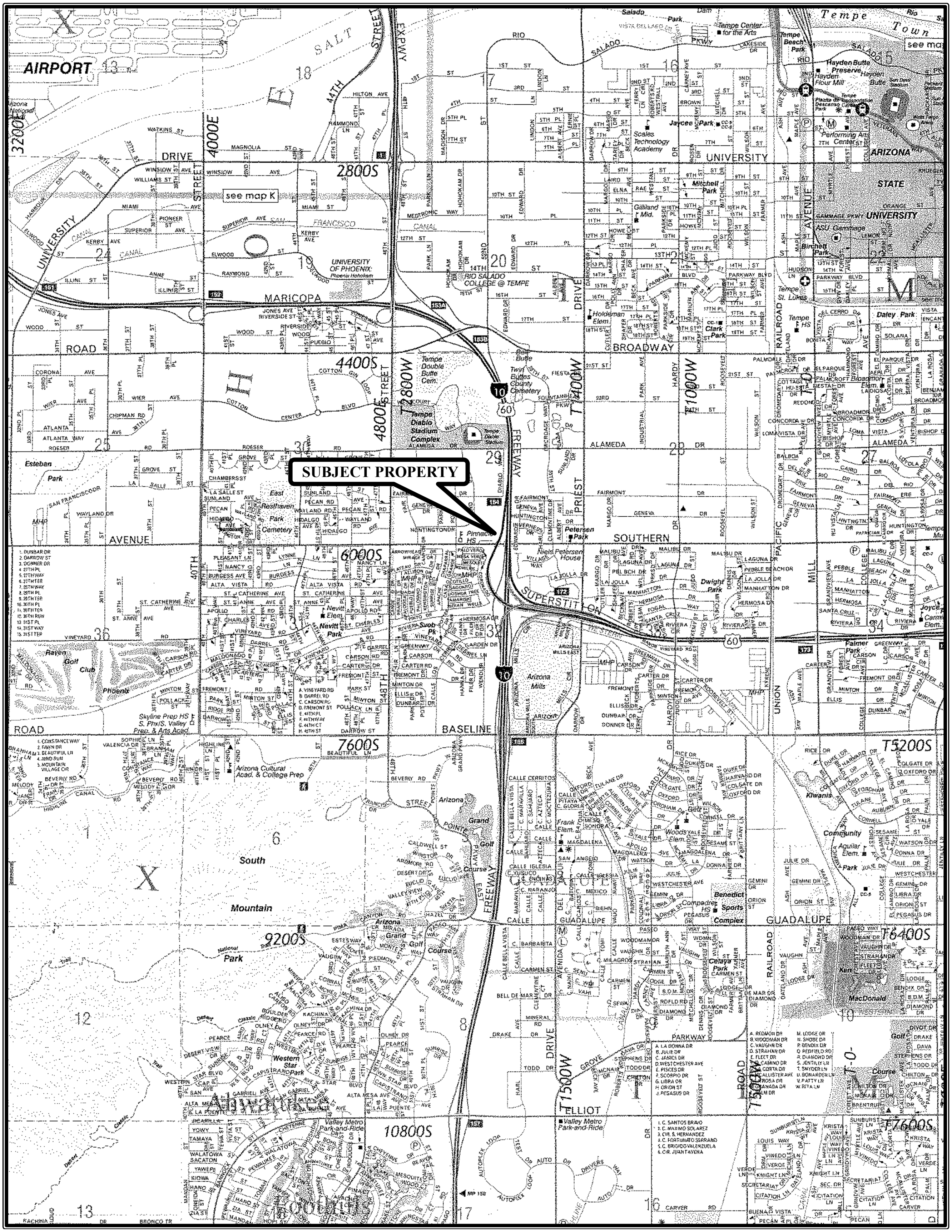
This northern portion of the City of Tempe is strategically located with respect to transportation access corridors (recently enhanced), Sky Harbor Airport, a variety of areas of population concentration, many business park development areas, educational facilities, and other factors. Several major land uses and specific projects have a significant bearing on the vitality and viability of this general area in Tempe, as described in the following paragraphs.

Arizona State University: The Arizona State University main campus is located in the northern portion of Tempe, generally extending between Mill Avenue and Rural Road, partially extending to the south side of the Salt River/Tempe Town Lake. An explanation of the campus size and influence was provided on a preceding page. It is contiguous to the revitalized area of downtown Tempe where many businesses interact with University-based activities. It is significant to note that ASU is redeveloping portions of the north athletic venue and academic use areas of the campus. This includes the $256 million renovation of Sun Devil Stadium. A current significant project is the 258,000 s.f. Interdisciplinary Science and Technology 7 building under construction at the southwest corner of University Drive and Rural Road. This is an architecturally significant building that serves as a gateway to the campus, as a high performance research facility, to house public outreach and exhibit spaces, the Global Institute of Sustainability, the Institute of Human Origins, classrooms, and a conference center with presentation hall. The building design is integrated with the adjacent light rail station, and

Downtown Tempe: The downtown Tempe area is generally identified as the area straddling Mill Avenue, extending from Tempe Town Lake south to University Drive. It had previously been dominated up until the early 1980's by a variety of older retail storefront commercial uses along Mill Avenue, with mature and somewhat deteriorated single family residences, small apartment complexes, and other miscellaneous uses within the side streets, with Tempe city offices to the east. The City of Tempe has aggressively pursued a redevelopment effort in this area, via assemblage and redevelopment of a variety of properties, in with significant private sector participation. A significant amount of redevelopment activity has taken place over the past twenty-five years. Portions of the Mill Avenue area retain the historic ambience, with a blend of large modern commercial development for private sector, as well as for public (City of Tempe) purposes. The Mill Avenue area has created and maintained a strong regional reputation as a highly attractive and desirable mixed-use retail, restaurant, professional office and housing area via harmonious use of red brick architectural design features and a streetscape design program. This area had been subjected to setbacks in its economic vitality, as very large and dramatic new development and re-development projects have failed, been delayed, or been cancelled due to the impact of distressed economic conditions. This includes the financing problems of the Centerpoint high-rise condominium project, since converted to luxury-oriented apartments. Since 2012, the development planning and construction activity has increased, beginning with revitalization of a new 260,000 office and retail development project that experienced foreclosure, located at Mill Avenue and Third Street, now leased to various users after purchase by new investors.

Over the past two decades, a variety of local dramatic development projects have been well received and accepted by the market, such as initial phases of Centerpoint on a 21 acre downtown redevelopment site, development of the US Airways (America West/American Airlines) Corporate Center, development of the 303 room Tempe Mission Palms Hotel, development of the Brickyard on Mill mixed-use retail office and residential condominium project, and development of significantly sized City of Tempe municipal buildings. At the north end of the downtown area, the Hayden Ferry Lakeside project, consisting of three large mid-rise office buildings and residential condominium towers, directly adjacent to Tempe Town Lake have been completed. A new AC Hotel by Marriott has recently been built as part of that project. The original Hayden Flour Mill historic property, is planned for adaptive reuse development; it is currently owned by the City and is to be redeveloped by Baum Development per a development agreement. Pending, under construction, and recent completion projects include the large scale redevelopment of the Montes/Carl Hayden homesite property as a 450,000 s.f. mixed use project at 100 Mill Avenue at Rio Salado Parkway, the 18 story Westin Hotel project on 7th Street east of Mill Avenue, the 12 and 20 story towers built as the Union Tempe Apartments with adjacent Canopy by Hilton hotel on University Drive at Myrtle Avenue, and the Mirabella at ASU senior housing community in a high rise structure on University Drive east of Mill Avenue. The most dramatic recent project in this immediate area is the 2015-2017 completion of the 2,100,000 s.f. State Farm office complex on the 20 acre Marina Heights site on Rio Salado Parkway, east of Mill Avenue, as a site bordering the south side of Tempe Town Lake. This is an exceptionally large project, as the largest single use project in Arizona. Other projects with residential and commercial use orientation have been developed adjacent to Tempe Town Lake. Further east, two miles east of the downtown area, the Tempe Marketplace project, a 1.3 million square foot retail, lifestyle and entertainment complex, opened in 2007 on a 130 acre site, with the large adjacent 2100 Rio Salado Business Park to the east. Over the past 5-10 years, a variety of additional projects had been proposed and have gone through initial phases of entitlement and development, then stalled or cancelled due to the impact of the economic recession, along with miscalculations relating to market timing and acceptance decisions. The final phases of the Centerpoint project are a prime example, where dominant appearance 30 story residential condominium towers sat idle and incomplete for a few years while developers and lenders worked out financial and bankruptcy issues. This project was sold to a new developer in 2010 who now calls it West 6th; the project is operated as luxury apartments. Downtown Tempe, and its peripheral area was targeted for a variety of additional highly intense mixed-use and residential development projects over the past decade; many of them stalled at their initial development stages, after development and investment entities invested large amounts into site acquisition and land redevelopment planning costs. For example, a new office complex that was built as the final 260,000 s.f. phase of the site adjacent to the US Airways complex, was sold after foreclosure, now remarketed and substantially occupied. High-rise condominium projects that were proposed such as the Lumina Tempe project (Stadium Towers) on Veterans Way, the University Square project, on University Drive, and a combination residential condominium and hotel project on Mill Avenue at 7th Street, had been on indefinite hold. The former armory/Lumina site has now been completed as University House, a high-rise student housing apartment project. This downtown core area has recently seen the completion of the Westin Hotel project, the Beam on Farmer office building with the adjacent Vib Tempe hotel, with the 17 story Tempe Depot hotel and office project planned on Ash Avenue. Development continues to progress on the north side of Tempe Town Lake, adjacent to Rural Road. This includes recent completion of the Watermark 265,000 s.f. office project with additional retail and apartment

Local Area Map



components. Additional new apartment complexes with lakeside frontage are to the east of Rural/Scottsdale Road, with an additional office complex.

As the real estate market has moved into a recovery stage since approximately 2012-2013 following the recession, new projects have been proposed, started with several completed. This local submarket area has performed exceptionally well, with new major project development as indicated in the preceding paragraphs. The core area of Tempe maintains the highest occupancy levels in office space, and has typical lease rates at or near the top end of the market for the Phoenix metropolitan area.

A catalyst for the development progression in the north Tempe area has been the 2008 completion of the Metro Light Rail transit system that extends through northern Tempe, and directly links to downtown Phoenix and other locations. Public transportation options are further enhanced in the north central/downtown Tempe area shortly, with recent completion of the Tempe Streetcar project. This is a $177 million, 3.5 mile project on additional rail, that will link to existing Light Rail transit stations, operational in 2022. Several prime development sites exist adjacent to Tempe Town Lake that are targeted for highly intense mixed-use development, favoring residential development, with a mixture of office and retail uses. This area had a moderate progression of development, with the initial success with its first phases of the Hayden Ferry project, including office building components and a limited number of residential condominiums. They had proposed extensive additional development east of that project within the Marina Heights project, on land that was acquired from Arizona State University, however the land was sold and the project had been on hold. This dramatically changed as of late 2012 into 2013 when negotiations were finalized for a ground lease transaction to allow development of the massive large office complex specifically as a major operational center for State Farm Insurance. This is a site of approximately 25 acres, dubbed as the Marina Heights project, where 20 acres has been built out with 2 million square feet of office space, where State Farm Insurance employs up to 8,000 people at this location. Further east, a 27-acre site was purchased more than 10 years ago along the south side of the Lake at the east end for a project now identified as Southbank, aka Pier 202. The developer initially installed a significant amount of land infrastructure improvements, with entitlements in place for a highly intense development. Initial vertical development activity is in process. The Pier, a 24 story, 1.3 million s.f. mixed use project is under construction, to include 586 apartment units, Class A office, and retail. These are adjacent to major venues such ASU Sun Devil Stadium, and the large 330 acre ASU Athletic

Facilities District/Novus Innovation Corridor area as a major part of the northeast portion of the ASU campus, previously explained. These projects, particularly the State Farm project, and Novus, are transforming the use character of north/downtown Tempe area into a more intense urban environment.

An additional area of sustained development activity and redevelopment is in the Apache Boulevard corridor, between Rural Road and Price Road at the Price 101 Freeway, particularly involving high density apartment complexes. This is an area adjacent to the east side of the ASU campus, and is directly impacted by enhanced transportation access as the Valley Metro Light Rail, and also the southeast end of the new Tempe Streetcar tracks extend directly along this route, with several transit stations. The west end of this area is to the south of a well established area of predominantly student housing, where several significant apartment complex sites have been completely redeveloped in recent years. Several large scale apartment complexes have been completed over the past seven years directly along Apache Boulevard, with several more projects proposed, clustering at or near the transit stations. This has significantly changed the previous deteriorated character of the East Apache area that had previously been known for the dominant presence of modest or deteriorated older motels, small older commercial buildings, and mobile home parks. This transition is occurring with City of Tempe encouragement, via master planning with changes in zoning. This is now partially transforming the area with moderate and large scale apartment projects that attract students, as well as many new residents working at the new expanding office and other employment centers of north Tempe and surrounding areas. New projects include the Culdesac project, a 636 unit apartment complex under construction on a large assembled site of approximately 15 acres at River Road; this complex is an innovative vehicle free project where residents are to rely on public transportation options and can not park cars on site.

Peripheral Land Uses

The northern portion of Tempe is a relatively intensely developed area, which borders the adjacent Cities of Phoenix, Scottsdale and Mesa. Land use patterns are impacted by the development trends within these adjacent cities, the physical constraints associated with the Salt River and its Tempe Town Lake redevelopment area, which traverses northern Tempe, and the enhanced accessibility of this area due to light rail, along with proximity to extensions of both the Red Mountain 202 Freeway, and the Pima/Price Freeway (Loop 101) in the past two decades. Business park areas are well established in northwest and northeast portions of Tempe, and in the adjacent city areas. A portion of the north area to the northeast, is bounded by the Salt River/Pima-Maricopa Indian Community (reservation). This area has an impact to the extent that the Indian community areas are sparsely developed, and are likely to remain that way for an extended period of time, except for a corridor of commercial and business park uses, adjacent to the Pima/Price 101 Freeway. Large casinos have also been established within the corridor area. These uses impact projects in the northern portion of Tempe and Mesa.

Few large undeveloped areas currently exist in the northern Tempe area, except for a few select prime development parcels in the vicinity of Tempe Town Lake, and areas west. This is a strategically located portion of the City, relative to freeway and major street accessibility, and proximity to the downtown Tempe core area, plus other business and mixed use areas including large office and business park areas along Washington Street and Center Parkway. One of the recent remaining parcels was in the northwest part of the city, as approximately 100 acres of land that had been owned by the City of Tempe, west of Priest Drive. The City has a land sale plan/development agreement with Liberty Property Trust as a private entity, to sell that land in phases, for development of approximately 800,000 s.f. of office, flex, industrial, retail and hotel space. The transaction is structured as a ground lease, with options to buy with a 12 year time period to develop the overall property. Initially, approximately 400,000 s.f. of office has been built, and 215,000 s.f. of industrial space. The existing City service center property on 46 acres east of Priest Drive at Rio Salado Parkway, is one of the last remaining large contiguous parcels suitable for significant sized development. It is currently proposed as the site of an intense mixed use development, to include a multi-purpose arena intended to be the home of the Arizona Coyotes NHL hockey team.

The northeast part of the City is dominated by commercial and business park/industrial use areas, east of McClintock Drive. The most significant single use area is the Tempe Marketplace retail project, previously described. The land corridor south and east of Tempe Marketplace along Rio Salado Parkway has evolved as a dynamic area of redevelopment of moderate and large scale office, commercial and apartment projects. This part of the community has excellent access via both the 101 Price Freeway extending north-south, and the 202 Red Mountain Freeway extending east-west. This area is directly adjacent to the northwest part of the City of Mesa, with adjacent its residential land use areas, and recently completed significant commercial and recreational land use areas, such as the spring training major league baseball facility for the Chicago Cubs, on a site that was previously improved as the Riverview Golf

Course.

The central and southern portions of Tempe are mixed use in character. The Superstition Freeway (US 60) traverses the center portion, in an east/west direction, with the I-10 and Price 101 Freeways running north and south. A variety of residential, commercial, and business park projects parallel the US 60 freeway, that extends east into existing and evolving areas of Mesa, Gilbert, and Apache Junction. This portion of the community is intensely developed. Land in the southern portions of the community, which are adjacent to the northwest portion of the City of Chandler, and east of the Ahwatukee portion of Phoenix, have more of a residential character, which includes some luxury housing development areas. This portion of Tempe is also impacted by the presence of commercial and business park development areas, which follow the I-10 freeway, in addition, business park, and large industrial user areas are on the east, adjacent to the Loop 101 freeway alignment at Price Road, such as the Arizona State Research Park. A large plant facility formerly occupied by Motorola at Elliot Road has been redeveloped as the 136 acre Discovery Business Campus. Chase Bank has a project to redevelop land and buildings within the Discovery Campus to create a large operations center, to employ approximately 4,000 persons. The south Tempe, and northwestern Chandler have extensively been built-out over the past 20 years, with few large vacant undeveloped parcels still available, except within the planned business park areas. This general area remains highly attractive to a wide variety of residents, and businesses, because of a strong mixture of good quality neighborhoods, proximity to a wide variety of employers, and excellent access via existing and freeway linkages that expanded over the past two decades.

Neighborhood Character and Description/Adjacent Uses

The subject property is specifically located within the west portion of Tempe, in a mixed use area in the vicinity of Southern Avenue, at the I-10 Freeway and at 48th Street. It is within an industrial park neighborhood that is characteristic of several business park and industrial park use projects in the west-northwest Tempe and southeast Phoenix areas, in the vicinity of the alignment of the I-10 Freeway. The subject site is adjacent to this freeway, and has visibility to freeway traffic, but no direct access. The adjacent areas are mixed use in character, with residential, commercial, recreational and sports venue uses. This is a well established land use area, primarily built out in the 1980’s and 1990’s with industrial and flex use office-industrial buildings, with few vacant sites. This area is strategically located within the southeast portion of the metropolitan area, locally accessible to freeway transportation arteries such as the I-10

Freeway, the US 60 Superstition Freeway, and State Route 143. This specific local area is within 3 miles southeast of Sky Harbor International Airport, and 3 miles southwest of the downtown Tempe cluster of business activity and the adjacent Arizona State University main campus.

Adjacent Land Uses

The subject site is located on Fairmont Drive, directly adjacent on the east side to the right of way of the I-10 Freeway. The subject site has visibility to freeway traffic, but no direct access. Flex use office/industrial building projects are to the north and west. A vacant site is to the south.

SITE DESCRIPTION

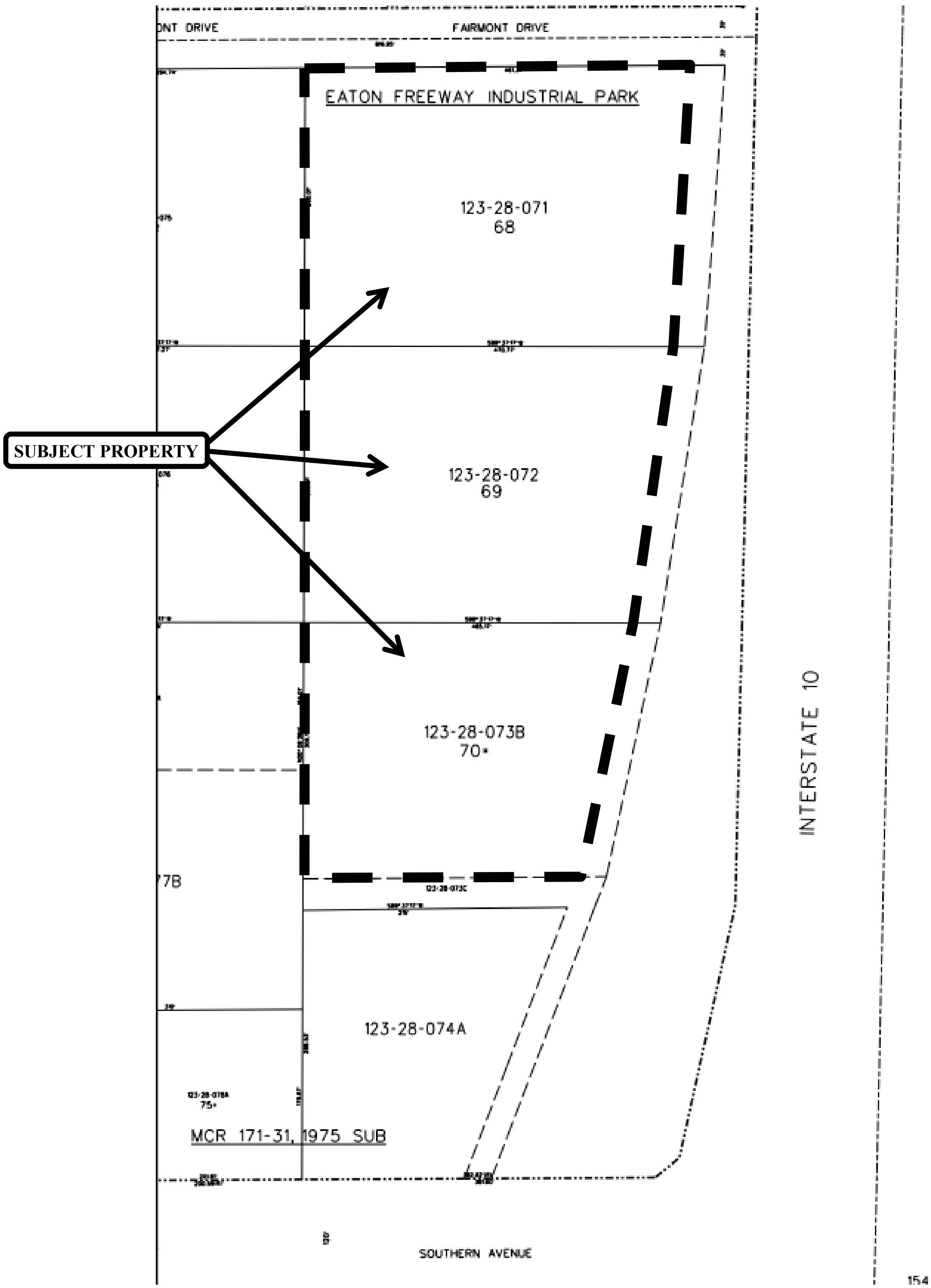
The subject site consists of an irregular shaped land parcel, containing approximately 312,770 s.f. or 7.18 acres, located at the south side of Fairmont Drive, at the west side of the right of way alignment of the I-10 Freeway, Tempe, Arizona. The street address is 1919 West Fairmont Drive, Tempe, Arizona 85282. An outline of property characteristics is provided below. Reference is made to the site exhibits on the next pages, as well as photographs in the addenda segment of this report.

Assessor Parcel Numbers:	123-28-071, 123-28-072, 123-28-073B (Split[1])
Land Size:	312,770 s.f. or 7.18 acres, per client source, assumed accurate.
Dimensions:	The site has a frontage on Fairmont Drive of approximately 404 feet, with a north-south dimension on the west side of 856.17 feet, a south dimension of approximately 294 feet, and approximately 848 feet along the I-10 right of way.
Access:	The subject project has improved street access along Fairmont Drive. The east side of the property is at the east side of the I-10 freeway right of way, with no access to this freeway.
Topography:	Basically level and at grade with surrounding properties.
Drainage:	Drainage appears to be adequate, as typical of adjacent properties.
Street Improvements:	Fairmont Drive:

Street Surface	-	Asphalt paved, 2 lanes.
Type	-	East-west local access road.
Curb/Gutter/Sidewalks	-	Concrete curbs, gutter, no sidewalks.
Traffic Count	-	Minimal, not reported.

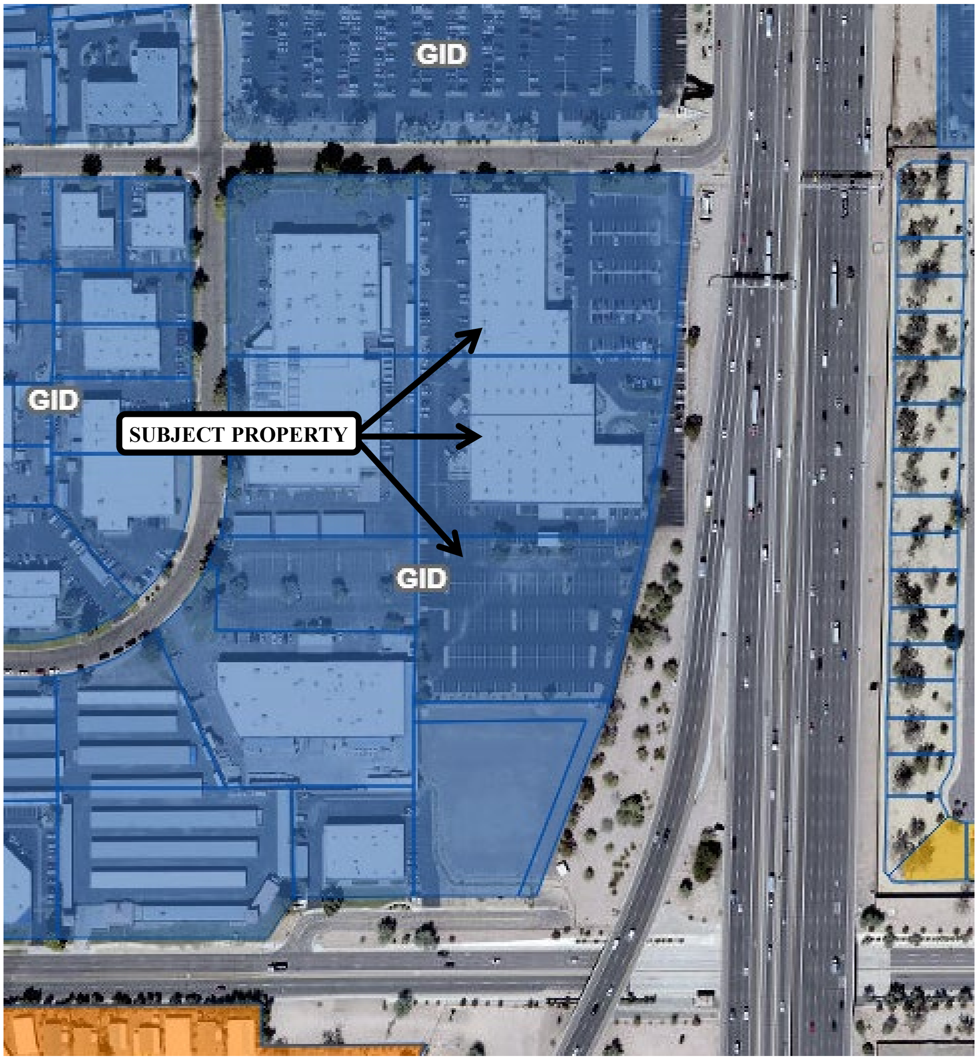
[1] Each parcel anticipated to be split on Maricopa County assessor records. Current assessor records do not yet show a change in the parcel size, after a strip of land on the east side of the previously configured parcel has been severed, to be used as a part of the adjacent freeway right of way.

Plat Map



FAIRMONT DRIVE
EATON FREEWAY INDUSTRIAL PARK
123-28-071
68
SUBJECT PROPERTY
123-28-072
69
123-28-073B
70*
77B
123-28-073C
123-28-074A
123-28-078A
75*
MCR 171-31, 1975 SUB
SOUTHERN AVENUE
INTERSTATE 10
154

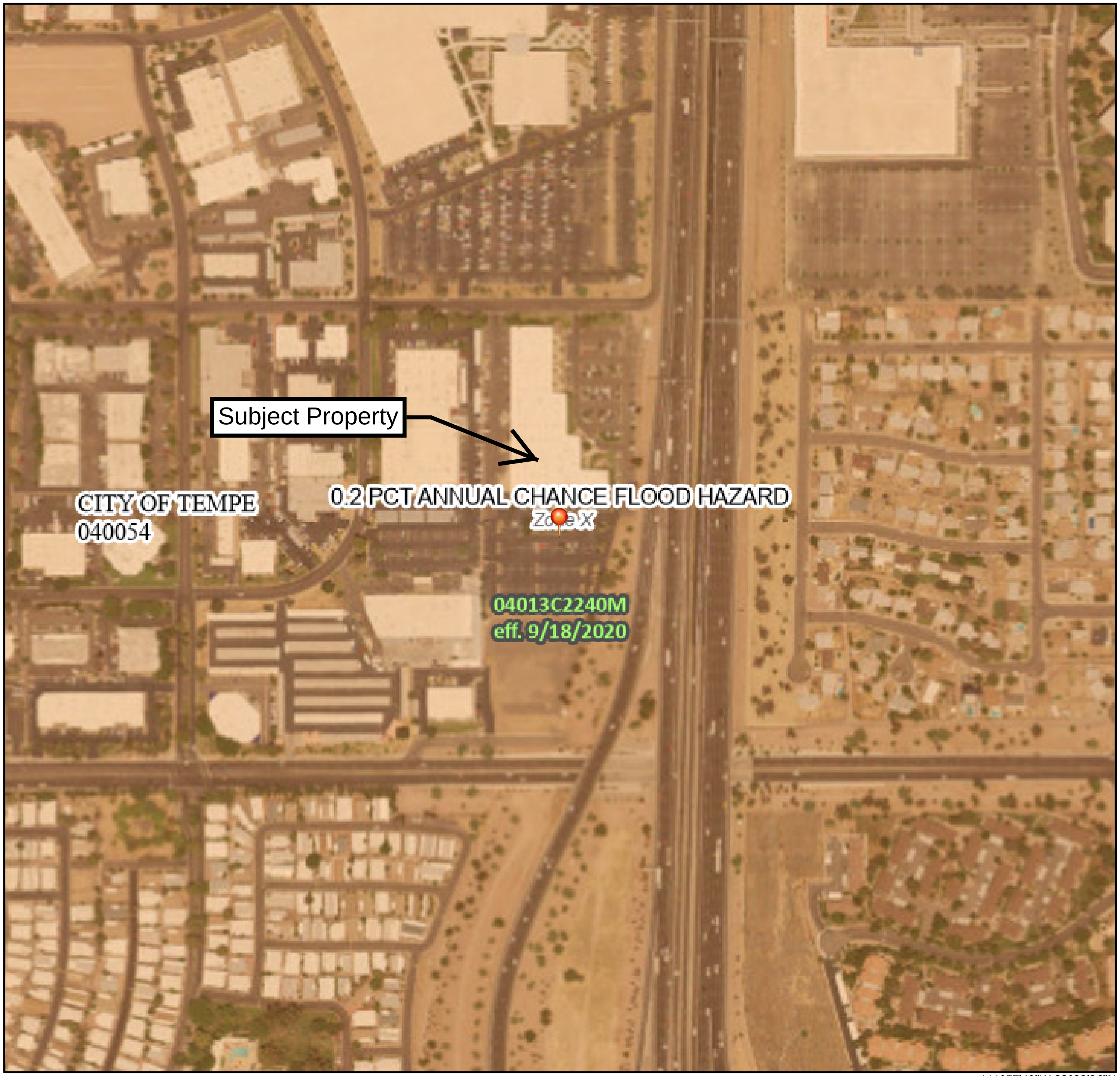
Zoning Map



National Flood Hazard Layer FIRMette

FEMA

111°58'26"W 33°23'56"N



111°57'49"W 33°23'26"N

Feet 0 250 500 1,000 1,500 2,000

1:6,000

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS
- Without Base Flood Elevation (BFE) *Zone A, V, A99*
- With BFE or Depth *Zone AE, AO, AH, VE, AR*
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD
- 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 *Zone X*
- Future Conditions 1% Annual Chance Flood Hazard *Zone X*
- Area with Reduced Flood Risk due to Levee. See Notes. *Zone X*
- Area with Flood Risk due to Levee *Zone D*

OTHER AREAS
- NO SCREEN Area of Minimal Flood Hazard *Zone X*
- Effective LOMRs
- Area of Undetermined Flood Hazard *Zone D*

GENERAL STRUCTURES
- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES
- B 20.2 17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
- 8 Coastal Transect
- 513 Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS
- Digital Data Available
- No Digital Data Available
- Unmapped

N

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/30/2021 at 2:11 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Utilities:	Electricity	-	Salt River Project
	Water/Sewer	-	City of Tempe
	Natural Gas	-	Southwest Gas
	Telephone	-	CenturyLink/Cox

The utilities are assumed to be adequate to serve typical uses for the site.

Zoning: The subject property is zoned GID General Industrial District, under the jurisdiction of the City of Tempe. This is one of several office/industrial districts, designed to provide for office/industrial business involved in research, warehousing, wholesaling, and manufacturing. The facilities range from administrative and research institutions to assembly and production. The office/industrial districts allow a range of industrial uses. The General Industrial District (GID) (previously designated as I-1 and 1-2 districts) permits office uses, warehousing, wholesaling, assembling and manufacturing of building materials, machinery and other commodities to provide employment centers and production. Other uses such as retail and restaurant uses are permitted via use permit.

Reference is made to the City of Tempe Zoning and Development Code.

Flood Zone: The site is within a Zone X, per Federal Emergency Management Agency, FIRM Panel No. 04013C2240M effective date 9/18/2020. Properties with Zone X designation do not require flood insurance. Zone X is defined as a 0.2% annual chance flood hazard. Areas of 1% annual chance flood with average depth less than one foot with drainage areas of less than one square mile.

Restrictions/Easements: A cultural deed restriction exists encumbering a significant amount of the center and south site area, in the non-building footprint area, over approximately 3.23 acres. This is due to the potential presence of buried archaeological resources at the property, as determined by the Arizona State Historic Preservation Office (AZSHPO). Documentation for this restriction is in the addenda of this report. It is estimated and assumed that the presence of this restriction is not disruptive to current or anticipated property use, with the existing configuration of building and site use. This occurs because it does not impact the building footprint portion of the site, and it only restricts property disturbance issues 6 inches or more below the site surface, assumed to allow for existing parking and landscape improvements. It potentially prohibits building expansion use, if building enlargement modification or property redevelopment is a future feasible option. The presence of the restriction does not definitively preclude property improvement changes, as an archaeological investigation of subterranean could clear an impacted area for alternative use. Otherwise it could constrain the future use flexibility for future change in use and expansion modifications. Interpretation of this restriction factor is considered in analysis herein of the property as improved.

No known unusual restrictions governing use or development flexibility of the property are known to exist, beyond those associated with zoning, flood plain, and normal public utility easements.

Special Assessments: No special assessment payment liabilities are known to exist.

Adjacent Land Uses:

North:	Office-industrial flex use property
West:	Industrial building
South:	Vacant land
East:	I-10 freeway

Soil, Subsoil,
Environmental Concerns: Unless otherwise stated in this report, the existence of hazardous substances including, without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the properties, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such, during the appraiser's inspection. The appraiser is not qualified to test for hazardous substances or conditions. For the purposes of this report, it is assumed that the subject property is not impacted by the presence of any environmentally hazardous conditions, which may impact marketability or value.

Assessment and Taxes: According to the Maricopa County Assessor's Office and the County Treasurer's Office, the subject property is assessed as three parcels. It is anticipated that each of the parcels will be split in the near future, as parcel records do not yet show a change in the parcel size, after a strip of land on the east side of the previously configured parcel has been severed, to be used as a part of the adjacent freeway right of way. The 2022 assessed value and property taxes for the current configuration of the plat map are on the following chart.

Tax Parcel No.	Full Cash Value	Limited Value	2022 Taxes	Status
123-28-071	$5,093,500	$3,350,028	-0-	Exempt
123-28-072	$827,200	$641,655	-0-	Exempt
123-28-073B	$808,800	$667,454	-0-	Exempt

The property is currently exempt from property tax payment because it is owned by a government entity. The most recent date of private ownership and taxation was in 2019, indicating the following information.

Tax Parcel No.	Full Cash Value	Limited Value	2019 Taxes	Status
123-28-071	$4,193,800	$2,893,880	$70,977.04	Paid
123-28-072	$863,100	$726,837	$17,815.88	Paid
123-28-073B	$838,900	$709,230	$17,394.96	Paid

IMPROVEMENTS DESCRIPTION

The subject property improvements consists of a single level office-industrial flex use building, containing 82,421 s.f. identified as Fairmont Commerce Center, built in 1981 and modified in 2021-2022. The building is partitioned for multiple tenants, in back office, industrial, and showroom industrial use interior configurations. The land and building improvements at the subject property have recently been reduced in size[1], when land on the east side relinquished to accommodate I-10 freeway expansion/construction at the east side of the property. The subject property is the reduced size remainder property that is intended to continue to operate as the multi-user Fairmont Commerce Center, after land, building and exterior improvements modification is complete. This work is was completed in 2022, with Suite 8 in partial shell status, ready to accommodate build to suit interior buildout. This remainder property appears functional for the industrial-office flex use project it was originally designed for.

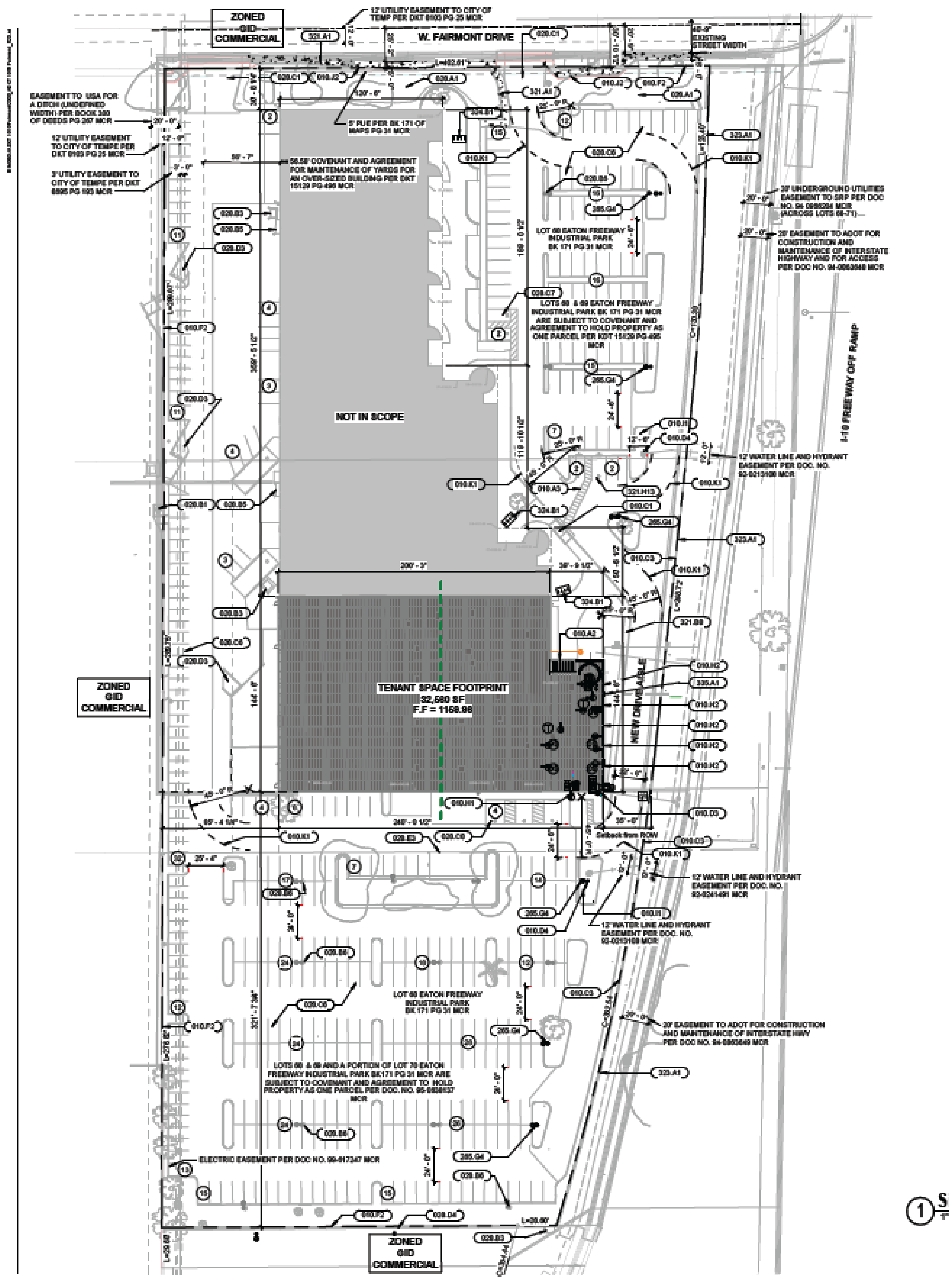
The following is a summary of the current building size, occupancy and use configuration, with property and building exhibits on following pages.

FAIRMONT COMMERCE CENTER

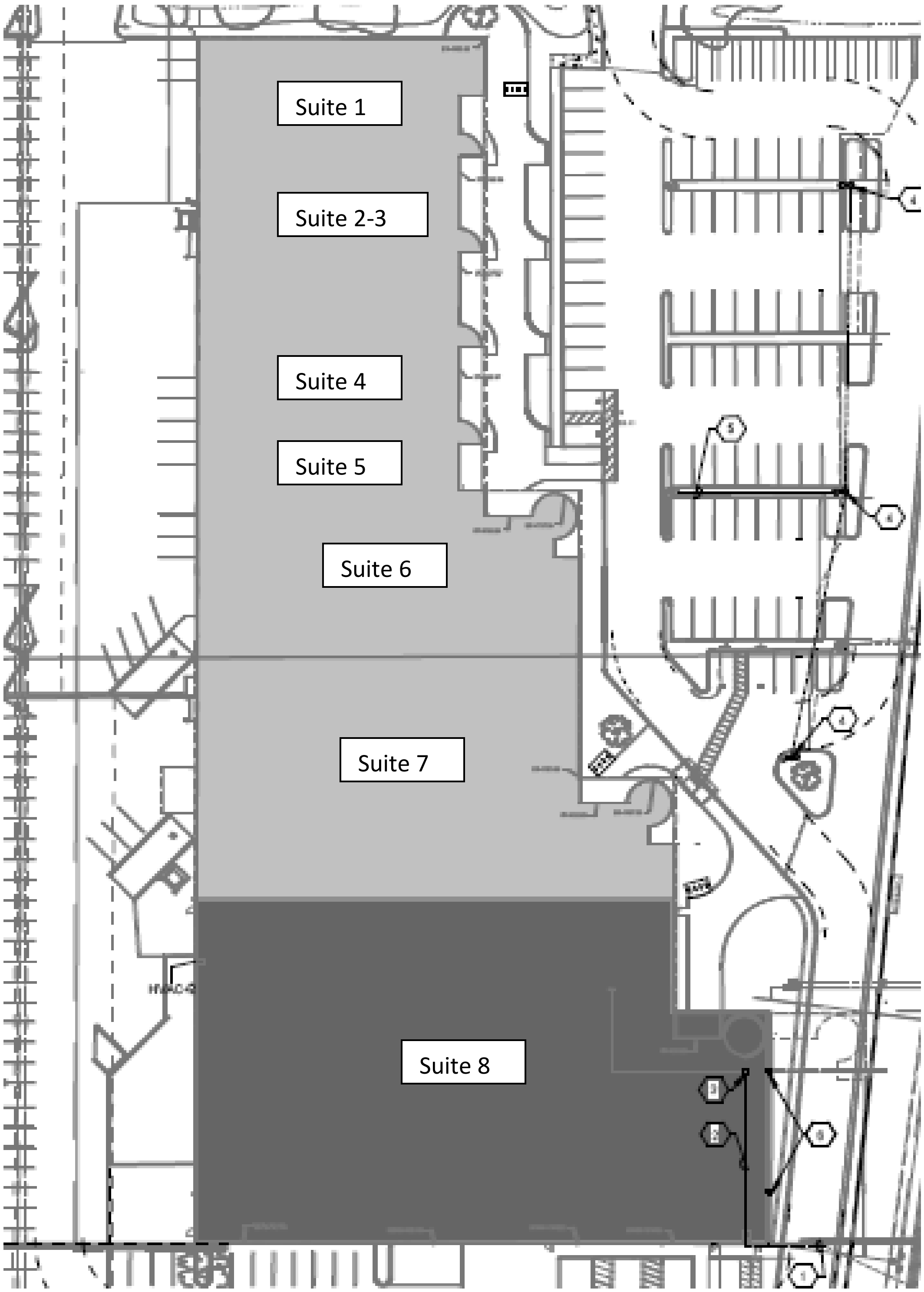
Suite	***Size (s.f.)***	***Tenant***	***Use***	***% Drop[2]***	**% AC**
Flex Use Industrial Space					
1	4,200	Conax AZ LLC	Office, Manufacture	90%	90%
2-3	9,391	Vacant	Office, Production	55%	100%[3]
4	4,696	Konecranes, Inc	Office, Production	25%	100%
5	4,715	Oldcastle APG	Office, Showroom, Storage	25%	100%
6	6,414	Vacant	Office, Production	85%	100%
Subtotal, Flex Use Space	*29,416*				
Back Office Space					
7	20,982	Advertising Check Bur.	Back Office	100%	100%
8	32,023	Vacant	Back Office (Proposed)	100%	100%
Subtotal, Back Office Space	*53,005*				
Total	*82,421*				

[1] The property is appraised based on current 2022 size and configuration of the site, and the building and site improvements. This has changed compared to a prior configuration in 2020, where the land size was reduced on the east side by 33,934 s.f. or .78 acre, and the building size has been reduced by approximately 3,440 s.f. on the east side of south Suite 8. Site modification includes reconstruction of the parking lot and landscaping.
[2] Percent drop ceiling finished area, approximately.
[3] Warehouse also has evaporative cooling in addition to air conditioning

SITE PLAN - FAIRMONT COMMERCE CENTER



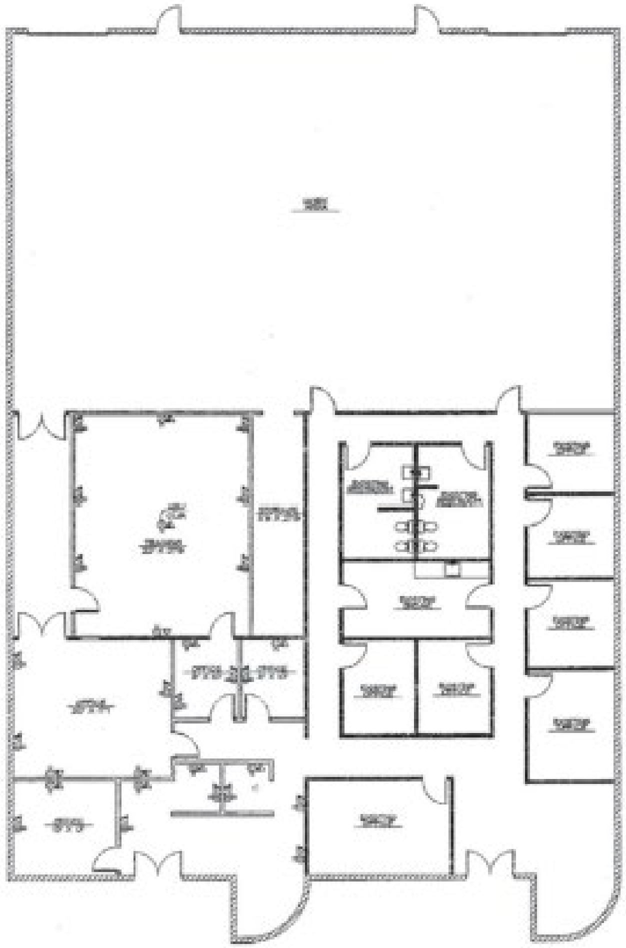
OCCUPANCY PLAN - FAIRMONT COMMERCE CENTER



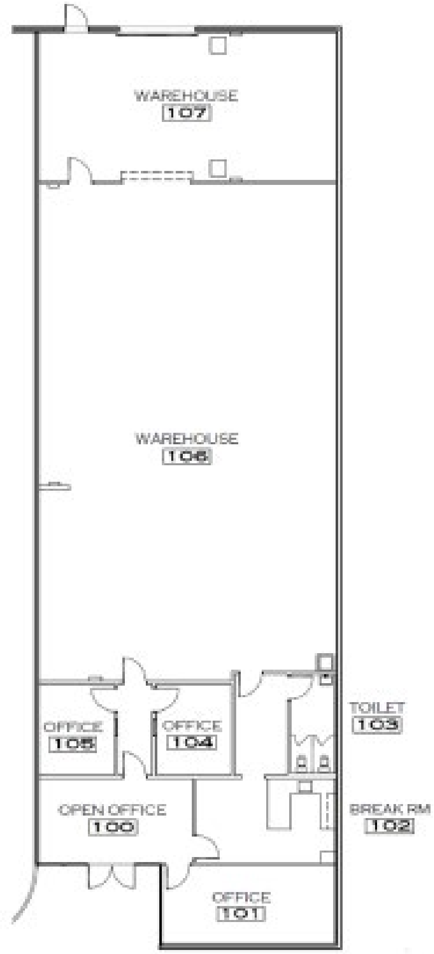
Partition Layout is Approximate

FAIRMONT COMMERCE CENTER

SUITES 2-3 and 1



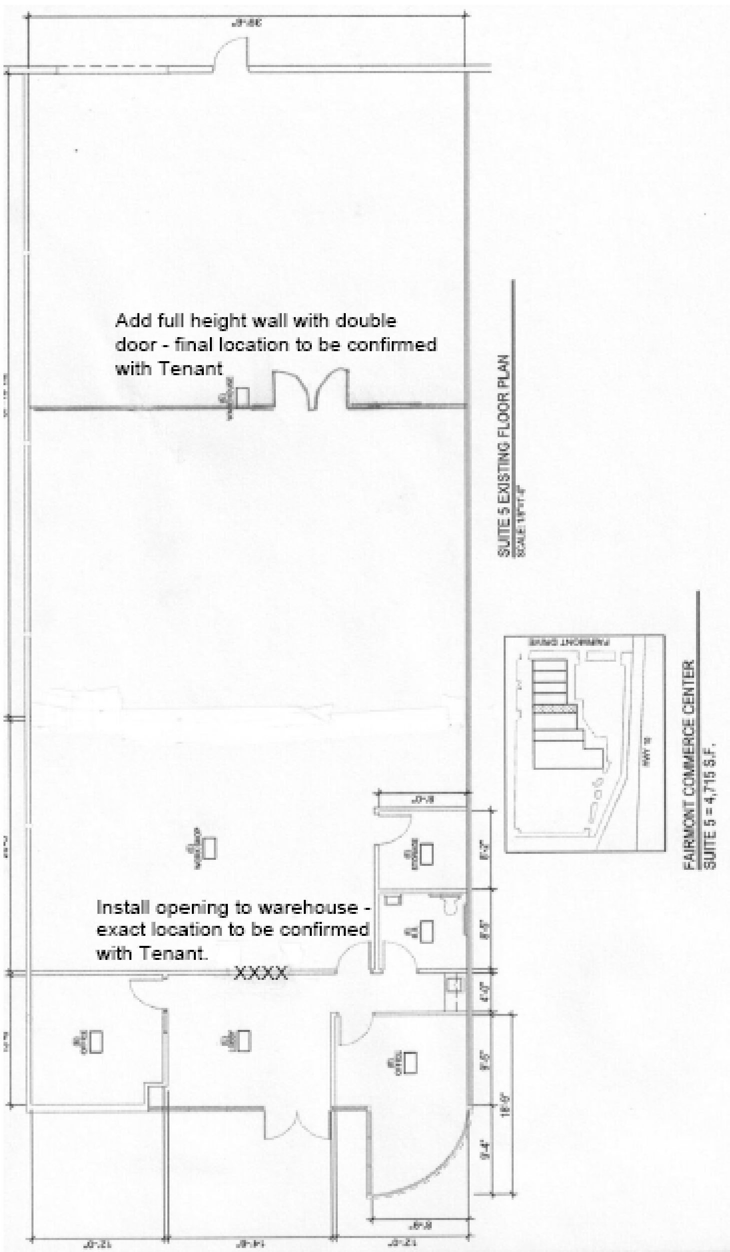
Suites 2 + 3 Vacant



Suite 1 - Conax

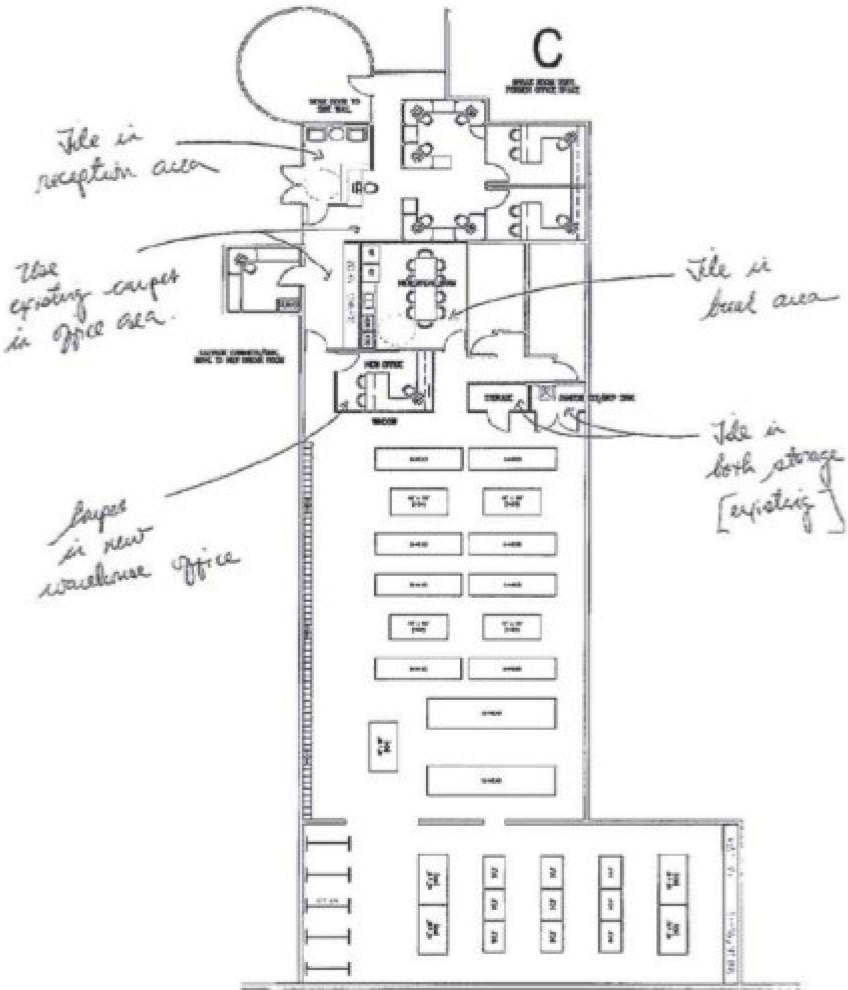
FAIRMONT COMMERCE CENTER

SUITE 5 - Oldcastle APG



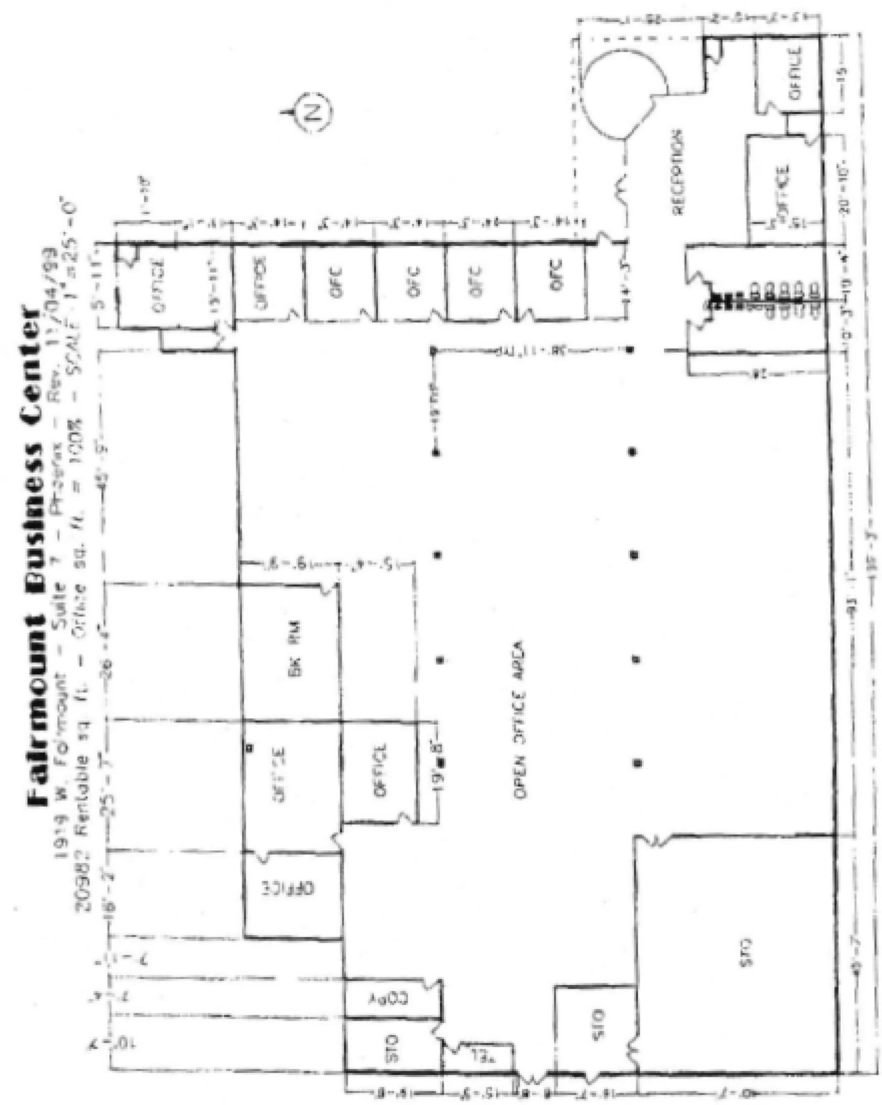
FAIRMONT COMMERCE CENTER

SUITE 6 - T Rohide LLC



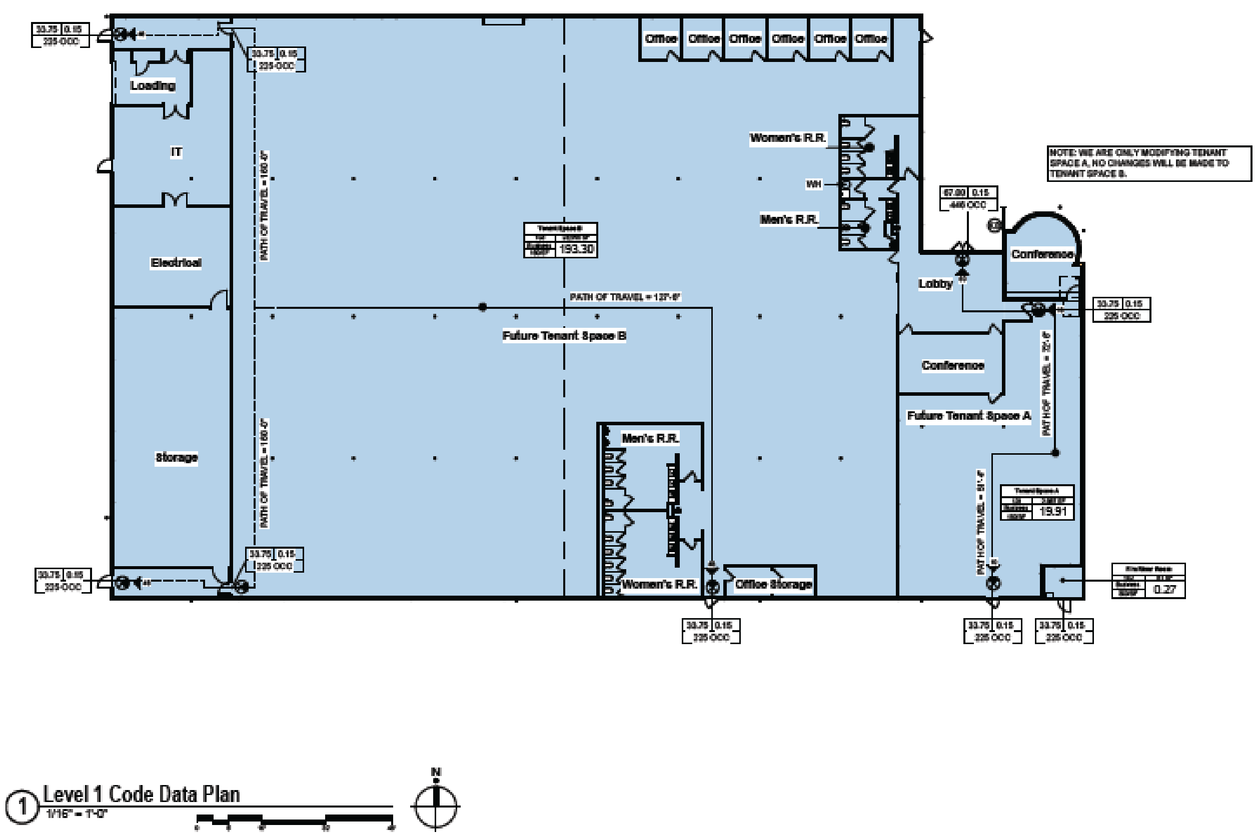
FAIRMONT COMMERCE CENTER

SUITE 7 - Advertising Check Bureau



FAIRMONT COMMERCE CENTER

SUITE 8



Descriptive information herein is based on a cursory walk through inspection of the property, without access to full building improvement plans or a building inspection report. The appraiser was provided with property modification improvement design plans for the landscaping and parking lot reconfiguration, and improvement design plans for the modification of Suite 8 as the south part of the building structure. Reference made to excerpts of some of these exhibits, and tenant space configuration floor plans on the preceding next pages, plus additional plans and an aerial photograph and other photographs, in the addenda of this report.

The building is configured for multiple tenant occupancy. The building size represents a 26% coverage ratio. The building is at the north-center part of the site, with parking on the east west, and south sides. The south two building suites are the largest component of the building, as spaces of 20,982 s.f. and 32,023 s.f. totaling 53,005s.f. or 64% of the total building. These are or have historically been used as back office space with large open space areas, with full drop ceiling and air conditioning. The balance of the building is partitioned for up to 6 tenants, currently configured for 5 tenants for flex use industrial space, fully air conditioned[1]. These spaces currently accommodate office and production area uses plus showroom, with storage. The site provides parking for 422 vehicles, at an overall ratio of 5.1 parking spaces per 1,000 s.f. of building area. This parking total allows for parking allocation for back office use in suites 7 and 8 (53,005 s.f.) at a ratio of 6.0 spaces per 1,000 s.f., and a ratio of 3.3 spaces per 1,000 s.f. for the balance of the building as flex use space, with several additional spaces, summarized below

Space	*Use*	*Size (S.F.)*	*Allocated Parking Spaces*	*Parking Ratio Per 1K*
Suites 1 – 6	Flex Use	29,416	97	3.3
Suites 7 & 8	Back Office	53,005	318	6.0
		82,421		
Additional			7	
Total Avail.			422	

.

This parking allocation is adequate per zoning requirements, and also per estimated general marketability standards. This is evident particularly for the back office space with the highest intensity of parking, where a minimum threshold for parking for this use is typically at 5.0:1,000, and a very common standard requirement is at 6:1,000.

[1] A majority of these spaces are fully air conditioned. The exception is a rear part of Suite 1, which is evaporative cooled, in an area where a furnace is located, as part of this tenants production process. The warehouse/production area component of the combined suites 2 and 3 is air conditioned, and also has evaporative coolers.

The property appears to be generally well maintained, with some indications of general use and weathering, such as to exposed surfaces such as the roof and the parking lot, and general age of the roof air conditioner units. These are regarded as normal, based on age and apparent continual maintenance, with occasional replacement of some air conditioner units. This is a general observation, without having an engineering review of mechanical systems, plumbing, roof, etc. The improvements as of current date, have a chronological of approximately 40 years, with an estimated effective age of 30 – 40 years, and an estimated remaining economic life of approximately 30 years.

Basic Construction Features, are as follows:

Foundation & Footings:	Concrete reinforced footings along bearing walls.
Floors:	Concrete slab.
Exterior Walls:	Concrete tilt up wall panels, with openings for doors, and glass front entry door and window panels.
Roof:	Built up and coated roof surface on plywood deck and wood beams and trusses, on steel columns.
Interior Partitions:	Assumed to be metal stud frame, drywall covered, taped and painted.
Floor Coverings:	Combination of ceramic tile, and carpet in office areas, with exposed concrete in other areas.
Ceilings:	Suspended acoustic grid ceiling panels in office and large parts of production areas, with recessed fluorescent lighting; other areas have exposed underside of insulated roof structure, approximate 16 foot clear height.
Doors and Sash:	Glass in anodized aluminum store front entrance areas, hollow core steel man doors at rear sides with steel overhead loading doors at grade level. Shared exterior loading docks on west side.
Electrical:	110/208 volt service, 480 volt in some suites, individual metering for each suite.
Heating and Cooling:	Roof mounted direct duct forced air HVAC units, for each suite. No central system. Supplemental evaporative cooler units in rear portions of Suite 1, and in Suite 2-3.
Plumbing:	Each suite has a minimum of 2 restrooms. Large areas of restrooms for Suites 7 and 8, shown on tenant layout plans on prior pages. Exterior landscape sprinklers.
Fire Protection:	Fire sprinklers throughout.

HIGHEST AND BEST USE

Highest and best use is defined as follows:

"The reasonably probable use of property that results in highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity."[1]

The test of highest and best use is analyzed independently for a property as if vacant, and then as improved, as the conclusions may differ. The existing use of an improved property may continue to be maximally productive even if inconsistent with the highest and best use of the land, until such time that land value exceeds value of the overall property as it exists, plus demolition or modification costs. Perception of highest and best use may change over time, subject to changing influences of competitive market conditions, community tastes, land use requirements (i.e., zoning), investment motivations, local demographic composition, condition/adaptability of the property itself, etc.

The highest and best use of both the land, as if vacant, and the property as improved, is analyzed via the four criteria as indicated in the preceding definition. The highest and best use must be (1) legally permissible, (2) physically possible, (3) financially feasible, and (4) maximally productive. These criteria are usually examined sequentially recognizing that the factors are interrelated. The general thought process involved with highest and best use determination includes consideration of the type of use for which a property may be applied (such as commercial, versus industrial, versus residential, etc.), and the intensity of the land use (measured by factors such as permitted and practical project density, building height, etc.). Present, proposed, and reasonable alternative use scenarios are examined when applicable, based on questioning the legality of an individual use per zoning and known deed restrictions, and physical possibility of a use as it can be accommodated on a particular site, or within a structure. The appropriateness of use based on compatibility with other uses is also examined, as well as conformity with development trends, and feasibility of the use from a risk and return on investment standpoint.

[1] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th Edition, Chicago, Illinois.

Analysis, as if Vacant

Legally Permissible: The subject property is zoned GID General Industrial District, under the jurisdiction of the City of Tempe. This zoning permits a very wide range of uses, including offices, warehousing, wholesaling, assembling and manufacturing of building materials, machinery and other commodities to provide employment centers and production. Other uses such as retail and restaurant uses are permitted via use permit. It is not likely that the zoning would be changed for the property.

Physically Possible: The subject property has a site area of 7.18 acres. It has an irregular configuration. The site is generally level, and not impacted by a flood plain. It has improved street frontage on Fairmont Drive, and visual exposure without access from the I-10 freeway. It has full access to public utilities. A cultural deed restriction exists encumbering a significant amount of the center and south site area, in the non-building footprint area, over approximately 3.23 acres. It is estimated and assumed that the presence of this restriction is not disruptive to current or anticipated property use, with the existing configuration of building and site use. However, it constrains use of that part of the site, and could constrain the future use flexibility for future change in use and expansion modifications. This combination of features indicates that the site is compatible for a wide range of building development uses.

Economically Feasible: The concept of financial feasibility of contemplated use of the subject site for various types of uses, per zoning and long range planning compatibility, is directly related to the current strengths and weaknesses of the market for various types of commercial, industrial, and residential properties within the competitive market area. The local real estate market is currently in a strong progressive portion of a cycle, following a time period of instability approximately five to ten years ago, uncertainty during the recent COVID-19 impacted time period, and a very recent time period of economic uncertainty impacted by inflation and rising interest rates. The local submarket area is a prime area of the southeast metropolitan area, within Tempe, with some property use categories leading the market in occupancy levels and rent levels. The following chart summarizes current statistics for major real estate categories, provided by CoStar Group, supplementing previous market statistics.

MAJOR REAL ESTATE USE CATEGORIES – PHOENIX METROPOLITAN AREA - DECEMBER 2022

Use Category	Inventory (SF)	% Vacant	Average Rent/SF	SF Under Construction	Past 12 Mo. Absorption
Office	193,561,025	15.1%	$28.07	1,430,615	-1,536,403
Industrial	417,167,481	5.0%	$11.82	46,325,683	25,313,979
Retail	237,924,030	5.1%	$22.19	1,872,154	4,881,089
Multi-Family	361,092 units	9.0%	$1,563/unit	27,642 units	2,726 units

The strongest and most active segments of the real estate market have been the industrial and multi-family use categories over the past 2-3 years, with strong expansion and construction, with continuing strong projections and anticipation. This has been enhanced by market changes during the recent COVID-19 time period since early 2020. Conversely, the office market remains relatively healthy, but has weakened based on the COVID-19 influences as large percentages of office workers work remotely, and trends relating to full worker return their offices are uncertain, impacting some downsizing by major users. The retail use category has relative strength to a moderate degree, adjusting to changing market conditions with the increasing impact of on-line shopping and other factors.

The subject property is one that has the potential for both industrial and office use, based on zoning and predominant uses in the local area, plus the physical characteristics of the building with adequate parking availability. It is generally marketable in a submarket location where availability of sites is limited. The statistics shown above indicate that several major use categories such as industrial remain strong, and are expected to remain that way for several years, even if the economy has a near term time period of slight difficulty due to the current levels of inflation and rising interest rates. Uncertainty in the office market will likely prevail into the foreseeable future.

These factors indicates that a moderate to strong level of marketability exists for potential business park/industrial uses of the subject site.

Maximally Productive: The subject property is a moderate sized land tract, potentially suitable as the location of moderate sized industrial and other business park use businesses. It is of a size that is suitable for single or multi-user development opportunities. Properties such as this are often built out with site coverage ratios of 20-40%.

Conclusion: The combination of these factors leads to the conclusion that the highest and best use for the subject site, is for business park and industrial development, as market conditions warrant.

Analysis, as Improved

Legally Permissible: As indicated in the first part of this analysis, the site is zoned for general industrial and commercial industrial uses. Business park, office, and industrial uses are compatible for the property.

Physically Possible: The improvements consist of a single level commercial-industrial building containing 82,421 s.f., situated on a 7.18 acre site. The subject property was built in 1981, with recent modification, has a contemporary appearance, and is in good condition. The south part of the building as 64% of the total space as the dominant sized part of the property, is designed to accommodate two back office users, with the space primarily improved, or intended to be improved with full air conditioning and drop ceiling in most areas, with generally adequate rest room space. The north segment is designed for up to 6 moderate sized users, as industrial flex design interior use space with full air conditioning. The building has adequate clear height at approximately 16 or more feet. It has existing on-site parking to support back office employee use intensity in a majority of the building at a parking ratio of 6:1,000, and moderate employee use intensity in the flex use components of the property, at a parking ratio of 3.3:1,000. This parking allocation is adequate per zoning requirements, and also per estimated general marketability standards. This is evident particularly for the back office space with the highest intensity of parking, where a minimum threshold for parking for this use is typically at 5.0:1,000, and a very common standard requirement is at 6:1,000. The overall parking of this property at a ratio of 5.1:1,000 significantly exceeds parking ratios of generic industrial use properties, which are typically overall at less than 2:1,000. This combination of factors allows the building spaces to be compatible for a variety of business park uses, including those that require a high level of employee parking intensity. As previously noted, a cultural deed restriction exists encumbering a significant amount of the center and south site area, in the non-building footprint area, over approximately 3.23 acres. It is estimated and assumed that the presence of this restriction is not disruptive to current or anticipated property use, with the existing configuration of building and site use. However, it constrains use of that part of the site, and could constrain the future use flexibility for future change in use and expansion modifications.

Financially Feasible: Logical progression in the highest and best use analysis of the subject property as improved, recognizing legally permitted uses, and designed use of the building for conventional and marketable back office use, as well as flex use industrial related uses, narrows analysis of use options to this combination of uses in the applicable segments of the property. The dominant part of the property is compatible for back office uses in the south 64% of the building. This is a segment of the real estate market that has been adversely impacted by the COVID-19 pandemic situation for over two years, despite recent decline in virus conditions and reopening of public facilities and venues, as many office workers have worked remotely from home. The office market has experienced absorption in several large new projects, and notably in Tempe, however on an overall basis, vacancy rates for the Phoenix metropolitan area have risen in the past year, and office space absorption has been negative for the past two years. Brokers report that the back office market is currently very weak. The industrial market has been exceptionally strong during the pandemic, with very low vacancy, strong absorption, and increasing rental rates. Portions of this information is shown in statistics on page 62. The Tempe submarket remains strong in the office category, leading the market in absorption and lease rates. Back office users are generally common in the southeast submarket areas of Tempe, Chandler, southeast Phoenix, Mesa, and Gilbert, and the subject property with contemporary features and adequate parking can effectively compete at a moderate level of lease rates. However this segment of the market has been weak in 2022. The subject property also has contemporary features to appeal to a strong industrial use market, with its moderate bay sizes and contemporary features. The overall property has value potential that allows the property as improved, to significantly exceed land value These overall market observations indicate that the property remains economically feasible for its current designed use.

Maximally Productive: The subject property is single level building with landscaping and parking lot improvements that effectively utilize the entire site, without excess land area. The site does not allow for building expansion while maintaining existing parking availability considered necessary for the existing and intended uses. The current property design/layout maximizes use of the property.

Conclusion: After examining the various pertinent aspects of the subject property, and market characteristics, the existing and intended use of the property for a mix of back office and flex industrial uses, represents the highest and best use, as improved.

APPRAISAL PROCESS

Estimation of the value of the subject property, as defined in this report, as of the indicated date of value, has been approached utilizing guidelines set forth in the *Uniform Standards of Professional Appraisal Practice* adopted by the Appraisal Standards Board of the Appraisal Foundation, and the Appraisal Institute. This involves analysis of the property, as if utilized under the concept of highest and best use, via three techniques or approaches to value, yielding value indications. The appraiser utilizes his experience and objective judgment in reconciliation of the value indications, leading to a conclusion of estimated property value.

The three approaches to value are commonly known as:

(1) The Cost Approach, wherein the value of the land, as if vacant, is estimated and added to the depreciated value of the improvements;

(2) The Income Approach, wherein the net income attributed to the property, as if operating at a stabilized occupancy level, has been estimated and correlated to value by a direct capitalization technique, with consideration given to a yield capitalization technique.

(3) The Sales Comparison Approach, wherein sales of properties have been researched, which have similar design characteristics or similar cash flow/investment potential characteristics which provide a basis for direct comparison to the subject.

The report considers information potentially derived from the Cost Approach, Income Approach, and Sales Comparison Approach, in estimating value for the property. This report relies on analysis from the Income Approach and Sales Comparison Approach to indicate estimated conclusions of value for the property as improved. Analysis by a Cost Approach is not utilized herein, as that approach is not likely to provide a reliable indication of value. The estimated values are reconciled to indicate a conclusion of estimated property value.

INCOME APPROACH TO VALUE

This approach involves estimation of property value by evaluating the present worth of future benefits derived from the ownership of the property. This is based on consistencies derived from the market place, primarily comparing value with anticipated net income streams, through indicated capitalization rates. The investment motivations of current typical real estate investors are identified, that relates to equity investment objectives and current institutional lending policies/rates. These have a bearing on analysis of capitalization rates indicated by recent sales, and estimation of an appropriate capitalization rate to be utilized here. Potential operating revenue in the subject property has been estimated based on analysis of existing lease rates, along with market analysis of competitive property lease rates. A stabilized vacancy factor and expense items are estimated based on analysis of historical operation figures in the subject property when available, compared to operating expense information in similar properties, plus input from discussions with property owners and property managers. These are subtracted from the gross income to indicate potential net operating income. An applicable capitalization rate is applied to the projection of stabilized, market-supported, net operating income, consistent with competitive investment objectives and risk inherent with the property ownership, to provide a value estimate. For this analysis, since a portion of the building is vacant, and requires completion of building modification construction to allow occupancy, appropriate deductions are made from the estimate of value, for the anticipated cost of completion of modification construction, and marketing expense to achieve occupancy.

Current Property Operation

The subject property is a flex use commercial/industrial building, suitable for multiple tenant occupancy. It exists as a single level building structure with exterior landscaping and abundant/adequate[1] parking, with building construction configured for back office users, and industrial office, showroom, production, storage users as described on page 51. The property description and observations are based on cursory walk through inspection of the building, review of property modification improvement plans, and review of summary operating information provided by the client. The appraiser has been provided with limited financial operating information for the subject property, that includes limited information on property operating expenses, plus revenue information from addendum and amendment excerpts of

[1] See item 2 on page 8, and explanation on page 58 for analysis regarding existing parking adequacy.

existing leases, but not full copies of leases, or property management reports. Other information indicates that the existing leases are structured on an industrial gross basis. The appraiser utilizes this information in this appraisal; without full leases and property management summary reports, it is assumed that existing leases are structured on an industrial gross basis, and that property operating expenses are typical of local real estate industry standards.

The subject property is currently 42% occupied by four tenants. The current owner has not attempted to lease the two vacant spaces in approximately the past three years, as the time period when property modification of the parking lot, an access driveway, and the Suite 8 building configuration were in process, now complete. Therefore, this level of occupancy is not an indication of market conditions. In that time period, occupancy has dropped from approximately 57%, as one tenant vacated, and another downsized, without effort by the owner to re-tenant those spaces. The following is a current rent roll, summarizing existing tenancy.

FAIRMONT COMMERCE CENTER – RENT ROLL AS OF 12/01/2022

Suite	Tenant Name	Size (s.f.)	Lease Start&Escal.	Lease Exp.	Rent/Mo.	Rent s.f./yr.
1	Conax AZ LLC	4,200	6/1/2018	9/30/2023	$4,494.50	$12.84
2-3	Vacant	9,391				
4	Konecranes, Inc.	4,696	8/1/2020	12/31/2023	$4,999.36	$12.78
			1/1/2023		$5,139.53	$13.13
5	Oldcastle APG West	4,715	4/15/2020	4/30/2022	$6,070.56	$15.45
				4/30/2023	$6,677.44	$16.99
6	Vacant	6,414				
7	Advertising Check Bureau	20,982	1/1/2018	11/30/2023	$19,488.46	$11.15
			9/1/2022		$20,073.11	$11.48
			9/1/2023		$20,675.31	$11.82
8	Vacant	32,023				
Total		*82,421*				

[1] *Source: Lease information from client, from partial information, assumed accurate.*

As previously described, the south segment of the building, as Suites 7 and 8, totaling 53,005 s.f. or 64% of the total space as the dominant sized part of the property, is designed to accommodate two back office users, with the space primarily improved, or intended to be improved with full air conditioning and drop ceiling in most areas, with adequate rest room space. The north segment of the overall building, totaling 29,416 s.f. or 36% of the total space is designed for up to 6 moderate sized users, as industrial flex design interior use space with full air conditioning. The building has adequate clear height at approximately 16 or more feet. It has existing on-site parking to support back office employee use intensity in a majority of the building at a parking ratio of 6:1,000, and moderate employee use intensity in the flex use components of the property, at a parking ratio of 3.3:1,000. This parking allocation is adequate per zoning requirements, and also per estimated general marketability standards. This is evident particularly for the back office space with the highest intensity of parking, where a minimum threshold for parking for this use is typically at 5.0:1,000, and a very common standard requirement is at 6:1,000. The overall parking of this property at a ratio of 5.1:1,000 significantly exceeds parking ratios of generic industrial use properties, which are typically overall at less than 2:1,000.

The existing tenants have been in place for approximately 2 or more years, with Suite 7 occupied by the same tenant for 37 years. The most recent lease is for Suite 5, in a previously vacant space. Recent one year lease extensions are in place for tenants in Suites 1 and 5. Older leases have been rewritten or extended within the past several years, typically written with annual escalation clauses. All leases are assumed to be written as on an industrial gross basis, where the tenant pays a base lease rate, plus their own charges for individually metered electric utilities, and for interior janitorial expenses. Under this type of lease, the landlord pays for other property operating expenses, such as for property taxes, risk insurance, and common area maintenance and operating expenses (landscape expense, parking lot sweeping, roof maintenance, general property maintenance, water, trash disposal, management fees). Some leases are written with base year operating expense stop, where a tenant contributes additional rent above base rent for an increase in common area operating expenses, after the first year of the lease. This potential revenue source is disregarded in this analysis, as the appraiser was not provided with the appropriate information to project the amount of this potential revenue, if applicable. It is noted that this type of lease, referred to as a gross, or industrial gross lease differs from that of a net lease. Under a net lease agreement, also referred to as triple net, or NNN, the tenant pays a base lease rate, then an additional amount per month that is equivalent to a proportional share of the total property operating expenses for the property. The amount of the this additional rent amount for a net lease arrangement, often referred to as the NNN amount is typically equivalent to approximately $3.00 to $4.00/s.f./year in addition to the base lease rate.

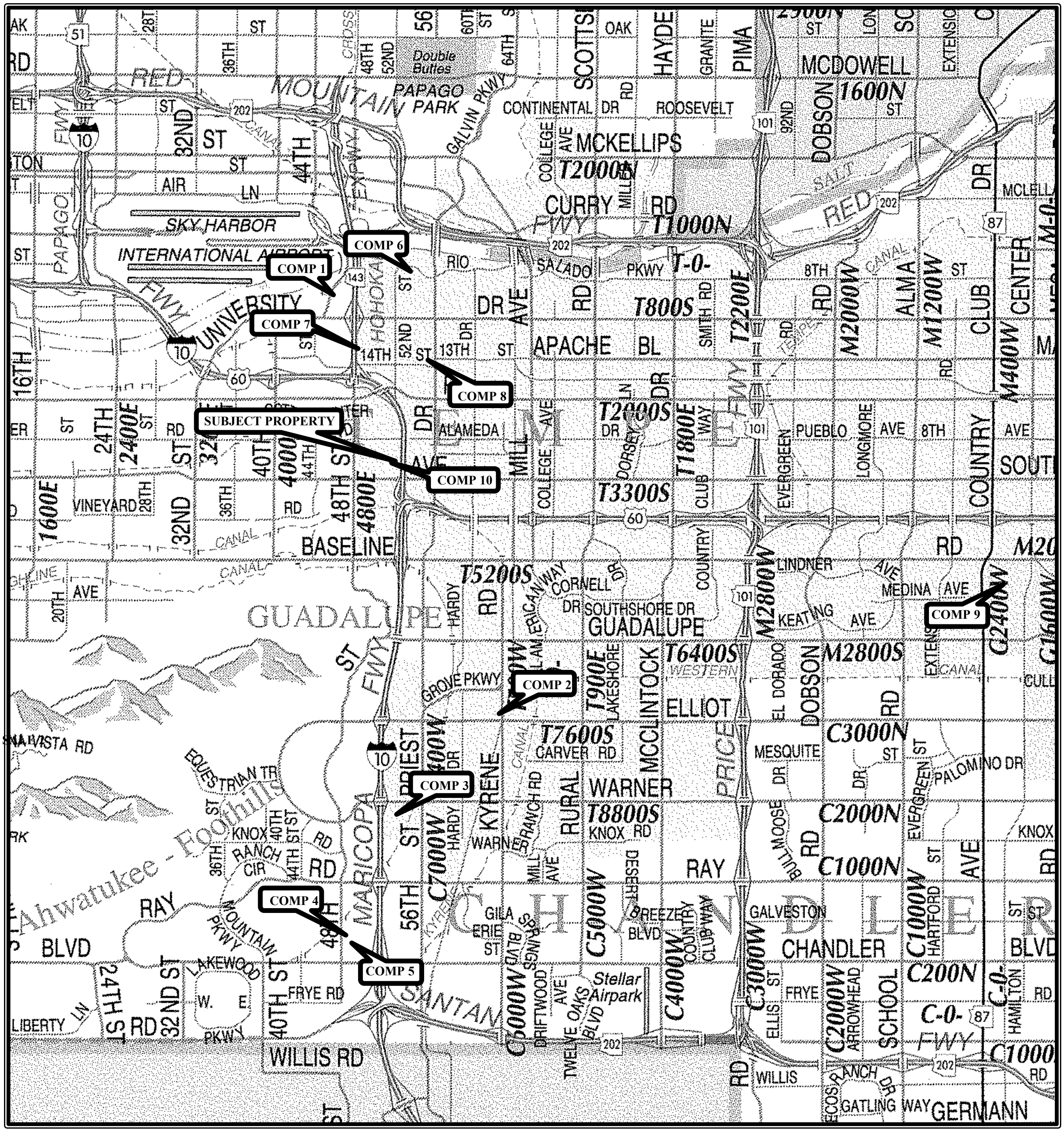
This appraisal analyzes the leased fee interest in the property. Therefore it is appropriate to recognize current revenue from existing tenants, and market lease rates for the vacant space. In the case of Suite 4 where the contract revenue is scheduled to escalate very soon (within one month), the escalation is recognized. The property appears to be readily adaptable for its originally designed uses, with back office use for the south suites 7 and 8, and industrial flex use space in suites 1 thorough 6. It is noted that the vacant Suite 8 space had been offered for lease in early 2019 prior to the purchase by ADOT, as a back office use space, at $14.40/s.f. gross. At that time, the prior owner had anticipated upgrade improvement cost for Suite 8 equivalent to approximately $8.00/s.f. as a bare minimum if not inadequate cost to prepare for a new tenant, after a former tenant had vacated. This is regarded as a minimal level of expenditure as a tenant improvement allowance for typical back office occupancy, unless the space interior is already well configured with excellent finishes to accommodate a new tenant. Information on following pages demonstrates that new tenancy in back office projects often requires landlord expenditure for office tenant improvement (TI costs) in the range of approximately $30 to $50/s.f. as of 2020 and 2021. Brokers and contractors indicate that full TI costs have nearly doubled in the past two years, and can now exceed $100/s.f. Leasing of this Suite 8 space did not occur in 2019 or subsequently, as the property was purchased by ADOT for right of way expansion purposes for the adjacent I-10 freeway widening and improvement; this project required reconfiguration of the land and exterior improvements at the subject property, and modification of Suite 8 (reduction in size). As of early 2022, the site and exterior improvement modification (parking lot, landscaping) appears complete.

Estimate of Market Rent

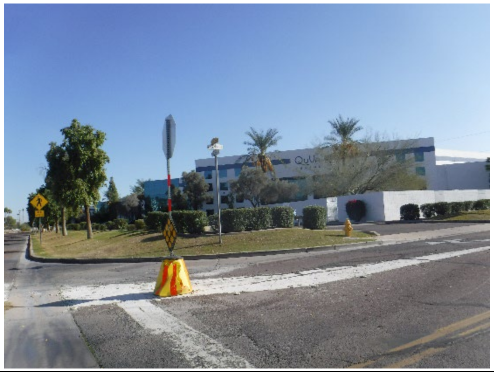
An investigation of lease rates and leasing activity in both back office user properties, and flex use industrial properties within the competitive market area of the subject was conducted to provide a basis for estimating market rent for the subject property. The results of the lease rate survey are summarized on subsequent pages. This information will be compared to the existing rates at the subject site, and will be used to estimate the market rent for vacant space at the subject property. Rates are quoted on both a gross and net basis, based on property owner preference. As indicated, in a gross lease situation, tenants pay a base lease rate plus their own charges for electric utilities and janitorial service, with the landlord paying for additional operating expenses. Under a net lease, the tenant pays a base rate, plus an additional amount for a percentage amount of the total operating expenses for the building project. To equate these two types of lease rates, the difference is the amount of the operating expenses. As an equivalency example, for a net rent at $16/s.f./year, where the amount of additional operating expense charges equate to $3.50/s.f./year[1], this equates to an effective gross rate of $19.50/s.f./year. Within this analysis, the property is analyzed based on gross lease rate revenue figures, to be consistent with the types of leases for existing tenants. All figures do not include rent taxes. Under either type of lease, rent taxes are charged as required, then paid out as a straight pass through cash flow item, not addressed in this appraisal analysis.

[1] Typically budgeted annually, then charged to the tenant on a monthly basis in addition to the monthly payment of the base lease payment amount.

Lease Comparison Map



LEASE COMPARISON CHART

Location	Building Size	Lease Rate/Year	Type of Lease	
1. 4747 E Hilton Avenue, Phoenix Multi-tenant, single level office/industrial/flex use building complex, built 2000, built out primarily for back office use, with warehouse space. Contemporary appearance, well landscaped, good condition. Parking at 5:1,000. Specific 40,000 s.f. lease to QuVa Pharma at $17.25/s.f. primarily as air conditioned warehouse space annual increases, with $5,00 TI allowance. Other 29,000 s.f. back office space in this building offered at $18.50/s.f. NNN.	40,000 s.f.	$17.25/s.f.	NNN	
2. 7420 S Kyrene Road, Tempe "Tempe Commerce Park" Multi-tenant, single level office/flex use building complex, built 1999, built out primarily for back office use. Class B, contemporary appearance, well landscaped, good condition. Parking at 5.5:1,000. Specific 20,998 s.f. lease to US Bank at $15.00/s.f. as office, $.50 annual increases, 37 months, 1 month free. Other 11,190 & 20,000 s.f. back office space in this building offered at $17.00/s.f. NNN.	20,998 s.f.	$15.00/s.f.	NNN	
3. 1725 W Greentree Drive, Tempe "Agave Executive Center" Multi-tenant, single level office/flex use building complex, built 2000, built out primarily for back office use. Class B, contemporary appearance, well landscaped, good condition. Parking at 6:1,000. Some tenants on NNN leases, other as full service-gross. TI allowance of $0-$40/s.f. depending on space condition. Specific 40,624 s.f. lease to Nuro, Inc at $21.50 annual increases, with $41.00 TI allowance.	40,624 s.f.	$18.00/s.f. $21.50/s.f	NNN Gross	

4. 4809 E Thistle Landing, Phoenix "Thistle Landing" Four building, single level multi-tenant office/flex use building complex, built 1999, built out primarily for back office use. Class B, contemporary appearance, well landscaped, good condition. Parking at 6.1:1,000. Specific 30,037 s.f. 2022 lease to MHA Systems at $16.00 NNN, $0.50 annual increases, with $52.00 TI allowance, $3.50 NNN charges.	383,000 s.f. Total	$16.00/s.f.	NNN	
5. 4805 E Thistle Landing, Phoenix "Thistle Landing" Four building, single level multi-tenant office/flex use building complex, built 1999, built out primarily for back office use. Class B, contemporary appearance, well landscaped, good condition. Parking at 6.1:1,000. Specific 70,000 s.f. 2022 lease renewal to MHA Systems at $16.00 NNN, $0.50 annual increases, with $7.00 TI allowance, $3.50 NNN charges.	383,000 s.f. Total	$16.00/s.f.	NNN	
6. 1621 W Rio Salado Parkway, Tempe "Rio West Business Park" Two level, multi-tenant office building, back office users, built 2007. Class B, contemporary appearance, well landscaped, good condition. Parking at 5:1,000. Specific 51,789 s.f. 2021 lease to Carvana, at $19.00 NNN, $0.50 annual increases, with $15.00 TI allowance. Included 384 work stations. Currently available as sublease at $20.00/s.f.	51,789 s.f.	$19.00/s.f.	NNN	

LEASE COMPARISON CHART

Location	Building Size	Lease Rate/Year	Type of Lease	
7. 1638 W 12th Street, Tempe "Twins West" Single level, 120,000 s.f. multi-tenant business park buildings, built 1979. Contemporary exterior appearance with parking ratio at 2:1,000, typical office/warehouse suite configuration, 16 foot clear height, street side and parking lot landscaping. This space with 30% office, balance as evaporative cooled warehouse/production space. Prior rates in similar spaces 2020 at 13.20/s.f.	5,852 s.f.	$16.80/s.f.	Gross	
8. 1320 S Priest Drive, Tempe Single level, 39,860 s.f. multi-tenant business park building, built 1996. Contemporary exterior appearance with parking ratio at 3.3:1,000, typical office/warehouse suite configuration, 21 foot clear height, street side and parking lot landscaping. This space with 32% office, balance as evaporative cooled warehouse/production space.	6,880 s.f.	$12.60/s.f.	Gross	
9. 1548 N Tech Blvd, Gilbert "Fiesta Tech Centre" Single level, 35,000 s.f. multi-tenant business park buildings, built 1987. Masonry exterior walls, parking ratio at 3.6:1,000, typical office/warehouse suite configuration, 14 foot clear height, street side and parking lot landscaping. This space with 50% office, balance as evaporative cooled warehouse/production space.	3,266 s.f.	$13.80/s.f.	NNN	

LEASE COMPARISON CHART				
Location	Building Size	Lease Rate/Year	Type of Lease	
10. 1919 W Fairmont Drive, Tempe “Fairmont Commerce Center” Subject property most recent lease (2020) in 82,421 s.f. building complex. This space as Suite 5 is office-warehouse space, 100% air conditioned, utilized for office, showroom, presentation area, storage. Contemporary exterior appearance with parking ratio at 3.3:1,000 for this portion of the building, 6:1,000 for back office portion.	4,715 s.f.	$15.00/s.f.	Gross	

Lease comparisons 1 through 6 on the preceding pages relate to the back office use portions of the subject property, as Suites 7 and 8, as the south portion of the building. Suite 7 is currently built out and utilized as full office space, and full office space is the anticipated interior build out for Suite 8 after the building shell modification is complete. Partial interior configuration is in place in Suite 8, with restrooms, air conditioner units, and partial drop ceiling. It is estimated that typical tenant requirements will entail an $80/s.f. tenant improvement (TI) expenditure by the landlord to suit a tenants needs, to be competitive in this segment of the market. Parking is available for Suites 7 and 8 at a ratio of 6 spaces per 1,000 s.f., as adequate and appropriate for this type of use. The lease comparisons indicate net lease rates of $15.00 to $19.00/s.f./year, net, with one at $21.50/s.f. on a gross basis. For equivalency purposes, it is appropriate to adjust the rates quoted on a net basis upward by $3.50-$4.00/s.f. for a gross lease rate analysis. Within this analysis, the property is analyzed based on gross lease rate revenue figures, to be consistent with the types of leases for existing tenants.

When specifically comparing the subject property to the comparison property information, it is recognized that market lease rates are sensitive to the location of the property, ease of access, age and visual appeal of the building, and adequacy of parking. The location of comparison 6 is superior to all others and the subject in north Tempe, followed by the location of comparison 3. The subject property is slightly inferior in location to all of the comparisons, as it has a more indirect pattern of access, in a business park with slightly older and inconsistent building uses. The subject property has inferior age and visual appeal compared to premium properties such as comparisons 3 and 6, but benefits from freeway traffic visibility without any emphasis on significant signage. All of the properties have similar and adequate parking available for tenant use. It is recognized that Suite 7 has an existing gross lease rate of 11.48/s.f./year. This tenant has been in place for 37 years with periodic rent adjustments, with approximately one year remaining on the lease. This rate is recognized as below market, at a rate that is below that of some other leases in the property, with lower intensity of interior improvement and a lower intensity of parking availability. Discussions with several brokers active in leasing space of this type indicates that the market for back office space is currently very soft, with downward pressure on lease rates, or an offset with significant rental concessions via large allowances for free rent periods. With all of these factors considered, the estimated market rent for the subject property, as suites 7 and 8, is equivalent to $18.00/s.f./year on a gross lease basis.

Lease comparisons 7 through 10 on the preceding pages relate to the flex use lease spaces in the subject property, as Suites 1 thorough 6. Comparison 10 is the most recent new lease negotiated at the subject property, in Suite 5. These spaces are primarily built out with 100% air conditioning, with parking availability at a ratio of 3.3 spaces per 1,000 s.f. These features are appropriate for tenants with a more intense use of the building space than a basic office and warehouse user, with appeal to a specific segment of the market. These lease comparisons indicate gross lease rates of $12.60 to $16.80/s.f./year. This segment of the leasing market is currently strong, with increases over the past 12-24 months, and comparisons 7 and 9 as the most recent indications of market rates. The equivalent gross rate of comparison 9 as a net rate, is approximately $3.00 higher to compare to the assumed gross lease structure of leases in the subject property, and other comparisons. With these factors considered, the estimated market rent for the subject property, for suites 1 through 6, the estimated market rate is $17.00/s.f./year on a gross lease basis.

Additional Revenue

Additional revenue for typical properties of this type, is derived from operating expense contribution (reimbursement) from tenants who have a contractual obligation per the lease agreements to contribute to a prorated share of expense; plus additional sources of miscellaneous revenue from parking charges, and other fee items. In the case of the subject property for analytical purposes in this report, without further specifics regarding details, the revenue is analyzed based on gross lease revenue, without tenant contribution to operating expenses. Other potential sources of additional potential revenue are from parking charges, or ancillary income from billboard ground leases, or other items. These do not apply here. No additional revenue sources are recognized as relevant here.

Gross Potential Income

This appraisal analyzes the leased fee interest in the property. Therefore it is appropriate to recognize revenue from existing tenants, and market lease rates as discussed on previous pages for the vacant space. The following chart provides a summary of current potential gross income.

GROSS POTENTIAL REVENUE - FAIRMONT COMMERCE CENTER

1919 W Fairmont Drive, Tempe, Az - Fairmont Commerce Center
Revenue Calculation

Suite No.	Tenant Name	Size (S.F.)	12/1/2022 Rent/Mo	$/sf/mo	$/sf/yr
	Occupied/Committed Space				
1	Conax AZ LLC	4,200	$4,494.50	$1.07	$12.84
4	Konecranes, Inc.	4,696	$5,139.53	$1.09	$13.13
5	Oldcastle APG West	4,715	$6,070.56	$1.29	$15.45
7	Advertising Check Bureau	20,982	$20,073.11	$0.96	$11.48
	Total, Occupied Space	*34,593*	*$35,777.70*	*$1.03*	*$12.41*
	Vacant/Uncommitted Space				
2-3	Vacant	9,391	$13,303.92	$1.42	$17.00
6	Vacant	6,414	$9,621.00	$1.50	$18.00
8	Vacant	32,023	$48,034.50	$1.50	$18.00
	Total, Vacant Space	*47,828*	*$70,959.42*	*$1.30*	*$17.80*
	Total, Total Building Area	*82,421*	*$106,737.12*		*$15.54*
			x12		
	Annual Potential Lease Revenue		*$1,280,845*		*$15.54*

Estimation of Net Operating Income

The methodology used in the Income Approach analysis is to first estimate the potential operating revenue in the property, then make appropriate deductions for items such as a vacancy factor, and property operating expense items, to provide an estimate of potential net operating income. An applicable capitalization rate is applied to the projection of stabilized, market-supported, net operating income, consistent with competitive investment objectives and risk inherent with the property ownership, to provide a value estimate. The revenue was estimated in the previous paragraphs, and the deduction items are discussed below.

Vacancy and Collection Loss

The vacancy and collection loss estimate is based on review of the actual operating history of the subject property, along with analysis of current vacancy levels derived from activity in the subject's local sub-market area.

The subject property is currently 42% occupied. It previously had a history of nearly full occupancy, then dropped when the tenant in Suite 8 vacated after reported bankruptcy in approximately 2018, and a more recent vacancy in Suite 6 when a lease expired. No effort has been made to lease the vacant space (3 spaces of 9,391 s.f., 6,414 s.f. and 32,023 s.f.) over the past 2-3 years, while property modifications were in process, therefore the current vacancy is not reflective of market conditions. This appraisal analysis assumes that the property is available for occupancy now, with appropriate cost adjustments made for pending completion of building modifications for Suite 8, plus marketing costs and tenant improvement costs (TI) to secure occupancy. Therefore vacancy loss is based on market influences, not the existing 50% occupancy status.

Background information regarding the status of the office and industrial property segments of the Phoenix area real estate segments were presented in the Location segment of this report, with additional comments in the Highest and Best Use segment on pages 62-65. The industrial segment of the market has been exceptionally strong over the past 2 years, relating to strong economic activity and strong positive user activity during the COVID-19 influenced time period. Vacancy rates are currently near 5%, as an improvement in the past 2 years. The office market has been more volatile, with a degree of uncertainty moving forward, as many office users have not returned their workforces to on-site work with the option of remote work from home continuing as a viable option. Various real estate statistical data sources, such as CoStar, and the large commercial brokerage companies report current vacancy rates for office users within a range of 14% to 16%. It is noted that the Tempe submarket area is among the strongest in the metropolitan area, with low rental rates, and some of the highest lease rates, however the back office segment is reported as very weak by office brokers.

It is appropriate to consider a specific provision for a collection loss, due to occasionally delinquent tenant rent payments. In most cases, lease security deposits are in place to cover at least one month's rental amount. This factor is not considered to have more than a 0.5 – 1% impact on overall collections in the long run.

Based on this information, particularly the high occupancy levels in Tempe, a 10% vacancy and collection loss vacancy factor is considered appropriate for the subject property within this analysis.

Operating Expenses

The subject property is analyzed as if leases are set up on a gross (industrial gross) basis, where the tenant pays a base rental amount, plus their own direct expenses for individually metered electric utilities and for janitorial services, while the property owner (landlord) pays for other property operating expenses (property taxes, insurance, landscape maintenance, general building maintenance, management fees, etc.).

The client has provided partial information relating to actual amounts of some categories of operating expenses, for the current time period, as well as some historic data. A full property management report was not available for this appraisal. This information is compared to known expenses in alternative income producing properties. The expense figures do not include loan payments, or depreciation. A composite summary of the historical information, plus the appraiser's projections, is included in the following chart. The individual expense categories are discussed following the chart.

OPERATING EXPENSE ANALYSIS
FAIRMONT COMMERCE CENTER – 82,421 S.F.

Expense Category	2018 Actuals $ & $/S.F.	2020 Actuals $ & $/S.F.	2021Actuals $ & $/S.F.	Appraiser's Projection $ & $/S.F.
Maintenance	$80,272 ($0.97)	$35,843 ($0.43)	$47,889 ($0.58)	$82,421 ($1.00)
Utilities	$37,103 ($0.45)	$37,968 ($0.46)	$37,646 ($0.46)	$45,000 ($0.55)
Management/Admin	$24,138 ($0.29)	0 ($0.00)	0 ($0.00)	$34,583 ($0.42)
Property Taxes	$103,550 ($1.26)	0 ($0.00)	0 ($0.00)	$105,000 ($1.27)
Insurance	$15,046 ($0.18)	0 ($0.00)	0 ($0.00)	$16,484 ($0.20)
Capital Reserves	----	----	----	$16,484 ($0.20)
Total Expenses	$260,109 ($3.16)			$299,972 ($3.64)

Property Maintenance: These expense categories include costs associated with general maintenance, and day-to-day upkeep of the property, utilizing both staff hired by a management company and/or contract personnel. This includes general maintenance, HVAC maintenance and repairs, electrical/plumbing repairs, window and roof maintenance, landscape maintenance, pest control, and dayporter service if needed. In this type of property, the property owner is responsible for basic building shell and exterior maintenance, while tenants maintain their interior and provide for janitorial/cleaning services. Various expense comparables indicated cleaning expenses at $0.75-$1.55/s.f. The subject property has a limited history of these expenses from 2018, and partial information from 2020 and 2021 when the building was 50% occupied. The amount projected here is slightly above that of the 2018 amount, and at the moderate range of comparison properties.

Utilities: This expense category covers utility expenses for the common area components of the property, such as the landscape sprinklers and exterior lighting. in operating the property, including electricity, gas, water/sewer, and telephone. Partial 2022 expenses over approximately nine months was at $68,332 which included on site utilities for extensive construction in Suite 8, as higher than preceding years. This expense category is not significantly occupancy-sensitive, and is projected based a general consistency of this expense category over several years, with upward adjustment for inflation.

Management: Management services are typical in operation of an income producing property such as the subject property. Fees are typically calculated either based on a flat rate percentage of gross income, or based on actual costs associated with salaries and services of a full time staff. In this case, it is appropriate to estimate management fees based on a percentage of effective gross income. Typical fees range from approximately 2%-5%, and most commonly at 2.5%-4.5%. An amount equivalent to 3% of effective gross income is appropriate here.

Property Taxes: The subject property is currently owned by a government entity, and is exempt from payment of property taxes. It is analyzed within this report as if owned by a private versus public entity, and therefore subject to property tax liability as a normal operating expense. Current assessment is based on the site and building size prior to the reduction when the property was modified to sever east portions for freeway right of way use. It is recognized that some property taxes have been reduced in the past few years, while others have increased, and the property is likely to have a net reduction as the size is reduced. The property tax projection here is based on a potential slight increase despite size reduction.

Insurance: The subject property is currently owned by a government entity, and is not covered by typical all risk insurance coverage, as the type of property insurance that is required by lenders for privately owned property. This property is analyzed here as if owned by a private versus public entity, and therefore subject to typical insurance requirements and expense as a normal operating expense, recognizing that the property has contemporary primarily non-combustible building components, and fire sprinklers. The amount of an insurance premium equivalent to $0.20/s.f. is appropriate.

Capital Improvement Reserves: This category is essentially a sinking fund established to cover the cost of infrequent repair items, such as roof repairs, mechanical equipment replacement, painting, parking lot repair, etc. The subject property will periodically need replacement/repair on some of these major components. A prudent reserve allowance is estimated to be equivalent to $.20/s.f.

The operating expenses equate to $3.64/s.f. of building area. This is reasonable compared to known expenses in other buildings, including several cited as lease comparisons.

Pro-forma Operating Statement

A pro-forma operating statement, indicating the derivation of market supported net operating income, is as follows:

PRO-FORMA OPERATING STATEMENT

Gross Potential Income			$1,280,845
Less: Vacancy & Collection Loss Allowance (10%)			$ 128,085
Effective Gross Income			$1,152,760
Less: Operating Expenses:			
	Property Maintenance	$ 82,421	
	Utilities	$ 45,000	
	Management	$ 34,583	
	Property Tax	$105,000	
	Casualty Insurance	$ 16,484	
	Capital Reserves	$ 16,484	
Less: Total Operating Expenses			$ 299,972
Net Operating Income			$ 852,788

Value Estimate - Direct Capitalization Method:

Estimation of value via the Direct Capitalization method is a process where a single year's net income expectancy is converted into a value conclusion in one direct step by the use of a capitalization rate. This rate is principally derived from an analysis of the relationship between the sales price and net income of income producing properties, which have sold recently. Despite different building sizes and types, and despite absence or presence of particular amenities, the same type of knowledgeable investors are conceptually involved with each sale. A purchase is made to receive the right of future benefits, (i.e., cash flow), and assuming the quality and risk associated with the benefits are similar, correlation of the capitalization rates discovered can be made and applied to the subject.

Capitalization rates derived from the sales included in the Sales Comparison Approach are at .065, .061, .081, and .055. Alternatively, other sales of commercial properties demonstrate capitalization rates in a general range of .055-.095, with .06-.07 being common in the recent current market for properties of a similar nature to the subject property. Real estate research firms, such as CoStar indicate that average office project capitalization rates in the overall Phoenix market for good quality average risk investments is at 7.3% for office property and 5.8% for industrial property. These rates had trended downward in 2020 and 2021, but now trend upward in 2022 with rise in overall interest rates, and a somewhat conservative nature of investors with significant rise in the federal funds rate in 2022. Additional sources of information for appropriate capitalization rates and other financial indicators includes national reporting firms relating to published capitalization rates. This includes review of capitalization rate statistics published in the PwC Real Estate Investor Survey. Their third quarter 2022 summary information for Phoenix area office investment properties indicates in capitalization rates of 4.75% to 9.0%, and an average of 6.45%. The third quarter 2022 summary information for national warehouse investment properties indicates in capitalization rates of 3.0% to 5.75%, and an average of 4.29%. The average rates have declined 22 basis points in office properties, and 14 basis points for warehouse industrial. It is recognized that properties in this survey are predominantly investment grade properties, that do not necessarily correlate to the subject property.

As indicated herein, a cultural deed restriction exists encumbering a significant amount of the center and south site area, in the non-building footprint area, over approximately 3.23 acres. It is estimated and assumed that the presence of this restriction is not disruptive to current or anticipated property use, with the existing configuration of building and site use. However, it constrains use of that part of the site, and could constrain the future use flexibility for future change in use and expansion modifications. This is an unusual feature of the property, not found in the comparison properties cited here where market derived capitalization rates are derived. It is estimated that this restriction has a modest bearing on risk perception for the property, for long term use flexibility. The extent of this risk might increase a capitalization rate slightly, by perhaps 10 to 25 basis points.

These overall rates reflect investor perception of varying risk associated with the sales. Capitalization rates at the lower end of the range typically reflect low risk, due to several factors. These factors typically include financial strength and stability of an existing tenant or tenants, long-term leases, strong market area of the properties, and moderate to strong level of upside potential of the lease rates. The lowest level of risk perception involves “credit” tenants with long term leases, which are typically tenants associated with large corporations, with excellent financial backing. Many of individual company tenants in this market area do not fit this category. Alternatively, speculative investment situations, involving shorter term leases, and lack of strong financial backing of the tenant, are more indicative of transactions which demonstrate capitalization rates at the higher end of the range. The subject property is analyzed at market rate for the existing vacancy and contract rate for the occupied space, with a market level of occupancy. This analysis recognizes that the existing occupancy in 42% of the building is below market rates, therefore significant upside revenue potential is present within 1 to 2 years. This circumstance typically results in lower capitalization rates in property marketing and negotiations. However overall demand is low at this time for the back office space. This particular submarket area is strong but competitive, with moderate vacancy levels particularly for office space, and some ongoing potential upside lease rate and upside value potential, as stronger than other submarket areas. The operating expense deductions for the subject property are supported by analysis and discussion. Market conditions are favorable for appropriately priced investments. The combination of these factors translates to a low to moderate degree of risk. This combination of factors allows for consideration of a moderate to relatively low capitalization rate.

After reviewing the rates indicated, details of the transactions from which the capitalization rates were derived, and market supported lease rates in the subject property, a rate of .065 is considered applicable as a capitalization rate for the subject property.

An alternative method of deriving an applicable capitalization rate is the Band of Investment method, in which the primary components of a capitalization rate are analyzed and calculated in a formula. Today's real estate investors are cash flow oriented, which has changed in recent years because of new tax laws and declining influence of tax benefits. Cash on cash returns, also called the equity dividend rate (Re), of 5 to 12 percent are generally required based on stabilized net operating income. Equity requirements within that range, coupled with yield requirements of mortgages on stabilized properties, results in a valid indication of overall capitalization rate (Ro) using the band of investment formula:

$$R_O = M\ R_M + [(1 - M)\ R_E]$$

Currently, lenders are considering 75% mortgages at 5.0% to 7%, amortized over 25 years for commercial properties. The appropriate loan constant (Rm) at 6.0% is, therefore, .0773. A 6% equity dividend rate is considered appropriate to properties such as the subject.

The overall rate (Ro) therefore becomes:

Ro	=	.75 x .0773 + .25 x .06
	=	.058 + .015
	=	.073

This figure is moderately supportive of the previous conclusion of a .065 rate via direct capitalization derivation. The band of investment does not account for the strong upside of lease revenue in 50% of the property as leases expire in roughly 1-3 years. The .065 capitalization rate is appropriate and applied to the estimated net income, indicating the following property value:

Net Income	$852,788		
	———	=	$13,119,815
Capitalization Rate	.065		
	Rounded to:		$13,120,000

The estimated value, at $13,645,000 is a hypothetical value "as complete" for the property, with the building shell and exterior modifications complete, with the need to complete interior tenant improvements (TI) for a contemplated back office user for Suite 8, and leases are signed for users in Suites 2-3, 6, and 8 at market rate, with leasing commissions paid. The property modifications are complete related to the I-10 freeway impact on this property. It is appropriate to deduct the anticipated significant cost of TI for Suite 8, and the marketing cost (leasing commissions) to secure tenancy for vacant suites 2-3, 6 and 8, to provide an estimate of as is value. It is assumed that an appropriate tenant improvement allowance for Suite 8 would be equivalent to $80/s.f. or $2,562,560 on a preliminary estimated basis, which is considered necessary to secure lease occupancy at market rate. Marketing costs are reflective of leasing costs, per commercial real estate brokers, estimated based on a 5% overall commission, for a minimum 5 year lease to secure tenancy in Suites 2-3, 6, and 8. The amount of these items are tabulated below, then deducted from the as complete value in provide an indication of "as is" value via the Income Approach.

As Complete Estimated Value	$13,120,000
Less: TI Allowance	$2,562,560
Less: Lease Up Marketing Expense[1]	$212,877
As Is Estimated Value	$10,344,563
As Is Estimated Value, Rounded	$10,345,000

The estimated "as is" value conclusion via the Income Approach is $10,345,000.

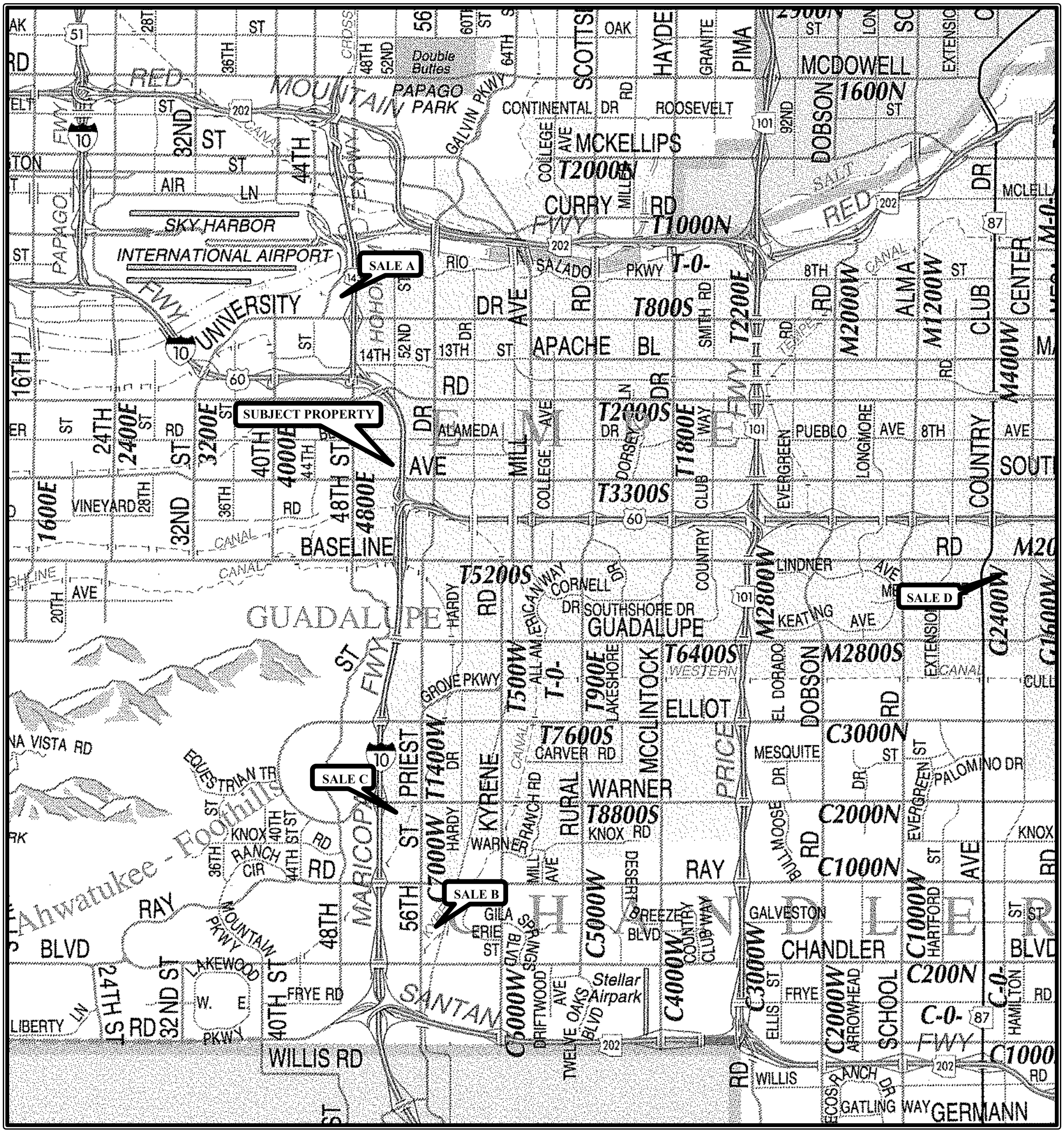
[1] 60 month revenue for Suites 2-3, 6 and 8 per page 79, at $70,959/month x 60 x 5% leasing commission.

SALES COMPARISON APPROACH

The Sales Comparison Approach is a direct sales comparison technique, based on the premise that properties such as the subject are replaceable in the resale market, with value related to cost of acquiring an equally desirable replacement property, if no cost or other delay is encountered in making the substitution. This approach is dependent on the availability of verifiable, comparative sale data which are not unduly influenced by non-typical market conditions.

A search of the public records and discussions with knowledgeable realtors has revealed sales of existing income producing properties which are used as a guide in estimating value for the subject as improved. These sales are useful in extracting various units of comparison such as package prices, and capitalization rates. The specific units of comparison used in this instance is the sales price per square foot of building, or package price, calculated by dividing the sales price by the building area. The sales are outlined and analyzed on the following pages.

Improved Sales Map



IMPROVED SALE COMPARISON A

Identification:

,	Type:	Flex Use Back Office/Industrial Building (75,525 s.f.)
	Location:	4717 E Hilton Avenue, Phoenix
	Assessor Parcel Number:	124-44-026, 027, 029C
	Legal Description:	Lots 6-9, Rio Salado Gateway Center MCR 267/34

Transaction Data:

Date of Sale:	2/2022
Grantor:	Oulette DS LLC
Grantee:	4717 Hilton Ave LLC, et al
Price:	$20,750,000
Price Per Unit:	$139.78/ s.f.
Terms:	Buyer paid $6,225,000 down and financed $14,525,000 with First Bank.at market rate
Cash Equivalency Price:	N/A
Adjusted Price Per Unit:	N/A
Instrument Type/Number:	Deed / 22-0110078
Property Rights Conveyed:	Leased Fee
Conditions of Sale:	Arms Length Transaction
Prior Sales:	No known arms length transactions in the past three years.
Marketing Time:	N/A
Confirmation:	Public Records; CoStar; Broker- Ross Brown Partners

Site Data:

Size:	7.70 acres
Topography:	Level
Zoning:	A-2, Phoenix
Utilities:	All public available
Visibility:	Good
Highest and Best Use:	Office/Flex Industrial Use

Improvement Data:

Building Area:	148,446 s.f.
Vacancy at Sale:	34%
Parking Spaces:	5.5/1,000 s.f.
Year Built:	1996
Construction Type:	Single level tilt up concrete building, with second level front office components, reflective glass window siding on north side with additional exterior windows. Interior built out as combination of office and warehouse space, fully air conditioned to accommodate office, back office, air conditioned production area and warehouse space. Exterior surface parking lots and well maintained landscaping.
Condition:	Good

Income/Analytical Data:

Major Tenant:	Multi-tenant
Type of Lease:	Net
Net Operating Income:	$1,349,000 (projected)
Net Income Per S.F.:	$9.09
Overall Capitalization Rate:	.065
Package Price per S.F.:	$139.78

Comments: Good quality and appearance flex use building in southeast Phoenix. Broker reports 66% occupancy at sale, projected capitalization rate of 6.5% on in-place revenue with stabilized occupancy. New leases are being negotiated in the 17.25-$20.00/s.f. range, modified gross, with tenant improvement allowances and significant rent abatement periods. Broker indicates that this is a value add transaction, upon lease up.

4717 EAST HILTON AVENUE, PHOENIX

IMPROVED SALE COMPARISON B

Identification:

,	Type:	Flex Use Back Office/Industrial Building (75,525 s.f.) “Galveston Tech Center”
	Location:	6825 W Galveston Street, Chandler
	Assessor Parcel Number:	301-68-951
	Legal Description:	Lot 2, Tri-City Mechanical Commercial Center, MCR 489/13

Transaction Data:

Date of Sale:	4/2021
Grantor:	6825 West Galveston LLC (Wexford Capital)
Grantee:	Cado La Quinta, et al (Capstone Advisors)
Price:	$14,050,000
Price Per Unit:	$186.03/ s.f.
Terms:	Buyer paid $700,000 down and financed $4,525,000 from Silvergate Bank, with additional lender.at market rate
Cash Equivalency Price:	N/A
Adjusted Price Per Unit:	N/A
Instrument Type/Number:	Deed / 21-0824100
Property Rights Conveyed:	Leased Fee
Conditions of Sale:	Arms Length Transaction
Prior Sales:	No known arms length transactions in the past three years.
Marketing Time:	N/A
Confirmation:	Public Records; CoStar; Broker- Cushman & Wakefield

Site Data:

Size:	4.88 acres = 212,629 s.f.
Topography:	Level
Zoning:	I-1, Chandler
Utilities:	All public available
Visibility:	Good
Highest and Best Use:	Office/Flex Use

Improvement Data:

Building Area:	75,525 s.f.
Vacancy at Sale:	8%
Parking Spaces:	4:1,000 s.f.
Year Built:	1999
Construction Type:	Single level tilt up concrete building, reflective glass window entry area with additional exterior windows. Interior built out primarily as office space, with additional unfinished mezzanine area. Zoned roof mounted HVAC units. Exterior surface parking lots and well maintained landscaping.
Condition:	Good

Income/Analytical Data:

Major Tenant:	Multi-tenant
Type of Lease:	Gross
Net Operating Income:	$852,800
Net Income Per S.F.:	$11.29
Overall Capitalization Rate:	.061
Package Price per S.F.:	$186.03

Comments: Good quality and appearance back office building in Chandler. Mix of business tenants including Alliant, Naboso Technology, Omnicare. Broker reports 92.3% occupancy at sale, capitalization rate of 6.07% on in-place revenue/occupancy. Existing lease rates at $11-13/s.f. NNN and some at $14-15/s.f. gross where tenants pay electric and for janitorial service directly.

6825 WEST GALVESTION STREET, CHANDLER

IMPROVED SALE COMPARISON C

Identification:

Type:	Flex Office Building (141,336 s.f.) “Agave Business and Corporate Center ”
Location:	8945 S Harl Avenue and 1711 W Greentree Drive, Tempe
Assessor Parcel Number:	301-59-511 & 845
Legal Description:	Lots 2 and 9 Agave Center

Transaction Data:

Date of Sale:	10/2020
Grantor:	DIG Agave Center, LLC
Grantee:	Agave Center OR, LLC et al
Price:	$24,000,000
Price Per Unit:	$169.81/ s.f.
Terms:	Buyer paid $8,500,000 down and financed $13,500,000 at market rate
Cash Equivalency Price:	N/A
Adjusted Price Per Unit:	N/A
Instrument Type/Number:	Deed / 20-00983403
Property Rights Conveyed:	Leased Fee
Conditions of Sale:	Arms Length Transaction
Prior Sales:	No additional known arms length transactions in the past three years.
Marketing Time:	6 months
Confirmation:	Public Records; CoStar; Broker-Cushman and Wakefield

Site Data:

Size:	11.42 acres = 497,537 s.f.
Topography:	Level
Zoning:	GID, Tempe
Utilities:	All public available
Visibility:	Moderate
Highest and Best Use:	Office and Flex Use

Improvement Data:

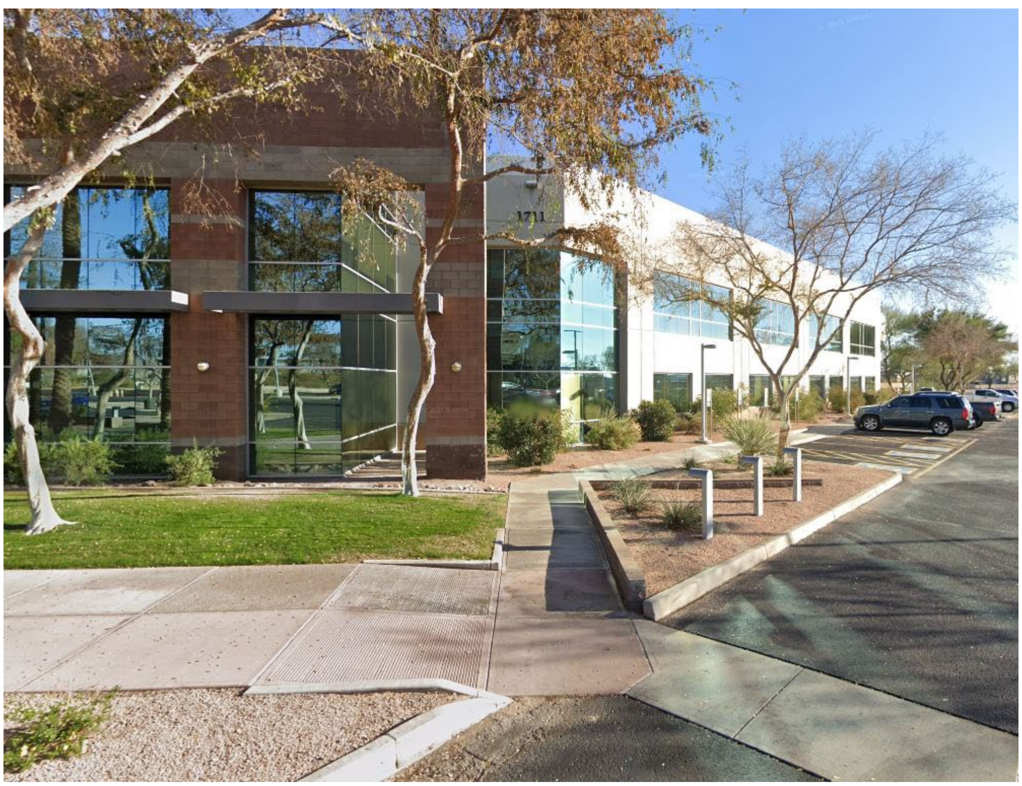
Building Area:	141,336 s.f.
Vacancy at Sale:	2%
Parking Spaces:	4.3:1,000 s.f.
Year Built:	2000
Construction Type:	Complex of two buildings, office and back office/flex occupancy. The 8945 S Harl Avenue building is a 86,115 s.f. single level tilt up concrete building, reflective glass windows, rear exterior loading doors. Interior built out primarily as office space, flexible design to accommodate R&D or production areas. Zoned roof mounted HVAC units. The adjacent 1711 W Greentree Drive building is a two story office structure, 55,221 s.f., masonry and concrete tilt up wall construction, reflective window panels, built up roof, rear overhead door access. Zoned roof mounted HVAC units. Interior configured for multiple tenant occupancy, interior corridor access. Exterior surface parking lots and well maintained landscaping. Parking at 5.2:1,000 for the office component, and 3:1,000 for the flex use industrial building component of the property.
Condition:	Good

Income/Analytical Data:

Major Tenant:	Multi-tenant
Type of Lease:	Gross and Net
Net Operating Income:	$1,949,600
Net Income Per S.F.:	$13.79
Overall Capitalization Rate:	.081
Package Price per S.F.:	$169.31

Comments: Good quality and appearance back office flex building with adjacent office building in south Tempe area. Mix of business tenants including SCP, Boon, Inc, Hit Squad Ninjas. Broker reports 100% occupancy at 8945 Harl and 95% at the directly adjacent Greentree Drive building at sale, capitalization rate of 0.081 on in-place revenue/occupancy.

8945 SOUTH HARL AVENUE, TEMPE



1711 WEST GREENTREE DRIVE, TEMPE

IMPROVED SALE COMPARISON D

Identification:

Type:	Flex Industrial Building (73,283 s.f.) "Hewson Fiesta Tech Centre"
Location:	1405 N Fiesta Boulevard, Gilbert
Assessor Parcel Number:	302-09-506
Legal Description:	Lot 1, GH Tech I Amended

Transaction Data:

Date of Sale:	3/2020
Grantor:	AEI Fiesta LLC
Grantee:	1405 Fiesta LLC
Price:	$10,090,000
Price Per Unit:	$137.69/ s.f.
Terms:	Buyer paid $5,090,000 down and financed $6,000,000 from CMFG Life Insurance at market rate
Cash Equivalency Price:	N/A
Adjusted Price Per Unit:	N/A
Instrument Type/Number:	Deed / 20-0200228
Property Rights Conveyed:	Leased Fee
Conditions of Sale:	Arms Length Transaction
Prior Sales:	No known arms length transactions in the past three years.
Marketing Time:	N/A
Confirmation:	Public Records; CoStar; Broker – Cushman & Wakefield

Site Data:

Size:	5.20 acres = 226,512 s.f.
Topography:	Level
Zoning:	LI, Gilbert
Utilities:	All public available
Visibility:	Average
Highest and Best Use:	Business Park Flex Use

Improvement Data:

Building Area:	73,283 s.f.
Vacancy at Sale:	0%
Parking Spaces:	4.25:1,000 s.f.
Year Built:	1998
Construction Type:	Single level tilt up concrete building, reflective glass window entry area with additional exterior windows. Interior built out as office and production space, multiple tenant occupancy. Exterior loading overhead rear doors. Zoned roof mounted HVAC units. Exterior surface parking lots and well maintained landscaping. Parking at ratio of 4.25:1,000.
Condition:	Good

Income/Analytical Data:

Major Tenant:	Multi-tenant
Type of Lease:	Gross and Net
Net Operating Income:	$555,000
Net Income Per S.F.:	$7.57
Overall Capitalization Rate:	.055
Package Price per S.F.:	$137.69

Comments: Good quality and appearance flex use, multiple tenant and fully occupied industrial building in Gilbert. Broker reports 100% occupancy at sale, capitalization rate of 5.5% on in-place revenue/occupancy.

1405 NORTH FIESTA BLVD, GILBERT

Sales Discussion

The sales outlined on the preceding pages are summarized below:

Sale	Location	Date	Price	Building Size (S. F.)	Price/SF	NOI/S.F.	OAR
A	4717 E Hilton Avenue, Phoenix	2/22	$20,750,000	148,446	$139.78	$9.09	6.5%
B	6825 W Galveston Street, Chandler	7/21	$14,050,000	75,525	$186.03	$11.29	6.1%
C	8945 S Harl/1711 Greentree, Tempe	10/20	$24,000,000	141,336	$169.81	$13.79	8.1%
D	1405 N Fiesta Blvd, Gilbert	3/20	$10,090,000	73,283	$137.69	$7.57	5.5%
Subject	1919 W Fairmont Drive, Tempe			82,421			

Our investigation of flex use office-industrial building sale activity revealed a moderate to low level of market activity, involving moderate to large sized building complexes, particularly over the past year. This low level is characteristic of the local market as well as trends nationwide, as economic conditions fluctuate in response to high inflation, federal funds rate increases, and significantly rising mortgage interest rates which are factors impacting real estate markets. The real estate market investigation targeted Class B flex use office-industrial properties, built approximately 20-45 years ago, located in moderate to strong submarket areas, as similar to the subject property characteristics. The sales utilized in this analysis have been analyzed based on the price per square foot of building area, recognizing differentials associated with location, improvement characteristics, income-producing potential, etc.

Adjustments to the indicated package prices are made based on potential influence of the following factors:

A. Property rights conveyed.
B. Market conditions.
C. Financial terms/cash equivalency.
D. Conditions of sale.
E. Location.
F. Physical characteristics.
G. Income potential.
H. Other property characteristics.

Property Rights Conveyed:

The subject property is a leased property, analyzed with leases in place, anticipating that vacant space is marketable at market rates, at market occupancy. This is a similar situation compared to the sale properties. No adjustment is appropriate for this factor.

Market Conditions:

Each of the sale transactions have occurred within the past 3 years, which is a time period that has been generally consistent involving strong investor activity for highly marketable properties, recognizing strength in the industrial segment of the market, and sluggish activity in the office market due to the lingering impact of the COVID-19 situation, and recent conservative investor outlooks. These conditions have prevailed through the time period of the sales with recent moderation, therefore no adjustments are appropriate for changes in market conditions for the sales.

Financing Terms/Cash Equivalency:

Each of the transactions is analyzed to determine if financing associated with the sales created a favorable or unfavorable negotiating position for either party, such as by comparing financing terms to market rate terms which may be offered by financial institutions as an alternative to a cash transaction. In this analysis, all of the sales involve cash transactions or market rate financing. No cash equivalency adjustments were considered necessary.

Conditions of Sale:

The motivations of buyers and sellers are analyzed to determine if the transactions occurred under atypical conditions. It has been a noted characteristic of the marketplace that many properties have been sold by lienholder entities who have acquired them through foreclosure, then resold at seemingly favorable prices. This type of transaction previously had a significant influence in the marketplace, as part of the norm. Potential distressed sale situations, or those with unusual conditions are not common in the current market. No adjustments are applicable for this factor.

Location:

The subject property is located in the southeast portion of the metropolitan area, in the Tempe submarket area. This is a submarket area with strong marketability for flex use space, such as in back office buildings, and those with industrial and quasi-industrial use space. The subject property location is regarded as good, but not as readily accessible or strategic in location compared to comparison sale properties B and C. The subject property has freeway visibility, but is not set up with signage to easily identify individual tenants, therefore this is not a significant consideration. A modest downward adjustment of unit price is applicable to these sales for the location factor. Sales A and D are in the southeast Phoenix and Mesa areas, as favorable, but not as strong as the Tempe or Chandler submarket areas. This location is neutral with respect to the subject property.

Size:

The subject property building complex contains a rentable area of 82,421 s.f. This is moderate as an overall size of the building complex, and is within the size range of the comparison properties utilized here. All of the properties are of the size that allows them to operate at a reasonable economy of scale. No adjustment is made for size differential.

Age/Condition:

The subject property is a good quality flex use building, with good overall appearance, built in 1981. It appears to have had a history of a generally good level of overall maintenance, with recent modification involving a reduction in site size and building size, then reconstructed/reconfigured in the Suite 8 building area, and for the parking and landscape areas. Some general wear and weathering is apparent to parts of the parking lot, the roof surface, and some of the HVAC units as characteristic of buildings of this age. Each of the comparison properties are newer in age by roughly 20 years, with a lesser degree of overall modest deterioration. This is superior for each property, resulting in modest downward adjustment of unit prices.

Improvement Characteristics:

The subject property is a good quality flex use building, with slightly plain architectural features but contemporary appearance, suitable for back office use in the south 64% of the property, and flex use industrial and quasi industrial use in the balance of the property. Recent modification has occurred involving a reduction in site size and building size, then reconstruction/reconfiguration in the Suite 8 building area, and for the parking and landscape areas. All this is being completed with good quality design and workmanship, with appearance that is similar to the original design. The property retains sufficient parking ratios that are consistent with the use characteristics of the building from a marketability perspective, at ratios of 6:1,000 s.f. for the back office component, and 3.3:1,000 s.f. for the balance of the building, averaging 5.1:1,000. The property is initially analyzed here considering that the modifications are complete, with adjustment for the anticipated need for tenant improvement (TI) in Suite 8, at the end of this discussion. Sale A is a flex use building with office and flex industrial tenants, fully air conditioned. It has excellent tenant entrance design features at multiple locations in the building with more extensive window area than the subject property, but with adequate parking for labor intense uses. The superior visual design features influence a potentially superior tenant income producing circumstance than that of the subject property. Downward adjustment of unit price is appropriate. Sale B is also a flex use building with office and flex industrial tenants, fully air conditioned. It has very good tenant entrance design features at multiple locations in the building with more extensive window area than the subject property, but with a lesser intensity of parking at a parking ratio of 4:1,000. The superior visual design features influence a potentially superior tenant income producing circumstance than that of the subject property, somewhat offset by the lesser degree of parking intensity. Downward adjustment of unit price is appropriate at a moderate amount, considering the parking availability differential, which is significant for many tenants. Sale C is the combined sale of two side by side buildings as one package, one as an office building with very good appearance, suitable for multi-tenant occupancy, and the other as a flex use industrial building. These are overall superior in their appearance compared to the subject, because of more contemporary design than the subject property with reflective glass and more extensive window areas, with a pleasant common area interior lobby feature for the offices. It has slightly more limited parking than the subject property. Overall this property has a superior level of features that impact revenue potential; downward adjustment of unit price is appropriate. Sale D is a flex use industrial building, fully air conditioned, with some bays built out primarily as office space, with others in a majority of the building suitable for combination office and production space uses. It has a good overall appearance, with similar use of glass for windows primarily along only the front side of the building. It has a more limited intensity of parking, at a 4.25:1,000 parking ratio, as inferior to the subject property. Upward adjustment of unit price is applicable in comparison to features of the subject property.

Additional Factors:

A variety of additional property characteristics which offer differences between the subject property, and the sales have been noted. A majority of these are relatively subtle, and do not lead to significant adjustment of the unit pricing. The exception is for Sale A with significant vacancy in one third of the building; the buyer anticipates significant cost to achieve a higher occupancy level, and purchased this as value add investment. Upward adjustment of unit price is appropriate when comparing it to the subject property as if operating at a stabilized occupancy level.

Specific Adjustments:

A grid indicating appropriate adjustments to the comparison property transactions is as follows.

IMPROVED SALES ADJUSTMENT CHART

	SUBJECT	SALE A	SALE B	SALE C	SALE D
Sale Price/SF	***---***	***$139.78***	***$186.03***	***$169.81***	***$137.69***
Property Rights	Leased Fee	Similar -0-	Similar -0-	Similar -0-	Similar -0-
Market Conditions	-- --	2/22 -0-	7/21 -0-	10/20 -0-	3/20 -0-
Financing	---	Cash -0-	Cash -0-	Cash -0-	Cash -0-
Conditions of Sale	---	Typical -0-	Typical -0-	Typical -0-	Typical -0-
Net Adjustments		-0-	-0-	-0-	-0-
Adjusted Sale Price/SF		***$139.78***	***$186.03***	***$169.81***	***$137.69***
Location	Good	Similar -0-	Superior -10%	Superior -10%	Similar -0-
Age/ Condition	1981 Good	1996/Good -5%	1999/Good -5%	2000/Good -5%	1998/Good -5%
Improve. Characteristics	Good	Superior -5%	Superior -5%	Superior -5%	Inferior +10%
Other		Occup. Costs +15%			
Net Adjustments		***+5%***	***-20%***	***-20%***	***+5%***
Final Adjusted Sale Price/SF	***---***	***$146.77***	***$148.82***	***$135.85***	***$144.57***

The unadjusted package prices range between $137.69/s.f. and $186.03/s.f. After adjustments, the indicated value range in unit price is between $135.85/s.f. and $148.82/s.f. for the subject property as if sufficient interior tenant improvements (TI) are complete for a contemplated back office user for Suite 8. It is not always the case that the building needs to be at full occupancy to retain it's marketability, as a user might be attracted to the property with vacant space available, with the intention of occupying the main currently vacant portion (Suite 8), possibly with the further intent of eventually expanding into other portions such as Suite 7 as leases expire. Therefore, since this portion of the analysis is not based strictly on income potential, a deduction for the potential cost to market the vacant portions (leasing commissions) is not applied. Based on the analysis presented, the estimated unit price for the subject property is $148.00/s.f., prior to adjustments for the TI work. When this is applied to the building area of the subject property (82,421 s.f.), the indicated overall value conclusion is $12,198,308, rounded to $12,200,000, as if complete, prior to adjustments.

The appropriate deductions are to complete the for the current property improvement modification work, and for sufficient interior tenant improvements (TI) to accommodate a back office user for Suite 8. It is assumed that an appropriate tenant improvement allowance for Suite 8 would be equivalent to $80/s.f. or $2,562,560, which is necessary to secure lease occupancy at market rate, or to accommodate the typical space needs in this suite for possible buyer/user. The amount of these items are tabulated below, then deducted from the as complete value in provide an indication of "as is" value via the Sales Comparison Approach.

As Complete Estimated Value	$12,200,000
Less: TI Allowance	$2,562,560
As Is Estimated Value	$9,637,440
As Is Estimated Value, Rounded	$9,640,000

The estimated "as is" value conclusion via the Sales Comparison Approach is $9,640,000.

RECONCILIATION OF THE ESTIMATES

The value conclusions indicated by the two approaches to value utilized in this report, are as follows:

Income Approach	$10,345,000
Sales Comparison Approach	$ 9,640,000

The reconciliation process involves an evaluation of the strengths and weaknesses of the approaches utilized to derive the value estimates indicated above. The merits of each valuation approach with respect to the particular nature of the subject property are recognized. This check and balance type process examines each of the value conclusions from the independently derived approaches, based on consistency, reasonableness, and reliability. The end result is a single value conclusion based on a single set of circumstances.

The Income Approach conclusion is often perceived as one of the strongest indications of value when analyzing an income producing property, and it is considered among the best reflections of the actions of a prudent knowledgeable investor when analyzing a property based on anticipated income flow and the relationship to return on investment. The gross potential income of the property has been estimated based on analysis of market lease rates as applied to the vacant space, with contract lease revenue recognized for occupied building space. Other factors such as a projected long-term vacancy level and operating expenses have been derived from reliable sources, and the current stabilized net income estimate has been determined. The appropriate capitalization rate was derived based on consideration of a direct comparison method, as well as a formula derivation by the Band of Investment method. The capitalization rate was applied to the net operating income to indicate a value estimate, then adjusted for the costs that are necessary to secure stabilized occupancy in the property. The conclusion of the Income Approach is given significant emphasis in the final value conclusion.

The Sales Comparison Approach utilized a direct sales comparison technique in which sales of existing projects with varying levels of similarity to the subject property were analyzed with respect to the subject property. Adjustments to the sales were made based on general differences in location, various physical features, and other attributes. The quality of the available sale data is regarded as moderate. The conclusion of this approach is considered to have a reasonable level of credibility in analyzing the subject property.

CONCLUSION

Based on the facts and analysis presented, it is estimated that the estimated market value of the property, as the larger parcel, was:

TEN MILLION THREE HUNDRED THOUSAND DOLLARS
($10,300,000)

Exposure Period

The actual marketing times of various comparable sales analyzed for this report, range from approximately one to six months. A survey of marketing and exposure times for a wider variety of commercial properties indicate most typical time period of 6 to 12 months. The longer time periods often occur when properties have inherent marketability problems, have significant vacancy, physical, or other problems, or are not priced properly. Moderate to strong economic conditions, and availability of financing options are enhancing the marketing process of several properties. The subject property is impacted by some of these circumstances, and is readily marketable at an appropriate price. Based on this information the estimated exposure period is 6 to 12 months for the subject property.

The value analysis and conclusions herein are subject to the Limiting and Contingent Conditions included in this report, as well as any assumptions herein.

Steven Nagy

Steven E. Nagy, MAI
Arizona Certified General Appraiser 30136

RIGHT OF WAY SECTION
CERTIFICATE OF APPRAISER

Project Number: M697201X
Parcel Number: L-C-143 (Forner 7-10709)

I hereby certify:

That I personally inspected the property herein appraised, and that I have afforded the property owner the opportunity to accompany me at the time of inspection. I also made a personal field inspection of each comparable sale relied upon in making said appraisal. The subject and the comparable sales relied upon in making the appraisal were as represented by the photographs contained in the appraisal.

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept no liability for matters of title or survey. That, to the best of my 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 of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I 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 material, which may or may not be present in the property, was not observed by myself or acknowledged by the owner. The appraiser, however, is not qualified to detect such substances, the presence of which may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

That my analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the ADOT ROW Procedures Manual, Chapter 4, Appraisal Standards and Specifications (2016); the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; and the Uniform Standards of Professional Appraisal Practice (USPAP 2020-2021) guidelines.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes; and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said State.

That I understand this appraisal may be used in connection with the acquisition of right-of-way for a highway to be constructed by the State of Arizona with the assistance of Federal aid highway funds or other Federal funds.

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

That I 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 acquisition of the property appraised herein.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the Arizona Department of Transportation or officials of the Federal Highway Administration, and I will not do so unless so authorized by proper State officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the Market Value of the acquisition, as of December 14, 2022 is $10,300,000, based on my independent appraisal and the exercise of my professional judgment.

Date: 7/20/2023

Signature: Steven Nagy
Arizona Certified General Real Estate Appraiser # 30136

CERTIFICATION

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

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

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

I previously appraised this property in January 2022. I have performed no additional services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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

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

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification, except for Cynthia Nagy, in inspection, research, and analytical capacities.

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

As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Steven Nagy

Steven E. Nagy, MAI

A D D E N D A

SUBJECT PROPERTY PHOTOGRAPHS

Subject Property Aerial Photo

Subject property outlined in red. Boundary is approximate.
This photo depicts the property before 2022 modification completion.

VIEWS OF THE SUBJECT PROPERTY FROM FAIRMONT DRIVE

VIEW EAST ON FAIRMONT DRIVE,
SUBJECT PROPERTY ON THE RIGHT

VIEW WEST ON FAIRMONT DRIVE,
SUBJECT PROPERTY ON THE LEFT

EXTERIOR VIEWS OF THE SUBJECT PROPERTY

EXTERIOR VIEWS OF THE SUBJECT PROPERTY

EXTERIOR VIEWS OF THE SUBJECT PROPERTY, SOUTH PARKING LOT

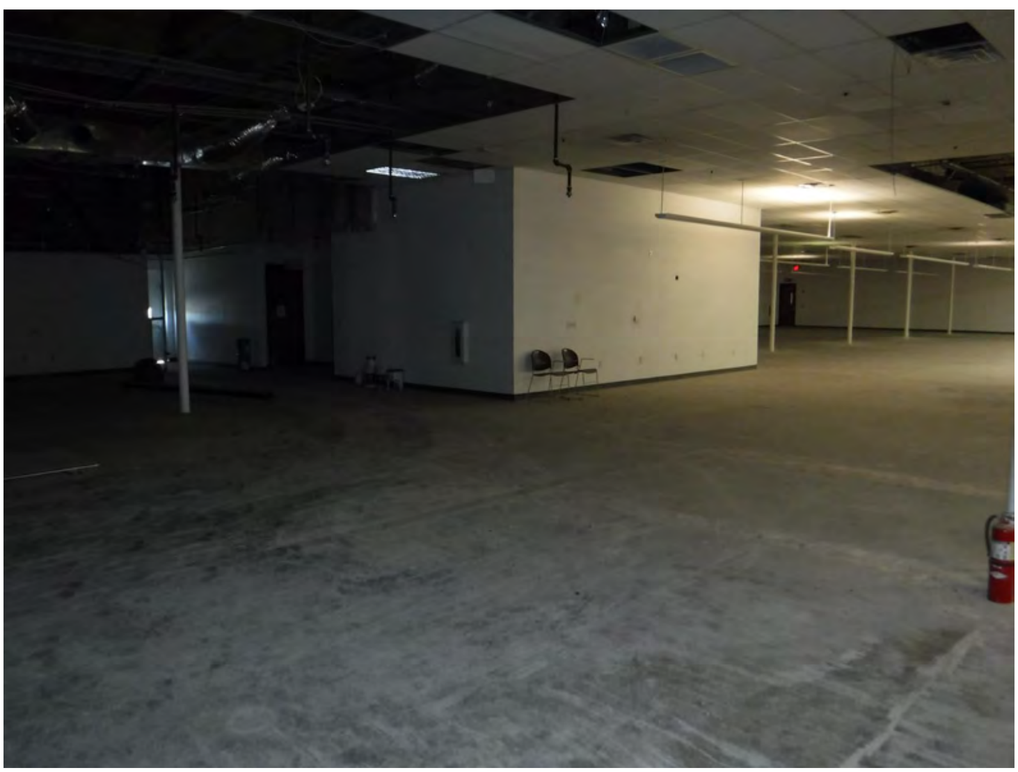
EXTERIOR VIEWS OF THE SUBJECT PROPERTY, WEST SIDE

EXTERIOR VIEWS OF THE SUBJECT PROPERTY

BUILDING RECONSTRUCTION SEGMENT,
EAST SIDE OF SUITE 8

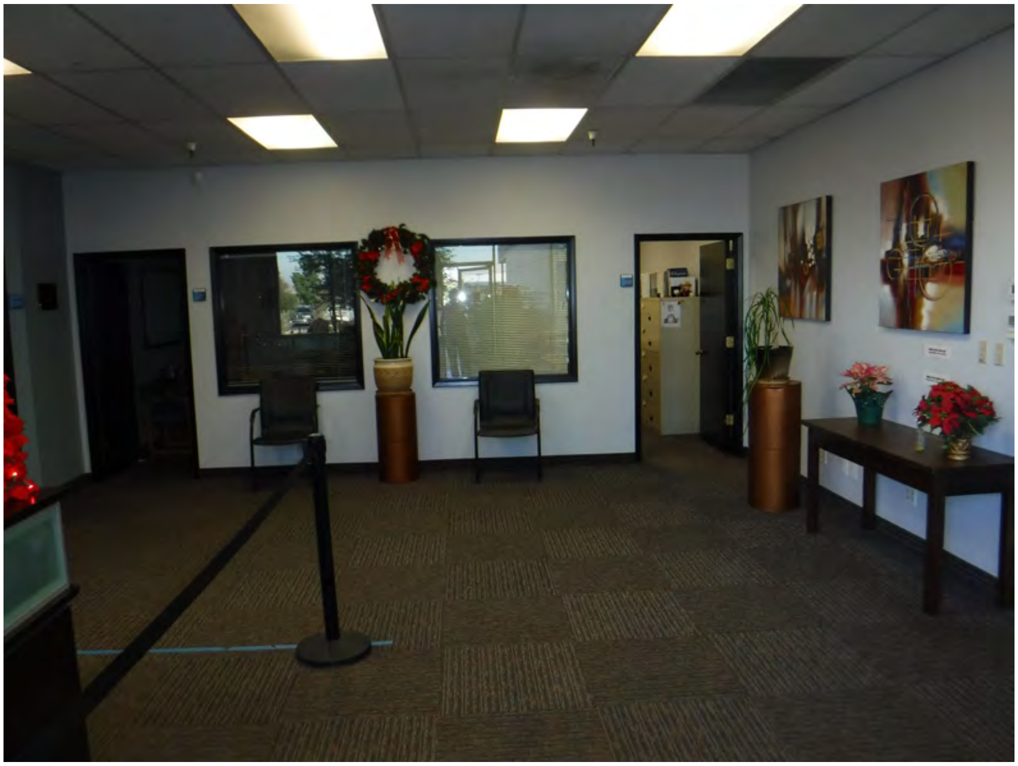
EXTERIOR VIEWS, EAST SIDE

SUITE 8 – INTERIOR PHOTOS

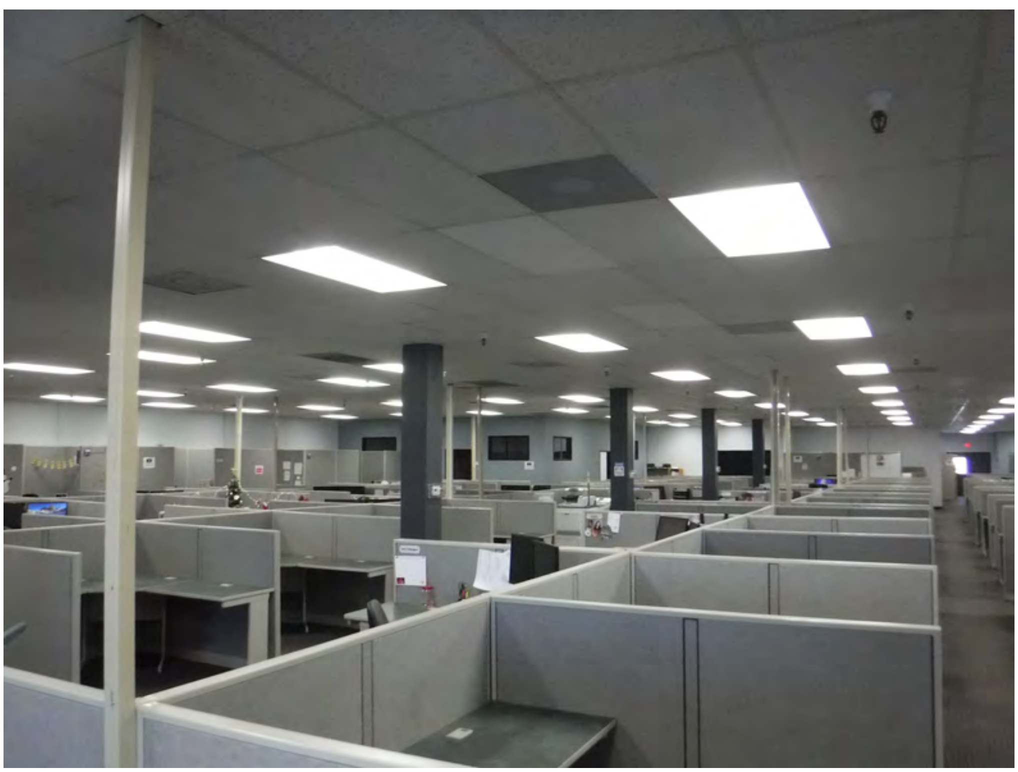


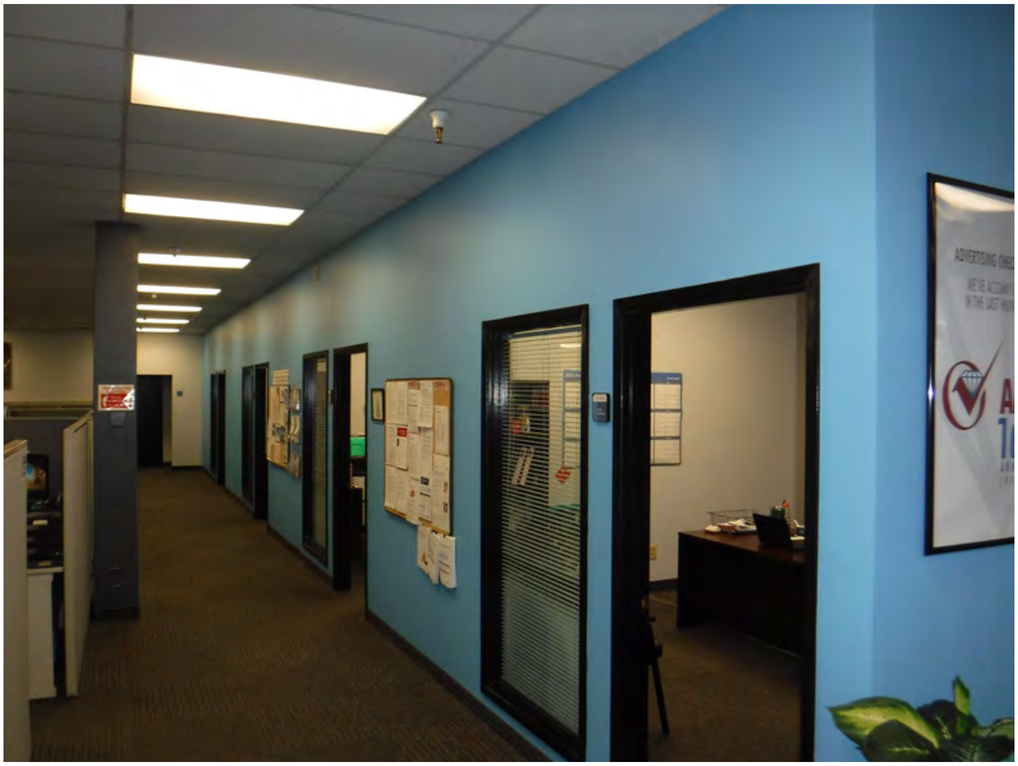
SUITE 8 – INTERIOR PHOTOS

SUITE 8 – INTERIOR PHOTOS



SUITE 7 – INTERIOR PHOTOS

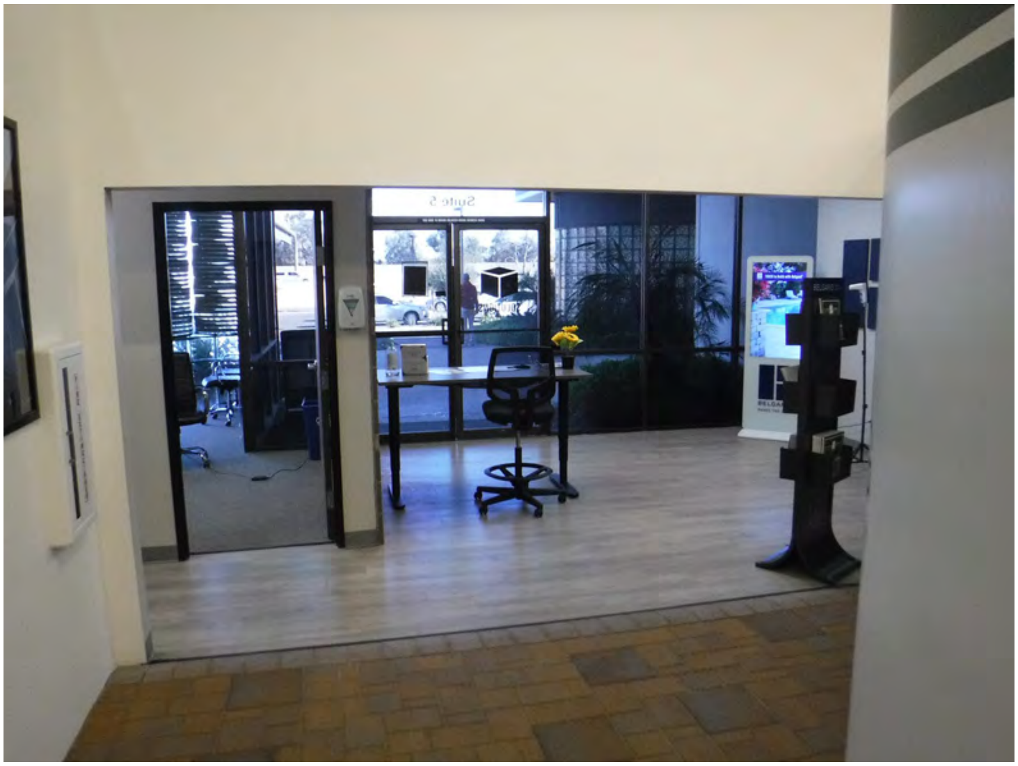




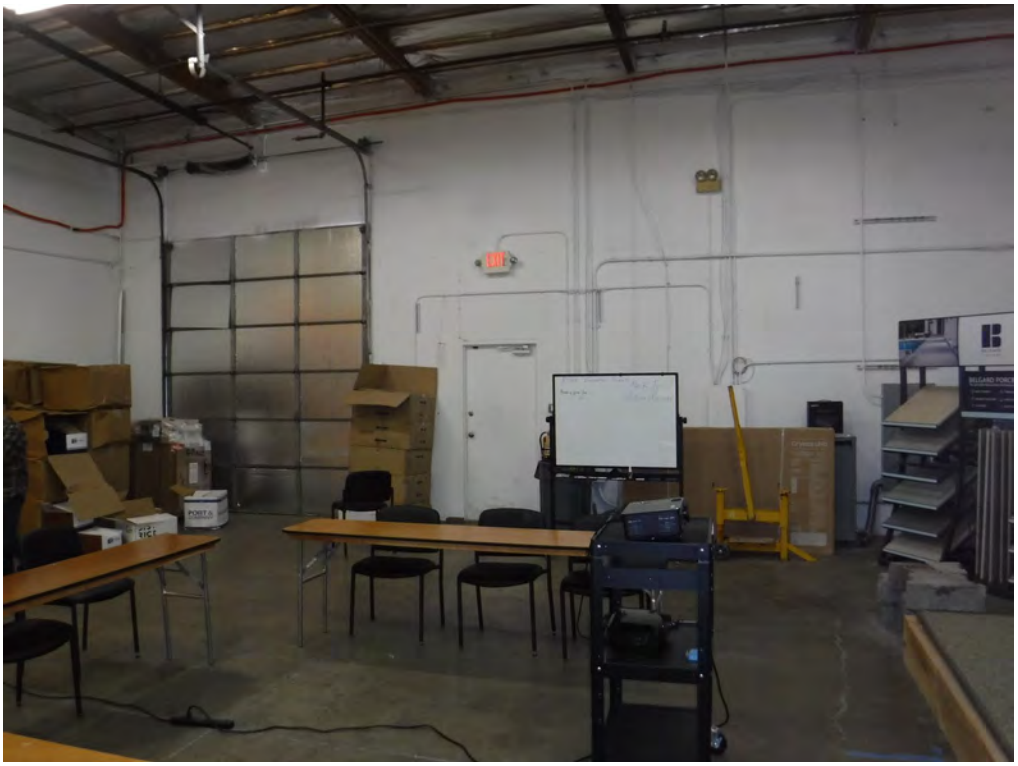
SUITE 7 – INTERIOR PHOTOS

SUITE 6

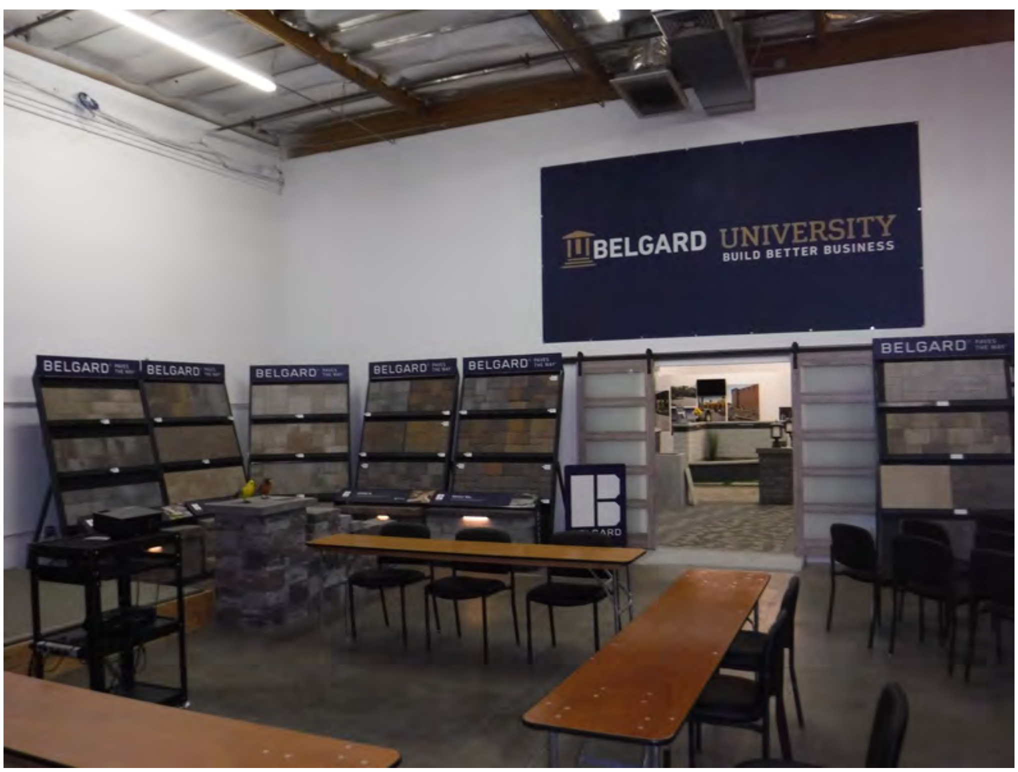
SUITE 6 – INTERIOR PHOTOS



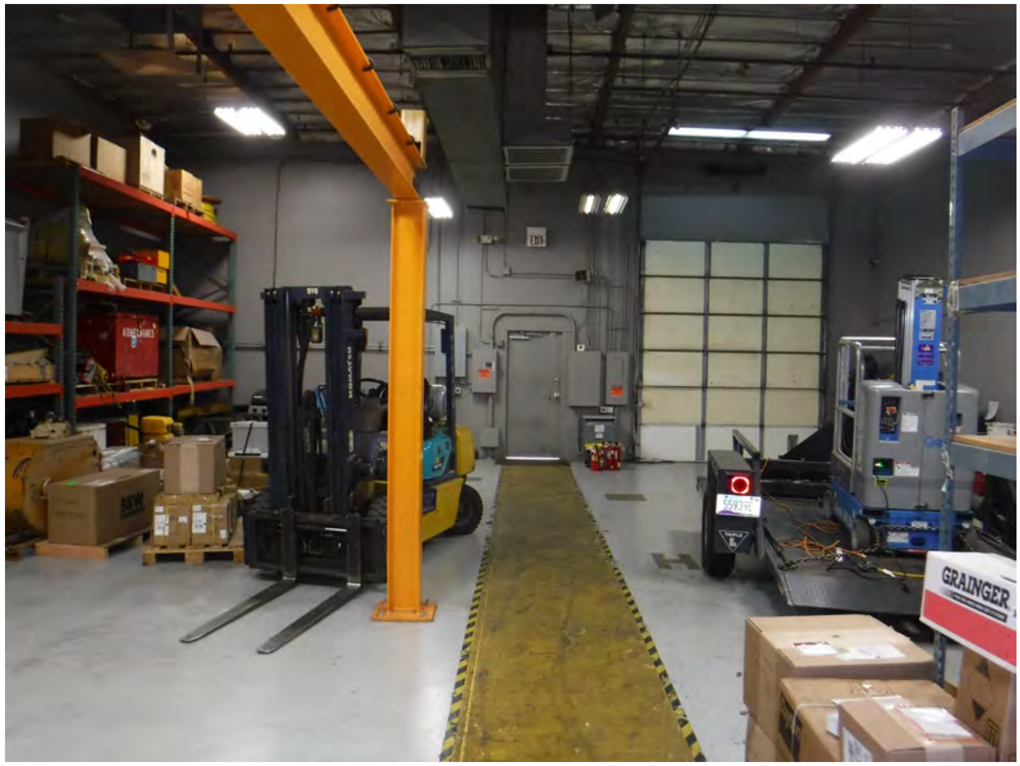
SUITE 5 – INTERIOR PHOTOS



SUITE 5 – INTERIOR PHOTOS



SUITE 4



SUITE 4 – INTERIOR PHOTOS

SUITE 2-3

SUITE 2-3 – INTERIOR PHOTOS

SUITE 2-3 – INTERIOR PHOTOS

SUITE 1– INTERIOR PHOTOS

SUITE 1– INTERIOR PHOTOS

ROOF VIEW, SUITE 8 NORTH RECONSTRUCTION AREA

ROOF VIEWS, LOOKING NORTH

WEST REAR PROPERTY VIEW FROM THE ROOF

ROOF VIEW OVER SUITES 1-4

EAST PROPERTY VIEW FROM THE BUILDING ROOF

REAR SOUTH PROPERTY VIEW FROM THE BUILDING ROOF

EAST SIDE PROPERTY VIEWS, FROM THE SUBJECT PROPERTY BUILDING ROOF

FREEWAY ALIGNMENT IMPROVEMENTS TO BE REBUILT CLOSE
TO THE RECENTLY RELOCATED FENCE LINE

SUBJECT PROPERTY EXHIBITS
I-10 BROADWAY CURVE IMPROVEMENT EXHIBITS

Map

10/19/2021 10:09:14 AM

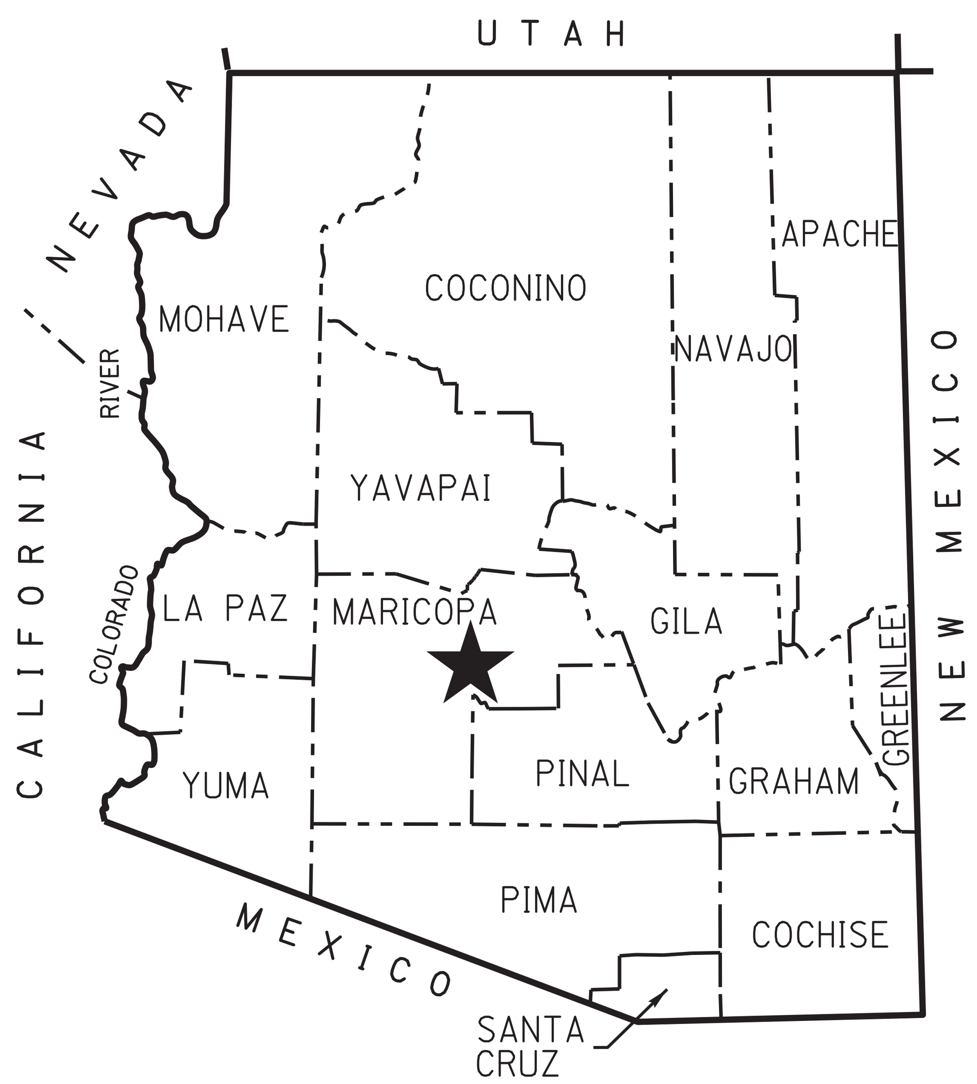
RIGHT OF WAY PLANS OF THE

PHOENIX - CASA GRANDE HIGHWAY
I-17 SPLIT - SR 202L SANTAN
010 MA 151 F0072
010-C(220)T

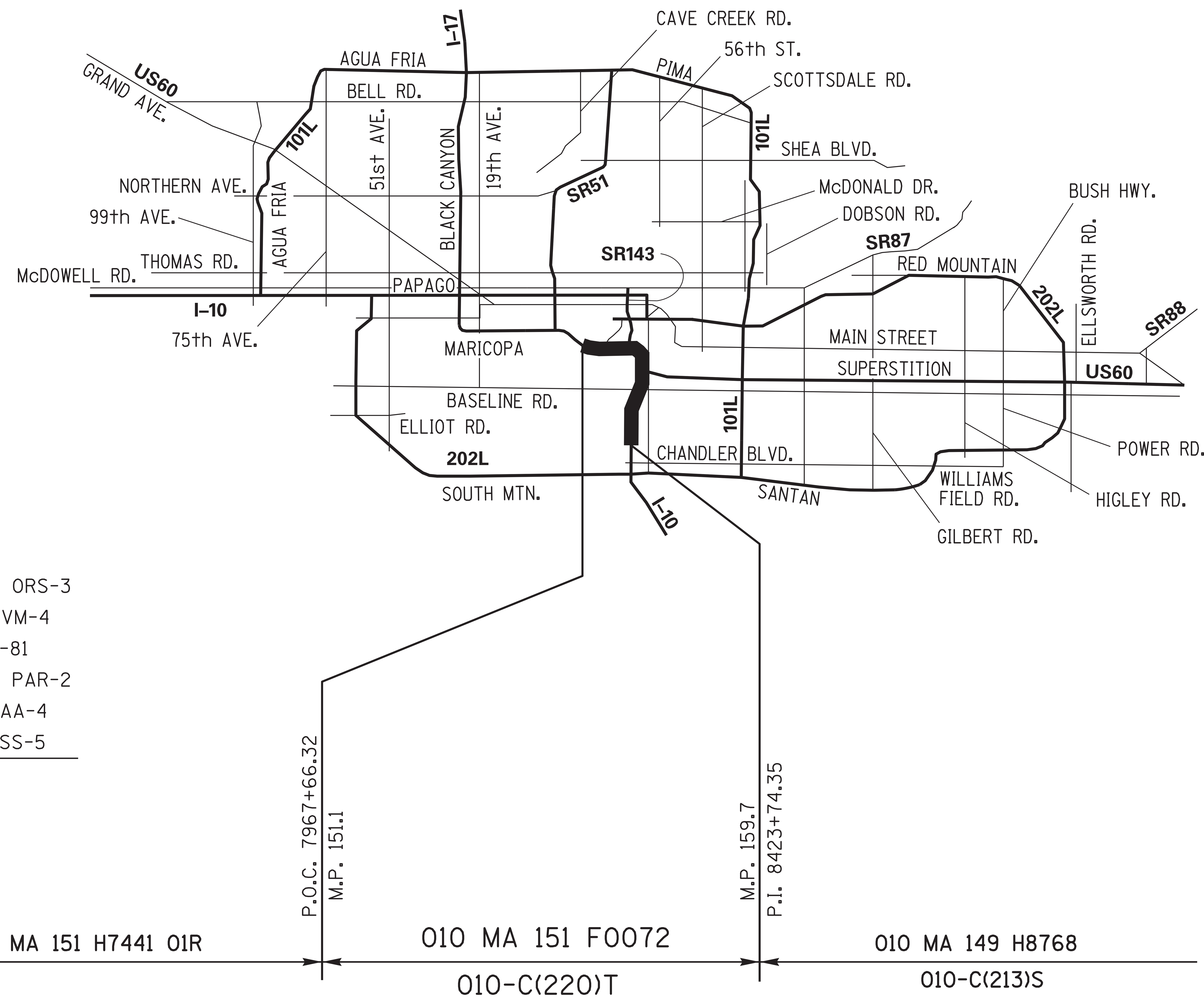
ARIZONA DEPARTMENT OF TRANSPORTATION

INFRASTRUCTURE DELIVERY AND OPERATIONS DIVISION

ADOT



★ PROJECT LOCATION
COUNTY NAME: MARICOPA
LENGTH OF PROJECT: 8.6 MILES
ADOT DISTRICT: CENTRAL (C)
DRAWING NUMBER: D-7-T-1034



N

MARICOPA COUNTY

APPROVED IN ACCORDANCE WITH
ARIZONA STATE TRANSPORTATION BOARD
RESOLUTION 2019-03-A-012 DATED 03-15-19
RESOLUTION 2020-02-A-012 DATED 02-21-20
RESOLUTION 2021-03-A-011 DATED 03-19-21

010rw151_cvr.dgn

Professional Land Surveyor AZ No. 21782
Scott A. Nelson
Digitally signed by Scott A. Nelson
Date: 2021.05.07
ELECTRONIC SEAL
http://www.btr.state.az.us/

Michael Baker INTERNATIONAL
2929 N. Central Ave Ste 800
Phoenix, AZ 85012
602.279.1234
www.MBAKERINTL.com

RIGHT OF WAY – STANDARD ABBREVIATIONS & SYMBOLS

A	
Acres	Ac.
Ahead	Ahd.
And Husband	et vir
And Others	et al
And Wife	et ux
Approximate	Approx.
Avenue	Ave.
B	
Back	Bk.
Book	Bk.
Boulevard	Blvd.
Brass Cap	B.C.
Bureau of Indian Affairs	B.I.A.
Bureau of Land Management	B.L.M.
Bureau of Reclamation	B.O.R.
C	
Calculated	(C)
Center	Ctr.
Centerline	℄
Construction	Constr.
Corner	Cor.
County	Co.
Curve Information	
Curve to Spiral	C.S.
Degree of Curve	D
Delta	Δ
Length of Curve	L
Point of Compound Curve	P.C.C.
Point of Curvature	P.C.
Point of Intersection	P.I.
Point of Reverse Curve	P.R.C.
Point of Reverse Spiral	P.R.S.
Point of Tangent	P.T.
Point on Curve	P.O.C.
Point on Tangent	P.O.T.
Point on Semi-Tangent	P.O.S.T.
Radius	R
Spiral rate of change	a
Spiral to Curve	S.C.
Spiral to Tangent	S.T.
Tangent Length	T
Tangent to Spiral	T.S.

D	
Degrees	°
Department	Dept.
Docket	Dkt.
Drainage Easement	DE
Drive	Dr.
E	
Easement	Esmt
East	E.
Electrical	Elec.
Equation	Equa.
Existing	Exist.
F	
Federal	Fed.
Feet	'
Flowage Easement	FE
Final Order of Condemnation	FOC
Found	Fd.
H	
Highway	Hwy.
Highway Easment Deed	HED
Homestead Entry Survey	HES
I	
Inch	In. or "
Irrigation	Irr.
J	
Junction	Jct.
L	
Lane	Ln.
Left	Lt.
Local Tangent Bearing	L.T.B.
M	
Measured	(M)
Mile Post	M.P.
Mineral Survey	M.S.
Minutes	'
Miscellaneous	Misc.
Monument	Mon.
N	
North	N.
Not to Scale	N.T.S.
Number	No.
P	

Page	Pg.
Parcel	Par.
Parkway	Pkwy.
Place	Pl.
Ponding Easement	PE
Public Utility Easement	PUE
Q	
Quit Claim Deed	QCD
R	
Railroad	R.R.
Range	R.
Record	(R)
Right	Rt.
Right of Way	R/W
Road	Rd.
S	
Seconds	"
Section	Sec.
Sheet	Sht.
Slope Easement	SE
South	S.
Special Warranty Deed	SWD
Square	Sq.
Square Feet	S.F.
State Route	S.R.
Station	Sta.
Street	St.
Subdivision	Subd.
T	
Telegraph	Tlg.
Telephone	Tel.
Township	T.
Temporary	Temp.
Temporary Construction Easement	TCE
Traffic Interchange	T.I.
U	
United States General Land Office	U.S.G.L.O.
W	
West	W.
Warranty Deed	WD

Boundary Lines
City Limit Line
County Line
Forest-City Limit Line
Forest-Reservation Line
Land Grant Boundary Line
National-State Boundary Line

Centerlines
Exist. Centerline w/ticks
Exist. Centerline wo/ticks
New Constr. Centerline
New Survey Centerline
Railroad Centerline
Centerline on Results of Survey

Control Lines
Exist. Access Control Line
New Access Control Line

Easement Lines
Exist. Easement Line
Exist. Drainage Easement Line
New Perpetual Easement Line
TCE Line

Misc. Lines
Ditch-River Line
Meander Line
Mining Claim Line

Property Lines
Lease Property Line
Property Line
Subdivision Property/Road Line
Additional area to be acquired

Public Land Survey Lines
Mid Section Line
Section Line
Sixteenth (1/16) Line
Township-Range Line

R/W Lines
Exist. ADOT R/W Line
Exist. Non-ADOT R/W Line
New R/W Line
Railroad R/W Line
Railroad-Highway R/W Line

Topographic Features
Cut Slope Limit Line
Exist. Fence Line
Exist. Topo Line
Fill Slope Limit Line
New Fence Line

Break Line
Data Circle
Data Hex
Data Square
Dimension Arrow
Dimension Tie
Exist. ADOT R/W Monument
New R/W or Permanent Easement Monument or R/W control point.
Centerline Control or Supplemental Monument

Property Anchor Bar
Property-Lease & Unpatented Mining Claim Anchor Bar
Property Limit Arrow
Property-Lease & Unpatented Mining Claim Limit Arrow
Parcel Bubble (7-8858)
Parcel Bubble (from project H7441 or H8768) (7-8858)
Survey Control Pt or Angle Point

N
T.1S. R.6E.
SECTION 7
MARICOPA CO.
North Arrow

31 | 32 / 6 | 5
Found or Set Section Corner
31 | 32 / 6 | 5
Unfound Section Corner

4 ◦ 3
Found or Set Quarter Corner
4 / 9
Unfound Quarter Corner

3
Found or Set Center Quarter Corner
3
Unfound Center Quarter Corner

MP 115
Mile Post Marker (approximate location)

Note 1 - Some of the new R/W (2014) acquisition deeds cited subdivisions that have since been replatted/renamed. Only the new subdivisions are listed on these plans. See R/W plans 010 MA 151 H7441 01R for prior subdivision information.

010rw151_std.dgn

DRAWING NO.	D-7-T-1034
SURVEY	SEE NOTE ON P-1
DRAWN/DATE	J.A./NOV 2019
ADOT REVIEW	S. PARKER

Michael Baker INTERNATIONAL
2929 N. Central Ave Ste 800 Phoenix, AZ 85012 602.279.1234 www.MBAKERINTL.com

ARIZONA DEPARTMENT OF TRANSPORTATION
INFRASTRUCTURE DELIVERY AND OPERATIONS DIVISION
RIGHT OF WAY PLANS SECTION

HIGHWAY NAME: PHOENIX - CASA GRANDE
FEDERAL AID NO.: 010-C(220)T
PROJECT NO.: 010 MA 151 F0072
ROUTE NO.: I-10
LOCATION: I-17 Split- SR 202L Santan

Professional Land Surveyor AZ No. 21782
Scott A. Nelson
Digitally signed by Scott A. Nelson Date: 2021.04.21 11:07:50 -07'00'
ELECTRONIC SEAL
http://www.btr.state.az.us/

SHEET S-1

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OWNERSHIP RECORD

NOTES	PARCEL NUMBER	OWNER	DESCRIPTION OF AREA REQUIRED	TOTAL AREA	AREA REQUIRED: GROSS (INCLUDING EXISTING R/W)	AREA REQUIRED: NET (EXCLUDING EXISTING R/W)	AREA REQUIRED: NEW EASEMENTS	REMAINDER: LEFT	REMAINDER: RIGHT	SHEET NO.	ACQUIRED: TYPE	ACQUIRED: DOCUMENT
(5)	7-10654-S1	Clear Channel Outdoor, LLC	Sec. 19 T.1N. R.4E.							P-14, P-15		
(4)	7-10655	WBCMT 2006-C23 Elwood Office, LLC	SE4 Sec. 19 T.1N. R.4E. & Lot 1, Hohokam/Elwood & 48th St	620,677	173,623	(4) 153,200		447,054		P-15, P-16, P-18	S.W.D.	2013-0284099
(4)	7-10657	Maricopa Business Park LLC	Lot 3, Maricopa Freeway Center Unit 2 South	634,601		(4) 51,800			582,801	P-9, P-10, P-12	S.W.D.	2013-1081574
	7-10659	Maricopa County Community College District	Lot 1, Maricopa Freeway Center Unit 3 South				3,343 TCE			P-12		
	7-10660	Forever Nutraceutical L.L.C.	Lot 1, Maricopa Freeway Center Unit 3 South	189,681		7,117		182,564		P-12, P-13	W.D.	2020-0608404
(1)	7-10661	Zimmerman II LLC, et al	Lot 2, Maricopa Freeway Center Unit 3 South	263,846		(1) 35,519			228,327	P-13	S.W.D.	2014-0412005 2014-0412006
(2)	7-10662	Sundt Triumph LLC	Lot 4, Maricopa Freeway Center Unit 3 South	184,301		(2) 30,469			153,832	P-13, P-14	W.D.	2010-0159794
(5)	7-10662-S1	Outfront Media Group LLC,	Lot 4, Maricopa Freeway Center Unit 3 South							P-13, P-14		
(1)	7-10663	4015 S. 43rd Pl., L.L.L.P., et al	Lots 3 & 4, Maricopa Freeway Center Unit 1 South	119,762		(1) 19,885			99,877	P-14	S.W.D.	2013-0950932 2013-0950933
	7-10683	Boa Sorte Limited Partnership, et al	SE4 Sec. 19 T.1N. R.4E.	1,200		600			600	P-14, P-16	S.W.D.	2021-0161438 2021-0161439 2021-0161440
(6)	7-10683-S1	LCO Outdoor Advertising, LLC	SE4 Sec. 19 T.1N. R.4E.	600		600				P-14		
	7-10693	University Parking Venture, LLC	Lot 2, 48th Street and University Drive & NE4 Sec. 19 T.1N. R.4E.	572,986		557	7,687 TCE	572,429		P-19, P-20	W.D.	2020-0828878
	7-10694	Concrete Pumping Property Holdings, LLC	Lot 29, Hohokam Industrial Park	132,171		1,536	2,903 TCE	130,635		P-22	W.D.	2020-0889883
	7-10695	BKM Hohokam 250, LLC	Tempe Technology Center Unit 1 & NW4 Sec. 20 T.1N. R.4E.	754,883		18,901	6,918 TCE	735,982		P-22	O.I.P.	2020-1124292
(3)	7-10696	RREEF America REIT II Portfolio, L.P.	Lot 62, Hohokam Industrial Park Unit II	312,423		(3) 72,362		240,061		P-26	S.W.D.	2013-0848607
(1)	7-10699	Tempe Fountainhead Corp Llc	Lot 8, Fountainhead Corp Park-Amended	256,801		(1) 41,064		215,737		P-34, P-35	S.W.D.	2013-0969140
(7)	7-10702	BAR/JCR PHX Flex Investors, LLC	Lots 68, 69 & 70, Eaton Freeway Ind. Park	346,704		(7) 33,934			312,770	P-37, P-38		
(2)	7-10704	Jimasia Llc	Lots 70 & 71, Eaton Freeway Ind. Park	83,945		(2) 15,306			68,639	P-38, P-39	W.D.	2009-0074841
(1)	7-10705	Galleria Palms Associates Inc	Lot 1, Galleria Palms	1,431,772		(1) 257,715		1,174,057		P-40, P-41, P-42, P-45	F.O.C.	2010-1130037
(1)	7-10706	Tempe Village Homeowners Association Inc	Tempe Villages Unit 1 Amended	48,721		(1) 1,711		47,010		P-40	W.D.	2014-0087119
(1)	7-10707	Jpmc 2007-LDP10 Corporate Fountains LLC	Lots 4 Thru 7, Baseline Business Park	453,019		(1) 65,546			387,473	P-46, P-47	S.W.D.	2013-0541573
	7-10709	Ireland Miller, Inc.	Lot 1, Wendler Business Park				5,603 TCE			P-48		
(1)	7-10714	Us Real Estate Limited Partnership	Lot 7C Fountainhead Lot 7	259,304		(1) 60,851		198,453		P-35	W.D.	2012-0006714
(4)	7-10716	Ampp Assett Management LLC	Lot 1, Block 5, Wesley Place	(4) 5,359		1,829		3,530		P-8	W.D.	2014-0275545
(1)	7-10877	Park Corners LLC	Lot 7A, Fountainhead Lot 7	515,998		(1) 23,511		492,487		P-34, P-35	S.W.D.	2008-1071568
(1)	7-10885	Aum Hospitality Ventures LLC	Lot 1, 48th St & Univ. Dr	106,095		(1) 9,155		96,940		P-19, P-20	W.D.	2010-0391604
(2)	7-11355	Damien Barrios-Lopez	Lot 85 Tempe Villages Unit 1 Ammended	(2) 1,879				1,879		P-40	F.O.C.	2012-0393653
	7-11749	U.S.A. (S.R.P.)	S2 Sec. 24 T.1N. R.3E.				15,524 TCE			P-3, P-4		
			NE4 Sec. 19 T.1N. R.4E.	256,090		6,387		249,703		P-19		

1. ACQUIRED UNDER ADOT R/W PROJECT 010 MA 151 H7441 01R
2. ACQUIRED AS A TOTAL ACQUISITION UNDER ADOT R/W PROJECT 010 MA 151 H7441 01R
3. ACQUIRED UNDER ADOT R/W PROJECT 010 MA 151 H7441 01R; 21,682 SQ. FT. WILL BE NEW R/W AND 50,680 SQ. FT. WILL BE EXCESS LAND
4. ACQUIRED AS A TOTAL ACQUISITION UNDER ADOT R/W PROJECT 010 MA 151 H7441 01R; 1,829 SQ. FT. WILL BE UTILIZED AS NEW R/W AND 3,530 SQ. FT. WILL BE EXCESS LAND FOR THIS PROJECT
5. SIGN/BILLBOARD TO BE RELOCATED
6. ADOT TO ACQUIRE SIGN EASEMENT
7. TO ACQUIRED AS A TOTAL ACQUISITION

ALL AREAS ARE IN SQUARE FEET UNLESS OTHERWISE NOTED

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CHANGE ORDER REVISIONS			
C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-7-T-1034
SURVEY	SEE NOTE ON P-1
DRAWN/DATE	J.A./NOV 2019
ADOT REVIEW	S. PARKER

Michael Baker INTERNATIONAL
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ARIZONA DEPARTMENT OF TRANSPORTATION
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RIGHT OF WAY PLANS SECTION

HIGHWAY NAME: PHOENIX - CASA GRANDE
FEDERAL AID NO.: 010-C(220)T
PROJECT NO.: 010 MA 151 F0072
ROUTE NO.: I-10
LOCATION: I-17 Split- SR 202L Santan

Professional Land Surveyor AZ No. 21782
Scott A. Nelson
Digitally signed by Scott A. Nelson Date: 2021.04.21 08:56:32 -07'00'
ELECTRONIC SEAL
http://www.btr.state.az.us/

SHEET ORS-2

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4/14/2021

NOTE: FOR INDEX TO EXISTING RIGHT OF WAY SEE EXISTING ADOT RIGHT OF WAY REPORT & EXHIBITS OF THE INTERSTATE 10 (I-10) HIGHWAY Jct. S.R. 51 - Jct. S.R. 202L DRAWING NO. D-7-T-960 PROJECT NO. 010 MA 146 H5454 02R ON FILE IN THE FILE ROOM OF THE RIGHT OF WAY PLANS & RIGHT OF WAY TITLES SECTION.

1. HOHOKAM INDUSTRIAL PARK UNIT II BOOK 174 PAGE 33
2. MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT - RIO SALADO COLLEGE PLAT BOOK 1064 PAGE 30
3. HOHOKAM OFFICE PARK BOOK 328 PAGE 31
4. HOHOKAM 56 CENTER BOOK 1214 PAGE 10
5. L & H INDUSTRIAL BOOK 1169 PAGE 06
6. MACH 1 BOOK 554 PAGE 34
7. FOUNTAINHEAD APARTMENTS BOOK 889 PAGE 5
8. FOUNTAINHEAD CORPORATE PARK AMD BOOK 729 PAGE 43
9. TEMPE VILLAGES UNIT 1 BOOK 418 PAGE 13
10. GALLERIA PALMS LOT 1 BOOK 1072 PAGE 32
11. TEMPE VILLAGES UNIT 1 - 2ND AMENDED BOOK 1223 PAGE 18

VICINITY MAP

0 200 400
Scale

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CHANGE ORDER REVISIONS

C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-7-T-1034
SURVEY	SEE NOTE ON P-1
DRAWN/DATE	J.A./NOV 2019
ADOT REVIEW	S. PARKER

ARIZONA DEPARTMENT OF TRANSPORTATION
INFRASTRUCTURE DELIVERY AND OPERATIONS DIVISION
RIGHT OF WAY PLANS SECTION

HIGHWAY NAME: PHOENIX - CASA GRANDE
FEDERAL AID NO.: 010-C(220)T
PROJECT NO.: 010 MA 151 F0072

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ROUTE NO.: I-10
LOCATION: I-17 Split- SR 202L Santan

Professional Land Surveyor AZ No. 21782
Scott A. Nelson
Digitally signed by Scott A. Nelson Date: 2021.04.21 11:09:28 -07'00'
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SHEET VM-2

1 DECLARATION OF RESTRICTIONS
DKT 10609 PG 912
DKT 16366 PG 1289
LOTS 68, 69 & 70

2 COVENANT & AGREEMENTS
DKT 15129 PG 495
DKT 15129 PG 496
DKT 15129 PG 498
LOTS 68 & 69

3 COVENANT & AGREEMENTS
DOC 1995-0638137
DOC 2005-1756759
LOTS 68, 69 & 70

4 PARKING LOT ENCROACHMENTS
ON ADOT R/W EAST
OF LOTS 68 & 69
NO KNOWN EASEMENTS

* Note: This line represents the limits of land acquired by ADOT for R/W project 010 MA 151 H7441 01R or R/W project 010 MA 149 H8768, but has not yet been established and taken into the State Highway System as Highway R/W. Access Rights were also acquired and are in effect. This R/W will be established by highway resolution on this (F0072) project. See also Note 1 on sheet S-1

** Note: This portion of the Existing R/W is currently the Operational Highway R/W, but will be superseded once the acquisition line area has been established as Highway R/W.

EXIST I-10 MED ℄			
	NEW RIGHT OF WAY		
A	P.O.T. 8143+52.25 LTB=N01°46'48"E	234.17'	RT
B	P.O.T. 8143+81.27	263.12'	RT
C	P.O.T. 8144+40.14	221.91'	RT
D	P.O.T. 8145+65.53	223.59'	RT

DATA TABLE		
1	R=4103.97'	L=37.05'
2	S46°12'03"W	41.00'
3	R=1848.60'	L=130.39'

CHANGE ORDER REVISIONS			
C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-7-T-1034
SURVEY	SEE NOTE ON P-1
DRAWN/DATE	J.A./NOV 2019
ADOT REVIEW	S. PARKER

ARIZONA DEPARTMENT OF TRANSPORTATION
INFRASTRUCTURE DELIVERY AND OPERATIONS DIVISION
RIGHT OF WAY PLANS SECTION

HIGHWAY NAME: PHOENIX - CASA GRANDE
FEDERAL AID NO.: 010-C(220)T
PROJECT NO.: 010 MA 151 F0072
ROUTE NO.: I-10
LOCATION: I-17 Split- SR 202L Santan

Michael Baker INTERNATIONAL

Professional Land Surveyor AZ No. 21782
Scott A. Nelson
Digitally signed by Scott A. Nelson Date: 2021.04.21 09:55:45 -07'00'
ELECTRONIC SEAL
http://www.btr.state.az.us/

SHEET P-37

* Note: This line represents the limits of land acquired by ADOT for R/W project 010 MA 151 H7441 01R, but has not yet been established and taken into the State Highway System as Highway R/W. Access Rights were also acquired and are in effect. This R/W will be established by highway resolution on this (F0072) project. See also Note 1 on sheet S-1

** Note: This portion of the Existing R/W is currently the Operational Highway R/W, but will be superseded once the acquisition line area has been established as Highway R/W.

LIMITS OF ADDITIONAL AREA ACQUIRED

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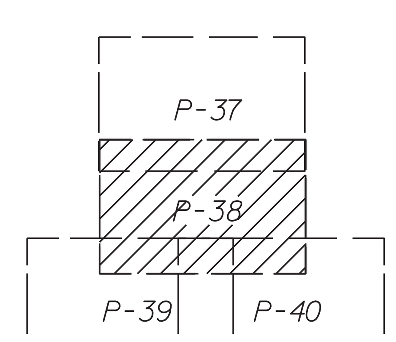
1. 12' UTILITY ESMT DKT 8103 PG 25
2. 3' PUBLIC UTILITY ESMT DKT 8695 PG 193
3. DITCH ESMT UNDEFINED LOCATION DKT 300 PG 267
4. COVENANT & AGREEMENTS DOC 1995-0638137 DOC 2005-1756759 LOTS 68, 69 & 70
5. 20' ELECTRIC ESMT DOC 94-662977 DOC 94-866204 DOC 94-863648 DOC 94-863649
6. 8' ELECTRICAL ESMT DKT 14631 PG 1230
7. 8' ELECTRICAL ESMT DOC 96-693959
8. 10' ELECTRICAL ESMT DOC 92-356737
9. 20' ACCESS ESMT DOC 94-662978 DOC 94-662979
10. DECLARATION OF RESTRICTIONS DKT 10609 PG 912 DKT 16366 PG 1289 LOTS 68, 69 & 70
11. COVENANT & AGREEMENTS DKT 15129 PG 495 DKT 15129 PG 496 DKT 15129 PG 498 LOTS 68 & 69



KEY MAP

CHANGE ORDER REVISIONS

C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-7-T-1034
SURVEY	SEE NOTE ON P-1
DRAWN/DATE	J.A./NOV 2019
ADOT REVIEW	S. PARKER

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Digitally signed by Scott A. Nelson Date: 2021.04.21
ELECTRONIC SEAL

SHEET P-38

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EXIST I-10 MED ℄			
NEW RIGHT OF WAY			
A	P.O.T. 8156+21.42	438.14'	RT
	L.T.B.=N19°47'14"E		
B	P.O.T. 8156+23.32	506.26'	RT
	L.T.B.=N02°58'23"E		
C	P.O.T. 8155+69.18	421.03'	RT
	L.T.B.=S65°17'48"E		

DATA TABLE		
1	R=61.00'	L=118.95'
2	R=4113.84'	L=54.98'

* Note: This line represents the limits of land acquired by ADOT for R/W project 010 MA 151 H7441 01R, but has not yet been established and taken into the State Highway System as Highway R/W. Access Rights were also acquired and are in effect. This R/W will be established by highway resolution on this (F0072) project. See also Note 1 on sheet S-1

** Note: This portion of the Existing R/W is currently the Operational Highway R/W, but will be superseded once the acquisition line area has been established as Highway R/W.

***Note: New R/W for cul-de-sac to be transferred to the City of Tempe.

▲▲▲ LIMITS OF ADDITIONAL AREA ACQUIRED

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CHANGE ORDER REVISIONS			
C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-7-T-1034
SURVEY	SEE NOTE ON P-1
DRAWN/DATE	J.A./NOV 2019
ADOT REVIEW	S. PARKER

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SHEET P-39

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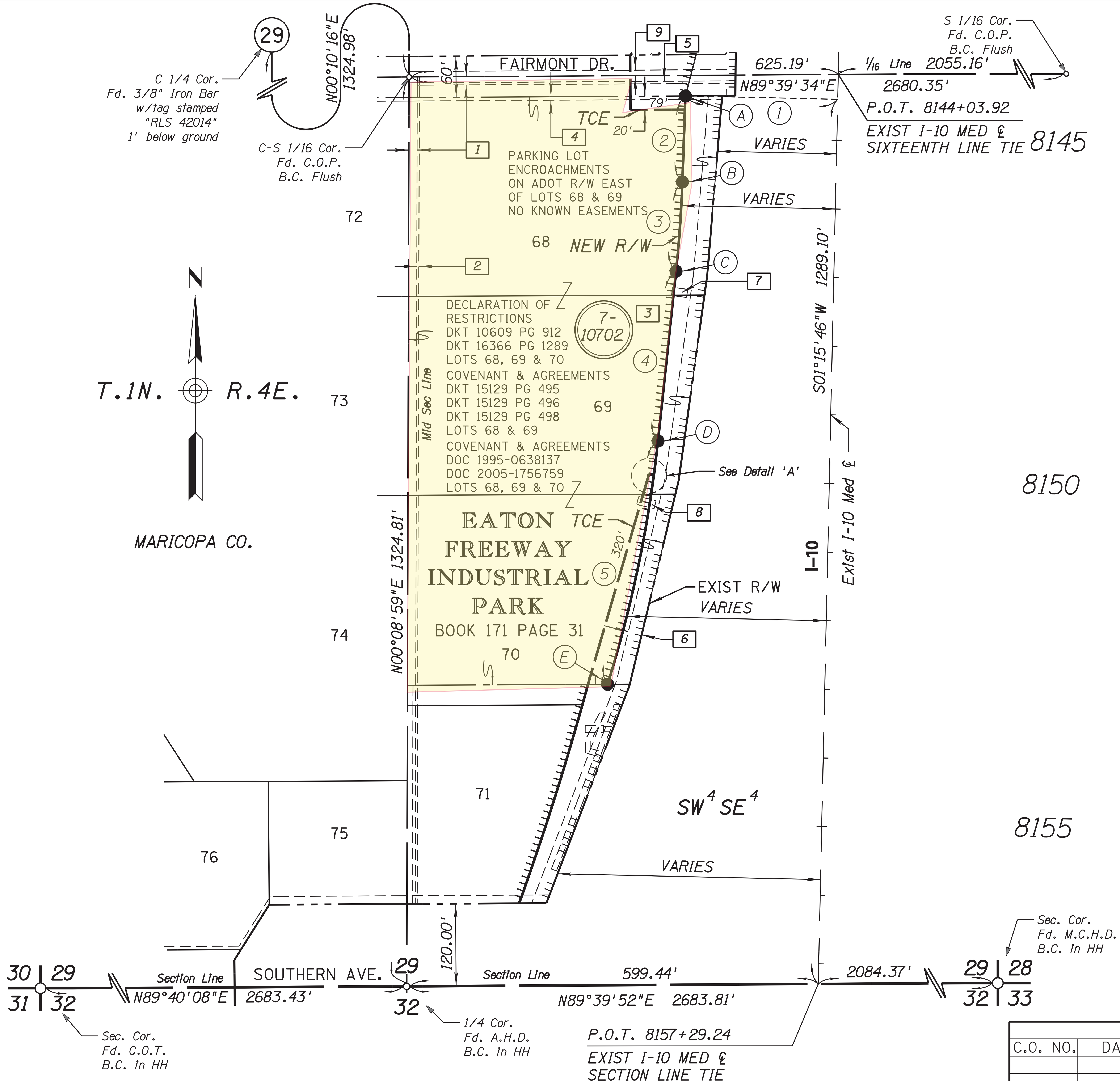
ADVANCE ACQUISITION DETAIL SHEET

OWNERSHIP RECORD											ACQUIRED	
NOTES	PARCEL NUMBER	OWNER	DESCRIPTION OF AREA REQUIRED	TOTAL AREA	AREA REQUIRED: GROSS (INCLUDING EXISTING R/W)	AREA REQUIRED: NET (EXCLUDING EXISTING R/W)	AREA REQUIRED: NEW EASEMENTS	REMAINDER: LEFT	REMAINDER: RIGHT	SHEET NO.	TYPE	DOCUMENT
	7-10702	BAR/JCR PHX Flex Investors, LLC	Lots 68, 69 & 70 Eaton Freeway Industrial Park	346,704		33,934	8,484 TCE		312,770			

ALL AREAS ARE IN SQUARE FEET UNLESS OTHERWISE NOTED



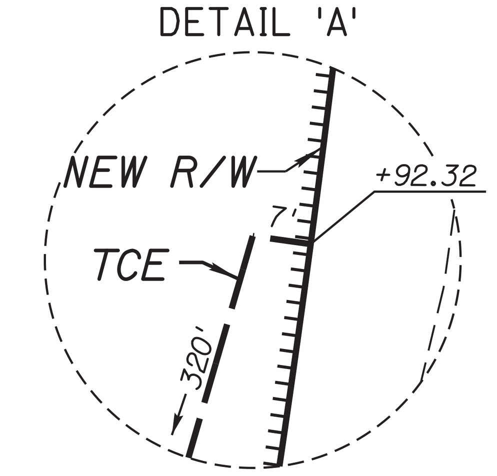
EXIST I-10 MED ℄			
○ NEW RIGHT OF WAY			
A	P.O.T. 8144+40.14	221.91'	RT
B	P.O.T. 8145+65.53	223.59'	RT
C	P.O.T. 8146+95.74	229.93'	RT
D	P.O.T. 8149+43.59	250.79'	RT
E	P.O.T. 8152+99.57	316.30'	RT

○ DATA TABLE		
1	N88°44'14"W	221.91'
2	N02°01'51"E	125.40'
3	R=1848.60'	L=130.39'
4	N06°04'21"E	248.72'
5	R=1848.60'	L=362.54'

1. 12' UTILITY ESMT DKT 8103 PG 25
2. 3' PUBLIC UTILITY ESMT DKT 8695 PG 193
3. DITCH ESMT UNDEFINED LOCATION BK 300 OF DEEDS PG 267
4. 5' PUBLIC UTILITY ESMT BOOK 171 OF MAPS PG 31
5. ℄ ELECTRIC ESMT DKT 6047 PG 522 UNKNOWN WIDTH
6. 20' ESMT FOR UNDERGROUND UTILITIES DKT 94-662977, DKT 94-866204, DKT 94-863648, & DKT 94-863649
7. WATERLINE ESMT DKT 92-213109
8. WATERLINE & HYDRANT ESMT DKT 92-213108, & DKT 92-241491
9. 8' SEWER ESMT DKT 8386 PG 58 & DKT 8386 PG 59

L-C-143
7-10702

DETAIL 'A'



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CHANGE ORDER REVISIONS			
C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-7-T-1034
SURVEY	JULY 2019
DRAWN/DATE	J.A./AUG 2019
ADOT REVIEW	S. PARKER
ROUTE NO.: I-10	LOCATION: I-17 Split- SR 202L Santan

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SHEET AA-2

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STATE OF ARIZONA

ADOT | Arizona Department of Transportation

1919 W. FAIRMONT

1919 W Fairmont Drive
Tempe, Arizona 85282

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912

Douglas A. Ducey
Governor

John Halikowski
ADOT Agency Director

Statutory Review Number:
HD-20-005

ARCHITECTURAL ABREVIATIONS LIST

A.B.	Anchor Bolt
A.C.	Air Conditioning
ACCT	Accent
ACOUST	Acoustical
ADA	Americans with Disabilities Act
ADJ	Adjustable
ADJT	Adjacent
A.F.F.	Above Finished Floor
ALUM.	Aluminum
ALT.	Alternate
APPROX.	Approximate
ARCH.	Architect/Architectural
ASPH.	Asphalt
AUTO	Automatic
AWI	American Woodworking Institute
BD.	Board
BITUM.	Bituminous
BLDG.	Building
BLK.	Block
BLKG.	Blocking
B.M.	Bench Mark
BM	Beam
BO	By Others
B.O.	Bottom Of
BRG.	Bearing
BSMT.	Basement
CAB.	Cabinet
CBB	Cementitious Backer Board
CPT.	Carpet
CHNLS.	Channels
C.J.	Control Joint
C.L.	Centerline
CLG.	Ceiling
CLR	Clear
C.I.P.	Cast In Place
C.M.U.	Concrete Masonry Unit
COL.	Column
CONC.	Concrete
CONT.	Continuous
CONSTR.	Construction
COORD.	Coordinate
CSI	Construction Specifications Institute
C.T.	Ceramic Tile
CTB	Ceramic Tile Base
CTP	Ceramic Tile Pavers
CWT	Ceramic Wall Tile
D	Dryer (on plan)
DBL.	Double
DEMO	Demolish, Demolition
DEPT.	Department
D.F.	Drinking Fountain
DIA.	Diameter
DIM	Dimension
DISP.	Dispenser
DN.	Down
DR.	Door
DS.	Downspout
DTL.	Detail
DW	Dishwasher
DWG.	Drawing
(E)	Existing
E.W.	Each Way
EA.	Each
E.I.F.S.	Exterior Insulation & Finish System
E.J.	Expansion Joint
ELEV / EL.	Elevation
ELEC.	Electrical
ENGR.	Engineered
ENCL.	Enclosure
EP / EPOXY	Epoxy Paint
EQ.	Equal
EQUIP.	Equipment
EQUIV.	Equivalent
EX	Exposed / Existing
EXP.	Expansion
EXP.JT.	Expansion Joint
EXH.	Exhaust
EXT.	Exterior
EXIST	Existing
FBGL.	Fiberglass
F.D.	Floor Drain
FDN.	Foundation
F.E.	Fire Extinguisher
F.E.C.	Fire Extinguisher Cabinet
F.F.	Finished Floor
F.F.&E.	Furniture, Fixtures & Equipment
F.G.	Finish Grade
F.H.C.	Fire Hose Cabinet
FIN.	Finish(ed)
FIXT.	Fixture
FLD	Field
FLR.	Floor
FLRG.	Flooring
F.O.	Face Of
F.O.S.	Face Of Stud

FR.	Fire Resistive / Frame
FRMG.	Framing
F.R.P.	Fiber Reinforced Panel
FT.	Foot/Feet
FTG.	Footing
FUT.	Future
GA.	Gauge
GAL.	Gallon
GALV.	Galvanized
G.C.	General Contractor
GHM	Galvanized Hollow Metal
GL.	Glass
GLU LAM	Glue Laminated Wood
GR.	Grade
GYP. BD.	Gypsum Board
GWB	Gypsum Wall Board
H.B.	Hose Bib
H.C.	Hollow Core
HC	Handicap, Handicapped
HDBD.	Hardboard
HDR	Header
HDWR	Hardware
HM	Hollow Metal
HORIZ.	Horizontal
HRU	Heating Rooftop Unit
HT.	Height
HTR.	Heater
HVAC	Heating,Ventilating & Air Conditioning
IBC	International Building Code
I.D.	Inside Diameter
INSUL.	Insulation
INT.	Interior
JAN	Janitor
JT.	Joint
JST.	Joist
KB	Knox Box
KD	Knock Down
KIT.	Kitchen
LAM.	Laminate(d)
LAV.	Lavatory
L.F.	Linear Foot
LIN	Linoleum
LT.	Light
MAT.	Material
MAX.	Maximum
MB	Marker Board
MD	Metal Deck
MDF	Medium Density Fiberboard
M.H.	Manhole
MISC.	Miscellaneous
MECH.	Mechanical
MIN.	Minimum
MR	Mirror
MANUF	Manufacturer
M.O.	Masonry Opening
MTD.	Mounted
MTL.	Metal
(N)	New
N	North
NA	Not Applicable
N.I.C.	Not In Contract
N.T.S.	Not To Scale
NOM	Nominal
NON-COM.	Non-Combustible
NO.	Number
O.C.	On Center
O.D.	Outside Diameter
O.D.L.	Overflow Drain Leader
OFC/OFF	Office
O.H.	Over Head
OPG.	Opening
OPP.	Opposite
PT	Paint
P.C.	Precast Concrete
P.L.	Property Line
PL.	Plate
PLG.	Plumbing
PL / PLAM	Plastic Laminate
PLYWD	Plywood
PNL.	Panel
PR.	Pair
PREFAB.	Prefabricated
PORT	Porcelain Tile
PTN.	Partition
PVC	Polyvinyl Chloride
Q.T.	Quarry Tile

R	Riser
RAD.	Radius
RB	Rubber Base
RCP	Reflected Ceiling Plan
R.D.	Roof Drain
RE:	Refer/Reference
REF	Refrigerator
REINF.	Reinforced
REQ	Required
RESIL.	Resilient
REV.	Revision
RFG.	Roofing
RM.	Room
R.O.	Rough Opening
R.O.W.	Right Of Way
RTU	Roof Top Unit
S.A.T.	Suspended Acoustical Tile
S.C.	Solid Core
SCHED.	Schedule
SC / S-CONC	Sealed Concrete
SEAL.	Sealer
SECT	Section
S.F.	Square Foot/Feet
SHT.	Sheet
SHWR	Shower
SIM.	Similar
SMACNA	Sheet Metal and Air Conditioning Contractors National Association
SMO	Structural Masonry Opening
SPEC.	Specification(s)
SPRL.	Spandrel
SQ.	Square
S.S.	Stainless Steel
STA.	Station
STC	Sound Transmission Class
STD.	Standard
S.STL.	Stainless Steel
ST	Stain
STHG	Sheathing
STL.	Steel
SUPPL.	Supplied
SUSP.	Suspended
STOR.	Storage
STRL.	Structural
STRUCT.	Structure, Structural
SYM.	Symmetrical
SYST.	System
SV	Sheet Vinyl
T.	Tempered (on window)
TB	Tack Board
TBB	Tile Backer Board
TBD	To Be Determined
T.&B.	Top & Bottom
T.C.	Top Of Curb
T.&G.	Tongue & Groove
TEL.	Telephone
TEMP.	Tempered
THK.	Thickness
THLD.	Threshold
T.O.	Top Of
T.O.B.	Top Of Beam
T.O.C.	Top Of Concrete
T.O.F.	Top Of Floor/Footing
T.O.M.	Top Of Masonry
T.O.S.	Top Of Slab/Steel
TS	Tube Steel
T.V.	Television
TYP.	Typical
TYPE 'X'	Fire Rated Gypsum Board
UBC	Uniform Building Code
U.L.	Underwriters Laboratory
UNFIN.	Unfinished
U.O.N.	Unless Otherwise Noted
VAR.	Varies
VCT	Vinyl Composition Tile
VERT.	Vertical
VEST.	Vestibule
VIF	Verify In Field
W	Washer (in plan)
W	Wire Glass (on window)
W/	With
WD.	Wood
WDW.	Window
W.C.	Water Closet
WF	Wide Flange
W.H.	Water Heater
W.I.	Wrought Iron
W/O	Without
WP	Waterproof
WR	Water Resistant
WT.	Weight
W.W.F.	Welded Wire Fabric
℄	Center Line
Ø	Diameter

Refer To Construction Specification Institute, Uniform Drawing System And To Project Specifications For Reference Standards & Additional Abbreviations.

SYMBOL LEGEND

1234.A56 — Keynote Indicator

100'-0" A.F.F. — Spot Elevation Indicator

Type — Window Indicator

ROOM NAME A8888 — Room Designation

A99A.#X — Wall Type Indicator - See Sheet A700

FEC — Equipment Tag

Indicates Area Not In Project Scope

1 / A101 SIM — Detail Reference

1 / 4 A101 2 / 3 — Interior Elevation Reference

1 / A101 — Exterior Elevation Reference

1 / A101 — Building Section Reference

1 / A101 — Wall Section Reference

PROJECT TEAM

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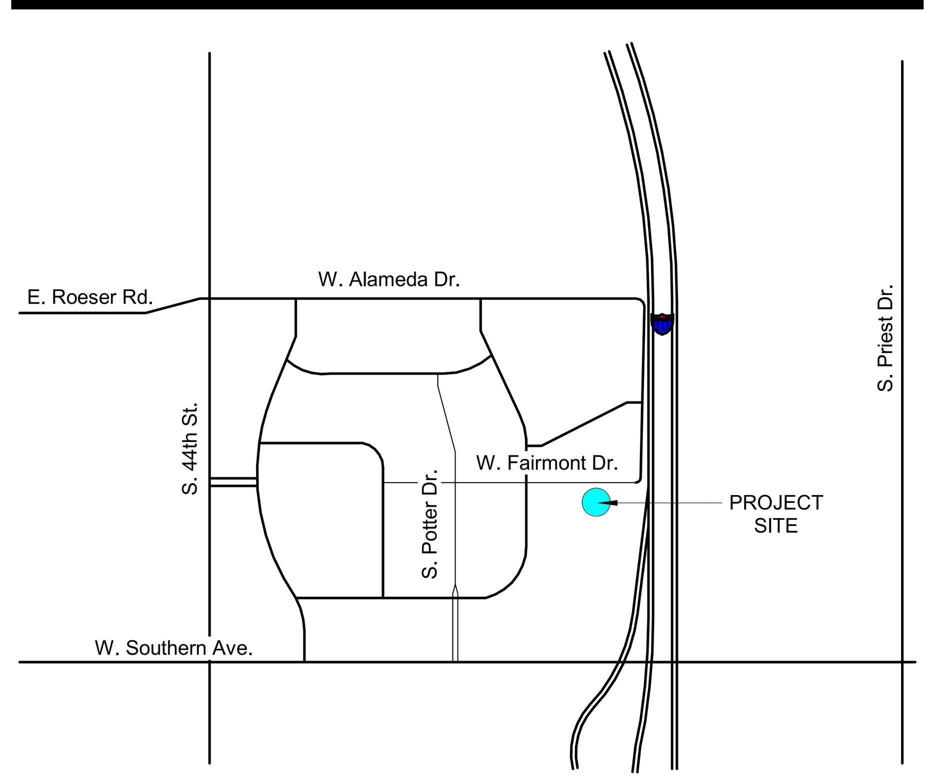
VICINITY MAP



GENERAL REQUIREMENTS

A. Attention all users of these drawings, General Contractors, Sub-contractors, Manufacturers, suppliers: carefully and thoroughly review these general notes. It is your responsibility to know and adhere to these requirements.

B. The drawings and specifications are separated into disciplines for the convenience of the Architect and the Contractor. The separations used herein are used only for the purposes of convenience and reference, and in no way do they define or limit the scope or intent of any part of the drawings, or of the drawings and specifications as a whole. The fact that the drawings are separated in no way suggests that the work is not to be constructed as a complete, integrated and unified whole.

C. Every effort has been made to make these documents concise and coordinated, to define work in the most logical place and to eliminate redundancy. Do not presume that your scope of work is singularly defined. Your scope of work is defined throughout the entire set of drawings and specifications and is not contained in just one series of drawings or division of specifications. You must review the entire set of contract documents to determine your scope of work.

D. The drawings and specifications, including drawings prepared by specific engineering disciplines (such as Civil, Structural, Mechanical, Electrical, etc.) are complementary; items shown in any one location in the drawings shall be considered to be requirements of the contract for construction. In the event of an inconsistency between the drawings and specifications, or within either document, the Contractor shall seek clarification or interpretation from the Architect prior to bidding. Where inconsistencies are not clarified prior to bidding, and where the actual solution or intent cannot be reasonably inferred, the Contractor shall provide the better quality or greater quantity of work.

E. Mechanical and Electrical drawings show information in a diagrammatic fashion without dimensioning. The General Contractor is to coordinate the locations of all mechanical and electrical equipment with respect to the architectural and structural detailing of shafts, chases, and such.

F. The Contractor and all Sub-contractors shall visit the site and become familiar with site conditions as they may affect carrying out the work as described in these contract documents. The contractor shall investigate, verify, and be responsible for all conditions of the project, and notify the Architect of any conditions that require modification before proceeding with the work.

G. The General Contractor shall be responsible for locating and protecting all utility lines. Locations shown are approximate. Repair all damage to utility lines caused by construction operations at no cost to the owner.

H. All persons directly or indirectly associated with the project shall be familiar with the rules and regulations of the Occupational Safety and Health Act (OSHA), and implement those rules as they apply to this project.

I. All work performed shall be in accordance with the Building Code & local amendments. RE: Code Sheet.

J. The General Contractor shall be responsible for the coordination of all trades and the prevention of conflict between all trades.

K. Prior to beginning any work, the Contractor shall conduct a walk through inspection with the owner to determine in writing the condition of the existing building(s). The Contractor is responsible for repairing or replacing equipment presently in place that is damaged during construction.

CONSTRUCTION NOTES

A. Drawings are prepared using dimensions and product configurations or details of specific manufacturers (typically the first manufacturer listed under "acceptable manufacturers" in the specifications). Dimensions and details for specific products may change before they are actually incorporated into the work, and products by other manufacturers may also be acceptable. Therefore, actual installation details and dimensions may differ from those shown. Contractor shall verify installation requirements for all products to be incorporated in the work (including partition thicknesses for recessed or semi-recessed products), and is responsible for accommodating and coordinating changes to other materials or products that are necessary because of these differences.

B. Provide solid blocking securely attached to adjacent framing within partitions at all locations where items will be mounted on partitions including, but not limited to: accessories, casework trim, flashing, wall mounted equipment, task/bulletin/marker boards, etc.

C. All wood blocking shall be fire-retardant wood.

D. Maintain rating at all blockouts for all fire extinguishers and toilet accessories that are to be installed in rated walls.

E. Provide 24" x 24" access panels in partitions where required for mechanical equipment except where sizes are otherwise noted.

F. Provide gypsum board control joints in partitions and ceilings at 30'-0" max. spacing. Coordinate to meet fire resistive ratings of the assembly, firestop joints at rated partitions. Sub-contractor must provide a submittal for joint material.

G. Caulk all joints or cracks which occur where dissimilar materials intersect perpendicular to each other and where the intersection is exposed to view, unless indicated otherwise on the drawings.

H. Fireblock all concealed spaces, soffits, shafts, chases and ceiling areas per requirements of the designated code and the local jurisdiction's amendments.

I. Provide continuous perimeter building insulation at all exterior walls from slab to 1'-0" above roof deck.

J. The architectural and structural drawings both describe various floor slab slope requirements, recesses, depressions, and edge conditions. Use both sets of drawings when installing the floor slab.

K. Provide slip joint connections at partitions that extend to structure above. Provide bracing above as required. Refer to structural drawings and to slip joint details.

L. It is the intent of the design that all metal stud partitions be of sufficient width to adequately enclose piping, conduits, and recessed equipment. Notify the architect of any discrepancies with this intent.

M. All vertical and horizontal pipes, conduits, ducts, etc. in finished rooms or areas throughout the building shall be furred in to match the room finish, unless otherwise noted.

N. Where mechanical work penetrates any component of a fire-rated assembly, provide the appropriate fire and/or smoke dampers. If it is not clear whether ductwork penetrates a portion of the rated assembly, obtain clarification from the architect prior to bidding. Seal around all penetrations through proposed fire rated partitions. Provide UL approved firestop system to meet required rating.

O. The fire sprinkler system will be designed by the installing sub-contractor. The general contractor shall coordinate layout, clearances, and location of head heights with the structure, mechanical ductwork, electrical lighting, drainage piping, and the architectural reflected ceiling plans. The sprinkler design must be coordinated with the provisions of all engineering and architectural documents and should not rely solely on one series of drawings or one discipline. Contractor shall adjust or add fire sprinkler heads to accommodate partition layout. head spacing and placement shall meet code requirements. Sub-contractor shall coordinate any sprinkler head layout conflicts with the architect, at all painted soffits install a prefinished custom color cover plate to match adjacent soffit for all fire sprinkler heads.

DRAWINGS & DIMENSIONS

A. All dimensions on plans are to face of block or to face of stud unless noted otherwise, except on reflected ceiling plans where dimensions are from face of finish.

B. The General Contractor shall be responsible for notifying the Architect immediately should any discrepancies be found in the drawings and specifications.

C. The General Contractor is responsible for checking all field conditions and dimensions as they relate to this project. Should discrepancies exist between the work indicated and actual field conditions notify the architect prior to proceeding with the work.

D. Actual contract limits are to be determined by the Contractor and approved by the Owner before actual construction work begins. Any indication of project limits or lines of demarcation are shown for the convenience of the contractor, and are not to be taken literally.

E. The term "align" refers to locating different components of construction to provide a flush finish surface. When noted as aligned, face of finish is to be aligned.

F. Contractors and all Sub-contractors shall field verify all dimensions prior to fabrication and/or ordering of materials.

G. Use of the word "verify" points out a situation which must be confirmed prior to proceeding with the work, fabrication of equipment, or ordering material. Notify the Architect of any discrepancy.

H. Refer to Mechanical and Electrical drawings for complete construction requirements & locations of all ceiling fixtures.

I. Architectural, Mechanical, and Electrical drawings show where exposed ductwork is to be installed at a specific elevation in a controlled pattern. The Contractor must rely on all of these disciplines to complete the work and should notify the Architect of any discrepancies.

J. The General Contractor shall coordinate the work of all trades installing their respective equipment in the ceiling plenums. Mechanical, Electrical, Structural, and Fire Sprinkler systems all share this same space. Each Sub-contractor is to review the requirements of their work with the awareness of the other trades that need to share these spaces and must not assume that their installation has been considered in the design and shop drawings of the other trades.

SHEET INDEX

GENERAL

G100	COVER SHEET
G110	CODE PLAN
G900	SHEET SPECIFICATIONS
G901	SHEET SPECIFICATIONS
G902	SHEET SPECIFICATIONS
G903	SHEET SPECIFICATIONS

CIVIL

C100	COVER SHEET
C101	NOTES & QUANTITY SHEET
C102	INDEX & HORIZONTAL CONTROL SHEET REMOVAL/UTILITY
C103	INDEX & HORIZONTAL CONTROL SHEET PAVING/GRADING
C104	DETAIL SHEET
C105	GRADING CROSS SECTIONS
C106	PARKING LAYOUT SHEET
C201	DEMOLITION PLAN
C202	DEMOLITION PLAN
C203	DEMOLITION PLAN
C300	PAVING PLAN
C301	PAVING PLAN
C302	PAVING PLAN
C303	PAVING PLAN
C400	GRADING PLAN
C401	GRADING PLAN
C402	GRADING PLAN
C403	GRADING PLAN
C500	UTILITY PLAN
C600	SIGNING AND STRIPING PLAN
C700	DRAINAGE ANALYSIS
C800	STORMWATER POLLUTION PREVENTION PLAN

DEMOLITION

D210	LEVEL 1 DEMOLITION FLOOR PLAN - A
D230A	DEMOLITION ROOF PLAN - A

ARCHITECTURAL

A100	SITE PLAN
A210	LEVEL 1 OVERALL FLOOR PLAN
A210A	LEVEL 1 ENLARGED FLOOR PLAN - A
A214A	LEVEL 1 REFLECTED CEILING PLAN - A
A230A	PARTIAL ROOF PLAN - A
A300	BUILDING ELEVATIONS
A301	BUILDING ELEVATIONS
A400	BUILDING SECTIONS
A410	WALL SECTIONS
A600	DOOR AND WINDOW SCHEDULE & DETAILS
A700	WALL TYPE DETAILS
A701	EXTERIOR DETAILS - WALLS
A702	EXTERIOR DETAILS - ROOF

STRUCTURAL

S001	GSN
S002	GSN
S003	GSN
S004	SCHEDULE
S005	INTERPRETATION OF DRAWINGS
S006	SSI TABLES
S101	STRUCTURAL FOUNDATION PLAN
S201	STRUCTURAL FRAMING AND DEMOLITION PLAN
S202	FACADE FRAMING PLAN
S203	NEW TILT-UP PANEL ELEVATION
S301	STRUCTURAL FOUNDATION DETAILS
S302	STRUCTURAL FOUNDATION DETAILS
S303	STRUCTURAL FOUNDATION DETAILS
S401	STRUCTURAL FRAMING DETAILS

MECHANICAL

M-001	MECHANICAL LEGEND
MD213A	MECHANICAL LEVEL 1 PARTIAL DEMOLITION PLAN - A
MD230A	MECHANICAL PARTIAL ROOF DEMOLITION PLAN - A
MH210A	HVAC LEVEL 1 PARTIAL FLOOR PLAN - A
MH230A	MECHANICAL PARTIAL ROOF PLAN - A
M-600	MECHANICAL SCHEDULES
M-700	MECHANICAL DETAILS
MI001	MECHANICAL CONTROLS LEGEND
MI601	MECHANICAL CONTROLS DIAGRAMS

ELECTRICAL

E-001	ELECTRICAL LEGEND
E-002	ELECTRICAL SPECIFICATIONS
E-003	ELECTRICAL SPECIFICATIONS
E-004	ELECTRICAL SPECIFICATIONS AND GENERAL NOTES
ES100	ELECTRICAL SITE PLAN - SOUTH
ED213A	ELECTRICAL LEVEL 1 PARTIAL DEMOLITION PLAN - A
EL210A	LIGHTING LEVEL 1 PARTIAL FLOOR PLAN - A
EJ210A	RECEPTACLE LEVEL 1 PARTIAL FLOOR PLAN - A
EP230A	ELECTRICAL PARTIAL ROOF PLAN - A
FA210A	FIRE ALARM LEVEL 1 PARTIAL FLOOR PLAN - A
E-600	ELECTRICAL SCHEDULES
E-700	ELECTRICAL DETAIL SHEET

PLUMBING

P-001	PLUMBING LEGEND
PD213	PLUMBING LEVEL 1 OVERALL DEMOLITION PLAN
PL210	WASTE & VENT LEVEL 1 OVERALL FLOOR PLAN
PP210	PRESSURE PIPING LEVEL 1 OVERALL FLOOR PLAN
P-700	PLUMBING DETAILS

LANDSCAPE

L-CS	COVER SHEET
L-0.01	GENERAL NOTES & LEGENDS
L-0.02	GENERAL NOTES & LEGENDS
L-1.01	SHEET LAYOUT KEY
L-2.01	MATERIAL PLAN
L-2.02	MATERIAL PLAN
L-2.03	MATERIAL PLAN
L-3.01	MATERIAL DETAILS
L-4.01	PLANTING PLAN
L-4.02	PLANTING PLAN
L-4.03	PLANTING PLAN
L-5.01	PLANTING DETAILS
L-6.00	IRRIGATION NOTES
L-6.01	IRRIGATION PLAN
L-6.02	IRRIGATION PLAN
L-7.01	IRRIGATION DETAILS
L-7.02	IRRIGATION DETAILS
L-8.01	IRRIGATION SPECIFICATIONS

DFDG Architecture

4545 EAST McKINLEY STREET
PHOENIX, ARIZONA 85008
TELEPHONE: 602.954.9060

WWW.DFDG.COM

REGISTERED ARCHITECT
CERTIFICATE NO.
47384
CHAD M. BILLINGS
Date Signed 2.10.21
ARIZONA U.S.A.

ISSUE

5/29/20 - 90% Progress Set
6/9/20 - Demolition & Pricing Package
8/14/20 - Minor Development Plan Review
12/4/20 - MDPR Comments
2/10/21 - 95% CD'S

REVISIONS

ADOT 1919 Fairmont
1919 W Fairmont Dr.
Tempe, AZ 85282

2009
DFDG PROJECT NUMBER

CONSTRUCTION DOCUMENTS
COVER SHEET

G100

PLOT DATE:2/10/2021 4:00:20 PM
SHEET NUMBER

PLUMBING FIXTURE CALCULATIONS

Fixture Type	Fixtures Provided	Comments
DRINKING FOUNTAIN		
DF	2	
	2	
LAVATORY		
LAV	10	
	10	
SERVICE SINK		
SS	1	
	1	
URINAL		
UR-1	3	
	3	
WATER CLOSET		
WC-1	17	
	17	

		OCCUPANT LOAD			WATER CLOSETS					LAVATORIES			BATHTUBS OR SHOWERS		DRINKING FOUNTAINS		
Name	Area	TOTAL	MALE	FEMALE	WC Ratio Men	Required WC Men	WC Ratio Women	Required WC Women	Required WC	Ratio Lav Men	Ratio Lav Women	Required Lav	Ratio Bath or Shower	Required Bath or Shower	Ratio DF	Required DF	OTHER
Business																	
Tenant Space A	2987.17 SF	19.91	9.96	9.96	50	0.40	50	0.40	0.80	80	80	0.50	0	0.00	100	0.20	1 Service Sink
Fire Riser Room	80.57 SF	0.27	0.13	0.13	50	0.01	50	0.01	0.01	80	80	0.01	0	0.00	100	0.00	1 Service Sink
Tenant Space B	28995.16 SF	193.30	96.65	96.65	50	2.43	50	2.43	4.87	80	80	3.42	0	0.00	100	1.93	1 Service Sink
Total Fixtures Required						2.84		2.84	5.67			3.92		0.00		2.13	

OCCUPANCY SCHEDULE

NUMBER	NAME	OCCUPANCY TYPE	AREA	LOAD FACTOR	OCCUPANT LOAD	FIXED
Level 1						
Business						
101	Tenant Space A	Business	2987.17 SF	150	19.91	
102	Fire Riser Room	Business	80.57 SF	300	0.27	
103	Tenant Space B	Business	28995.16 SF	150	193.30	
Business: 3					213.48	
Level 1: 3					213.48	
Grand total					213.48	

CODE PLAN LEGEND

Occupancy Data — Space Number; Occupancy Type; Area Per Occupant; Area name; 101; # SF; Occupancy; #/SF; C#; Area of Space; Occupant Load

Path of Egress — PATH OF TRAVEL = 120'-6"

Common Path of Travel — Direction of Second Path of Travel; 88; 0"; Occupant Load; Distance of Common Path of Travel

Exiting Load — 0; Number of Occupants on Exit Path

Exit Width — Exit Width Provided; 88.88; 888; 888 OCC; Exit Width Multiplier; Exit Capacity (Occupants)

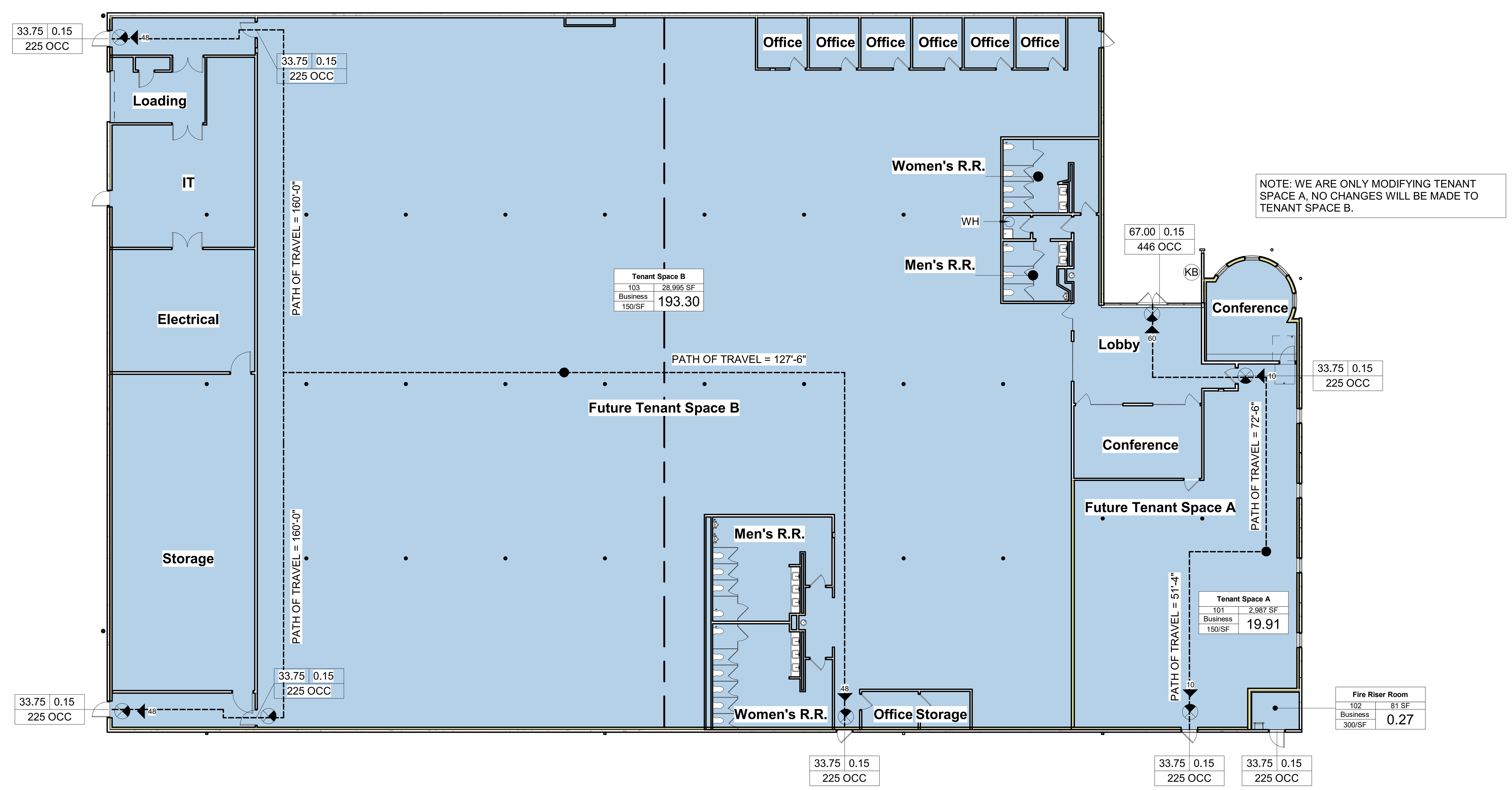
Exit Sign — Filled Region Indicates Side With Sign; Arrows Indicate Sign Directional Indicators

Fire Extinguisher Cabinet — FEC

Fire Department Access Knox Box — KB

Rated Partitions

- 0 Hour Smoke Barrier
- 1 Hour Smoke Barrier
- 1 Hour Fire Barrier
- 2 Hour Fire Barrier
- 3 Hour Fire Barrier



1 Level 1 Code Data Plan
1/16" = 1'-0"

CODE DATA

Applicable Building Codes:

2018 Tempe Building Safety Administrative Code
2018 International Energy Conservation Code (IECC)
2018 International Building Code
2010 ADA Standards for Accessible Design
2018 International Existing Building Code
2018 International Mechanical Code
2018 International Electrical Code
2018 International Plumbing Code
2018 International Fuel Gas Code
2018 International Fire Code

Project Description:
The project consists of the demolition of approximately 3,440 SF of existing 36,000 SF Tenant Space adjacent to the I-10 Freeway to allow for an ADOT right-of way. A newly designed East Facade will be rebuilt to enclose the remaining building space. The Fire Riser Room will be relocated as required to a new location withing the modified building footprint. Existing site parking and utilities will be revised to account for the reduction in property and building size. New landscaping will be included in the affected areas.

Project Address: 1919 W. Fairmont Dr.
Tempe, AZ 85282

Subdivision Name: Eaton Freeway Industrial Park

Lot Number: 69

APN: 123-28-072

Book: 123

Map: 28

Item: 072

PUC: 1074

Zoning: GID

Gross Site Area: 118,185 sf

Occupancy Class: B - Business

Construction Type: II-B

Fire Sprinkler System: Fully Sprinklered - Fully Engineered

Fire Resistance Rating for Building Elements (per Table 601):

- Primary Structural Frame: 0 Hr.
- Bearing Walls (Exterior): 0 Hr.
- Bearing Walls (Interior): 0 Hr.
- Non-Bearing Walls (Exterior): 0 Hr.
- Floor Construction: (Interior): 0 Hr.
- Roof Construction: 0 Hr.

Parking Information: Per Civil Plans

Maximum Exit Travel Distance (Per 2018 IBC Table 1017.2)
Occupancy B (Fully Sprinklered): 300'-0"

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PHOENIX, ARIZONA 85008
TELEPHONE: 602.954.9060
WWW.DFDG.COM

REGISTERED ARCHITECT CERTIFICATE NO. 47384 CHAD M. BILLINGS Date Signed 2.10.21 ARIZONA U.S.A.

ISSUE

- 5/29/20 - 90% Progress Set
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- 12/4/20 - MDPR Comments
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REVISIONS

ADOT 1919 Fairmont

1919 W Fairmont Dr.
Tempe, AZ 85282

2009
DFDG PROJECT NUMBER

CONSTRUCTION DOCUMENTS
CODE PLAN

G110
SHEET NUMBER

PLOT DATE:2/10/2021 12:27:42 PM

BIM 360://ADOT 1919 Fairmont/2009_ADOT 1919 Fairmont_R20.rvt

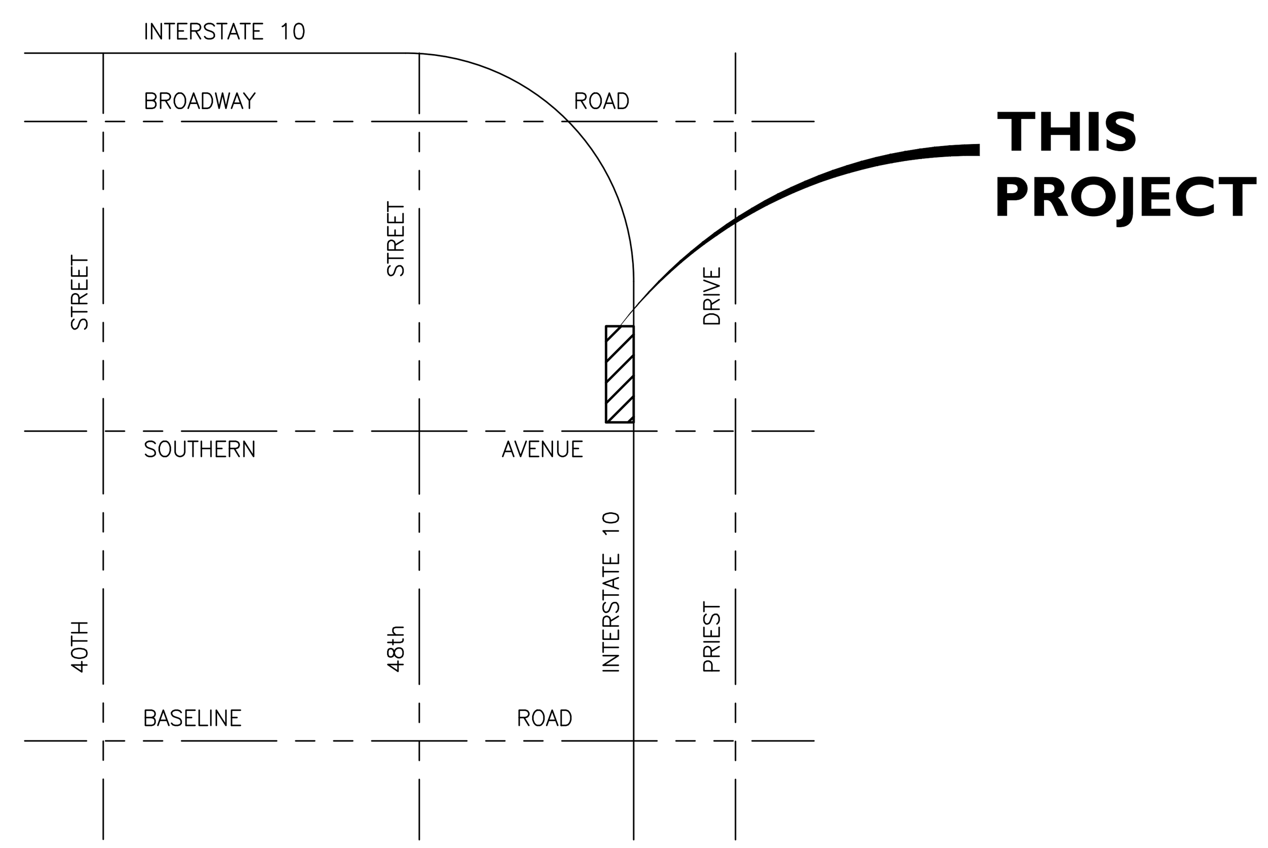
ONSITE IMPROVEMENT PLAN
FOR
ADOT 1919 FAIRMONT
LOCATED IN SECTION 29, TOWNSHIP 1 NORTH, RANGE 4 EAST OF THE GILA & SALT RIVER BASE & MERIDIAN, MARICOPA COUNTY, ARIZONA
TEMPE, ARIZONA

GENERAL AND SITE PLAN NOTES

1. ALL CONSTRUCTION UNDER THE PUBLIC WORKS PERMIT SHALL CONFORM TO THE CITY OF TEMPE SUPPLEMENT TO THE MAG SPECIFICATIONS AND DETAILS, MARICOPA ASSOCIATION OF GOVERNMENTS UNIFORM STANDARD SPECIFICATIONS AND DETAILS (MAG SPECIFICATIONS AND DETAILS), AND CITY OF TEMPE TRAFFIC BARRICADE MANUAL.
2. A PERMIT ISSUED BY THE ENGINEERING DIVISION SHALL BE REQUIRED FOR ALL WORK IN THE CITY OF TEMPE RIGHTS-OF-WAY. AN INVESTIGATION FEE, IN THE AMOUNT GREATER OF $250.00 OR DOUBLE THE PERMIT FEE, NOT TO EXCEED $2,500, WILL BE CHARGED FOR ANY WORK WITH THE CITY OF TEMPE RIGHTS-OF-WAY IN WHICH A PERMIT HAS NOT BEEN ISSUED PRIOR TO COMMENCEMENT OF WORK.
3. THE CITY SHALL BE NOTIFIED PRIOR TO ANY CONSTRUCTION WORK. CALL THE ENGINEERING REQUEST LINE AT (480) 350-8475 AT LEAST ONE BUSINESS DAY BEFORE START OF CONSTRUCTION TO REQUEST INSPECTIONS. CONSTRUCTION WORK CONCEALED WITHOUT INSPECTION BY THE CITY SHALL BE SUBJECT TO EXPOSURE AT THE CONTRACTOR'S EXPENSE.
4. RIGHT-OF-WAY IMPROVEMENTS SHALL NOT BE ACCEPTED UNTIL 3 MIL MINIMUM DOUBLE MATTE BLACK LINE MYLAR REPRODUCIBLE "AS-BUILT" PLANS HAVE BEEN SUBMITTED TO AND APPROVED BY THE ENGINEERING DIVISION.
5. LOCATION OF ALL WATER VALVES, MANHOLES, AND CLEANOUTS MUST BE REFERENCED AT ALL TIMES DURING CONSTRUCTION AND MADE AVAILABLE TO THE WATER AND WASTEWATER DIVISION.
6. NO JOB WILL BE CONSIDERED COMPLETE UNTIL ALL CURBS, PAVEMENT, AND SIDEWALKS HAVE BEEN SWEPT CLEAN OF ALL DIRT AND DEBRIS AND ALL SURVEY MONUMENTS ARE INSTALLED ACCORDING TO THE PLANS.
7. THE CITY WILL NOT PARTICIPATE IN THE COST OF CONSTRUCTION, UTILITY RELOCATION, CONSTRUCTION STAKING, OR "AS-BUILT" PLANS.
8. ALL EXISTING STREET MONUMENTS MUST BE PRESERVED. PRIOR TO CONSTRUCTION, MONUMENTS WILL BE REFERENCED HORIZONTALLY AND VERTICALLY. AFTER CONSTRUCTION, MONUMENTS SHALL BE RESET AND FIELD NOTES, INCLUDING NEW ELEVATION, SHALL BE FILED WITH THE CITY.
9. FIRE RISER, DETAILS AND FDC ARE FOR REFERENCE ONLY AND ARE NOT APPROVED ON THESE DRAWINGS. FIRE SPRINKLER PLANS MUST BE SUBMITTED FOR SEPARATE FIRE DEPARTMENT REVIEW AND APPROVAL.
10. ALL OVERHEAD UTILITY LINES (OTHER THAN TRANSMISSION LINES 12.5KV OR GREATER) ON OR ADJACENT TO THE SITE, INCLUDING STREET OR ALLEY CROSSINGS, SHALL BE PLACED UNDERGROUND PER CITY CODE SECTION 25-120 THROUGH SECTION 25-126 AND ORDINANCE NO. 88.85
11. ALL ON-SITE PRIVATE UTILITIES AND DETAILS SHOWN IN THESE PLANS ARE FOR REFERENCE ONLY AND ARE NOT APPROVED ON THESE DRAWINGS. SEE PLANS THAT ARE APPROVED BY BUILDING SAFETY FOR ON-SITE PRIVATE UTILITIES.
12. THIS SET OF PLANS HAS BEEN REVIEWED FOR COMPLIANCE WITH CITY REQUIREMENTS PRIOR TO ISSUANCE OF CONSTRUCTION PERMITS. HOWEVER, SUCH REVIEW SHALL NOT PREVENT THE CITY FROM REQUIRING CORRECTION OF ERRORS IN PLANS FOUND TO BE IN VIOLATION OF ANY LAW OR ORDINANCE. IT IS THE RESPONSIBILITY OF THE PROFESSIONAL ENGINEER SEALING AND SIGNING THESE PLANS TO BE CERTAIN THAT THEY ARE IN FULL COMPLIANCE WITH CITY OF TEMPE STANDARDS, DETAILS, CRITERION, LAWS, AND ORDINANCES.
13. THE CITY DOES NOT WARRANT ANY QUANTITIES SHOWN ON THESE PLANS.
14. THE CITY APPROVAL IS FOR GENERAL LAYOUT IN THE RIGHT-OF-WAY, ON-SITE GRADING, DRAINAGE, WATER AND SEWER. THIS PLAN CHECK APPROVAL IS VALID FOR A PERIOD OF ONE YEAR FROM APPLICATION DATE. CONSTRUCTION PERMITS SHALL BE OBTAINED DURING THIS PERIOD OR THE PLANS SHALL BE RESUBMITTED FOR REVIEW AND APPROVAL. ONE 6 MONTH EXTENSION MAY BE GRANTED UPON REQUEST IF THE REQUEST IS MADE PRIOR TO THE EXPIRATION OF THE ONE YEAR PERIOD AT A COST OF 25% OF THE TOTAL PLAN CHECK FEE. PERMITS MUST THEN BE ISSUED WITH 6 MONTHS AND THEY WILL BE VALID FOR ONE YEAR FROM ISSUE DATE, OTHERWISE, THE PROJECT EXPIRES AND PERMITS ARE VOIDED.
15. AN APPROVED SET OF PLANS SHALL BE AVAILABLE ON THE JOB SITE AT ALL TIMES.
16. CONSTRUCTION ITEMS SHALL NOT BE ACCEPTED UNTIL 3 MIL MINIMUM DOUBLE MATTE BLACK LINE MYLAR REPRODUCIBLE "AS-BUILT" PLANS HAVE BEEN SUBMITTED TO AND APPROVED BY THE ENGINEERING DIVISION.
17. THE DEVELOPER IS RESPONSIBLE FOR THE REMOVAL OR RELOCATION OF ALL OBSTRUCTIONS WITHIN THE RIGHT-OF-WAY PRIOR TO STARTING NEW CONSTRUCTION.
18. THE DEVELOPER IS RESPONSIBLE FOR ARRANGING THE RELOCATION AND ASSOCIATED COSTS OF ALL UTILITIES. A UTILITY RELOCATION SCHEDULE SHALL BE SUBMITTED PRIOR TO THE START OF NEW CONSTRUCTION.
19. THE DEVELOPER IS RESPONSIBLE FOR OBTAINING OR DEDICATING ALL REQUIRED RIGHTS-OF-WAY AND EASEMENTS TO THE CITY PRIOR TO APPROVAL OF IMPROVEMENT PLANS.
20. THE CONTRACTOR SHALL CONTACT ARIZONA BLUE STAKE AT 602-263-1100 AT LEAST 48 HOURS PRIOR TO CONSTRUCTION.
21. THE CONTRACTOR SHALL BARRICADE CONSTRUCTION SITES AT ALL TIMES PER THE CITY OF TEMPE TRAFFIC BARRICADE MANUAL. WHEN REQUIRED BY THE CITY, A TRAFFIC CONTROL PLAN SHALL BE SUBMITTED FOR APPROVAL IN ADVANCE OF CONSTRUCTION.
22. THE CONTRACTOR MAY OBTAIN A FIRE HYDRANT METER FOR CONSTRUCTION WATER FROM CUSTOMER SERVICES. THIS METER SHOULD BE ORDERED TWO WORKING DAYS PRIOR TO THE START OF CONSTRUCTION. THE UNLAWFUL REMOVAL OF WATER FROM A FIRE HYDRANT IS A VIOLATION OF THE MUNICIPAL CODE, PUNISHABLE BY FINE AND/OR IMPRISONMENT.
23. ALL BROKEN OR DISPLACED EXISTING CONCRETE CURB, GUTTER, OR SIDEWALK SHALL BE REMOVED AND REPLACED AS DIRECTED BY THE CITY OF TEMPE ENGINEERING DIVISION INSPECTOR.
24. ALL CITY FACILITIES, ALLEYS AND ROADWAY SURFACES DAMAGED BY DEVELOPER/CONTRACTOR DURING CONSTRUCTION SHALL BE REPAIRED/RESTORED TO THE SATISFACTION OF THE CITY OF TEMPE ENGINEERING DIVISION INSPECTOR PER THE RESPECTIVE CITY AND/OR MAG STANDARD DETAIL.

FLOODPLAIN

THIS PROJECT IS LOCATED WITHIN ZONE X, OTHER AREAS OF FLOOD HAZARD, DEFINED AS "AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE, AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD". ACCORDING TO MAP NO. 04013C2240L, HAVING A REVISION DATE OF OCTOBER 16, 2013.



ON SITE DRAINAGE PLAN NOTES

1. A PUBLIC WORKS PERMIT ISSUED BY THE ENGINEERING DIVISION SHALL BE REQUIRED FOR THE ONSITE DRAINAGE OF THE PROJECT.
2. DRYWELLS MUST BE REGISTERED WITH THE ARIZONA STATE DEPARTMENT OF ENVIRONMENTAL QUALITY. AN AQUIFER PROTECTION PERMIT (APP) MAY ALSO BE REQUIRED.
3. PRIOR TO ACCEPTANCE THE OWNER/DEVELOPER SHALL FURNISH THE FOLLOWING:
   a.) DRILLING LOG AND CERTIFICATION OF COMPLIANCE FOR ALL DRY WELLS.
   b.) A 3 MIL MINIMUM DOUBLE MATTE, BLACK AND WHITE REPRODUCIBLE MYLAR COPY OF THE APPROVED PLANS WITH THIS CERTIFICATION SIGNED BY A REGISTERED PROFESSIONAL ENGINEER:
4. "THIS IS TO CERTIFY THAT AN ACTUAL FIELD SURVEY WAS MADE UNDER MY SUPERVISION OF THE SUBJECT SITE AND THAT FINISH FLOOR AND RETENTION ELEVATIONS ARE THE TRUE "AS BUILT" CONDITIONS, AND THEY MEET OR EXCEED THE ORIGINAL RETENTION REQUIREMENTS AS SHOWN ON THIS APPROVED PLAN."

____

ENGINEER　　DATE　　ARIZONA P.E. NUMBER

UNDERGROUND STORM WATER STORAGE SYSTEMS WHEN USED AND SPECIFICALLY APPROVED BY THE CITY ENGINEER, OR DESIGNEE, SHALL BE THE SOLE RESPONSIBILITY OF THE OWNER, INCLUDING THE DESIGN, CONSTRUCTION, INSPECTION, MONITORING AND MAINTENANCE. THE OWNER SHALL BE LIABLE FOR ANY AND ALL CLAIMS RESULTING THERE FROM. THE CITY OF TEMPE, BY ALLOWING THIS SYSTEM ASSUMES NO LIABILITY OR RESPONSIBILITY FOR THE DESIGN, CONSTRUCTION, INSPECTION, MONITORING, AND/OR MAINTENANCE OF THE SYSTEM. A DEED RESTRICTION DESCRIBING THE SYSTEM SHALL BE RECORDED. THIS DOCUMENT SHALL STATE THAT THE DEED RESTRICTION CANNOT BE RELINQUISHED OR ABANDONED WITHOUT THE WRITTEN APPROVAL OF THE CITY OF TEMPE.

AS-BUILT CERTIFICATION

I HEREBY CERTIFY THAT THE "RECORD DRAWING" MEASUREMENTS AS SHOWN HEREON WERE MADE UNDER MY SUPERVISION OR AS NOTED AND ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED ENGINEER　　DATE

REGISTRATION NUMBER

APPROVAL: FOR DRAINAGE, PAVING, WATER, SEWER & U.G. FIRE

CITY OF TEMPE　　DATE

OWNER

ADOT

ENGINEER

EPS GROUP, INC
1130 N. ALMA SCHOOL RD, SUITE 120
MESA, ARIZONA 85201
PHONE: (480) 503-2250
FAX: (480) 503-2258
CONTACT: BRUCE HALLSTED, P.E.
EMAIL: BRUCE.HALLSTED@EPSGROUPINC.COM

BENCHMARK

3" ARIZONA HIGHWAY DEPARTMENT BRASS CAP IN HAND HOLE 0.6' DOWN, NO STAMPING AT THE SOUTH QUARTER CORNER OF SECTION 29, TOWNSHIP 1 NORTH, RANGE 4 EAST.
ELEVATION = 1163.293 NAVD88 DATUM (MARICOPA COUNTY GDACS)

TEMPORARY BENCHMARK

BRASS CAP FLUSH STAMPED "CITY OF PEORIA" AT THE CENTERLINE OF FAIRMONT DRIVE LYING 30' NORTH OF THE NORTHWEST CORNER OF THE PROJECT SITE.
ELEVATION = 1155.70' NAVD88 DATUM

EQUATION TO CITY OF TEMPE DATUM

A CITY OF TEMPE BENCHMARK AT THE SOUTH QUARTER CORNER OF SECTION 29, TOWNSHIP 1 NORTH, RANGE 4 EAST WAS USED TO CALCULATE DIFFERENCE BETWEEN CITY OF TEMPE NGVD29 DATUM AND MCDOT NAVD88 DATUM. PER CITY OF TEMPE THE ELEVATION OF THE BRASS CAP IN HAND HOLE=1161.57. SUBTRACT 1.72' FROM NAVD88 DATUM TO CONVERT TO CITY OF TEMPE NGVD29.

BASIS OF BEARINGS

THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 1 NORTH, RANGE 4 EAST, GILA AND SALT RIVER MERIDIAN AS SHOWN ON THAT SUPPLEMENTAL RESULTS OF SURVEY FOR R/W PROJECT 010 MA 146 H5454 02R / I 010-C-802 FOR ADOT PARCEL 7-10704, ON FILE WITH ADOT RIGHT-OF-WAY GROUP, THE BEARING OF WHICH IS: NORTH 89 DEGREES 32 MINUTES 52 SECONDS EAST.

SHEET INDEX

DESCRIPTION	DRAWING NO.
COVER SHEET	C100
NOTES & QUANTITY SHEET	C101
INDEX & HORIZONTAL CONTROL SHEET-REMOVAL/UTILITY	C102
INDEX & HORIZONTAL CONTROL SHEET-PAVING/GRADING	C103
DETAIL SHEET	C104
GRADING CROSS SECTIONS	C105
PARKING LAYOUT SHEET	C106
DEMOLITION PLAN	C201-C203
PAVING PLAN	C300-C303
GRADING PLAN	C400-C403
UTILITY PLAN	C500
SIGNING AND STRIPING PLAN	C600
DRAINAGE ANALYSIS SHEET	C700
STORMWATER POLLUTION PREVETION PLAN	C800

DFDG Architecture
4545 EAST McKINLEY STREET
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WWW.DFDG.COM

EPS GROUP
1130 N Alma School Road
Suite 120
Mesa, AZ 85201
T:480.503.2250|F:480.503.2258
www.epsgroupinc.com

Registered Professional Engineer (Civil)
CERTIFICATE NO. 40486
BRUCE J. HALLSTED
Preliminary Not For Construction Or Recording
Date Signed 2-08-2021
ARIZONA, U.S.A.

ISSUE

2/10/21 - 95% CDs

REVISIONS

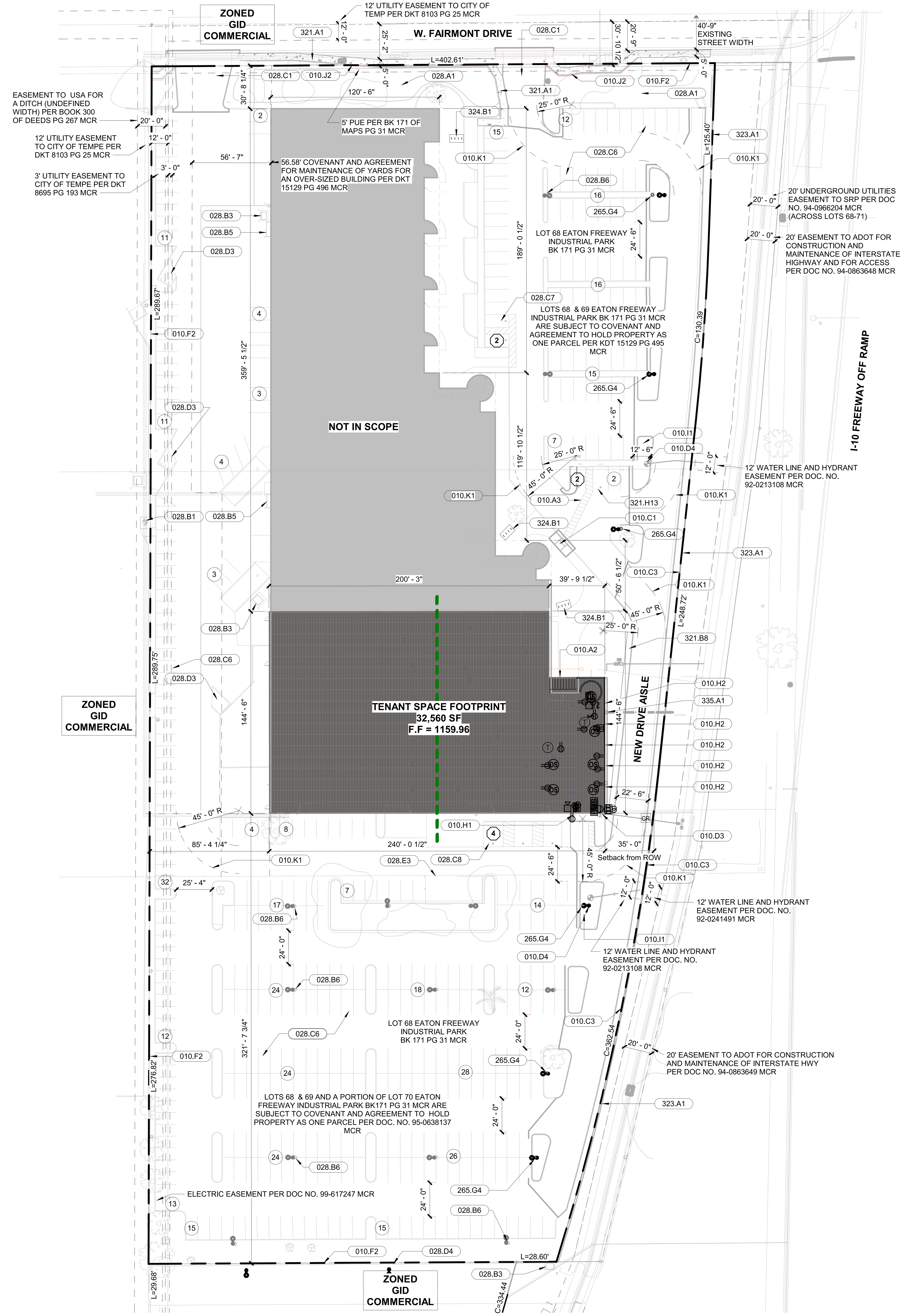
ADOT 1919 Fairmont
1919 W Fairmont Dr.
Tempe, AZ 85282

2009
DFDG PROJECT NUMBER

Construction Documents
COVER SHEET

PLOT DATE: February 9, 2021

C100
SHEET NUMBER



1 Site Plan
1" = 40'-0"

PROJECT DATA:

SQUARE FOOTAGE:

Overall Net Building Area (Existing)	86,257 sf
Overall Net Building Area (Post-Demo)	82,817 sf
Net Tenant Space Area (Existing)	36,000 sf
Net Tenant Space Area (Post-Demo)	32,023 sf

ZONING INFORMATION:

Project Site	GID (General Industrial District)
Adjacent Properties	GID (General Industrial District)

NET SITE AREA: 312,770 sf

BUILDING HEIGHT:

Maximum Allowable	35'-0"
Proposed:	28'-0", Top of Highest Parapet to Grade

BUILDING SETBACKS:

Min. Front Setback:	25'-0"
Min. Side Setback:	0
Min. Rear Setback:	0
Min. Parking Setback:	20'-0"

LOT COVERAGE:

Required:	NS, No Standard
Existing:	27.6% (86,257 sf)
Proposed (Post Demo):	26.5% (82,817 sf)

LANDSCAPED AREA:

Total Project Area:	35,781sf
Landscaped Area:	22,804 sf

LANDSCAPE PERCENTAGE:

Project Landscape Percentage	63%
Minimum Landscape Req.	10%

PARKING:

Required Vehicle Parking Minimum	82,817 sf/ 300 sf =	276 spaces
Vehicle Parking Provided		414 spaces
Required Bicycle Stalls	82,817/ 8,000 =	11 spaces
Bicycle Stalls Provided		12 spaces
Required ADA Parking (2018 IBC Table 1106.1)		7 spaces
ADA Parking Provided		8 spaces

SPRINKLERS/FIRE ALARMS:
Provided

Building Occupancy Classification:

Overall Building:	B- Office, (82,817 sf net)
Tenant Space:	B- Office, (32,023 sf net)

K E Y N O T E S

010.A2	Building Entrance
010.A3	New Accessible Route From Accessible Parking Stalls To Building Entry
010.C1	New ADA Curb Cut Per Civil Drawings
010.C3	New ADOT Right-Of-Way Per Civil Plans
010.D3	Building Mounted FDC
010.D4	New Fire Hydrant Location Per Civil
010.F2	Existing Property Boundary
010.H1	Building Exit
010.H2	Building Window
010.I1	New 7' Minimum Wide Island Per ZDC Sec. 4-704.C.2
010.J2	New Concrete Retaining Wall As Required To Support New Sidewalk Adjacent To The Retention Areas. Height Is 3'-6" From Top Of Footing, Civil Sheet C403 Shows Specific Wall Height Elevations Per Length
010.K1	Indicates Required Fire & Refuse Turn Radii
028.A1	Existing Grass Retention Area To Remain
028.B1	Existing Fire Hydrant to Remain
028.B3	Existing Transformer on Pad to Remain
028.B5	Existing Service Entrance Section To Remain
028.B6	Existing Parking Lot Lighting To Remain
028.C1	Existing Driveway to Remain
028.C6	Typical Existing Standard Automobile Parking Space: 8'-6" Min Width X 18'-0" Min Depth With 23' Driving Aisle Width In Accordance With City Of Tempe Development Standards, Table 4-606A
028.C7	Typical Existing Automobile Accessible Parking Space: 8'-0" Min Width X 18'-0" Min Depth With 5'-0" Min Width Access Aisle In Accordance With City Of Tempe Detail "Accessible Parking Spaces Marking/ Signage On Private Development", Dated June 2012
028.C8	Typical Existing Van Accessible Parking Space: 11'-0" Min Width X 18'-0" Min Depth With 5'-0" Min Width Access Aisle In Accordance With City Of Tempe Detail "Accessible Parking Spaces Marking/ Signage On Private Development", Dated June 2012
028.D3	Existing Trash Enclosure To Remain
028.D4	Existing 3' High Concrete Block Wall To Remain
028.E3	Existing Metal Shade Structure And Patio To Remain
265.G4	Parking Lot Lighting
321.A1	New 5'-0" Wide, Fully Accessible Concrete Sidewalk Per City Of Tempe Guidelines - See Civil Dwgs
321.B8	New Concrete Sidewalk - See Civil Dwgs
321.H13	Typical Automobile Accessible Parking Space: 8'-0" Min Width X 18'-0" Min Depth With 5'-0" Min Width Access Aisle In Accordance With City Of Tempe Detail "Accessible Parking Spaces Marking/ Signage On Private Development", Dated June 2012
323.A1	Chain Link Fence, 6' High. Fence Is Located Within The ADOT Right-Of-Way And Follows ADOT Design Standards
324.B1	Bicycle Parking Stalls Per City Of Tempe Standards. Refer To Civil Drawings For Specifics
335.A1	Backflow Preventer - See Civil And Plumbing

S I T E P L A N G E N E R A L N O T E S

A. All dimensions are to structural grid, face of CMU, face of concrete or face of stud, unless noted otherwise. Dimensions noted as "clear" or "CLR." are to face of finish material
B. Standard parking space counts are indicated with a circular tag; accessible parking spaces with an octagonal tag

S I T E P L A N P A R K I N G C A L C U L A T I O N S

NOTE: Parking Requirements are based on the City of Tempe Parking Standards, Table 4-603E: Ratios for Off-Street Parking

Project Data:

Vehicle Parking Minimums: 1 space per 300 SF

Bicycle Commute Area: 1 per 8,000 SF, 4 minimum

Parking Requirements:

Overall Net Building Area:

82,817 SF

Required Vehicle Parking Minimums:

82,817 SF/300 = ***276 Required Parking Spaces***

Required Bicycle Commute Area:

82,817 SF/8,000 SF = ***11 Bicycle Spaces Required***

Required ADA Parking: (From 2018 IBC Table 1106.1, Accessible Parking Spaces)

201 to 300 Total Parking Spaces Provided = ***7 Accessible Parking Spaces Required***

DFDG Architecture
4545 EAST McKINLEY STREET
PHOENIX, ARIZONA 85008
TELEPHONE: 602.954.9060
WWW.DFDG.COM

REGISTERED ARCHITECT CERTIFICATE NO. 47384 CHAD M. BILLINGS Date Signed 2.10.21 ARIZONA U.S.A.

ISSUE

5/29/20 - 90% Progress Set
6/9/20 - Demolition & Pricing Package
8/14/20 - Minor Development Plan Review
12/4/20 - MDPR Comments
2/10/21 - 95% CD's

REVISIONS

ADOT 1919 Fairmont

1919 W Fairmont Dr.
Tempe, AZ 85282

2009
DFDG PROJECT NUMBER

CONSTRUCTION DOCUMENTS
SITE PLAN

A100
SHEET NUMBER

PLOT DATE 2/10/2021 12:46:55 PM

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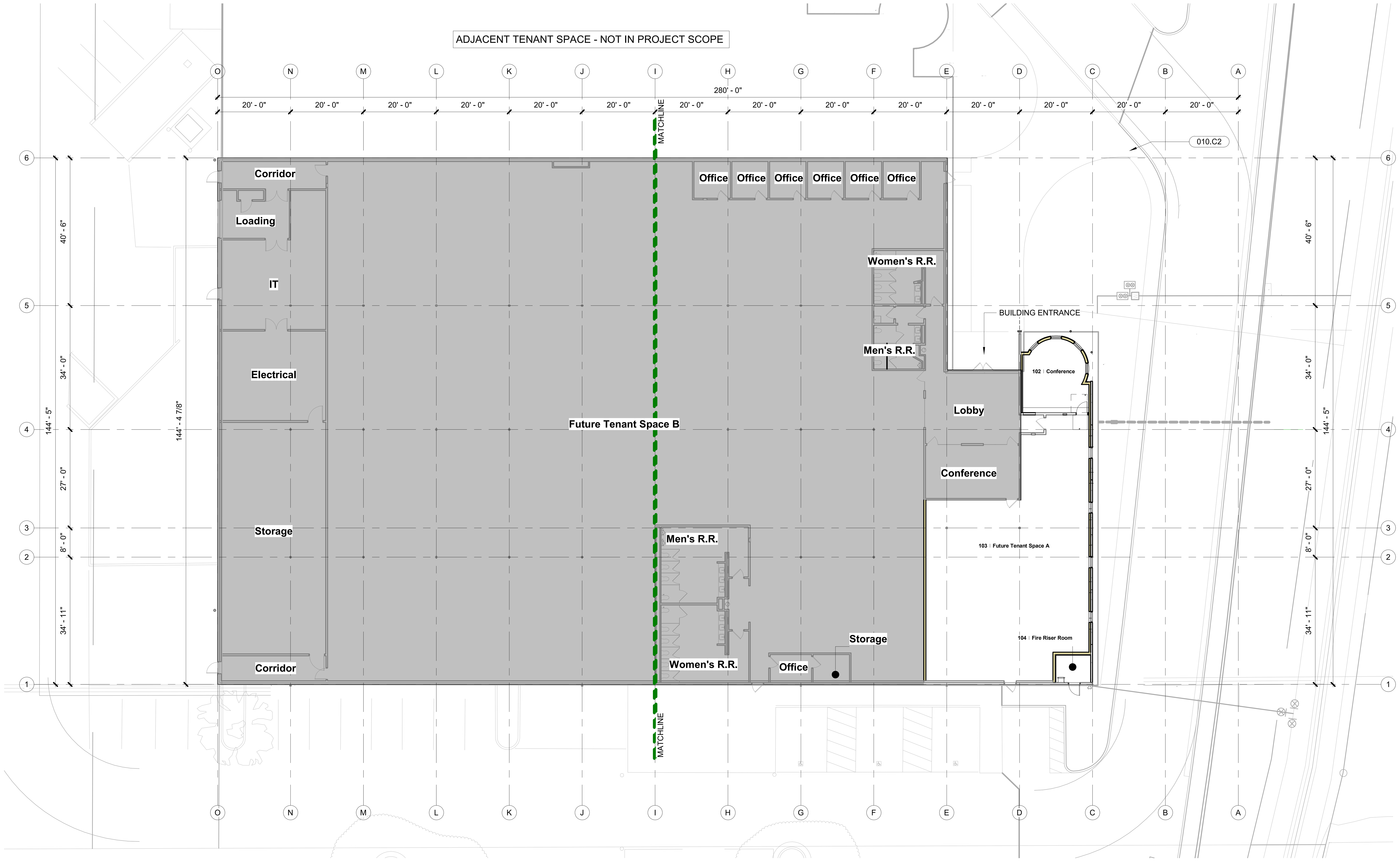


1 Level 1 Floor Plan
1/16" = 1'-0"

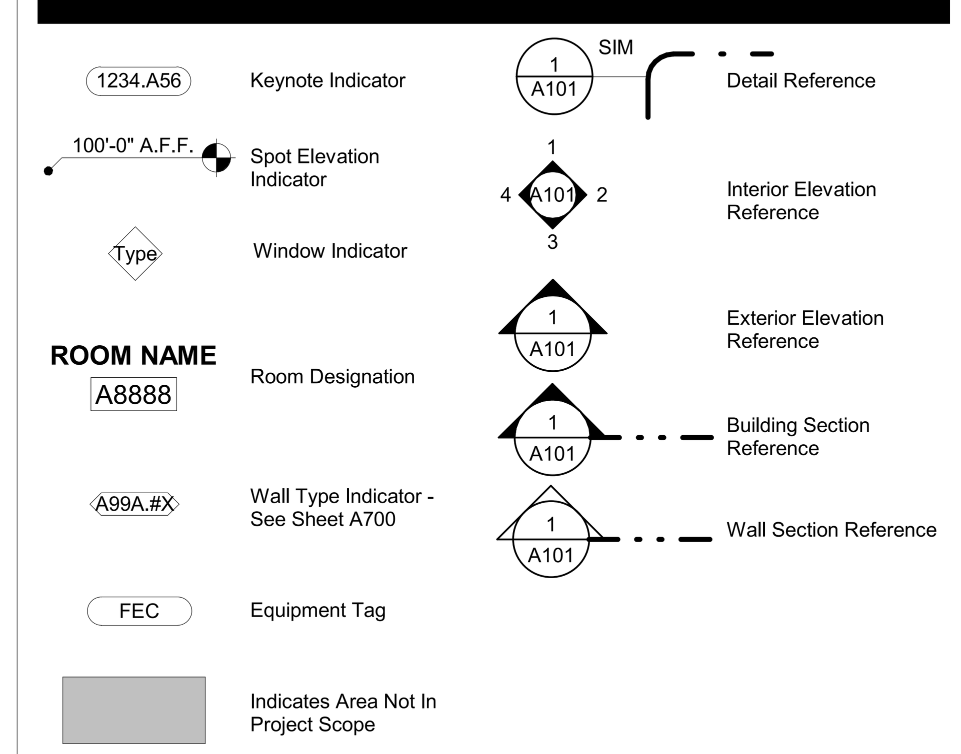
KEYNOTES

010.C2	New Sidewalk, See Civil Drawings

FLOOR PLAN GENERAL NOTES

A. All dimensions are to structural grid, face of CMU, face of concrete or face of stud, unless noted otherwise. Dimensions noted as "clear" or "CLR." are to face of finish material.
B. When noted as "align", face of finishes are to align.
C. Stair railings and handrail are not shown on plans for visual clarity, refer to enlarged stair plans and stair details for all railing information.
D. Provide blocking in wall for all wall mounted millwork and equipment. Provide sheet metal blocking for all restroom accessory blocking.
E. Contractor to provide the correct number of life safety devices as required by fire marshal.
F. Refer to structural slab plans for locations of all floor drains and electrical floor boxes.
G. All doors and door frames to be located 4" from outside of frame to perpendicular adjacent wall, unless dimensioned otherwise, except at masonry walls.
H. Refer to structural slab plans for dimensions of all interior and exterior masonry walls and openings for doors and windows in masonry walls.
I. Refer to interior plans and elevations for all equipment placement.
J. Refer to security drawings for all access control and security devices.
K. Replace any wall batt insulation within the scope of work that was dislodged or removed prior to or during construction to maintain continuity of insulation. Match existing insulation thicknesses.

SYMBOL LEGEND



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2009
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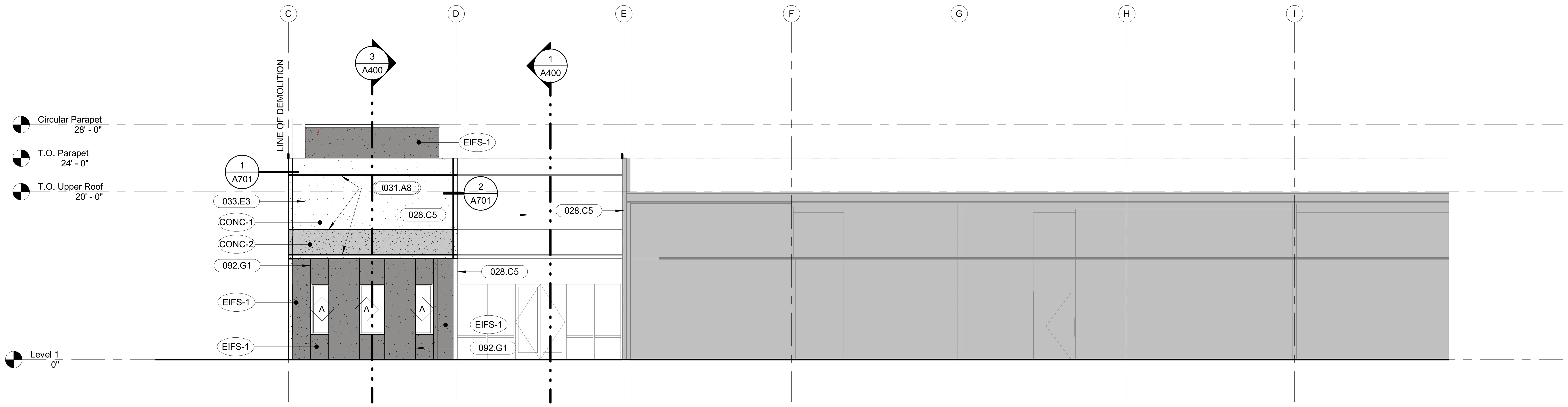
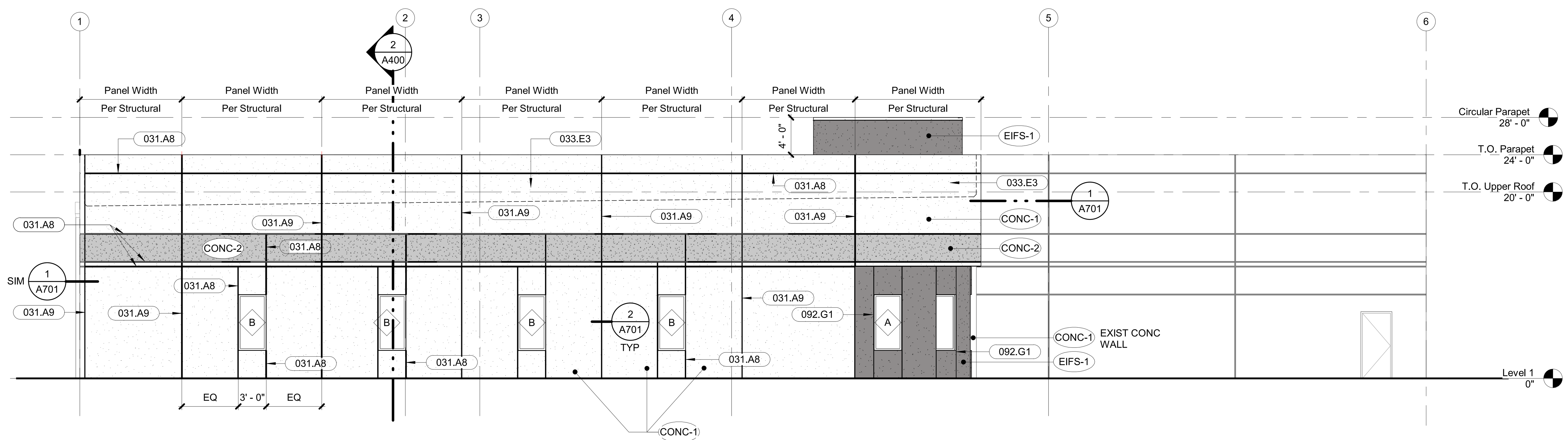
CONSTRUCTION DOCUMENTS
LEVEL 1 OVERALL FLOOR PLAN

A210
PLOT DATE:2/10/2021 12:48:10 PM SHEET NUMBER



1 North
1/8" = 1'-0"

0 4' 8' 16' 24'



2 East
1/8" = 1'-0"

0 4' 8' 16' 24'

K E Y N O T E S

028.C5	Existing Concrete Tilt-Up Panel Wall To Remain
031.A8	3/4" D Reveal Joint In Tilt-Up Concrete Panel - Match Existing. Align Horizontal Joints To Existing Building Joints - Verify In Field
031.A9	1-1/2" W X 3/4" D Panel Joint Between Tilt-Up Concrete Panels - Match Existing Building
033.E3	6" Tilt-Up Concrete Wall Panel - See Structural Drawings
092.G1	3/4" Stucco Screed, Oriented Vertically At Both Sides Of Window Jambs As Indicated

BUILDING ELEVATION GENERAL NOTES

A. All dimensions are to structural grid, face of CMU, face of concrete or face of stud, unless noted otherwise. Dimensions noted as "clear" or "CLR," are to face of finish material.
B. When noted as "align", face of finishes are to align.

EXTERIOR MATERIALS FINISH LEGEND

WALL FINISHES

CONC-1 Material Description: 8" Tilt-up Concrete Wall Panel
Finish: Paint to Match Existing Base Building
Color: Dunn Edwards Wisp of Smoke DE6344

CONC-2 Material Description: 8" Tilt-up Concrete Wall Panes w/ Aggregate Face
Finish: Aggregate Face to Match Existing Building
Color: Dunn Edwards Walrus DE6368

EIFS-1 Material Description: Exterior Insulation Finishing System
Finish: Install EIFS of High Impact Resistance Classification in accordance with EIMA Test Method 101.86. Paint to Match Existing Base Building Stucco Color Listed Below
Color: Dunn Edwards, Fade to Black DET629

PT-1 Material Description: Painted Steel Columns
Manufacturer: Dunn Edwards
Color: Fade to Black DET629

PT-2 Material Description: Exterior Hollow Metal Door and Frame
Finish: Paint to Match Existing Base Building
Color: Dunn Edwards Wisp of Smoke DE6344

DFDG Architecture

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REVISIONS

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1919 W Fairmont Dr.
Tempe, AZ 85282

2009
DFDG PROJECT NUMBER

CONSTRUCTION DOCUMENTS
BUILDING ELEVATIONS

A300
PLOT DATE 2/10/2021 12:52:18 PM SHEET NUMBER

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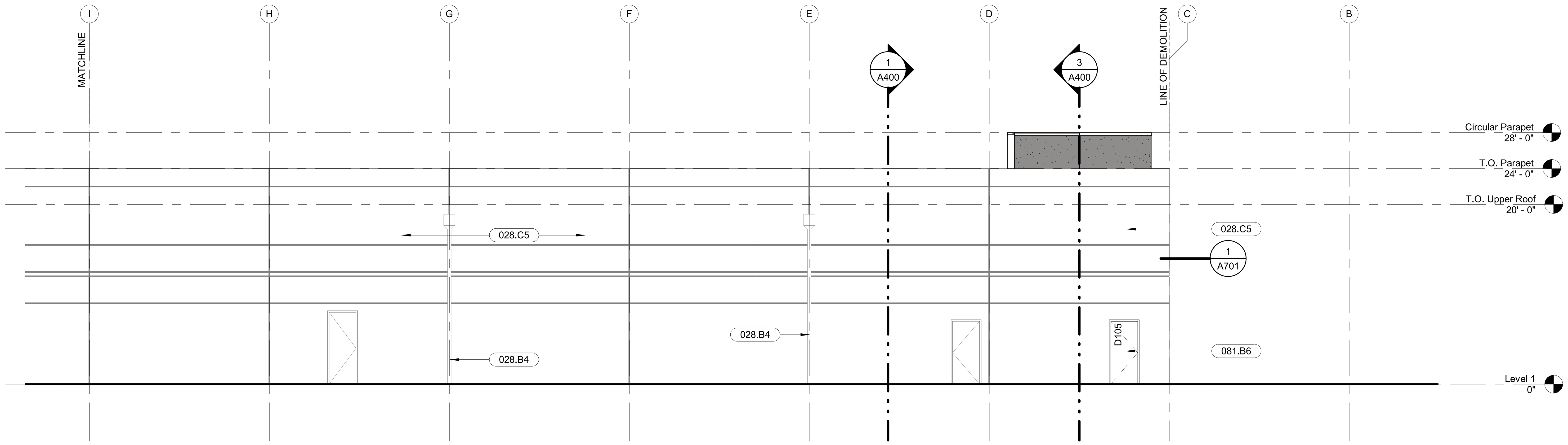
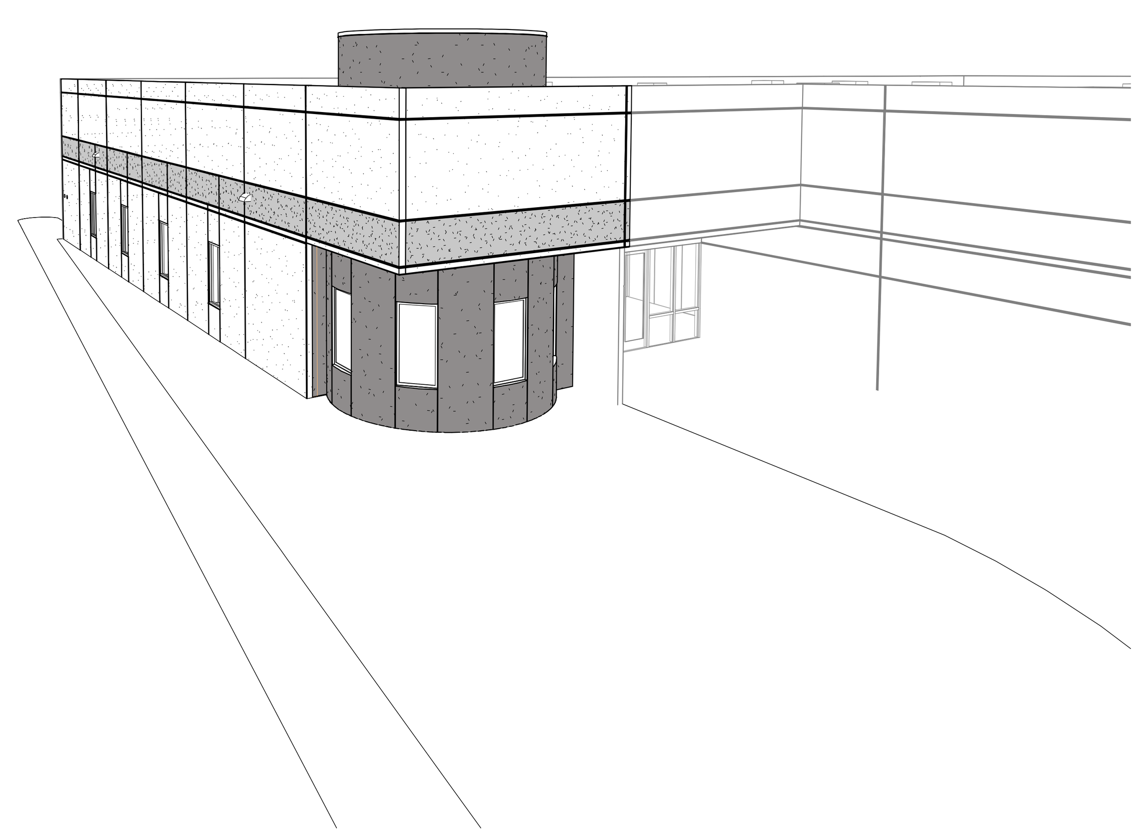
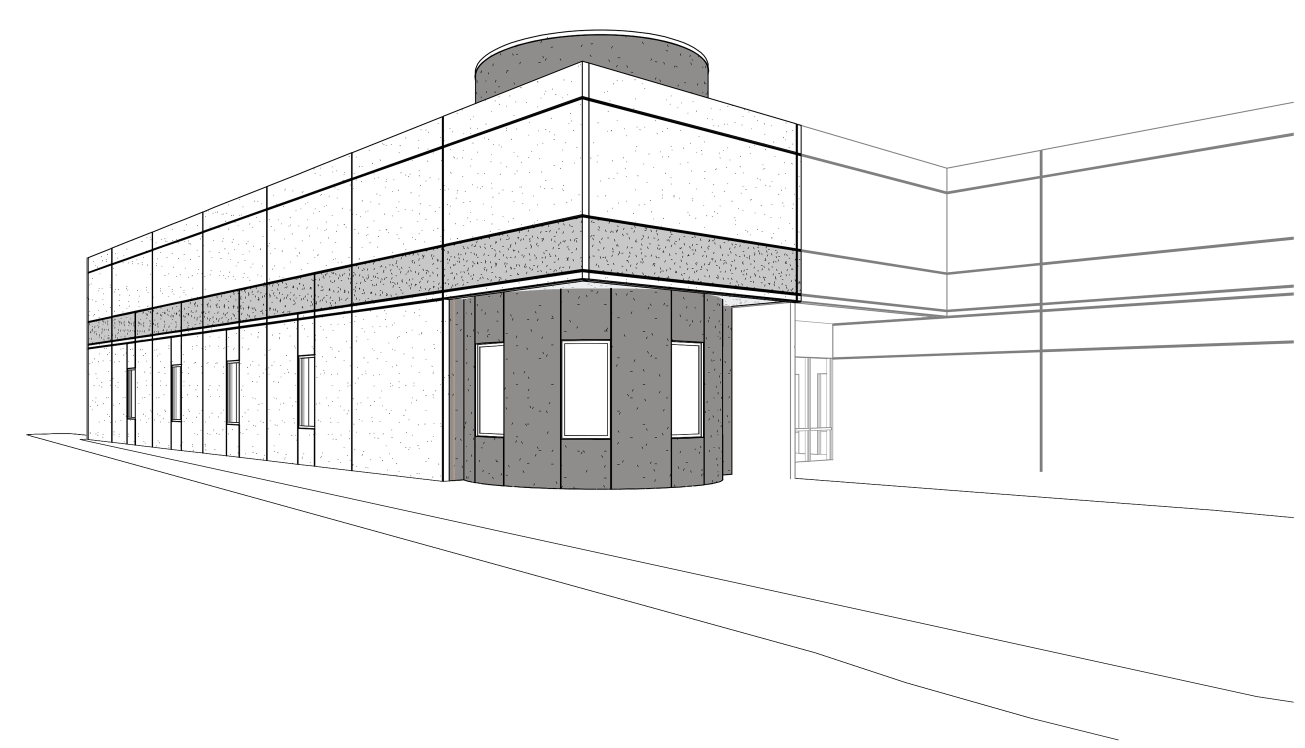


1 South
1/8" = 1'-0"

0 4' 8' 16' 24'



2 Aerial Perspective Looking Southwest



3 View Looking Southwest

KEYNOTES

028.B4	Existing Downspout To Remain
028.C5	Existing Concrete Tilt-Up Panel Wall To Remain
081.B6	Insulated Hollow Metal Door And Frame. Refer To Door Schedule For Details

BUILDING ELEVATION GENERAL NOTES

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EXTERIOR MATERIALS FINISH LEGEND

WALL FINISHES

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Finish: Install EIFS of High Impact Resistance Classification in accordance with EIMA Test Method 101.86. Paint to Match Existing Base Building Stucco Color Listed Below
Color: Dunn Edwards, Fade to Black DET629

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Color: Fade to Black DET629

PT-2 Material Description: Exterior Hollow Metal Door and Frame
Finish: Paint to Match Existing Base Building
Color: Dunn Edwards Wisp of Smoke DE6344

DFDG Architecture

4545 EAST McKINLEY STREET
PHOENIX, ARIZONA 85008
TELEPHONE: 602.954.9060

WWW.DFDG.COM

REGISTERED ARCHITECT
CERTIFICATE NO.
47384
CHAD M.
BILLINGS
Date Signed 2.10.21
ARIZONA U.S.A.

ISSUE

5/29/20 - 90% Progress Set
6/9/20 - Demolition & Pricing Package
8/14/20 - Minor Development Plan Review
12/4/20 - MDPR Comments
2/10/21 - 95% CD's

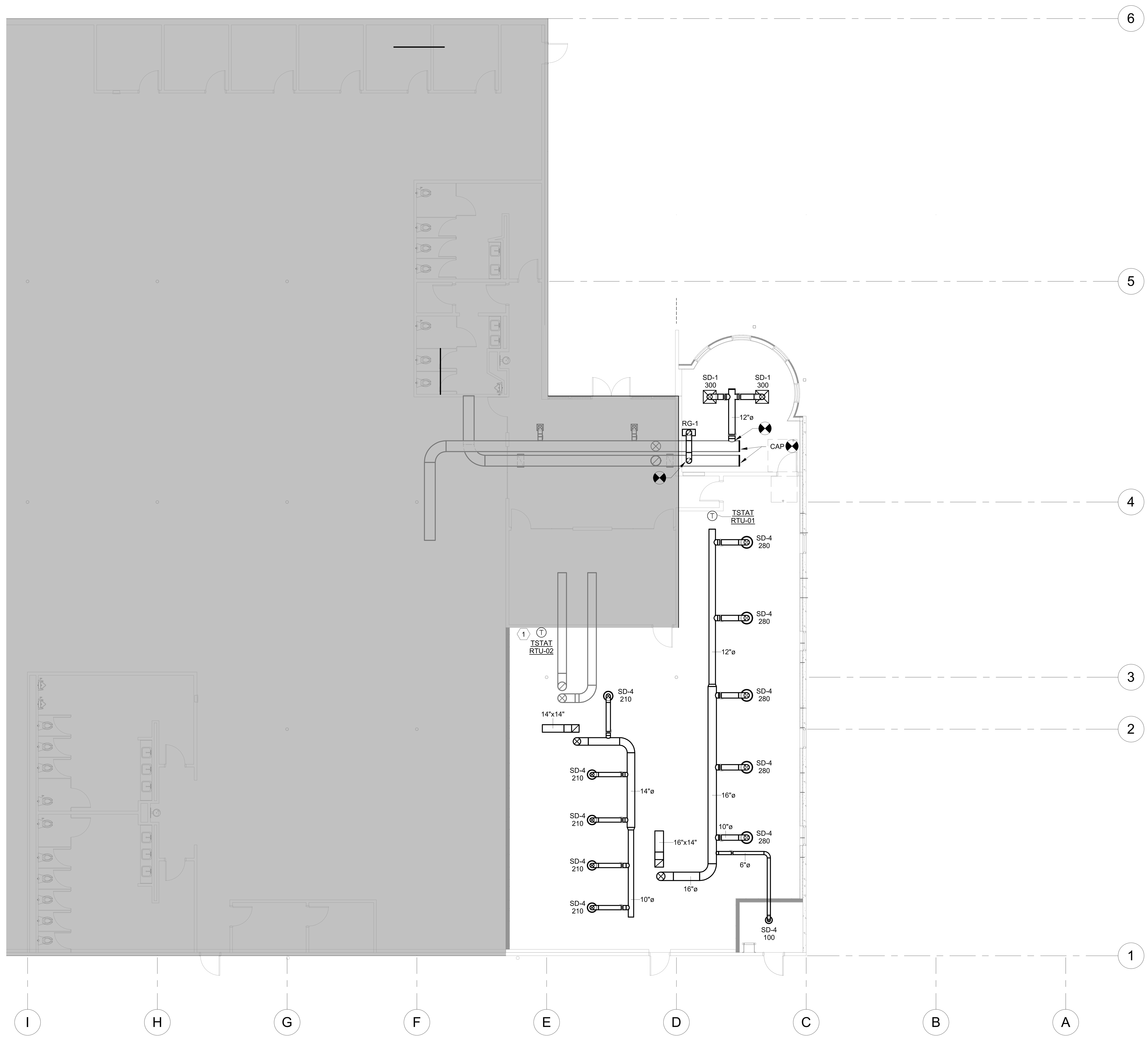
REVISIONS

ADOT 1919 Fairmont
1919 W Fairmont Dr.
Tempe, AZ 85282

2009
DFDG PROJECT NUMBER

CONSTRUCTION DOCUMENTS
BUILDING ELEVATIONS

A301
PLOT DATE:2/10/2021 12:52:53 PM SHEET NUMBER



A1 HVAC LEVEL 1 PARTIAL FLOOR PLAN - A
1/8" = 1'-0"

KEYNOTES

1. NEW THERMOSTAT SENSOR MOUNTED ON THE WALL.

GENERAL NOTES

A. SEE DETAIL 1/M-700 FOR DIFFUSER AND REGISTER CONNECTION DETAIL.
B. SEE DETAIL 3/M-700 FOR LOW PRESSURE DUCT FITTING DETAIL.
C. SEE DETAIL 4/M-700 FOR MEDIUM PRESSURE AND ROUND DUCT FITTINGS DETAIL.
D. UNLESS OTHERWISE STATED, ALL EXISTING DUCTWORK AND ASSOCIATED AIR DISTRIBUTION/TEMPERATURE CONTROL DEVICES TO REMAIN AND FIELD VERIFY FOR EXACT LOCATION.
E. COORDINATE ALL SYSTEMS SHUTDOWNS WITH OWNER PRIOR TO STARTING WORK.
F. BALANCING DAMPERS SHALL BE PROVIDED AT ALL BRANCHING DUCTS REGARDLESS IF SHOWN.
G. BALANCE EXISTING ROOFTOP UNITS TO THE CFM SHOWN.

DFDG ARCHITECTURE
4545 EAST McKINLEY STREET
PHOENIX, ARIZONA 85008
TELEPHONE: 602.954.9060
WWW.DFDG.COM

Randall Swearengen
REGISTERED PROFESSIONAL ENGINEER (MECHANICAL)
CERTIFICATE NO. 47368
RANDALL SWEARENGEN
DATE SIGNED Feb 9, 2021
ARIZONA U.S.A.
PRELIMINARY NOT FOR CONSTRUCTION
EXPIRES 03/31/2023

ISSUE

5/29/20 - 90% Progress Set
6/9/20 - Demolition & Pricing Package
1/22/21 - 35% Construction Documents
2/10/21 - 95% CD's

REVISIONS

BRIDGERS & PAXTON
1839 South Alma School Rd., Suite 300
Mesa, AZ 85210 | 602.996.6399 | www.bpce.com

ADOT 1919 Fairmont
1919 W Fairmont Dr.
Tempe, AZ 85282

2009
DFDG PROJECT NUMBER

CONSTRUCTION DOCUMENTS
HVAC LEVEL 1 PARTIAL FLOOR PLAN - A

MH210A
SHEET NUMBER

PLOT DATE:2/9/2021 4:31:56 PM

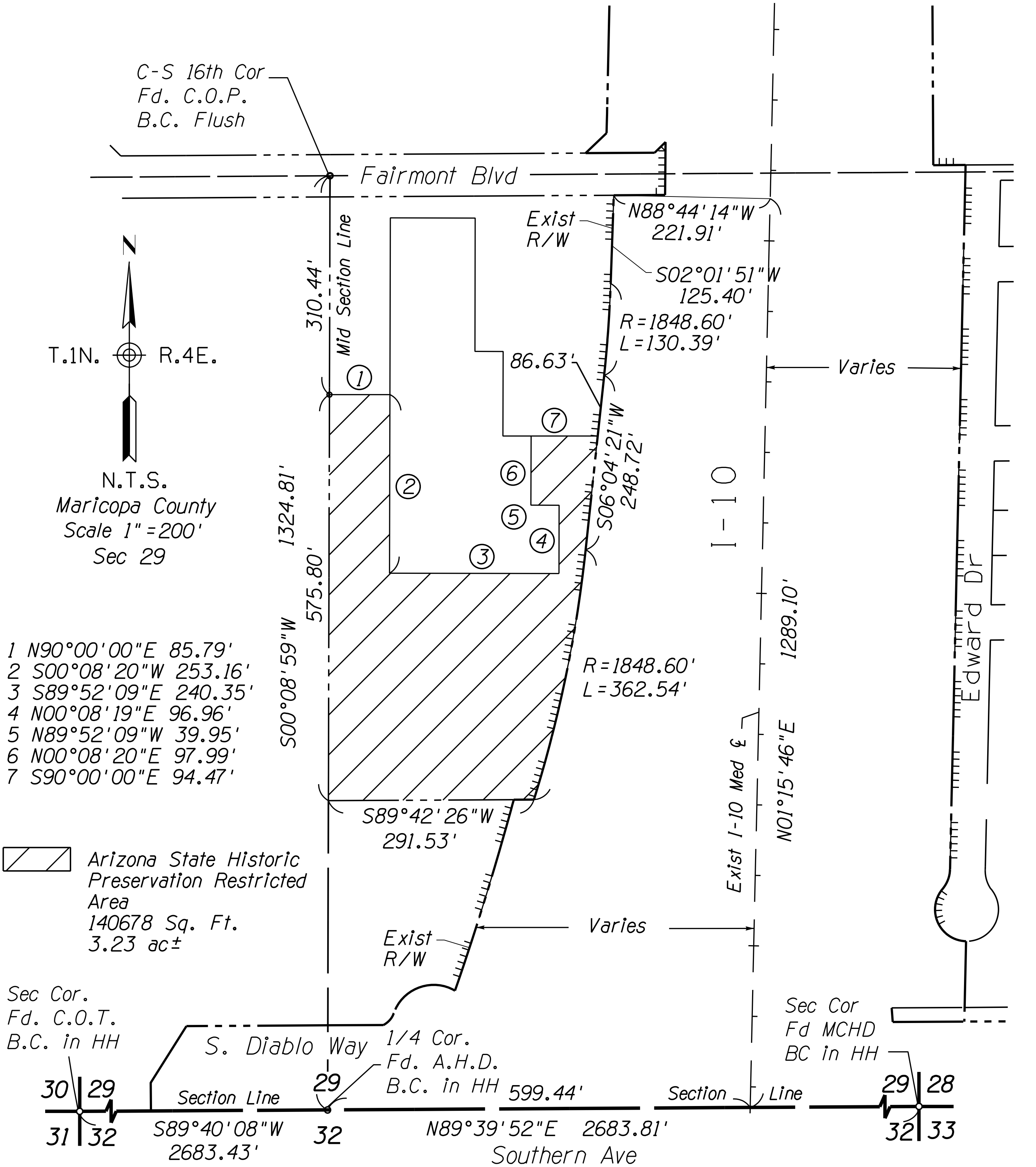
Bridgers & Paxton Project No: 8222 2/9/2021 4:31:56 PM BIM 360://ADOT 1919 Fairmont/8222_ADOT Fairmont Drive_MEP.rvt

SUBJECT PROPERTY EXHIBITS
CULTURAL RESTRICTION

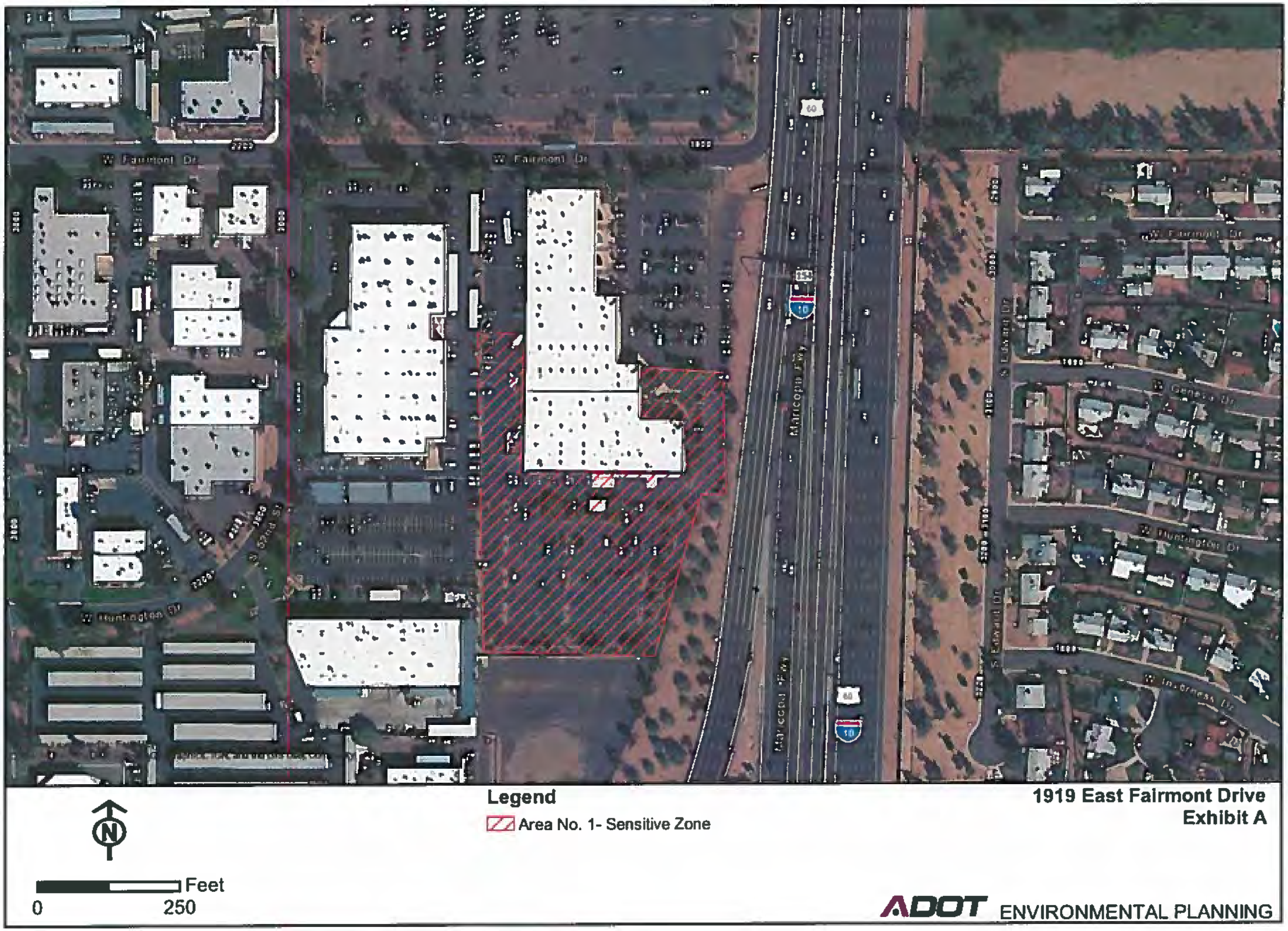
Area No. I defined in Exhibit "A" herein has been determined to be historically significant as a result of consultation between the Arizona State Historic Preservation Office (AZSHPO) and the Arizona Department of Transportation (ADOT). Any plans for maintenance, repairs, changes or modifications must be reviewed by the staff of (AZSHPO) prior to implementation. Grantor's Environmental Planning Group has discovered the land being disposed of may contain buried archaeological resources. A deed restriction is hereby created by this document to not allow ground disturbance deeper than 6 inches over Area No. I defined it in Exhibit "A" herein. Ground disturbance greater than 6 inches will require archaeological testing and data recovery, in accordance with the report entitled *An Archaeological Historic Properties Treatment Plan [HPTP] for the Interstate 10 Broadway Curve, Interstate 17 (Split) to State Route 202 (Santan Freeway) Project, Maricopa County, Arizona* (Henderson and Marshall 2020).

Grantee is responsible for finding a cultural resource professional to do the work solely at the Grantee's expense. A list of qualified archaeologists who hold Arizona Antiquities Act permits can be found at http://www.statemuseum.arizona.edu/crservices/pennits. If this property is to be sold, the Arizona State Historic Preservation Office must be informed of the sale and given the opportunity to comment on the development of the sale stipulations.

EXHIBIT "A"



ADOT Right Of Way Plans Section	PARCEL NO.	7-10702	HIGHWAY NAME: PHOENIX - CASA GRANDE	
	DWG NO.	D-7-T-1034	PROJECT NO. 010 MA 151 F0072	
	DATE	6/5/23		
ROUTE NO.: I-10	SECTION NAME: I-17 Split - SR 202 Santan		FEDERAL AID NO.: 010-C(220)T	SHEET NO. 1 OF 1



1919 East Fairmont Drive
Exhibit A

ADOT ENVIRONMENTAL PLANNING

RIGHT OF WAY DISPOSAL REPORT
APPRAISAL CONTRACT

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: 2/24/2022	**Examiner:** Sherry L Kinsella	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**
Update to:	**Examiner:**	**Reviewer:**

County:	Maricopa	**Tax Arb:**	123-28-071, 123-28-072 & 123-28-073B	**Disposal:**	N/A
Tracs No.:	010 MA 151 F0072	**Highway:**	PHOENIX – CASA GRANDE	**Excess Land:**	L-C-143
Fed. No.:	010C-(0)T	**Section:**	I-17 Split – SR 202L Santan	**Parcel No.:**	7-10702

SCHEDULE A–1
LEGAL DESCRIPTION

A portion of ADOT Parcel 7-10702, as depicted on Exhibit "A" attached, Sheet P-37, Sheet P-38 and Sheet AA-2 of ADOT Drawing # D-7-T-1034 the Right of Way Plans of PHOENIX – CASA GRANDE – I-17 Split – SR 202L Santan, Project No. 010MA151F0072.

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. Special Warranty Deed from BAR/JCR PHX Flex Investors, LLC, a Delaware limited liability company to the State of Arizona, Department of Transportation, dated March 17, 2020, recorded March 31, 2020 in Fee No. 2020-0272913. [Project No. 010MA151F0072, Parcel 7-10702]

   NOTE: Property acquired as fee only.

END OF RIGHT OF WAY / VESTING

REQUIREMENTS

1. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

NOTE: Repurchase rights **do** apply due to property being acquired less than eight years after the date of recording of Warranty Deed from Bar/JCR PHX Flex Investors, LLC, a Delaware limited liability company, see Item No. 1 of Right of Way/Vestings. [Project No. 010MA151F0072/ Parcel 7-10702]

END OF REQUIREMENTS

SCHEDULE B

1. Subject to an unrecorded Lease by and between BAR/JCR PHX Flex Investors, LLC, a Delaware limited liability company, Lessor and Progressive Financial Services, Inc., a Pennsylvania corporation, Lessee referred to in that Lease Subordination, Non-Disturbance of Possession and Attornment Agreement dated April 7, 2016, recorded April 8, 2016 in Fee No. 2016-0232339.

2. Subject to an unrecorded Lease by and between BAR/JCR PHX Flex Investors, LLC, a Delaware limited liability company, Lessor and Aerospace Contacts, LLC, a Delaware limited liability company, referred to in that Memorandum of Landlord's Agreement dated January 26, 2018, recorded February 15, 2018 in Fee No. 2018-0117360.

3. Subject to an unrecorded Lease by and between BAR/JCR PHX Flex Investors, LLC, a Delaware limited liability company, Lessor and Conax Arizona, LLC, a Delaware limited liability company dated April 24, 2018, a copy of which is attached hereto.

4. Subject to an unrecorded Lease by and between BAR/JCR PHX Flex Investors, LLC, a Delaware limited liability company, Lessor and Oldcastle APG West, Inc. dba Superlite, a Colorado corporation as referred to in an unrecorded Addendum, a copy of which is attached hereto.

5. Subject to an unrecorded Lease by and between BAR/JCR PHX Flex Investors, LLC, a Delaware limited liability company, as successor in interest to Westwood Nina Partners, LLP, an Arizona limited liability partnership, Lessor and T Rohde, LLC, an Arizona limited liability company, Lessee as referred to in an unrecorded First Amendment to Lease dated September 29, 2017, a copy of which is attached hereto.

6. Subject to an unrecorded Lease by and between the Arizona Department of Transportation, Lessor and Konecranes, Inc., a Texas corporation dba Crane Pro Services, Lessee as referred to in an unrecorded Fourth Amendment to Lease for Agreement No. CRA-5444 dated August 1, 2020, a copy of which is attached hereto.

7. Subject to an unrecorded Lease by and between BAR/JCR PHX Flex Investors, LLC, a Delaware limited liability company, Lessor, as successor in interest to Westwood Nina Partners, LLP, an Arizona limited liability partnership, as successor to Fairmont Commerce Center, LLC, Lessor and The Advertising Checking Bureau, Inc., a Delaware corporation, Lessee as referred to in an unrecorded Fifth Amendment to Lease dated December 16, 2016, a copy of which is attached hereto.

8. Resolution of Establishment No. 2020-02-A-012 for Interstate Route 10 by Dallas L. Hammit, Deputy Director for Transportation/State Engineer of the Arizona Department of Transportation dated February 21, 2020, recorded February 24, 2020 in Fee No. 2020-0154858.

END OF SCHEDULE B

PURCHASE ORDER

PHOENIX, on 10/24/2022
TO-23-003/ CTR054969/ M697201X/ L-C-143, L-M-182/ Appraisal Due 11/25 & 11/29/22-NAGY PROPERTY CONSULTANTS INC

SUPPLIER

NAGY PROPERTY CONSULTANTS INC
Attn: STEVEN NAGY
Address: Legal Address
2415 E CAMELBACK RD STE 700
UNITED STATES
PHOENIX, Arizona 85016-4245
Phone:
E-mail: SNAGY@CCIM.NET

ORDER No. PO0000487672

(please refer to this number on all documents)

Amendment:
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	CTR054969-1	580526-1	TO-23-003/ CTR054969/ M697201X/ L-C-143, L-M-182/ Appraisal Due 11/25 & 11/29/22 Commentaire : L-C-143, L-M-182	1.0000	Total Cost	7,100.0000	7,100.0000

Total before Tax	7,100.0000 USD
Non-Taxable - 0 %	0.0000 USD
Total after Tax	7,100.0000 USD

DELIVERY CONDITIONS

Delivery Conditions	Date	Type	%	Amount	Item

COMPANY PROFILE

APPRAISERS QUALIFICATIONS

APPRAISERS LICENSE

COMPANY PROFILE
NAGY PROPERTY CONSULTANTS, INC.

Nagy Property Consultants, Inc. is a real estate appraisal and consulting firm in Phoenix, Arizona, that assists in the real estate and lending decision process of banks, life insurance companies, mortgage brokers, asset managers, pension fund advisors, attorneys, government agencies, owners, tenants, etc., regarding valuation and analysis of a wide spectrum of properties. The specific scope of services includes:

Real Estate Appraisal
Expert Witness Testimony
Highest and Best Use Analysis
Project Marketability Analysis
Real Estate Appraisal Review

Areas of Expertise:

Apartments
Office Buildings
Medical Office Buildings
Retail Projects
Distribution Industrial Buildings
Office Warehouse Buildings
Master Planned Communities

Vacant Land
Subdivision Analysis
Single Family Residences
Special Use Properties -
Auto Centers, Churches, Military Bases, Hotels, Golf Courses, Mini Storage, RV Resort Parks, etc.

Geographic areas principally involve the Phoenix metropolitan area, additional Arizona locations such as Tucson, Casa Grande, Flagstaff, Sedona, Prescott, and Payson, plus selected areas of California and Nevada.

Background of the Principal - Steven E. Nagy, MAI, CCIM:

MAI Designated Member, Appraisal Institute
MBA Degree, Arizona State University
CCIM Designated Member, Commercial Investment Real Estate Institute
Arizona Certified General Real Estate Appraiser 30136
Appraisal office in Phoenix, Arizona, since 1977, with a research and appraisal staff utilizing a wide array of information services, and contemporary analytical techniques.

Business Affiliations/Clients:

Local and national major lending institutions operating in Arizona
Real Estate Trust and Pension Fund Advisors
Attorneys - Bankruptcy, Eminent Domain, Divorce Settlement Property Analysis
A wide variety of local and national real estate development entities
Government agencies and private parties - Condemnation Acquisition Analysis
A partial list of clients served by the firm are listed on the next page.

COMPANY PROFILE
NAGY PROPERTY CONSULTANTS, INC. (Continued)

The following is a partial list of clients served by the firm:

Chase Bank
Bank of America
Wells Fargo Bank
Amegy Bank
M & I Thunderbird Bank
Fleet Bank
KeyBank
Arizona State University
Trammel Crow Company.
Aid Association for Lutherans
First National Bank of Chicago
Allstate Insurance Company
ReliaStar Insurance Co.
Standard Insurance Company
State Farm Insurance Co.
CUNA Mutual Life Insurance
General Electric Financial Assurance
Federal Deposit Insurance Corporation
General Services Administration
City of Phoenix
City of Glendale
City of Scottsdale
City of Tempe
City of Chandler
City of Peoria
Cavanagh Law Firm
Tielborg, Sanders & Parks
Ryley Carlock & Applewhite
Millennium Property & Development Co.
Discount Tire Co.
Weyerhaeuser Mortgage Co.
United States Department of Agriculture
GPM Life Insurance
Argent Financial Corp.
National Bank of Arizona
Sunrise Mortgage & Investment
KredietBank
Vectra Bank
Keystone Mortgage Partners
Roadway Express Co.
Johnson Capital
GMAC Commercial Mortgage
Harris Trust Bank
American Capital Resources
Property Reserve, Inc.
Evangelical Christian Credit Union
Namwest
Auto-Owners Insurance Company
Sundt Corp.
CitiBank
Salt River Project
Bureau of Land Management
United States Army Corps of Engineers
Federal Aviation Administration
Maricopa County Dept. of Transportation
Arizona Department of Transportation
Flood Control District of Maricopa County
Phoenix Union High School District
Treon Strick Lucia & Aguirre
Warner Angle Roper & Hallum
Fennemore Craig
Gust Rosenfeld
Gallagher & Kennedy
Snell & Wilmer
Big O Tires, Inc.
Trinity Broadcasting Network
General American Life Insurance Co.
Blue Cross/Blue Shield of Arizona

Contact:

Steven E. Nagy, MAI, CCIM
Nagy Property Consultants, Inc.
2415 East Camelback Road, Suite 700
Phoenix, Arizona 85016-4245
602.995.1900 Fax: 602.995.8216
snagy@ccim.net nagypc.com

QUALIFICATIONS OF STEVEN E. NAGY, MAI

General Education

Master of Business Administration Degree, Arizona State University,
Tempe, Arizona
Bachelor of Arts Degree, Business Administration, Michigan State University,
East Lansing, Michigan

Professional Membership/Qualification

MAI Member, Appraisal Institute,
Member Appraisal Institute Designation (1983), currently certified.
Certified General Real Estate Appraiser 30136, State of Arizona
CCIM Designated Member, Commercial Investment Real Estate Institute
Phoenix Association of Realtors
Arizona Association of Realtors
Licensed Real Estate Salesman, State of Arizona
Qualified as an Expert Witness in Superior Court of Maricopa County, Arizona,
and United States Federal Bankruptcy Court.

Appraisal Experience

1986 to Present - Principal of Nagy Property Consultants, Inc., Phoenix, Arizona. Specializing in the appraisal and marketability analysis of office, retail, industrial, and apartment properties, plus master planned sites, vacant land, and residences, for lending, development consulting, eminent domain, and litigation support purposes.

1977 to 1986 - Staff Appraiser and Consultant for Ryan and Associates, Inc., Phoenix, Arizona. Appraisal of all types of properties with emphasis on commercial, industrial, and multiple-family income producing properties, plus vacant land and single-family residences.

Appraisal Education

Fundamentals of Real Estate Appraisal	Litigation Valuation
Case Studies in Real Estate Valuation	Business Valuation
Income Capitalization	Fair Lending
Statistical Analysis	Uniform Residential Appraisal Report
Real Estate Law	Environmental Factors in Appraisal
Financial Spreadsheet/DCF Analysis	Uniform Standards of Prof. Appr. Practice
Hotel/Resort Valuation	Geographic Information Systems
Risk Analysis	Subdivision Analysis
Water Rights	Americans with Disabilities Act
Low and Moderate Income Housing	Economic Forecast (Annually)

Contact Information

Steven Nagy, MAI	Telephone: 602-995-1900
Nagy Property Consultants, Inc.	Fax: 602-995-8216
2415 East Camelback Road, Suite 700	Website: nagypc.com
Phoenix, Arizona 85016-4245	email: snagy@ccim.net

Department of Insurance and Financial Institutions

State of Arizona

CGA - 30136

This document is evidence that: **STEVEN E. NAGY** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

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 E. NAGY

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**