

APPRAISAL COVER SHEET

TYPE OF REPORT: Appraisal for Market Value

ADOT PARCEL NO.: L-K-038C

OWNER NAME: State of Arizona / Arizona Department of Transportation

NAME & LOCATION OF PROPERTY: Easterly side of Northbound Route 66 travel lanes, in the Kingman Airport Section of Mohave County, Arizona.

PROJECT: M6975 01X

HIGHWAY: Ashfork – Kingman Highway

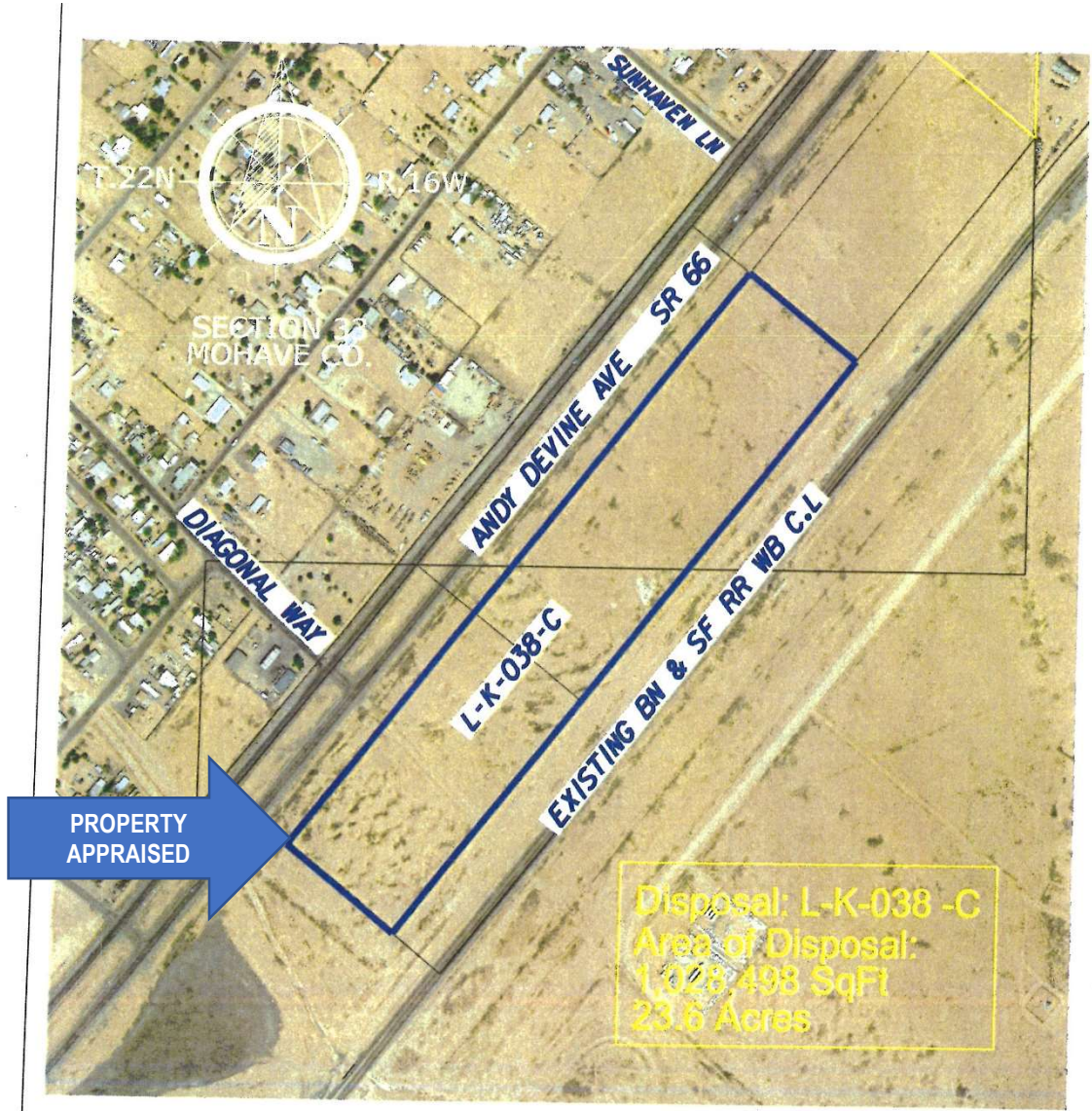
SECTION: Ashfork - Kingman

DATE OF APPRAISAL REPORT: August 7, 2023


EFFECTIVE DATE OF VALUE: June 3, 2023

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

AERIAL MAP – PROPERTY APPRAISED



PLEASE NOTE: This exhibit is intended for Appraisal purposes only. Refer to Final Right-of-Way Plans for additional information.

 ADOT Right Of Way <i>THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY</i>		DISPOSAL #	L-K-038C	HIGHWAY NAME:	KINGMAN - ASH FORK
		EXHIBIT #	Exh-21.01	PROJECT NO.	066 MO 057 H6908 01R
ROUTE NO.:		SR-66	LOCATION:	KINGMAN -AIRPORT	FEDERAL AID NO.:
				UNASSIGNED	SHEET NO.:
					1 OF 1

G:\9340\PROJECTS\MOHAVE (8)\066 MO 057 H6908 01R SR 66 -barry Lanell K-038 A-R-01 JK-018-C T-22N



P.O. Box 16156
TUCSON, ARIZONA 85732
(520) 327-0000
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LETTER OF TRANSMITTAL

August 7, 2023

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

RE: Appraisal of ADOT Parcel L-K-038-C consisting of $\pm 1,028,498$ gross square feet, (23.6 acres), of land located on the easterly side of State Route 66 (aka Andy Devine Avenue), near the Kingman Airport in Kingman, Mohave County, Arizona.
Appraiser's File No.: 23-095-L

Dear Mr. Walcutt:

At your request, I have provided my fair market value opinion for the subject property referenced above. The property appraised is located on the easterly side of the northbound travel lanes of State Route 66, also known as Andy Devine Avenue, near the Kingman Airport in Kingman, Mohave County, Arizona 86401. The property appraised does not have a physical street address but is located between Diagonal Way and Sunhaven Lane and is identified herein as Parcel L-K-038-C ("Parcel C").

Parcel C consists of $\pm 1,028,498$ gross square feet, (23.6 acres), and represents a portion of Mohave County Assessor's Parcel Number 324-11-062, located in Section 33, Township 22N, Range 16W in Kingman, Mohave County, Arizona. The property was inspected on May 3, 2023, when the appraiser also inspected the adjacent parcel L-K-038-B for the client. The date of value is June 3, 2023. It is an extraordinary assumption of this appraisal that the condition of the subject property as of the effective date of value, was the same as the most recent inspection date of May 3, 2023. The appraiser was accompanied by Mr. Jim Walcutt with ADOT on May 3, 2023.

The purpose of this appraisal is to provide a current fair market value opinion for the subject property, pursuant to Arizona Revised Statute 28-7091, as follows:

"... 'Market Value' means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in the

open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable."

The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation and the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.

This appraisal report is intended to comply with the requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; (2) the *Uniform Standards of Professional Appraisal Practice 2020-2023* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation; and The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24. The Sales Comparison Approach is utilized to support the market value opinion provided herein.

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

Based upon the data, analyses, opinion and conclusions contained in this report, my "as is" market value opinions, as of June 3, 2023, are as follows:

**ADOT PARCEL L-K-038C MARKET VALUE OPINION\$640,000
(Rounded)
This estimate of Market Value equals \$27,000 Per Acre**

Extraordinary Assumptions:

In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

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

This appraisal report is based on the following extraordinary assumptions:

- 1) No archaeological survey was provided to the appraiser. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the subject site.*
- 2) No geological survey was provided to the appraiser. It is an extraordinary assumption of this appraisal that there is no known geological significance on the subject site.*
- 3) The site was inspected by the appraiser. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption of this*

appraisal that there are no known environmental risks or hazardous conditions on the subject site.

- 4) *ADOT has provided the site area and dimensions for the subject parcel. It is an extraordinary assumption of this appraisal that the site area provided by ADOT is accurate.*
- 5) *Municipal water and sewer information was provided by Ashley Feskanich of the City of Kingman. It is an extraordinary assumption of this appraisal that the information provided by the City of Kingman is accurate.*
- 6) *The subject property was inspected by the appraiser on May 3, 2023. However, due to the issuance of the client's Purchase Order on May 31, 2023, the effective date of value is June 3, 2023. It is an extraordinary assumption of this appraisal that the condition of the subject property on the effective date of value is the same as the condition on the most recent inspection date of May 3, 2023.*

Hypothetical Conditions:

A hypothetical condition is defined as follows:

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


No hypothetical conditions apply to this appraisal:

The use of extraordinary assumptions and hypothetical conditions might have affected the assignment results. This appraisal and the market value provided herein are subject to change if the use of these extraordinary assumptions and/or hypothetical conditions significantly impacted the market value opinion.

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

Respectfully submitted,

Southwest Appraisal Associates, Inc.

By 

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

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

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GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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

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

The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. No Owner's Title Policy has been furnished to the Appraiser. The property is appraised as though under responsible ownership, competent management and adequate marketing typical for that type of property. The legal description, if provided to me, is assumed to be correct. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

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

When possible, the appraiser has relied upon building measurements provided by the client, owner, or agents of these parties. In their absence, the appraiser has relied upon his own measurements of the subject improvements. However, there are some factors that may limit our ability to obtain accurate measurements. Professional building area measurements are beyond the scope of this appraisal assignment.

In estimating the opinion of value of the subject property and in analyzing comparable information, the Appraiser has relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. To the extent that these plans may change, the value opinions of this report may also change.

The dates of value to which the opinions expressed in this report apply are set forth in this report. The appraiser assumes no responsibility for the economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors. These forecasts are, therefore, subject to changes with future conditions.

In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraiser assumes no responsibility for the actual availability of utilities, their capacity or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.

The Appraiser is not required to give testimony or appear in court because of having made the

appraisal with reference to the property in question unless prior arrangements have been made and confirmed in writing.

Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used.

The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.

Unless otherwise stated within this report, the existence of hazardous materials, which may or may not be present within or on the property, will not be considered by the appraiser. The Appraiser assumes, and the client warrants, that no such materials adversely affect the utility, usability or development potential of the property to the best of their knowledge. The Appraiser is not qualified to detect such substances. The value opinion has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

The presence of barriers to the disabled, which may or may not be present within or on the subject property, will not be considered by me. I have not performed a compliance survey to determine if it is in conformance with the A.D.A (Americans with Disabilities Act). The Appraiser assumes, and the client warrants, that no such barriers adversely affect the utility, usability, or development potential of the property to the best of their knowledge. The Appraiser is not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. The client is urged to retain an expert in this field, if desired.

Information, estimates and opinions furnished to the Appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be attributed to the Appraiser.

Disclosures of the contents of the report by the Appraiser are governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.

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

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants. They should not be judged on whether specific items in the forecasts are realized. The appraiser cannot be held responsible for unforeseeable events that alter market conditions after the effective date of the report. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is likely that some assumptions will not materialize and that unanticipated events may occur that will affect actual performance.

The appraiser has not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which is identified as an endangered or threatened species by the U.S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraiser is not qualified to detect or analyze such plants and wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired.

Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraiser, professional designations, reference to any professional appraisal organization or the firm with which the appraiser are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval from Southwest Appraisal Associates' President.

This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Southwest Appraisal Associates. We claim no expertise in areas such as, legal description survey, structural, or environmental, engineering mechanical or electrical systems and the like. We assume such data is accurate and such systems functional unless otherwise noted in the appraisal.

This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy 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 conclusion contained in this report is based unless specifically stated to the contrary.

This appraisal is not intended to be used in connection with a real estate syndicate or syndicates. A real estate syndicate is a general or limited partnership, joint venture, unincorporated association or other organization formed for the purpose of an investment from an interest in real property. It includes, but is not limited to a sale, exchange, trade or development of such real property. It may or may not be registered with the United States Securities and Exchange Commission or a state regulatory agency which regulates public offerings.

This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights, (mineral, gas, and oil), were not considered in this appraisal unless specifically stated to the contrary.

If any claim is filed against Southwest Appraisal Associates, its officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, only for direct compensatory damages, (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by Southwest Appraisal Associates to provide this report.

All disputes shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The use of this report or its analysis and conclusions by the client or any other party constitutes acceptance of all the above limiting conditions.

EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS

Extraordinary Assumption:

In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

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

This appraisal report is based on the following extraordinary assumptions:

- 1) *No archaeological survey was provided to the appraiser. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the subject site.*
- 2) *No geological survey was provided to the appraiser. It is an extraordinary assumption of this appraisal that there is no known geological significance on the subject site.*
- 3) *The site was inspected by the appraiser. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption of this appraisal that there are no known environmental risks or hazardous conditions on the subject site.*
- 4) *ADOT has provided the site area and dimensions for the subject parcel. It is an extraordinary assumption of this appraisal that the site area provided by ADOT is accurate.*
- 5) *Municipal water and sewer information was provided by Ashley Feskanich of the City of Kingman. It is an extraordinary assumption of this appraisal that the information provided by the City of Kingman is accurate.*
- 6) *The subject property was inspected by the appraiser on May 3, 2023. However, due to the issuance of the client’s Purchase Order on May 31, 2023, the effective date of value is June 3, 2023. It is an extraordinary assumption of this appraisal that the condition of the subject property on the effective date of value is the same as the condition on the most recent inspection date of May 3, 2023.*

Hypothetical Conditions:

A hypothetical condition is defined as follows:

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

No hypothetical conditions apply to this appraisal:

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

The use of extraordinary assumptions and/or hypothetical conditions might have affected the assignment results. This appraisal and the market value provided herein are subject to change if the use of these extraordinary assumptions and/or hypothetical conditions significantly impacted the market value opinion.

THE APPRAISAL PROCESS

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

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

The second portion of the report contains the approaches used to determine an opinion of market value of the fee simple interest in the subject property. The fee simple interest is the unencumbered interest in the property. The three traditional approaches to value are considered. However, since the subject is vacant, unimproved land, the only applicable approach to value is the Sales Comparison Approach.

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

PROPERTY IDENTIFICATION

The subject property is located on the southeasterly side of the eastbound travel lanes of Historic State Highway 66, also known as Andy Devine Avenue, in Kingman, Mohave County, Arizona 86401. It does not have a physical street address or Assessor Parcel Number. This appraiser previously appraised this property with an effective date of value of July 6, 2024. A Right of Way Title Report was provided to the appraiser at that time and has not been updated. The following legal description for the property is derived from the original Right of Way Title Report:

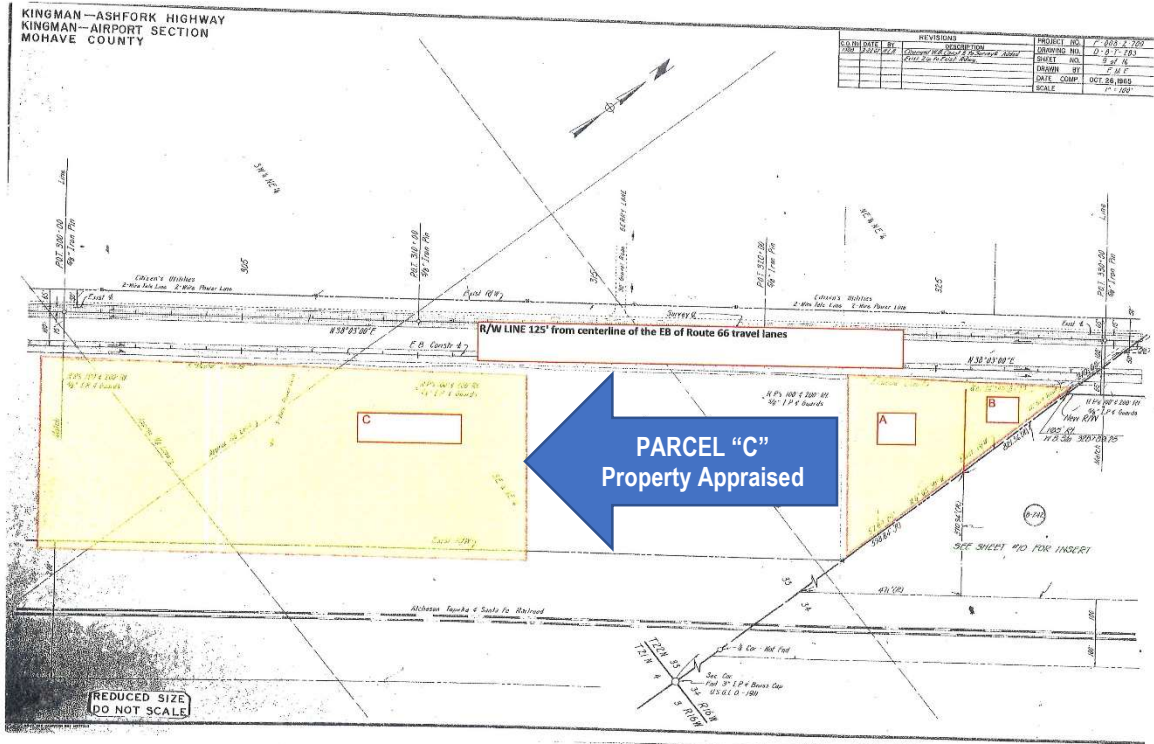
**SCHEDULE A-1
LEGAL DESCRIPTION**

That portion of the East half and the Southwest quarter of Section 33, Township 22 North, Range 16 West, of the Gila and Salt River Base and Meridian, Mohave Country Arizona, as depicted on Exhibit "A" attached, Sheet 9, of ADOT Drawing D-8-T-205, the Right of Way Plans of STATE HIGHWAY, Kingman – Ash Fork, Section, Project F008-2-709 01R.

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

ADOT ROW PLAN DRAWING



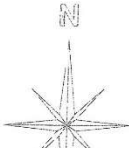
ADOT SKETCH PLAN

Sketch Plan

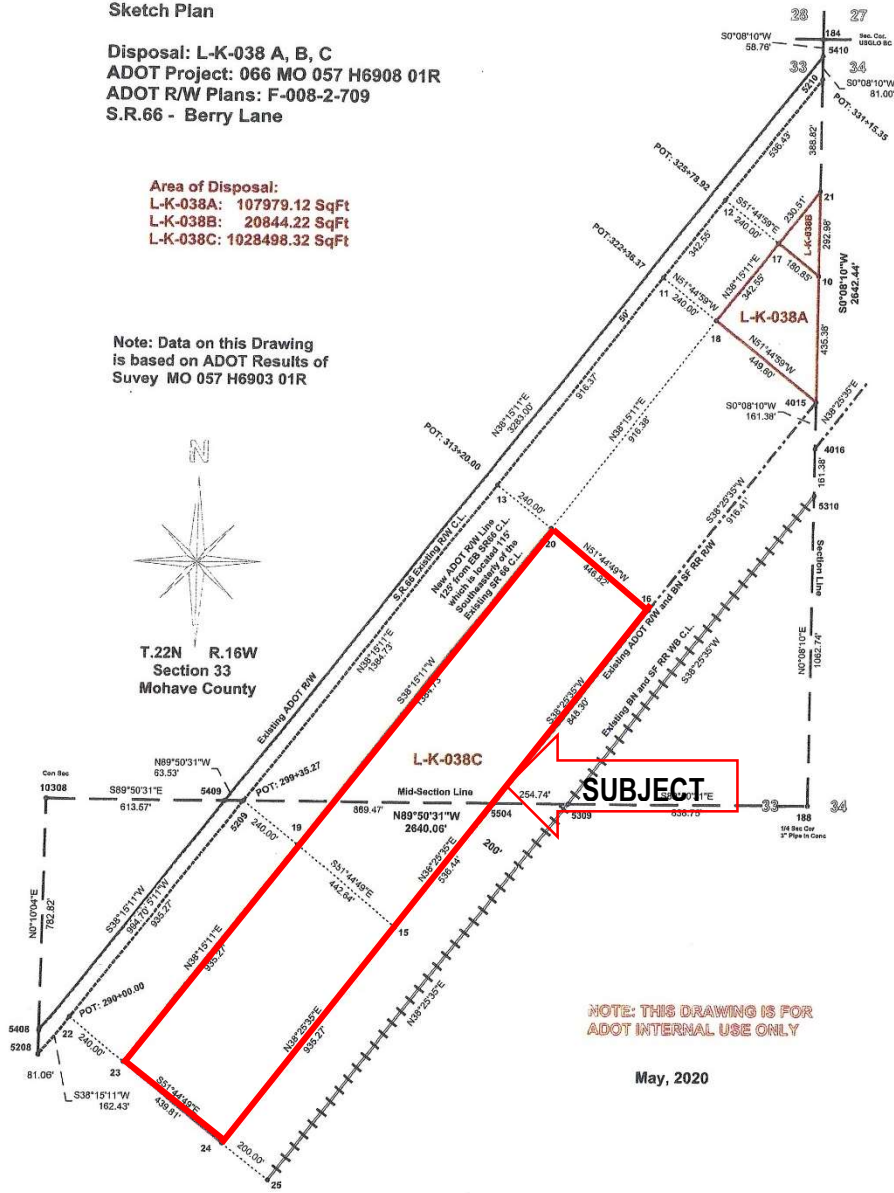
Disposal: L-K-038 A, B, C
 ADOT Project: 066 MO 057 H6908 01R
 ADOT R/W Plans: F-008-2-709
 S.R.66 - Berry Lane

Area of Disposal:
 L-K-038A: 107979.12 SqFt
 L-K-038B: 20844.22 SqFt
 L-K-038C: 1028498.32 SqFt

Note: Data on this Drawing is based on ADOT Results of Suvay MO 057 H6903 01R



T.22N R.16W
 Section 33
 Mohave County



NOTE: THIS DRAWING IS FOR ADOT INTERNAL USE ONLY

May, 2020

PURPOSE OF THE APPRAISAL

- Purpose of the Appraisal:*** The purpose of this appraisal is to provide a current fair market value opinion for the defined “Parcel C” as of May 3, 2023, the date of the appraiser’s site visit.
- Intended User of the Appraisal:*** The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation; Federal Highway Administration; and courts having jurisdiction concerning the subject property. No other use or users are intended, and any unintended use may be misleading.
- Intended Use of the Appraisal:*** The intended use of the appraisal is to provide a current market value opinion to assist the client with decisions regarding disposition of the property identified herein.
- Date of Value Opinion:*** The effective date of the value opinion is June 3, 2023.
- Date of the Appraisal Report:*** The date of the appraisal report is August 7, 2023.

DEFINITIONS

Definition of Market Value:

Pursuant to Arizona Revised Statute 28-7091:

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

INTEREST TO BE APPRAISED

Fee Simple Estate:

The interest to be appraised is that interest arising from fee simple estate ownership. *The Dictionary of Real Estate Appraisal, 6th Edition*, by The Appraisal Institute defines the fee simple estate as:

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

OWNERSHIP HISTORY AND FIVE-YEAR CHAIN OF TITLE

ADOT Parcel L-K-038C:

Title is vested in The State of Arizona, by and through its Department of Transportation by virtue of Fee right of way for Historic State Route 66 from Santa Fe Pacific Railroad Company, a corporation to the State of Arizona, Arizona Highway Commission, dated 10-01-1933, recorded 12-11-1933 in Book 48 of Deeds, page 551.

A Right of Way Disposal Report was provided to the appraiser. Based on my review of the report, public records, and other sources, there have been no other sales, title transfers, or offers to purchase the subject property for the five years prior to this appraisal.

RIGHT OF WAY / VESTING

1. Fee right of way for Historic State Route 66 from Santa Fe Pacific Railroad Company, a Corporation to the State of Arizona, Arizona Highway Commission, dated 10-01-1933, recorded 12-11-1933 in Book 48 of Deeds, page 551.
(covers more highway)

NOTE: The above Indenture conveyed the fee interest of the railroad through all sections described in the deed from Railroad's Northwesterly right of way line to the Northwesterly right of way line of US 66 as shown on Strip Map 8-T-93. It also contains mineral and various other reservations.

NOTE: This includes an erroneous legal description as to Parcel No. 16. It reads the East half and the Southeast quarter of said Section 33. It has long been held, and verified with Titles Manager, that the intent was to call out the Southwest quarter instead of the Southeast quarter (as the Southeast quarter is part of the East half).

END OF RIGHT OF WAY / VESTING

SIGNS

There are no billboard signs located on the subject property.

OWNER CONTACT

Mr. Jim Walcutt with the R/W Project Management Section of the Arizona Department of Transportation accompanied the appraiser on the site inspection.

SCOPE OF WORK

The Scope of Work for an appraisal is the extent of the process of collecting, confirming, and reporting data, as well as the methods used in supporting the value opinion. The three traditional approaches to value, Cost Approach, Sales Comparison Approach, and Income Approach, were considered to estimate the “as is” market value of the fee simple interest in the subject property. Since the subject is vacant land, the Sales Comparison Approach is the only approach applicable to the land valuation. Thus, the Cost and Income Approaches were omitted.

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

- Inspection and analysis of the subject property, market conditions, and other restrictions that affect value; and
- Research, analysis, inspection, and confirmation of comparable market data; and
- Consideration of the three approaches to value which include the Cost, Sales Comparison, and Income Approaches to support my market value opinion for the subject property; and
- Consideration for severance damages, if any, and special benefits if present.

Research for comparable land sales included a thorough search of sales and listings data from January 1, 2015, through the effective date of value. The search criteria for valuation of the land to be used for comparison to the subject 23.6 acres included vacant land sales of industrial properties consisting of 2 acres to 40 acres throughout Mojave County. Data sources included CoStar Group, Data Tree, a division of First American Core Logic, Arizona Regional Multiple Listing Service, Inc., Mojave County Assessor’s records, and local real estate brokers and market participants.

Based on our conclusion of Highest and Best Use, the most similar industrial land comparables in Mojave County were selected.

The comparable sales and other market data were limited and the data included in the analysis are considered to be the best available. Utilities information was provided by Ashley Feskanich with the City of Kingman; zoning and flood information was provided by Laura Skobal. The appraiser relied on information provided by these individuals, which may or may not be recently updated. The data selected is adequate to provide a reliable indication of market value for the subject property. Overall, the market value opinion provided in this report is well supported.

Limitation in Scope:

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

REGIONAL MAP



REGIONAL ANALYSIS

Geographic Location:

The value of any property is not entirely intrinsic, that is, it is not determined solely by the characteristics of the site itself. The economic, governmental, environmental, and social forces of the neighborhood must also be considered.

Geographic Location:

The neighborhood for the subject property includes the general Kingman area of Mohave County, Arizona. Mohave County is located in the northwestern portion of Arizona adjacent to the Nevada and California boundaries. Kingman is the county seat and the third largest city in Mohave County. Mohave County is 13,479 square miles in area, of which 186 square miles are water, with approximately 1,000 miles of shoreline along the Colorado River. Kingman, Bullhead City and Mohave County experienced steady growth through the 1980s and 1990s. There was significant expansion in all market sectors during the housing boom in 2004-06 in the Tri-State area which includes Bullhead City, Mohave Valley, Needles, California and Laughlin, Nevada. There was also some growth in Kingman but not as much as had been experienced in the Tri-State area.

The Colorado River runs westward across the Northern portion of Mohave County, then forms the western border of Mohave County as it runs southward toward the Gulf of California in Mexico. The county is the second largest in the state. The largest is Coconino County adjacent east. Principal industries include retirement living, tourism, services, county and city government, light manufacturing, Chrysler Proving Grounds, construction, mining and ranching.

Population Data:

According to the 2020 Census, Population data for Kingman, Mohave County and Arizona is presented in the following table.

POPULATION STATISTICS			
Arizona, Mohave County & Cities			
City	2010	2020	Annual Growth Rate
Arizona	6,392,017	7,151,502	1.19%
Mohave County	200,186	213,267	0.65%
Bullhead City	39,540	41,348	0.46%
Kingman	28,068	32,689	1.65%
Lake Havasu City	52,527	57,144	0.88%

Prior to the collapse of the housing market and the ensuing recession, Kingman and Lake Havasu City were the fastest growing cities in the county. The growth rates for Mohave County have since slowed to a crawl. However, Kingman is still the fastest growing city in the county and its annual growth rate exceeds that of the State.

Economic Forces:

The principal economic activities in Mohave County are trade, services, government, manufacturing and construction. Medical centers are located in Kingman, Lake Havasu City, and Bullhead City. Mohave Community College in Kingman offers a variety of Associate Degrees.

Kingman’s economy thrived during the 1960s and 70s when population and job growth were expanding. The recession in 2006-2008 caused a significant decline in sales activity and prices. Economic conditions have improved since that time with expansion of a more diversified employment base. Currently there are numerous manufacturing and distribution companies at the Kingman Industrial Park which employs more than 2,300 workers.

The downtown core is a mix of historic buildings and outdated commercial buildings. Many of the commercial buildings began to suffer from deferred maintenance as occupants were attracted to better locations since the opening of the Interstate 40 bypass in 1979. The downtown core has a high commercial vacancy rate of 10% to 20%. Some limited revitalization has occurred in the old downtown core. Prior to completion of the Interstate 40 bypass, Andy Devine Avenue was the City’s primary commercial arterial.

Demand for newer more modern commercial properties oriented to the new bypass encouraged new commercial growth along Stockton Hill Road which has become the prominent commercial arterial in the city.

Kingman is the regional trade, service and distribution hub for northwestern Arizona. The Chrysler Motors Proving Grounds, located 23 miles south, is one of the area’s largest private employers. Major public and private employers are listed in the following table.

Private Employers	Public Employers
Kingman Regional Medical Center	City of Kingman
American Woodmark Corp	Kingman Unified School District
Mohave County Miner	Mohave Community College
Indiana Western Express, Inc.	Mohave County Government
The Southern Finishing Company	University of Arizona

Tourism also contributes to the local economy since the city serves as a stopover for visitors that are traveling to the abundance of attractions in this region. The gaming industry in Laughlin, Nevada, 30 miles west, attracts over 2 million visitors each year. The Colorado River and Lake Mead Recreational Areas offer year-round water related activities including boating, fishing, water ski, jet ski, swimming, camping and picnicking. The Black Mountain Range southwest of Kingman offers hunting, off-road vehicle use, hiking, rock hounding and exploration of ghost towns. In addition, the south rim of the Grand Canyon is about 200 miles northeast.

Labor Force Data:

Statistical labor force and unemployment data for Mohave County is presented in the following table. The data shows a relatively stable unemployment rate since July 2018.

Data Series	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023		Mar 2023
<u>Labor Force Data</u>							
Civilian Labor Force	90.2	90.1	89.6	89.8	90.1		90.2
Employment	85.1	86.1	85.9	86.2	86.5		86.6
Unemployment	4.1	4.0	3.6	3.6	3.6		3.6
Unemployment Rate	4.5	4.4	4.1	4.0	4.0		4.0

As of March 2023, the unemployment rate is 4.0% for Mohave County, which is 0.6% higher than the current rate of 3.4% for the state.

Housing Market Analysis:

According to Realtor.com, in April 2023 the median single-family list price in Kingman, was \$275,000, trending down 5.82% year-over-year. The median single-family sale price was \$250,000, down 9.4% year-over-year. The sale-to-list price ratio is 100% and Kingman is considered a balanced market in April 2023 with supply and demand being about equal.

In Mohave County, the median list price was \$389,800, trending down 9.2% year-over-year. The median sale price was \$369,900. There has been significant new construction with most new homes being sold by the time they are completed. New construction residential permits for the last five months totaled 492, which is a downward trend from one year ago. In the first three months of 2023, there were 279 new home building permits issued. Annualized, 2023 new home building permits would be 1,116, which would

represent a decline from the previous three years. New construction permits issued for the prior three years and year-to-date 2022 are set forth in the following tables.

Commercial Development:

There has been limited new development in the commercial sector in Kingman over the past few years. Building permit data for 2019, 2020, 2021, and YTD 022 derived from monthly statistics reported by the City of Kingman Building Department are presented in the following table.

NEW CONSTRUCTION - SFR/TH				NEW CONSTRUCTION - COMMERCIAL				TOTAL PERMITS ISSUED			
2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	YTD-2022
14	31	20	19	2	0	0	0	38	81	76	80
14	36	27	18	0	1	1	1	46	80	89	71
35	15	35	33	0	3	0	0	77	70	82	101
20	55	30	45	0	1	1	0	60	87	85	120
38	31	23		0	0	1		68	73	79	
25	27	14		2	1	0		71	75	69	
24	30	39		1	0	1		62	75	91	
22	20	43		0	0	0		64	80	98	
19	26	43		2	1	2		73	71	103	
29	25	33		0	1	0		58	75	72	
24	22	38		0	1	0		55	92	75	
12	15	23		2	2	0		50	55	74	
276	333	368	115	9	11	6	1	722	914	993	372

More recent commercial development around Kingman includes Arizona Route 66 Motorsport Park; Wikieup Chevron; Kingdom Hall of Jehovah's Witnesses; A&G Towing; Taste of Tranquility B&B; and Dixie Power Facility. ChromaScape Inc., which specializes in pigment dispersions and landscape colorants, spent \$3 million on a 30,000-square-foot expansion of its facility at Kingman Airport. Dillon Transportation built a trucking terminal at the airport about two years ago.

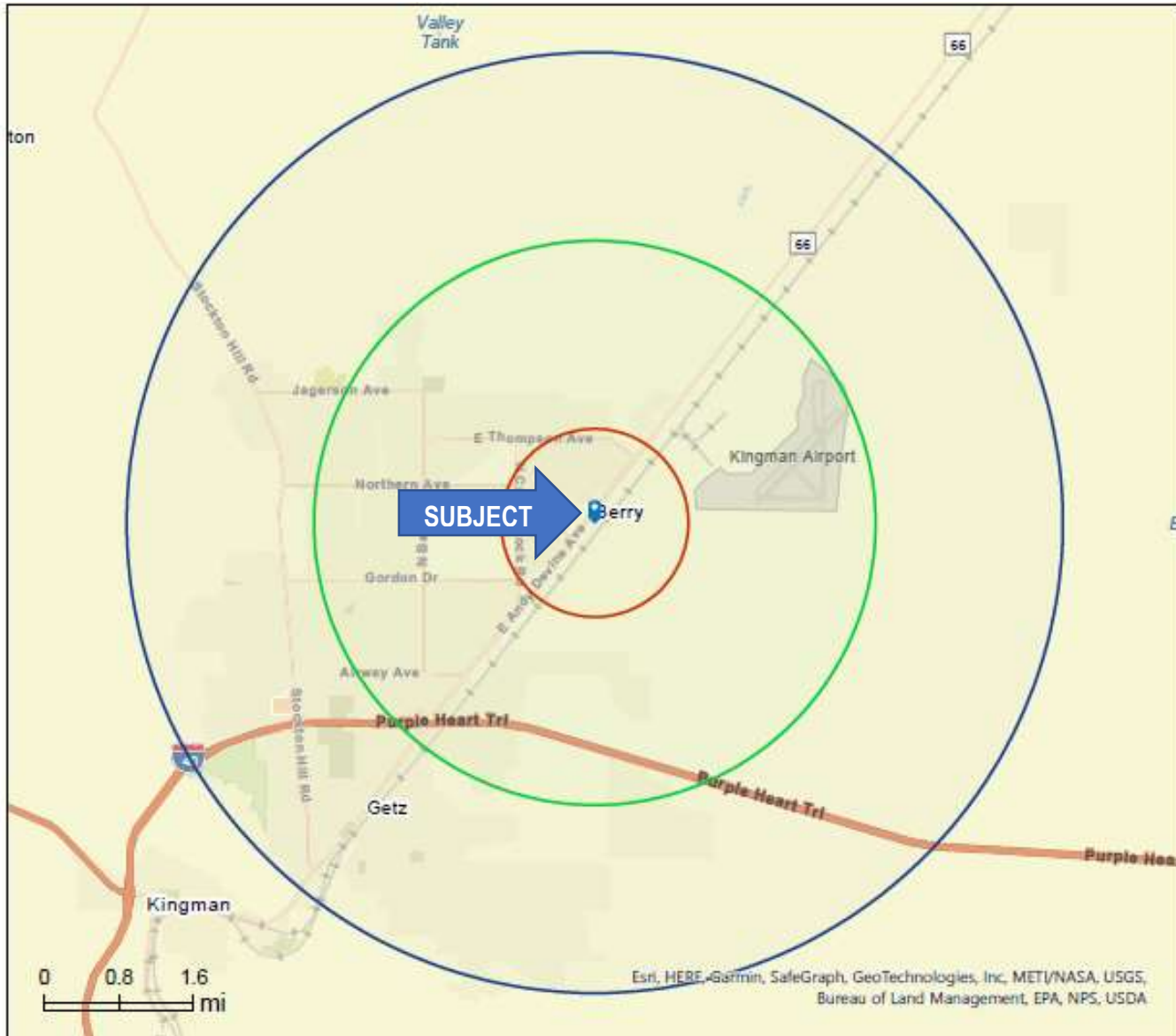
Transportation:

Interstate 40, a four-lane divided freeway, is the primary transportation route for this region. I-40 runs from Barstow, California to Winston-Salem, North Carolina. Historic Route 66 was once part of the major east-west corridor that is now Interstate 40. Some remnants of the original U.S. 66 remain, a portion of which runs through Kingman. U.S. Highway 93 is primarily a two-lane highway that extends northward from Phoenix to the Canadian border in Northern Montana. The section of U.S. 93 between Kingman and the Lake Mead National Recreation Area is a four-lane, divided highway. State Highway 95, a two and four-lane highway, runs north from San Luis on the Mexican border through Yuma and Lake Havasu City and ends in Bullhead City. State Highway 389, a two-lane highway,

runs east from the Utah line at Colorado City to U.S. Highway 89 at Fredonia just across the line of Coconino County.

Greyhound Bus service is available. The Kingman Airport offers full general aviation services.

NEIGHBORHOOD MAP



NEIGHBORHOOD ANALYSIS

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

Subject Geographic Location: Southeast side of State Route 66, between Northern Avenue to the north and Diagonal Way to the south, Kingman, Mohave County, Arizona. The Kingman Airport and Industrial Park is to the north. The Railroad is to the east.

Market Area: Kingman Airport and Industrial Park.

Demographics ³ :	<u>1 Mile</u>	<u>3 Miles</u>	<u>5 Miles</u>
<i>Population:</i>	3,350	27,423	49,610
<i>Number of Households:</i>	1,334	11,218	20,321
<i>Avg. Household Size:</i>	2.51	2.43	2.41
<i>Median HH Income:</i>	\$31,439	\$58,711	\$53,625

City of Kingman
Median Household Income: \$53,585

Governmental Forces:

Police Protection: Mohave County Sheriff Department
Fire Protection: Northern Arizona Consolidated Fire District

Environmental Forces:

Predominant District Use: Predominant land uses in the surrounding area include industrial uses, the Burlington Northern Santa Fe railroad which runs parallel to the airport, and there are large tracts of vacant land.

Quality of Surrounding Area: Some environmental characteristics that influence value include land use patterns, topography, building densities, property maintenance, nuisances and hazards, and the adequacy of transportation corridors. This is an area that includes vacant land for industrial uses.

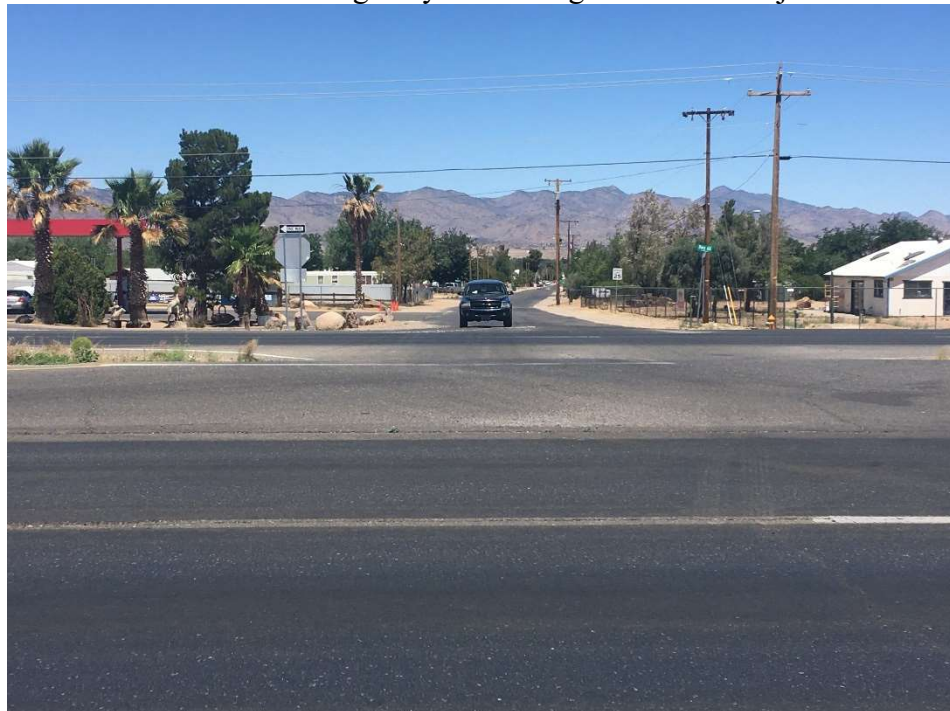
³ 2022 statistical data; Site to Do Business (STDBOnline.com). This is the latest data available as of June 2022.

SUBJECT PHOTOGRAPHS

Subject – Parcel C looking East from Diagonal Way



Street View – Highway 66 looking west from Subject



Street View – SR 66 looking SW



Street View – SR 66 looking NE



Sanitary Sewer Manhole Cover; inside Parcel C @ Diagonal Way



Subject Parcel C – looking East



Subject Parcel C – looking NE



Subject Parcel C looking SW



SITE ANALYSIS

Location:

The subject is situated on the southeast side of State Route 66, also known as Andy Devine Avenue, at the intersection with Diagonal Way, within an unincorporated area of Mohave County. The Kingman Airport is north of the subject property. Diagonal Way is an asphalt-paved street that intersects SR 66. There is a sewer line in Diagonal Way.

Site Area:

The subject parcel represents a portion of Mohave County Assessor Parcel Number 324-11-062, referred to herein as the “parent parcel.” According to Assessor’s records the parent parcel consists of ±4,351,644 gross square feet or 99.9 acres. For disposition purposes, the Arizona Department of Transportation (“ADOT”) has identified three parcels as L-K-038-A, L-K-038-B, and L-K-038-C, also identified by the appraiser as A, B, and C. Parcel L-K-038-A recently sold in March, 2023. Parcels B and C continue to be available for disposition. The parcel appraised herein is identified as L-K-038-C, (“Parcel C”), which consists of 1,028,498 square feet, or 23.6 acres, according ADOT. ***It is an extraordinary assumption of this appraisal that the site area provided by ADOT is accurate.***

Topography/Shape:

The parcel appraised is rectangular in shape with generally level topography slightly below street grade of State Route 66. The topography and shape do not appear to result in any particular development limitations.

Access and Visibility:

The parcel appraised has approximately 2,640 feet of frontage along State Route 66, an asphalt-paved 4-lane state highway. The parcel has direct physical access from SR 66, via Diagonal Way, a significant east/west road. State Route 66 at the subject location is a 4-lane, median-divided highway with a moderate two-way traffic volume of about 15,000 vehicles per day. Overall, access and visibility is considered average and typical for the area.

Utilities:

Electric, phone, cable, gas, and municipal water are available to the subject parcel, either on the property or in the adjacent street rights of way and utility easements. According to my inspection, and verified by Ashley Feskanich with the City of Kingman, there is municipal sewer in Diagonal Way. However, some improved properties have private waste

removal (septic) systems, depending on the cost to connect to existing sewer lines. The service providers are as follows:

Water: City of Kingman
Sewer: City of Kingman, or Private Septic
Electric: Unisource Energy Services
Natural Gas: Unisource Energy Services
Telephone: Cox/CenturyLink and other mobile providers.

Surrounding Uses:

North: Vacant land, Airport Industrial Park
East: Kingman Airport; vacant industrial land
South: Vacant land; Kingman City Limits at Gordon/Berry Road
West: SR 66; General Commercial & Low Density Residential

Soils and Subsoil Conditions:

A soils engineering report was not provided to the appraiser and the soil and sub-soil conditions are not known. There is no visual evidence of adverse soil conditions on the site. The surrounding improved properties indicate that subsoil conditions support development.

Restrictions & Easements:

ADOT provided a Right of Way Disposal Report, a full copy of which is included in the Addenda of this appraisal report. The title exceptions are included in Schedule B of the Title Report, as follows:

SCHEDULE B

1. Easements and agreements disclosed in Right of Way Map, Ashfork-Kingman Highway, Kingman to Hackberry Section, dated April 5, 1933, recorded in Strip Map C-T-93, for pipe line extensions and livestock purposes.
2. A line of poles with wires as disclosed by aerial view.

END OF SCHEDULE B

Environmental Conditions:

No environmental reports were provided to the appraiser. No adverse conditions were observed. Lacking an environmental report, *this appraisal assumes that there are no environmental conditions on or around the subject property that adversely impact its market value.*

Flood Zone:

Pursuant to Mohave County Flood Control and FEMA, the subject is located entirely in Zone X, an area defined as being outside the 100-year flood hazard area pursuant to FIRM Map Panel No's. 04015C4576H, effective February 1, 2015. The Flood Insurance Rate Map is provided below.

FLOOD MAP



ASSESSED VALUATION & REAL ESTATE TAXES

The subject's gross site area is 1,028,498 square feet, (23.6 acres), pursuant to ADOT exhibits provided to the appraiser. The parent parcel is identified by Assessor Parcel Number 324-11-062. As of the date of value, the parent parcel has an Assessed Limited Value of \$159,387, which represents a 5% increase from 2022. The 2023 Full Cash Value of \$1,177,897 is a 16.11% decrease from 2022. An assessed value for the property appraised is not available. The property owner State of Arizona Department of Transportation is exempt from property taxes.

ZONING

The zoning for the property appraised is M-General Manufacturing by Mohave County. The principal purpose of this zoning district is to provide for general manufacturing uses in locations which are suitable and appropriate taking into consideration the land uses on adjacent or nearby properties, access to major street or highway, rail service or other means of transportation, and the availability of public utilities. The Manufacturing district corresponds to and implements the Light Industrial (LI) land use designation in the General Plan adopted by Mohave County.

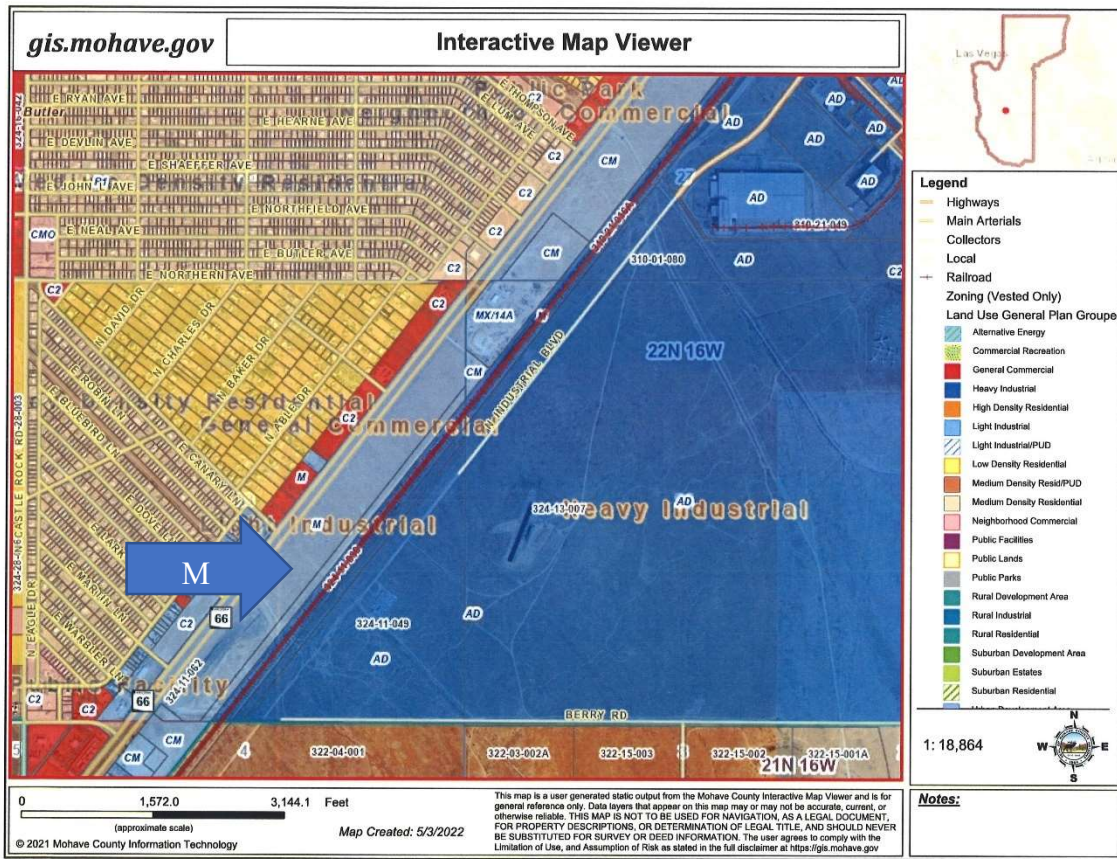
The M zone permits any use permitted in the Commercial-Manufacturing (C-M) zone, aircraft firms, wholesale bakeries, bottling plants or breweries, cleaning plants, construction equipment, dairy products processing, laboratories, manufacturing, and other light industrial uses. Minimum site area is 43,560 square feet, or one acre. The maximum height is 120 feet, except within three miles of any incorporated city or town, the maximum height is sixty (60) feet. The minimum front set back is 20 feet and there are no side or rear set back restrictions.

Due to the subject's location adjacent to a railroad and airport, it is highly unlikely that the subject property could be rezoned to a higher density or residential use.

Impact on Value:

The property appraised is located adjacent to the BN & SF Railroad and the Kingman Airport is north and west of the railroad. While the site has highway frontage with good visibility to an average to good daily two-way traffic volume of about 15,000 vehicles, the proximity of the airport and railroad, as well as the General Land Use Plan designation of Light Industrial, indicates a future light industrial or manufacturing use. Based on the site size of land sales in the area, it is likely that the property appraised would be split and sold into smaller separate parcels, rather than developed by a single end-user.

ZONING MAP



MOHAVE COUNTY ZONING - M – MANUFACTURING MOHAVE COUNTY GENERAL PLAN – LIGHT INDUSTRIAL

HIGHEST AND BEST USE ANALYSIS

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

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

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

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

AS VACANT

Legally Permissible: The minimum site area is 43,560 square feet per, or one acre. The subject parcel is located in the M-General Manufacturing Zone in Mohave County. The M zone permits light industrial and manufacturing uses.

As vacant, the legally permissible use of the subject parcel is any of the uses that are permitted in the M-General Manufacturing Zone in Mohave County.

Physically Possible: The subject parcel consists of 1,028,498 gross square feet of site area (23.6 acres), as reported in the Arizona Department of Transportation exhibits. The Burlington Northern & Santa Fe Railroad (“BNSF”) is adjacent east and the Kingman Airport beyond the railroad, north of the subject. The Kingman Airport Industrial Park is adjacent to the airport. The airport and park consist of approximately 4,000 acres in the northeast part of Kingman and east of Andy Devine Avenue. The subject is located outside the 100-year flood hazard area and has access from Route 66 with an average traffic volume of about 15,000 vehicles per day.

Financially Feasible:

The subject has a desirable location for industrial, manufacturing or distribution uses, given its location fronting State Route 66 and proximity to Interstate 40 within about 2.5 miles, and the Kingman airport. Kingman offers one-day access to all major southwestern markets, major transportation links to Los Angeles, Phoenix, and Las Vegas, and BNSF Mainline rail access.

The industrial market in Kingman continues to languish due to the lack of job and economic growth and weakness in the construction sector. Given the small size of the Kingman market, there are no sources that publish periodic sales, leasing and vacancy statistics. Ms. Tami Ursenbach, Director of Economic Development for Mohave County, said that there have only been a few sales in the industrial park in the last few years.

We also interviewed Mr. Dave Hollingsworth, Associate Broker with Keller Williams, who sells and leases commercial and industrial real estate in the Kingman area. Mr. Hollingsworth reported that there has been very little sales activity for vacant industrial land and that “the land market has not returned since 2008.” Mr. Hollingsworth has about 100 acres for sale in an area about ¼ mile north of the airport with CMO zoning (Commercial/Manufacturing/Open Space). However, the Airport Industrial Park is the main competition. He said that he didn’t know of any acreage sales in the last 5 years, except the purchase in 2018 by Starline Properties from WalMart of 207 acres for a distribution warehouse. Starline also bought 25.77 acres (Sale 4) to assemble with the 207-acre piece for frontage on both I-40 and Apache Road. When asked if there were any projects on the horizon that would benefit the Kingman economy, he commented about the preliminary discussions for two projects. One is the proposed Interstate 11 that would connect Nogales, Arizona with Las Vegas, Nevada. The other is the possibility that Burlington Northern Santa Fe Railroad would add a third rail line along their existing rights of way. However, he was quick to note that these projects are only in the preliminary planning stages. Currently, there is no indication of when or if the projects will come to fruition.

There is limited available data to complete a comprehensive review of the industrial market in Kingman. However, the limited demand that has been occurring for the last five years, coupled with the lack of job growth and limited construction activity will continue to hold back the industrial sector. There is not enough activity now or in the foreseeable future to generate demand for speculative development. The current increase in mortgage rates will further dilute demand since the current market is owner-user driven.

Maximally Productive:

The final test of highest and best use of the site, as vacant, is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above, the highest and best use of the subject parcel, is for a potential split into smaller parcels for resale and future commercial or industrial use by an end user. The analysis of the subject and its respective market characteristics indicate the most likely buyer, as vacant, would be an end-user or land speculator.

Conclusion, Highest and Best Use, As Vacant:

Given the zoning, location, physical characteristics and general market conditions, the highest and best use, as vacant, is to hold for investment for a future commercial or industrial use that conforms to the zoning regulations.

LAND VALUATION

The Sales Comparison Approach is used to provide a market value opinion for the subject parcel. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay. The Sales Comparison Approach is the only applicable approach to value vacant land because, in the local market, land is not typically leased and there are no building or site improvements to analyze. Thus, neither a Cost nor Income Approach is applicable to the valuation of vacant land.

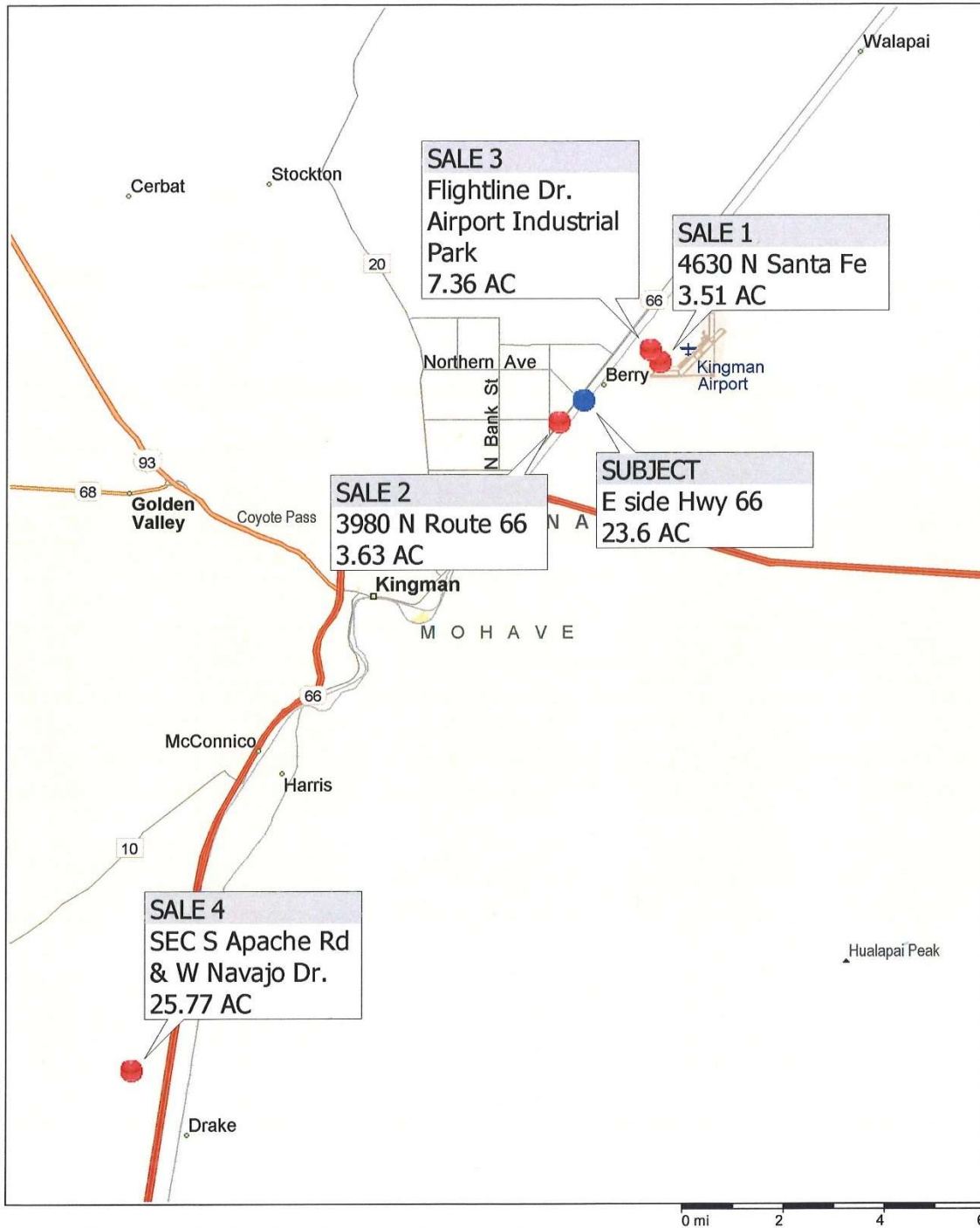
Adjustments are made to the comparable sales based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, and zoning/planned use. The sale price per acre is the unit of comparison utilized for the analyses due to the size of the part to be acquired. This is derived by dividing the sale price by the site acreage of the parcel.

Search parameters for land comparables focused on sales and listings that are similar in size and potential use to that of the subject. The search for recent land sales included immediate and surrounding areas that have similar demographics. Given the subject site size of 23.6 acres, sale data of similar size was limited. The only sale of similar size was a 25.77-acre parcel bought for assemblage with a larger purchase from WalMart of 207.07 acres. Another listing north of the Airport Industrial Park has 43.83 acres. All of the other sales available were smaller than the subject. The market data included in the analysis are

considered the best available and provide a credible opinion of value. However, it should be noted that the recent increases in mortgage interest rates could have an adverse impact on the marketability of the property appraised.

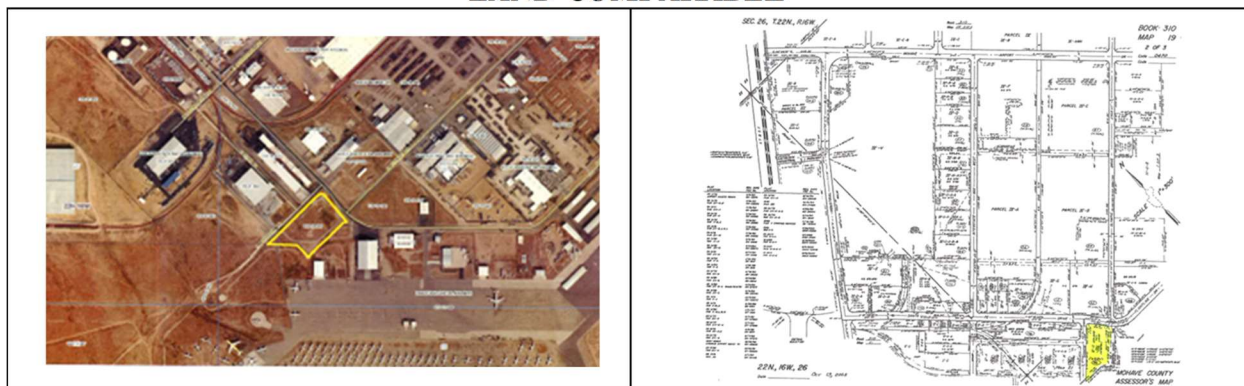
A location map showing the comparable sales relative to the subject, individual data sheets, and parcel maps are presented on the following pages. The adjustment matrix follows the land value analysis.

LAND COMPARABLE SALES MAP



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LAND COMPARABLE

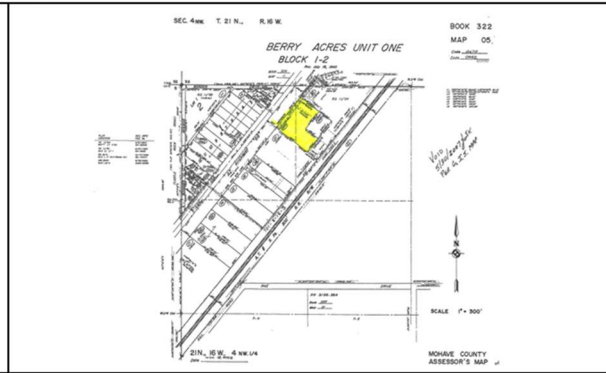


COMPARABLE NUMBER:	LAND COMP 1
LOCATION:	4630 N Santa Fe Drive Outside Airport Industrial Park Kingman, AZ 86401 310-19-181
LEGAL DESCRIPTION:	Parcel A & Parcel B, as delineated on Plat Rec 7/24/2000 in Kingman Airport Industrial Park, Cont. 3.51 acres.
TAX CODE NUMBER(S):	310-19-181
RECORDS:	
Instrument:	General Warranty Deed
Date Recorded:	August 24, 2021
Affidavit of Fee No:	2021-66923
SELLER:	AKTV Love Land LLC
BUYER:	Ac Acres LLC
SALE PRICE:	\$369,000
INTEREST CONVEYED:	Fee Simple
TERMS:	\$80,000 down; Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN ACRES:	3.510
SALE PRICE PER ACRE:	\$105,128
PHYSICAL DESCRIPTION	
Location:	Good / Kingman, near airport
Legal / Physical Access:	Yes / Paved /No Airport or Hwy Access
Site Shape / Topography:	Irregular, Not Adverse / Level
Utilities Available:	Elec; Water; Sewer Connected; Previously developed lot;
Flood:	Zone X (Outside)
ZONING / PLANNED USE:	AD - Airport Development; Light Industrial
THREE YEAR HISTORY:	No prior sales. Previously developed lot
MARKETING TIME:	Market
CONFIRMED WITH:	Public records, reliable source
DATE CONFIRMED:	June, 2022

COMMENTS:
This represents the sale of 3.50 acres of a previously developed lot. The property is located near the airport but lacks direct access to the airport. It is zoned AD, Airport Development in the Light Industrial General Plan zone, with a 1.00 acre minimum lot size in Mohave County. It is irregular in shape, with level topography, and exhibits average paved road access. The property has access to all utilities since it is a previously developed lot.

I.D. : 22-124-L.1

LAND COMPARABLE



COMPARABLE NUMBER:	LAND COMP 2
LOCATION:	3980 N Highway 66, Kingman, AZ; East side SR 66; West of railroad; Kingman, AZ 322-05-009A
LEGAL DESCRIPTION:	Ptn of Sec 4, T21N R16W, G&SRB&M, Mohave County, AZ
TAX CODE NUMBER(S):	322-05-009A
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	May 28, 2021
Affidavit of Fee No:	2021-42107
SELLER:	ABF Inc
BUYER:	Five Star Partners LLC
SALE PRICE:	\$550,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN ACRES:	3.626
SALE PRICE PER ACRE:	\$151,682
PHYSICAL DESCRIPTION	
Location:	Good / Kingman
Legal / Physical Access:	Yes / Paved /Frontage Rd
Site Shape / Topography:	Irregular, not adverse / Level
Utilities Available:	All utilities exc sewer; septic installed unknown condition; previously developed lot
Flood:	Zone X (Outside)
ZONING / PLANNED USE:	CM-Commercial/Manufacturing; Light Industrial General Plan; Svc Station Imps & Well Site
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Direct sale
CONFIRMED WITH:	Public records, reliable source
COMMENTS:	

This represents the sale of 3.626 acres of land with an older service station building with 1,034 square feet and an old well site. Property sold as vacant land located on the east side of State Route 66 in an unincorporated area of Mohave County, AZ near the city limits of Kingman, AZ. The property is zoned CM, Commercial/Manufacturing in the Light Industrial General Plan zone with a 1.00 acre minimum lot size in Mohave County. It is irregular in shape, with level to rolling topography, and exhibits average dirt road access. The property has access to overhead electric, telephone and has water wells onsite. Since it was previously developed, an existing septic system is in place in unknown condition. No municipal sewer is available.

I.D. : 22-124-L.2

LAND COMPARABLE



COMPARABLE NUMBER:

LAND COMP 3

LOCATION:

Flightline Drive in Kingman Airport Industrial Park
310-19-229

LEGAL DESCRIPTION:

Portion of Sec 26, T22N, R 16W, as depicted on the plat of Parcel IV-U-B-G, ID map #3156 recorded February 18, 2019, situated in at Kingman Airport Industrial Park, Kingman, AZ

TAX CODE NUMBER(S):

310-19-229

RECORDS:

Instrument:
Date Recorded:
Affidavit of Fee No:

Quit Claim Deed
September 19, 2019
2019-51718

SELLER:

City of Kingman

BUYER:

T J Mark LLC

SALE PRICE:

\$310,000

INTEREST CONVEYED:

Fee Simple

TERMS:

Cash to Seller

CONDITIONS OF SALE:

Arm's-Length

SITE AREA IN ACRES:

7.36

SALE PRICE PER ACRE:

\$42,120

PHYSICAL DESCRIPTION

Location:
Legal / Physical Access:
Site Shape / Topography:
Utilities Available:
Flood Plain:

Good / Kingman Airport Industrial Park
Yes / Paved
Irregular, Not Adverse / Level
All available, including sewer; connection charges apply
Zone X

ZONING / PLANNED USE:

AD-Airport Development; Heavy Industrial Mohave County
General Plan

THREE YEAR HISTORY:

No prior sales

MARKETING TIME:

Direct sale

CONFIRMED WITH:

Public records, reliable source

DATE CONFIRMED:

June, 2022

COMMENTS:

This represents the sale of 7.36 acres of vacant land located in the Kingman Airport Industrial Park. The property is zoned AD-Airport Development with a Heavy Industrial General Plan designation. It is irregular in shape, with level topography, and exhibits adequate paved access. The property has access to all utilities, including municipal sewer service in the rear utilities easement. The property is located in Zone X, outside the special flood hazard area. The property sold via the City of Kingman's real estate services through David Hollingsworth with KG Keller Williams Arizona Living Realty.

I.D. : 22-124-L.3

LAND COMPARABLE



COMPARABLE NUMBER:	LAND COMP 4
LOCATION:	SEC S Apache Rd & W Navajo Dr, Kingman, AZ 206-04-017
LEGAL DESCRIPTION:	Portion of Sec 7, G19N R17W, as shown on RS 29/93, 11/4/2005; 2005-123357, Containing 25.77 Acres, Kingman, AZ.
TAX CODE NUMBER(S):	206-04-017
RECORDS:	
Instrument:	General Warranty Deed
Date Recorded:	August 23, 2019
Affidavit of Fee No:	2019-47215
SELLER:	Raymond Jake Bartreau
BUYER:	Starline Properties, LLC
SALE PRICE:	\$257,700
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Assemblage for distribution warehouse
SITE AREA IN ACRES:	25.77
SALE PRICE PER ACRE:	\$10,000
PHYSICAL DESCRIPTION	
Location:	Fair / 7 miles south of Kingman; No Hwy Frontage
Legal / Physical Access:	Yes / Paved Road
Site Shape / Topography:	Rectangular / Level
Utilities Available:	Electric available; No water or sewer
Flood Plain:	Zone X
ZONING / PLANNED USE:	MX-Heavy Manufacturing; Heavy Industrial, Mohave County General Plan
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Direct sale
CONFIRMED WITH:	Public records, reliable source
DATE CONFIRMED:	June, 2022
COMMENTS:	

This represents the sale of 25.77 acres of vacant land located off I-40 with no frontage. This parcel is considered assemblage to be combined with 207.07 acres that sold for \$1,245,000, or \$6,012 per acre, to Starline Properties from Wal Mart Stores. Starline acquired the 25.77 acres to combine with the 207-acre piece to have frontage on Apache Road and I-40. Starline is in the process of building a 250,000 square foot automotive parts distribution center on the property. The 207-acre piece now has water from I-40 and a septic system for the new warehouse. The property is zoned MX-Heavy Manufacturing with a Heavy Industrial General Plan designation. This parcel is rectangular in shape, with level topography, and exhibits adequate paved road access. The parcel is located in Zone X, outside the 100 year flood hazard area.

COMPARABLE SALES – ELEVATION PICTURES

LAND SALE ONE



LAND SALE TWO



LAND SALE 3



LAND SALE 4



LAND VALUE ANALYSIS

Four sales of vacant land are included in this analysis. Land sale activity is limited and as noted in the market analysis section, “the land market has not returned since 2008.” The Kingman market has been slow to recover due to little job growth and construction activity. The comparability of the sale data is below average; however, the data presented herein is believed to be the best available.

Price adjustments are made to each comparable sale for differences in property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, zoning and intended use. Quantitative adjustments have been made for elements of comparison including property rights conveyed, financing terms, conditions of sale, and date of sale. There is little market data to support quantitative adjustments for elements of comparison involving location and physical differences. Therefore, the appraiser’s professional experience and judgment are involved in making adjustments for location and physical differences.

Utilities information for the comparable sales was derived from information provided by Ashley Feskanich with the City of Kingman. Ms. Feskanich acknowledged that some of the information may not be current. Thus, the appraiser relies on information provided by Ms. Feskanich for utilities availability. Ms. Laura Skubal with Mohave County provided zoning information and flood zone location, which is assumed to be accurate.

Here follows the analysis of the sales by each element of comparison. An adjustment grid summarizing the adjustments as they apply to the comparable sales precedes the conclusion of this analysis.

Property Rights Conveyed:

No adjustments are made for property rights conveyed. The fee simple interest was transferred for each of the comparable sales. It is assumed that the current listing and offer to purchase would also transfer the fee simple interest upon completion of a sales transaction.

Financing Terms:

In accordance with the definition of market value, adjustments for financing terms assume all cash or cash to the seller with the buyer obtaining new conventional financing at prevailing interest rates. All of the sales used in this analysis were transacted with cash or market-oriented financing. Therefore, no adjustments are required.

Conditions of Sale:

An adjustment for Conditions of Sale is made when the transaction was influenced by outside factors such as financial duress, lack of a sales commission, or related-party transaction. Sale Four involved assemblage to build a 250,000 square-foot distribution warehouse. The assembled parcel (Sale 4) had no water or sewer available and no frontage on a major thoroughfare. However, since it involved a separate buyer, a separate sale was recorded about one year after the original sale of 207.07 acres from WalMart. The assembled parcel provided unhindered access to the west. An upward price adjustment is applied to this element of comparison due to a motivated seller and buyer to acquire the parcel. This adjustment is based on the appraiser's professional experience and judgment based on sale prices of other unaffected sales.

No extraordinary conditions for the remaining sales were reported. Therefore, no adjustments are required to Sales One, Two, and Three.

Market Conditions (Date of Sale):

The transaction dates for the comparable sales are from August 23, 2019, to August 24, 2021. The effective date of value for this appraisal is June 3, 2023. An adjacent parcel with 2.49-acres sold by the State of Arizona Department of Transportation in March, 2023. Government sales are not typically considered market level transactions. Thus, it is not included in the analysis. However, this was the only sale of industrial land that occurred in the past year, according to Mr. Hollingsworth. As such, it is given some consideration in the conclusion of value.

As previously discussed, the only sale of industrial land in the past year was the adjacent 2.49 acres sold by ADOT. None of the comparable sales included in this analysis provide sale and re-sale data within this period to derive a paired-sale analysis. There is no single reporting service that compiles market statistics for commercial properties in Kingman.

Mr. Dave Hollingsworth, longtime commercial broker said that land values generally bottomed out in 2008 and have remained flat since sellers are unwilling to make additional price concessions. Other brokers and market participants have confirmed and are in agreement with Mr. Hollingsworth's description of the current land market within Kingman. However, it is noteworthy to mention that recent mortgage rate increases by the Federal Reserve to curb inflation are expected to have an adverse effect on demand for vacant land used for end-user development.

Based on the foregoing information, no adjustment for market conditions is warranted.

Location:

General Location/Access/Visibility:

One of the most significant elements of value for vacant land is location. The subject is located on the easterly side of State Route 66 at Diagonal Way, about 1 1/2 miles southwest of the Kingman Airport and Industrial Park. The immediately surrounding neighborhood is comprised of established residences to the west, vacant land and the railroad to the east, and older closed-up commercial properties to the north of the airport, and large tracts of vacant land.

Comparable Land Sale One is located at 4630 North Santa Fe Drive, just outside the Airport. However, the Industrial Park is easily accessed from this sale. The industrial park has good infrastructure in place with paved roads and convenient access. While this sale lacks direct highway access, it has good proximity. A downward location adjustment is made.

Comparable Sale Two is located at 3890 N Highway 66, south of the subject property and not as accessible to the airport. An upward adjustment is made to the sale for its inferior location.

Comparable Sale Three is located on Flightline Drive inside the Airport Industrial Park. A downward adjustment is made to this sale for its superior location inside the Industrial Park.

Comparable Sale Four is located about 7 miles south of Kingman. It lacks frontage and exposure to a high traffic volume. It was purchased as an assemblage parcel to provide uninhibited westerly access for a distribution warehouse being built on the adjacent property. This location is significantly inferior to the subject. An upward location adjustment is warranted for this sale for the distant location that lacks major traffic access and exposure.

Physical Characteristics:

Site Size:

The subject is 23.6 acres. A search for comparable sales provided limited data of similar size. The only sale found was Sale Four with 25.77 acres, which had considerable sale conditions and utilities availability. The other comparable sales range from 2.49 to 7.36 acres. Due to economies of scale, the market frequently recognizes that a smaller parcel

tends to sell at a higher price per acre. Conversely, a larger parcel tends to sell at a lower price per acre.

Sales One, Two, and Three are significantly smaller than the subject and downward price adjustments are made. Sale Four is similar in size and no size adjustment is made.

Topography/Shape:

The subject is level and rectangular in shape. All of the sales have level terrain and predominantly similar shapes. Adjustments are unnecessary.

Zoning/Intended Use

The subject property is located in the M-Manufacturing Zone as defined by Mohave County Zoning code. The M zone permits any use permitted in the Commercial-Manufacturing (C-M) zone, aircraft firms, wholesale bakeries, bottling plants or breweries, cleaning plants, construction equipment, dairy products processing, laboratories, manufacturing, and other light industrial uses. The M-Manufacturing zone is intended to provide for general commercial or light manufacturing uses in locations which are suitable and appropriate, taking into consideration the land uses on adjacent or nearby properties, access to major streets or highways, and the availability of public utilities.

Sales One and Three are located in the AD, Airport Development zone which is considered to be similar in zoning regulations and no price adjustments are made.

Sale Two has CM-Commercial/Manufacturing Zone, which is similar to the subject. However, this sale has older service station improvements that could be used by the buyer since they were built in 1997. A downward adjustment is made primarily for the usable site improvements.

Sale Four has MX-Heavy Manufacturing zoning, which is a more intensive zone than the subject. A slight upward adjustment is applied.

Utilities:

Electric and telephone utilities are available to the subject along Highway 66. According to City of Kingman, municipal water and sewer facilities are available. There is a sewer line in Diagonal Way at the southern portion of the site. We could not determine the exact location of water lines but were informed by the representative of the Water Department, the water line could be extended to the subject property.

We have relied on information provided by the City of Kingman for sewer and water lines for the comparable sales.

Sale One is a previously developed lot and had all utilities, including sewer and water, extended to the site. A downward price adjustment is made.

Sale Two is also a previously developed lot and had an existing septic system and water connected to the site. A downward price adjustment is made.

Sale Three has all utilities available, including municipal sewer, similar to the subject. No utilities adjustments are made to this sale.

Sale Four had electric and phone available. No water or sewer was available. An upward price adjustment is made based on the estimated cost to drill a well and install a private septic system.

The price adjustments made to Sales One and Two are based on the estimated cost to extend utilities to the subject property. Average costs from the *Marshall Valuation Service*, Section 66, Page 1, are employed to estimate the costs. While there is a sewer line in Diagonal Way, the City of Kingman could not tell me the cost to extend the sewer line to the subject. Since the subject had about 2,320 feet of frontage on SR 66, the actual distance from Diagonal Way to a proposed sewer extension is unknown. Thus, I am assuming that a septic system would be installed by a potential user. Based on ADOT exhibits, SR 66 is approximately 240 feet from the subject property line. The estimated cost to extend the water and sewer utilities are from Marshall Valuation Service, Section 66, Page 1. The cost estimate follows:

Estimated Cost to Extend Utilities					
Subject Acres:	23.6	Ac			
Water Main	240	L.F.	X	48.25	/L.F. = \$11,580.00
Septic System	1	Unit			<u>\$25,000.00</u>
Subtotal					\$36,580.00
Add Contingency @	10.0%				<u>\$3,658.00</u>
Total Estimated Cost					\$40,238.00

Based on the above estimate, price adjustments are made to Sales One and Two for their existing sewer and water hookups. No adjustment for utilities is made to Sale Three for similar availability. Sale Four has electricity, but no water or sewer. It is assumed that a buyer would install a septic system and well with an estimated cost of \$40,000.

Floodplain:

The entire subject property is in Zone X, outside of the floodplain. All of the sales are similar. No adjustments are made.

The Land Sales Adjustment Matrix is presented on the following page.

LAND COMPARABLE ADJUSTMENT MATRIX

ELEMENTS OF COMPARISON	SUBJECT	LAND COMP 1		LAND COMP 2		LAND COMP 3		LAND COMP 4	
	PARCEL C East Side State Route 66, North of Diagonal Way Parent Parcel #324-11-062	4630 N Santa Fe Drive Outside Airport Industrial Park Kingman, AZ 86401 310-19-181	Price / Acre Adjustments	3980 N Highway 66, Kingman, AZ; East side SR 66; West of railroad; Kingman, AZ 322-05-009A	Price / Acre Adjustments	Flightline Drive in Kingman Airport Industrial Park 310-19-229	Price / Acre Adjustments	SEC S Apache Rd & W Navajo Dr, Kingman, AZ 206-04-017	Price / Acre Adjustments
SALE PRICE / PER ACRE	N/A	\$369,000	\$105,128	\$550,000	\$151,682	\$310,000	\$42,120	\$257,700	\$10,000
PROPERTY RIGHTS CONVEYED <i>Adjustment</i>	Fee Simple	Fee Simple 0%	\$0	Fee Simple 0%	\$0	Fee Simple 0%	\$0	Fee Simple 0%	\$0
FINANCING TERMS <i>Adjustment</i>	Assume Cash to Seller	\$80,000 down; Cash to Seller 0%	\$105,128	Cash 0%	\$151,682	Cash to Seller 0%	\$42,120	Cash to Seller 0%	\$10,000
CONDITIONS OF SALE <i>Adjustment</i>	Assume Arm's -Length	Arm's-Length 0%	\$0	Arm's-Length 0%	\$151,682	Arm's-Length 0%	\$42,120	Assemblage for distribution warehouse 40%	\$0
MARKET CONDITIONS (TIME) <i>Adjustment</i>	June 3, 2023 Date of Value	August 24, 2021 0%	\$105,128	May 28, 2021 0%	\$151,682	September 19, 2019 0%	\$42,120		August 23, 2019 0%
			\$0		\$0		\$0		\$0
ADJUSTED SALE PRICE PER ACRE			\$105,128		\$151,682		\$42,120		\$14,000
LOCATION General	Good / South of Airport	Good / Kingman, near airport		Good / Kingman / South of Subject & Airport		Good / Kingman Airport Industrial Park		Fair / 7 miles south of Kingman; No Hwy Frontage	
Legal / Physical Access / Visibility <i>Adjustment</i>	Yes / Paved -Hwy 66 & Diagonal Way <i>Net Adjustment</i>	Yes / Paved /No Airport or Hwy Access -5%	-\$5,256	Yes / Paved /Frontage Rd 5%	\$7,584	Yes / Paved -5%	-\$2,106	Yes / Paved Road 75%	\$10,500
PHYSICAL CHARACTERISTICS Site Size in Acres <i>Adjustment</i>	23.60 <i>Net Adjustment</i>	3.51 -50%	-\$52,564	3.63 -50%	-\$75,841	7.36 -30%	-\$12,636	25.77 0%	\$0
Site Shape / Topography <i>Adjustment</i>	Rectangular / Level <i>Net Adjustment</i>	Irregular, Not Adverse / Level 0%	\$0	Irregular, not adverse / Level 0%	\$0	Irregular, Not Adverse / Level 0%	\$0	Rectangular / Level 0%	\$0
Zoning / Planned Use / <i>Adjustment</i>	Manufacturing - Mohave County <i>Net Adjustment</i>	AD - Airport Development; Light Industrial 0%	\$0	CM-Commercial/Manufacturing; Light Industrial; Svc Station Imps -30%	-\$45,505	AD-Airport Development; Heavy Industrial Mohave County General Plan 0%	\$0	MX-Heavy Manufacturing; Heavy Industrial, Mohave County General Plan 5%	\$700
Utilities Available <i>Adjustment</i>	Elec; Sewer & Water available; Sewer line in Diagonal Way <i>Net Adjustment</i>	Elec;Water;Sewer Connected; Previously developed lot; -\$40,238	-\$11,464	All utilities exc sewer; septic & well installed; previously developed lot -\$40,238	-\$11,097	All available, including sewer; connection charges apply \$0	\$0	Electric available; No water or sewer \$40,000	\$1,552
Floodplain <i>Adjustment</i>	Zone X (100%) <i>Net Adjustment</i>	Zone X (Outside) 0%	\$0	Zone X (Outside) 0%	\$0	Zone X 0%	\$0	Zone X 0%	\$0
	ADJUSTED SALE PRICE / ACRE		\$35,844		\$26,823		\$27,378		\$26,752

Value Conclusion:

The unadjusted value range from the land comparables is from \$10,000 to \$151,682 per acre. After making adjustments for the appropriate elements of comparison, the estimated value range for the subject parcel is from \$26,752 to \$35,844 per acre, with an arithmetic mean of \$29,199 and median of \$27,101 per acre. Greater weight is applied to the lower end of the range due to the current economic conditions and lack of demand in the Kingman area. Consideration is also given to the ADOT sale of the adjacent parcel for \$44,418 per acre. However, since that parcel consisted of only 2.49 acres, a significant downward adjustment for economies of scale should be applied.

Based on the foregoing analysis, the market value of the subject parcel of 23.6 acres of vacant land is \$27,000 per acre.

$$\text{\$27,000/Acre} \times 23.6 \text{ Acre} = \text{\$637,200, Rounded to } \text{\$640,000}$$

**MARKET VALUE OPINION FOR THE APPRAISED PROPERTY,
(23.6 Acres) AS OF JUNE 3, 2023 \$640,000**

EXPOSURE TIME:

Exposure time is the estimated length of time the appraised property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The exposure time is estimated by analyzing the marketing times from the comparables and other market data. No marketing times for any of the four land sales were provided.

A review of additional sales and listing land comparables in the area, not used in the above land analysis, indicated marketing times of 6 months to about 36 months. Market participants indicated the average marketing time for similar parcels of land is 12 to 18 months. Given the market conditions as of the date of value, the estimated exposure time is 18 months or less, assuming the property is priced in accordance with the appraised value.

PROJECT: M6975 01X
HIGHWAY: ASHFORK – KINGMAN HIGHWAY
SECTION: Ashfork - Kingman
PARCEL: L-K-038C
CONTRACT: CTR054974/JW-23-019

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 materials, which may or may not be present in the property, were not observed by myself or acknowledged by the owner. This 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, opinion, and conclusions were developed, and this report has been prepared, in conformity with the Arizona Department of Transportation Appraisal Standard and Specifications and the Uniform Standards of Professional Appraisal Practice.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, policies and procedures applicable to appraisal 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 that 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 result of such appraisal to anyone other than the property officials of the Arizona Department of Transportation or officials of the Federal Highway Administration, and I will not do so unless so authorized by property 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 subject as of the 6th day of July, 2023, based upon my independent appraisal and the exercise of my professional judgment is:

Parcel #L-K-038C

Market Value Opinion, as of June 3, 2023

\$640,000

Date: August 7, 2023

Signature: 
Steven R. Cole
*Arizona Certified General Real
Estate Appraiser #30130*

CERTIFICATION

THE APPRAISER CERTIFIES 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, unbiased professional analyses, opinions, and conclusions.

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

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

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

My analyses, opinions, and conclusions were developed, and this report has been prepared in accordance with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and any governmental authorities referenced within the appraisal report, including but not limited to the FDIC, OCC, FHLBB, and RTC.

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

Susanne Grace-Poore provided significant professional assistance to the person(s) signing this certification, including the search for comparable sale data and preparation of a draft of the report. However, the value conclusion was arrived at by the undersigned appraiser who bears responsibility for the value conclusion stated herein.

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

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

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute. The use of this report is subject to the requirements relating to review by its duly authorized representatives.

I hereby certify that I am competent to complete the appraisal assignment. The reader is referred to appraiser's Statement of Qualifications.

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

The "Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

As of the date of this report, Steven R. Cole has completed the continuing education program for Designated Members of the Appraisal Institute.



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

Date: August 7, 2023

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

FORMAL EDUCATION:

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

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

PROFESSIONAL EDUCATION:

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

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

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

"Case Studies in Real Estate Valuation"

"Introduction to Real Estate Investments Analysis"

"Litigation Valuation"

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

"Market Analysis"

"Review Theory - General"

Attendance at Numerous Educational Seminars:

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute (MAI), Certification Number 6080. The institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. As of this date, I have completed the requirements under the continuing education program of the Appraisal Institute. I am currently certified through December 31, 2017.

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

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

EXPERIENCE:

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

ADDITIONAL EDUCATIONAL AND PROFESSIONAL ACTIVITY:

Publication of articles in Professional Journals:

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

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

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

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

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

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

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

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

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

APPROVED APPRAISER:

With most major commercial banks and mortgage companies in Arizona.

STATE CERTIFICATION:

Arizona Certified General Real Estate Appraiser Number 30130. Currently certified through August 31, 2022.

ASSIGNMENTS INCLUDING TESTIMONY OR DEPOSITION – LAST 5 YEARS:

- 2/22/2019 - 18-142 – Mesch Clark Rothschild, FBI Office Building, deposition
- 12/21/2018 – 17-192 - May Potenza Baran & Gillespie, P.C., Sierra Vista hotel, deposition
- 6/22/2018 – 17-192- May Potenza Baran & Gillespie, P.C., Sierra Vista hotel, deposition
- 9/12/2017 – 17-116 – ADOT, Parcel 13-1917 Vista Montanesa Condos HOA, Prescott, Testimony
- 12/16/2016 – 16-235 – ADOT, Parcel 10-1870, Testimony
- 8/30/2016 – 15-267 – ADOT, Parcel 10-1638, Testimony
- 8/30/2016 – 15-241 – ADOT, Parcel 10-1645, Testimony
- 8/29/2016 – 16-001 – ADOT, Parcel 10-1618, Testimony
- 1/26/2016 – 13-053-- La Loma Grande, Testimony

-
- 1/15/2016 – 15-065 – ADOT, Parcel 10-1618, Testimony
 - 10/15/2015 – 15-245 – Ethan Steele Law, 402 E Grant Rd, Deposition
 - 7/27/2015 – 15-139 – ADOT/Arizona Attorney General's Office, 850 W. Ajo Way, Testimony
 - 6/26/2015 – 14-224 – ADOT/Arizona Attorney General's Office, Parcel 10-1876, Testimony
 - 5/21/2015 – 15-039 – ADOT/Arizona Attorney General's Office, Parcel 10-1800, Testimony
 - 4/16/2015 – 14-115 – ADOT/Arizona Attorney General's Office, Parcel 10-1802, Testimony
 - 2/27/2015 – 14-258 – ADOT/Arizona Attorney General's Office, Parcel 10-557, Testimony
 - 9/15/2014 – 14-180 - Munger Chadwick, P.L.C., 9084 and 9072 S Ocotillo Vista, Testimony
 - 8/13/2014 – 13-130 - John Baade, 2585 N. Wyatt, Testimony
 - 5/7/2014 – 13-130 - John Baade, 2585 N. Wyatt, Deposition

Department of Insurance and Financial Institutions
State of Arizona

CGA - 30130

This document is evidence that: **STEVEN R. COLE** 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 R. COLE

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

Expiration Date : **August 31, 2024**

ADDENDA

**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: March 4, 2020	Examiner: Jim Gregg	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:

County: Mohave	Tax Arb: 324-11-062	Disposal: N/A
Tracs No.: F-008-2-709	Highway: ASHFORK-KINGMAN	Excess Land: L-K-038 A, B and C
Fed. No.: N/A	Section: Ashfork-Kingman	Parcel No.: N/A

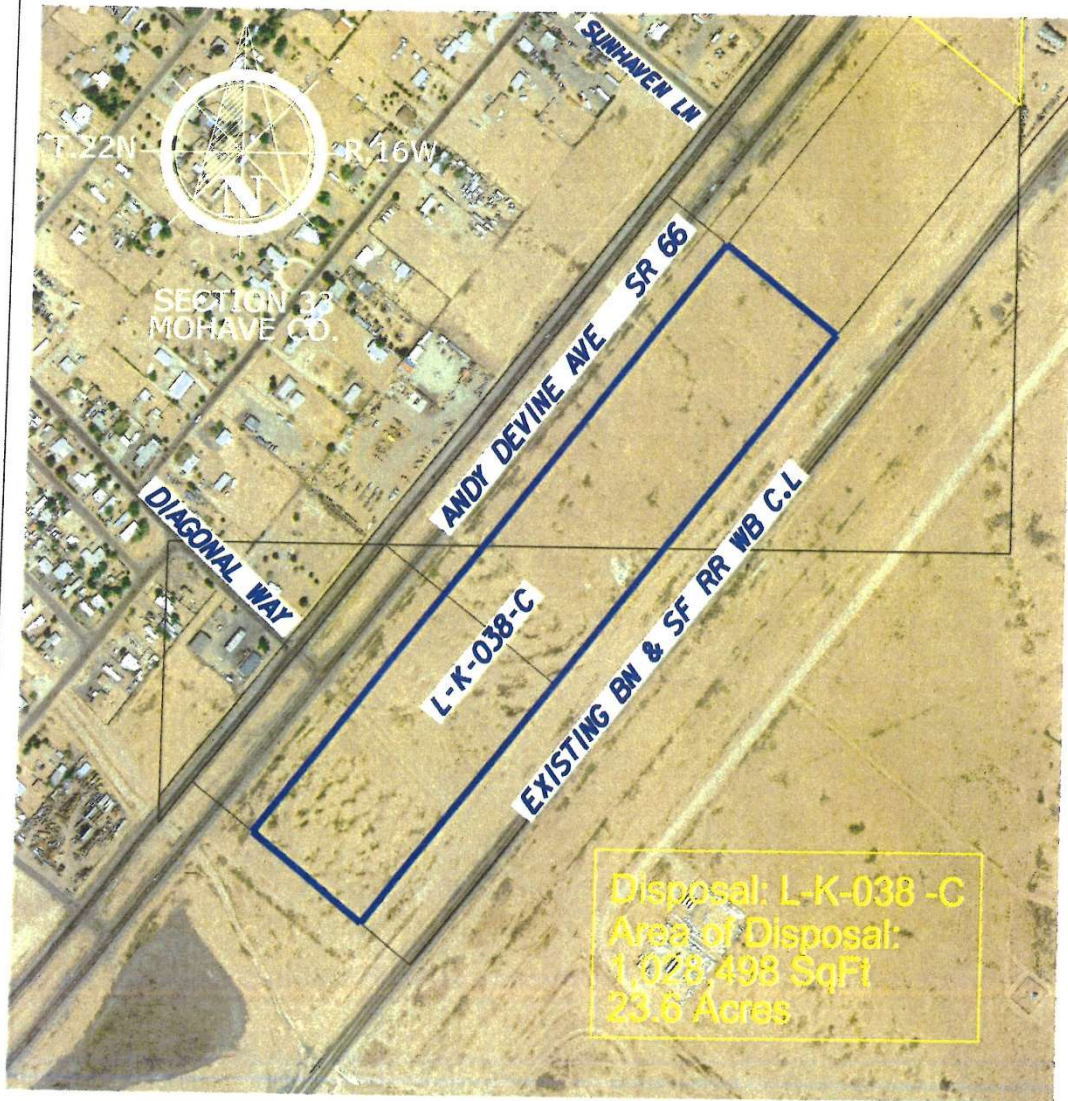
**SCHEDULE A-1
LEGAL DESCRIPTION**

That portion of the East half and the Southwest quarter of Section 33, Township 22 North, Range 16 West, of the Gila and Salt River Base and Meridian, Mohave Country Arizona, as depicted on Exhibit "A" attached, Sheet 9, of ADOT Drawing D-8-T-205, the Right of Way Plans of STATE HIGHWAY, Kingman - Ash Fork, Section, Project F008-2-709 01R.


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

- 2 -



PLEASE NOTE: This exhibit is intended for Appraisal purposes only. Refer to Final Right-of-Way Plans for additional information.

 ADOT Right Of Way <small>THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY</small>	DISPOSAL #	L-K-038C	HIGHWAY NAME:	KINGMAN - ASH FORK	
	EXHIBIT #	Exh-21.01	PROJECT NO.	066 MO 057 H6908 01R	
	DATE	01/14/21	FEDERAL AID NO.:	UNASSIGNED	
ROUTE NO.:	SR-66	LOCATION:	KINGMAN - AIRPORT	SHEET NO.:	1 OF 1

G:\9340\PROJECTS\MOHAVE (61066 MO 057 H6908 01R SR 66 -berry Label K-038 A-R-01) -KUTNER.DWG

RIGHT OF WAY / VESTING

1. Fee right of way for Historic State Route 66 from Santa Fe Pacific Railroad Company, a Corporation to the State of Arizona, Arizona Highway Commission, dated 10-01-1933, recorded 12-11-1933 in Book 48 of Deeds, page 551.
(covers more highway)

NOTE: The above Indenture conveyed the fee interest of the railroad through all sections described in the deed from Railroad's Northwesterly right of way line to the Northwesterly right of way line of US 66 as shown on Strip Map 8-T-93. It also contains mineral and various other reservations.

NOTE: This includes an erroneous legal description as to Parcel No. 16. It reads the East half and the Southeast quarter of said Section 33. It has long been held, and verified with Titles Manager, that the intent was to call out the Southwest quarter instead of the Southeast quarter (as the Southeast quarter is part of the East half).

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 not apply due to the property being acquired more than eight years prior to this transaction.

END OF REQUIREMENTS

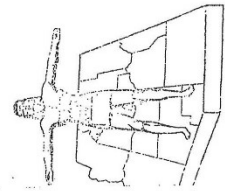
- 4 -

SCHEDULE B

1. Easements and agreements disclosed in Right of Way Map, Ashfork-Kingman Highway, Kingman to Hackberry Section, dated April 5, 1933, recorded in Strip Map C-T-93, for pipe line extensions and livestock purposes.
2. A line of poles with wires as disclosed by aerial view.

END OF SCHEDULE B

- 5 -



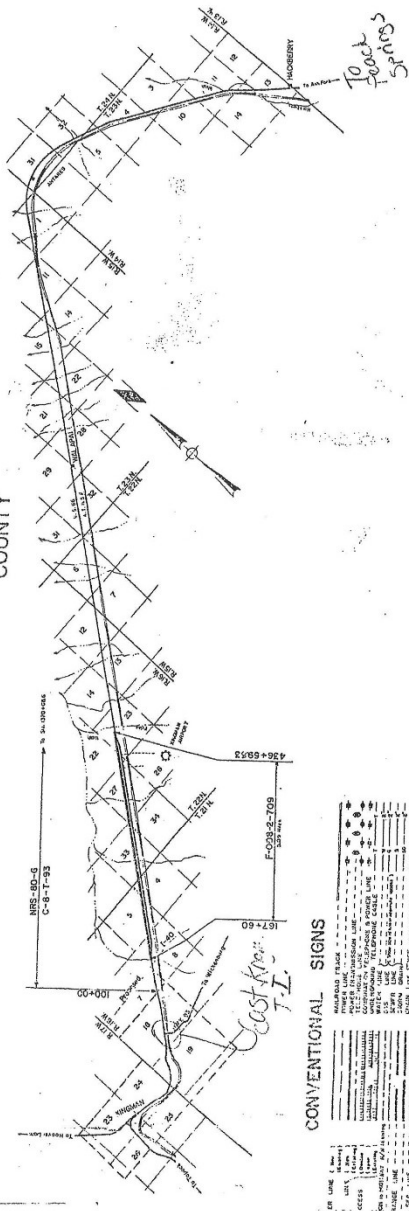
STATE OF ARIZONA
STATE HIGHWAY DEPARTMENT



RIGHT OF WAY PLAN OF THE
KINGMAN - ASHFORK
STATE HIGHWAY
PROJECT NO. E-008-2-709
-MOHAVE-
COUNTY

**RW/PLANS
FILE SET**

PROJECT NO.	DATE
APPROVED BY	DATE
RIGHT OF WAY MAP NO. C-10-1-233	
DRAWN BY	
CHECKED BY	
APPROVED BY	
DATE	
APPROVED BY	
DATE	
APPROVED BY	
DATE	



CONVENTIONAL SIGNS

NO.	DESCRIPTION	DATE	BY
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APPROVED FOR	DATE
APPROVED BY	DATE
APPROVED BY	DATE
APPROVED BY	DATE
APPROVED BY	DATE

C.O. # 4499, Dated 6-23-77 in process. File Set updated 10-7-77
File Set up 5-7-75

SEE 84-10-A-63

KINGMAN—ASHFORK HIGHWAY
 KINGMAN—AIRPORT SECTION
 MOHAVE COUNTY

REVISIONS	
NO.	DATE
1	10/27/79
2	11/15/79
3	12/10/79
4	1/10/80
5	2/10/80
6	3/10/80
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422	11/10/14

MSD



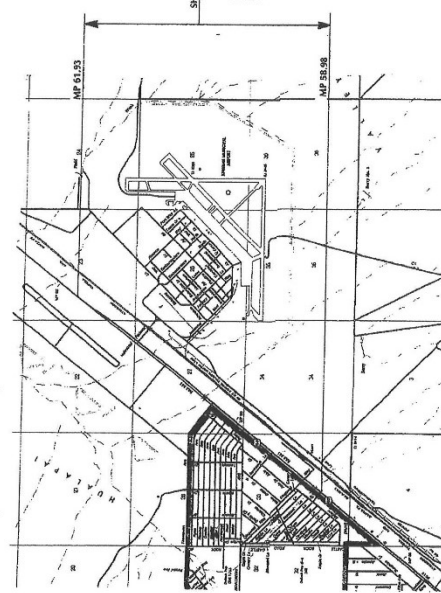
STATE OF ARIZONA
 DEPARTMENT OF TRANSPORTATION
 INTERMODAL TRANSPORTATION DIVISION
 PLAN AND PROFILE OF PROPOSED
STATE HIGHWAY
KINGMAN-SELIGMAN HIGHWAY (SR 66)
 S-066-A-501
 066 MO 059



ENGR. RECORDS
 AS-BUILT PLANS
 CENTRAL RECORDS

RECORD DRAWING
 These Plans indicate information provided as Record of Construction.
 Reviewed By: *Lawrence Phillips*
 Date: *1/2/06*
 Resident Engineer: *Michael Wozniak*
 Completion Date: *7/2/05*

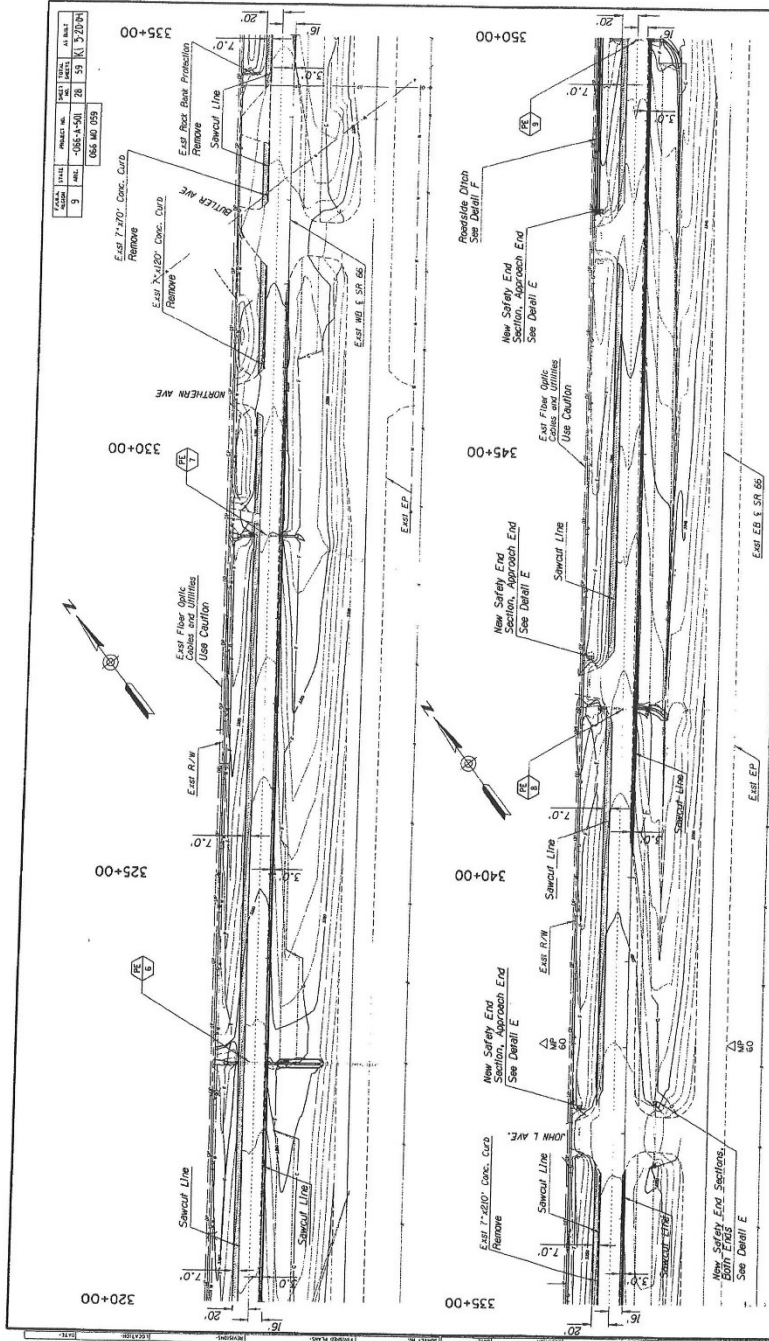
SHOULDER WIDENING
 SEE SHEET 2 - LACK OF AVAILABLE BORROW REQUIRED A COSTLY CHANGE.
 MNY



APPROVED DATE: 3/2/06
 ASSISTANT STATE ENGINEER
 NATIONAL DEPARTMENT OF TRANSPORTATION
 FEDERAL HIGHWAY ADMINISTRATION
 APPROVED FOR STATE RECORDS
 STATE ENGINEER

KINGMAN-KINGMAN AIRPORT, PH.II & III

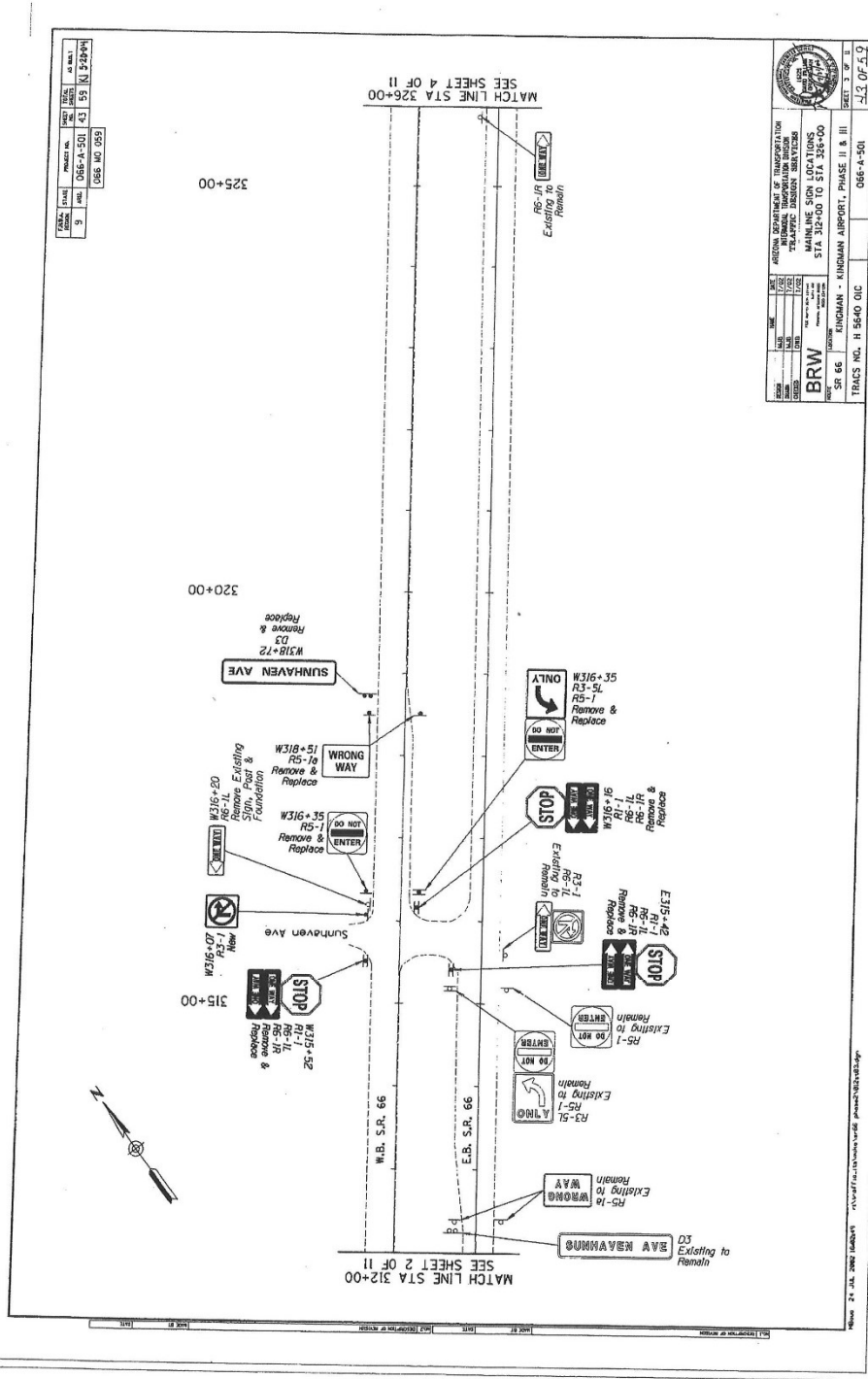
TRACS NO. HSR-40 01 C 066-A-501 L OF 512



DATE	10/20/10	PROJECT NO.	1085-A-501	28	55	K1, 2, 3, 4, 5
DRAWN BY	W. J. GALE	SCALE	AS SHOWN	DATE	10/20/10	
CHECKED BY	J. L. GALE	PROJECT	1085-A-501	28	55	K1, 2, 3, 4, 5
APPROVED BY	J. L. GALE	DATE	10/20/10			

FEDERAL AID PROJECT NO. 1085-A-501
 FEDERAL ROAD DISTRICT NO. 28
 COUNTY OF MONTGOMERY, MARYLAND
 PHASE II & III
 STATIONING 330+00 TO 350+00
 SR 66 KINGMAN-KINGMAN AIRPORT, PHASE II & III
 TRACS NO. 1085A0 DI C
 1085-A-501

PLAN SHEET
 28 OF 55



BRW	DESIGNED BY	DATE	PROJECT NO.	DATE	SCALE
	DATE	NO.	066-A-501	4/3	1/8" = 1'-0"
	DATE	NO.	066-A-501	4/3	1/8" = 1'-0"
	DATE	NO.	066-A-501	4/3	1/8" = 1'-0"

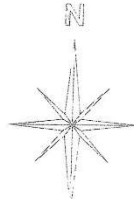
PROJECT: KINSMAN - KINSMAN AIRPORT, PHASE II & III
 TRACS NO. H 5640 01C
 SHEET 3 OF 3
 MATCHLINE SIGN LOCATIONS
 STA 315+00 TO STA 326+00

Sketch Plan

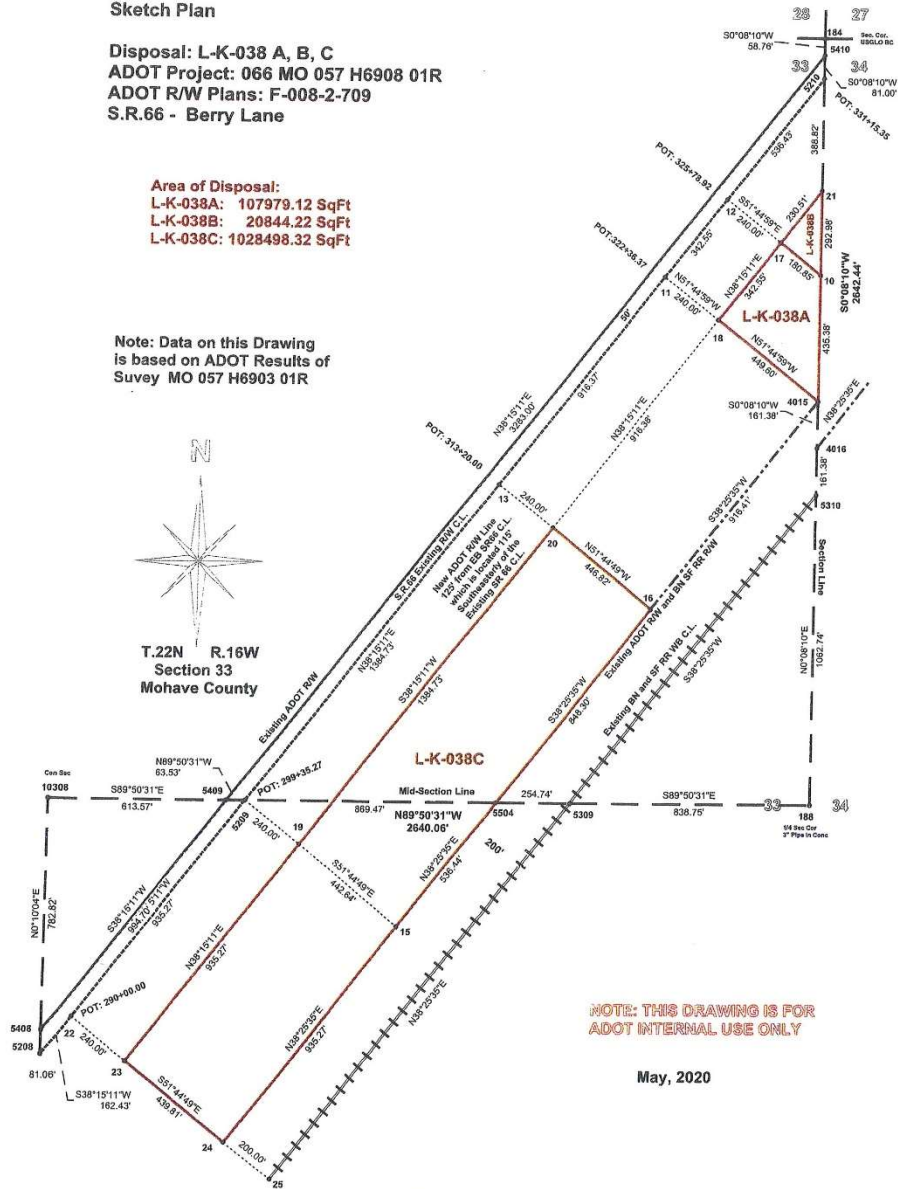
Disposal: L-K-038 A, B, C
ADOT Project: 066 MO 057 H6908 01R
ADOT R/W Plans: F-008-2-709
S.R.66 - Berry Lane

Area of Disposal:
L-K-038A: 107979.12 SqFt
L-K-038B: 20844.22 SqFt
L-K-038C: 1928498.32 SqFt

Note: Data on this Drawing is based on ADOT Results of Svey MO 057 H6903 01R



T.22N R.16W
Section 33
Mohave County



NOTE: THIS DRAWING IS FOR ADOT INTERNAL USE ONLY

May, 2020



PURCHASE ORDER

PHOENIX, on 5/31/2023
CTR054974/ JW-23-019/ M697501X/ L-K-038C/ Appraisal due 45 days from approval-SOUTHWEST APPRAISAL ASSOCIATES INC

SUPPLIER

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

ORDER No. P0000555301

(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	CTR054974-2	656788-1	CTR054974/ JW-23-019/ M697501X/ L-K-038C/ Appraisal due 45 days from approval Commentaire : L-K-038C	1.0000	Total Cost	5,500.0000	5,500.00

Total before Tax **5,500.00 USD**
 Non-Taxable - 0 % 0.00 USD
Total after Tax **5,500.00 USD**



DELIVERY CONDITIONS

Delivery Conditions	Date	Type	%	Amount	Item

PURCHASE ORDER TERMS AND CONDITIONS

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

- 1. Modification.** No modification of the purchase order shall bind State of Arizona Buyer (Buyer) unless Buyer agrees to the modification in writing.
- 2. Packing and Shipping.** Seller shall be responsible for industry standard packing which conform to all legal requirements. Containers must be clearly marked with any required identifying information such as the lot number, destination address, and purchase order number.
- 3. Title and Risk of Loss.** The title and risk of loss of the materials shall not pass to Buyer until Buyer physically receives the materials at the point of delivery.
- 4. Invoice and Payment.** A separate invoice shall be issued for each shipment. No invoice shall be issued prior to shipment of materials and no payment will be made prior to receipt and acceptance of materials and correct invoice. Payment due dates, including discount periods, will be computed from date of receipt of materials or date of receipt of correct invoice (whichever is later) to date Buyer's warrant as mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment shall be subject to the provisions of Title 35 of Arizona Revised Statutes (A.R.S.), subject to the requirements and limitations of A.R.S. § 35-154. The Buyer's obligation is payable solely from funds appropriated for the purpose of acquiring the materials or services referred to in this Purchase Order; should Buyer's funding change, no legal liability on the part of the Buyer for any payment may arise under this Purchase Order until funds are made available for performance.
- 5. Inspection.** All materials are subject to final inspection and acceptance by Buyer. Material failing to meet the requirements of this Purchase Order will be held at Seller's risk and may be returned to Seller. If so returned, the cost of transportation, unpacking, inspection, repacking, reshipping, or other similar expenses are the responsibility of the Seller.
- 6. No Replacement of Defective Tender.** Every tender of materials must fully comply with all provisions of Purchase Order as the time of delivery, quantity, quality and the like. If a tender is made which does not fully conform, it shall constitute a breach and Seller shall not have the right to substitute a conforming tender.
- 7. Gratuities.** The buyer may, by written notice to the Seller, cancel this Purchase Order if it is found by Buyer that gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by the Seller, or any agent or representative of the Seller, to any officer or employee of the State of Arizona with the purpose of securing an order or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with the respect to the performing, of such order. In the event this Purchase Order is canceled by Buyer pursuant to this provision, Buyer shall be entitled to recover or withhold from the Seller the amount of the gratuity, in addition to any other rights and remedies available under Arizona state law.
- 8. Warranties.** Seller warrants that all materials and services delivered under this Purchase Order will conform to the requirements of this Purchase Order (including all applicable descriptions, specifications, drawing and samples) will be free from defects in material and workmanship and will be free from defects in design and fill for the intended purposes. Any inspection or acceptance of the materials or services by Buyer shall not alter or affect the obligations of Seller or the right of Buyer under the foregoing warranties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Infrastructure Delivery and Operations

An Arizona Management System Agency

Douglas A. Ducey, Governor
John S. Halikowski, Director
Dallas Hammit, State Engineer
Steve Boschen, Division Director

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

May 22, 2023

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

RE: Appraisal Assignment No.: JW-23-019
PROJECT: M6975 01X
HIGHWAY: ASHFORK - KINGMAN HIGHWAY
SECTION: Kingman - Airport
PARCEL: L-K-038 C

Dear Steven Cole:

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

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

ADOT Procurement Group will issue a Purchase Order that will be your notice to proceed with the appraisal assignment. You may contact the property owners to arrange for the property inspection after you receive your notice to proceed from procurement. Inspection dates/times must be provided at least seven calendar days prior to inspection to the Property Owner and emailed to Vanessa Nunez (VNunez@AZDOT.GOV); Jim Walcutt (JWalcutt@AZDOT.GOV); Robert Jeffery (RJJeffery@AZDOT.GOV); and Timothy O'Connell (TO'Connell@AZDOT.GOV)

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

Additional information regarding the parcel is as follows:

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

ARIZONA DEPARTMENT OF TRANSPORTATION
1801 W. Jefferson St., Suite 120, MD 102M | Phoenix, AZ 85007 | azdot.gov

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

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

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

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

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

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

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

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

Sincerely,
Jim Walcutt
R/W Project Management Section

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

Southwest Appraisal Associates, Inc
Steven Cole

May 22, 2023

RESPONSE DUE ON OR BEFORE

RE: REVIEW APPRAISER ASSIGNMENT NO: JW-23-019
PROJECT: M6975 01X
HIGHWAY: ASHFORK - KINGMAN HIGHWAY
SECTION: Kingman - Airport
PARCEL(S): L-K-038 C

PARCEL #	30 Day Bid	45 Day Bid
L-K-038 C	NA	5,500
TOTAL	\$ /	\$ 5,500

Quote prepared by:
Steven Cole, Certification # 30130

Date 5/25/23

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