

APPRAISAL COVER SHEET

TYPE OF REPORT: Appraisal for Market Value

ASSESSOR PARCEL NO.: 182-33-001

ADOT PARCEL NO.: L-Y-020

OWNER NAME: State of Arizona Department of Transportation,
ADOT.

NAME & LOCATION OF PROPERTY: Vacant land consisting of approximately 40 acres or 1,742,400 square feet according to the client. The property is located southeast of Avenue 12 E and southwest of County 9th Street in Yuma County, Arizona. The property does not currently have a property address as the land is vacant.

PROJECT: M6975 01X

HIGHWAY: AVE 3E Highway

SECTION: Jct. US 80 / I-8

DATE OF APPRAISAL REPORT: June 17, 2024

EFFECTIVE DATE OF VALUE: May 28, 2024

APPRAISERS:

STEVEN R. COLE, MAI, SRA, AI-GRS
*CERTIFIED GENERAL REAL
ESTATE APPRAISER #30130*

JOHN MEDLEY
*CERTIFIED GENERAL REAL
ESTATE APPRAISER #1049989*

Aerial Photograph of the Subject Property ADOT Parcel L-Y-020.
Located southeast of Avenue 12 E and southwest of County 9th Street, Yuma, Yuma
County, Arizona



Boundary lines are an approximation



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June 17, 2024

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

REF: Appraisal of the ADOT Parcel L-Y-20 located southeast Avenue 12E and southwest of County 9th Street in Yuma, Yuma County, Arizona.
Appraisers' File No.: 24-098-L

Mr. Walcutt,

At your request, we have provided our market value opinion for the subject property referenced above. The subject property is located north of the eastern most portion of the Yuma urbanized area. The site is comprised of 40.0 acres, the majority of which lies within the floodplain and floodway of the Fortuna Wash. This restricts the development of the subject property and limits its functionality and marketability.

Currently, the subject property does not have legal access that is physically possible. The existing legal access is to Highway 95. However, there is no physical ingress or egress due to the construction of the U.S. Highway 95 bridge over Fortuna Wash. Due to this, an alternative route of access is required. The property has physical access from Avenue 12 E. However, this access requires a high clearance vehicle and does not provide all-weather access. The lack of access is a detriment to the marketability of the subject property. In the Site Analysis section, this appraisal will outline the most cost-effective way to obtain physical and legal access to the subject.

The property was previously used by ADOT for stockpiling reclaimed asphalt and concrete from road projects in the area. This material is stored on approximately 5 acres in the northeast portion of the property. We have estimated the cost to remove the existing asphalt and concrete to be \$192,912, as outlined in the Site Analysis. According to BLT Companies in Yuma, the materials on-site are not desirable for salvage value. Due to this, removal of the existing materials is not financially feasible. As the highest and best use of the subject property is for investment, a buyer would not likely pay to remove the existing materials. Due to the high cost of removing the millings, these 5 acres do not contribute to the property's market value. Thus, these 5 acres are excluded from this appraisal in our estimated market value for the subject property.

The purpose of this appraisal is to provide market value opinion for the subject parcel, as of May 28, 2024, the effective date of value, pursuant to Arizona Revised Statute 28-7091, as follows:

“Market Value’ means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”¹

The intended users of the appraisal includes the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading. The intended use of the appraisal is to utilize the market value estimate to assist in decisions regarding the disposition of the property identified herein.

This appraisal report is intended to comply with the Arizona Department of Transportation Appraisal Standards and Specifications. Further, this is an appraisal report that is intended to comply with the reporting requirements set forth in Standards rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach is utilized to support our market value opinion. Since this valuation is for land value only, the Cost and Income Approaches are omitted.

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 Contingent and Limiting Conditions contained in this report.

Based upon the data, analyses, opinion and conclusions contained in this report, our market value opinion, as of May 28, 2024, is as follows:

**“AS IS” MARKET VALUE OPINION
FOR THE SUBJECT 40.0 ACRES\$105,000
\$2,625 per Acre**

The value opinion provided herein is subject to the following Extraordinary Assumptions and Limiting Conditions, and appraiser certifications.

Extraordinary Assumption:

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

“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the

¹ Arizona Revised Statute 28-7091

*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

This appraisal report is based on the following extraordinary assumptions:

- 1) *No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the disposal parcel.*
- 2) *No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the disposal parcel.*
- 3) *The disposal parcel was inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the disposal parcel.*
- 4) *This appraisal assumes that legal access could be secured to the subject through adverse possession by necessity or other legal means.*

Hypothetical Condition:

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

*“A hypothetical condition is a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”*³

There are no hypothetical conditions that apply to this appraisal. ***The use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.***

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

Respectfully submitted,



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



John E. Medley
Certified General Real
Estate Appraiser # 1049989

² *Uniform Standards of Professional Appraisal Practice, 2024 Ed., Appraisal Foundation*

³ *Uniform Standards of Professional Appraisal Practice, 2024 Ed., Appraisal Foundation*

TABLE OF CONTENTS

| | |
|--------------------------------------|-----------|
| TABLE OF CONTENTS | 4 |
| SUBJECT PROPERTY PHOTOS | 1 |
| EXECUTIVE SUMMARY | 1 |
| THE APPRAISAL PROCESS | 2 |
| PROPERTY IDENTIFICATION | 2 |
| DEFINITIONS..... | 3 |
| OWNERSHIP HISTORY | 5 |
| SCOPE OF WORK..... | 5 |
| REGIONAL ANALYSIS | 8 |
| NEIGHBORHOOD ANALYSIS | 15 |
| MARKET ANALYSIS | 17 |
| SITE ANALYSIS..... | 22 |
| ZONING | 31 |
| HIGHEST AND BEST USE..... | 33 |
| LAND VALUATION | 35 |
| LAND VALUATION ANALYSIS | 42 |
| AUDITING BREAKDOWN..... | 49 |

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

The Appraisers assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraisers render any opinion as to the title, which is assumed to be good and marketable. A Right of Way Disposal Report has been furnished to the Appraisers. 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 Appraisers have made no survey of the property. Any sketch or map in the report may show approximate dimensions and is included for illustrative purposes only. It is the responsibility of a certified engineer, architect or registered surveyor to show by a site plan the exact location of the subject property or any improvements or any proposed improvements thereon, or the exact measurements or calculations of estimated area of the site. In the absence of such a survey, the Appraisers may have utilized Tax Assessor's maps or other maps 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 Appraisers has relied upon building measurements provided by the client, owner, or agents of these parties. In their absence, the appraisers have relied upon their 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 Appraisers have relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. 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 Appraisers 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 Appraisers 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 Appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless prior arrangements have been made and confirmed in writing.

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

The Appraisers 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 Appraisers assume 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 Appraisers assumes, and the clients warrant, that no such materials adversely affect the utility, usability or development potential of the property to the best of their knowledge. The Appraisers are 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 clients are 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 us. We have not performed a compliance survey to determine if it is in conformance with the A.D.A (Americans with Disabilities Act). The Appraisers assumes, and the clients warrant, that no such barriers adversely affect the utility, usability, or development potential of the property to the best of their knowledge. The Appraisers are not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. The clients are urged to retain an expert in this field, if desired.

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

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

On all reports which are undertaken subject to satisfactory completion of, alterations of or repairs to improvements, the report and value conclusions contained in it are contingent upon completion of the improvements or of the repairs thereto or alterations thereof in a

workmanlike manner and consistent with the specifications presented to the Appraisers.

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants. They should not be judged on whether specific items in the forecasts are realized. The Appraisers 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 appraisers 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 appraisers are 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 appraisers 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 clients 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 clients or any other party constitutes acceptance of all the above limiting conditions.

Extraordinary Assumption:

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

*“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis”.*⁴

This appraisal report is based on the following extraordinary assumptions:

- 1) *No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the disposal parcel.*
- 2) *No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the disposal parcel.*
- 3) *The disposal parcel was inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the disposal parcel.*
- 4) *This appraisal assumes that legal access could be secured to the subject through adverse possession by necessity or other legal means.*

Hypothetical Condition:

⁴ *Uniform Standards of Professional Appraisal Practice, 2024 Ed., Appraisal Foundation*

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

“A hypothetical condition is a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”⁵

This appraisal report is based on the following hypothetical conditions:

There are no hypothetical conditions that apply to this appraisal.

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

⁵ *Uniform Standards of Professional Appraisal Practice, 2020-2023 Ed.*, Appraisal Foundation

SUBJECT PROPERTY PHOTOS

Photo 1: Existing Legal Access Along North Property Boundary



Photo 2: Facing West from Northeast Corner, Note Proximity to Rail Line



Photo 3: Facing Southwest from Northeastern Property Boundary



Photo 4: Asphalt and Concrete Disposal Material in Northeast Corner



Photo 5: Debris in Fortuna Wash



Photo 6: Facing South in the Fortuna Wash from Center of Property



Photo 7: Entrance to Existing Physical Access from Rifle Range Road



Photo 8: Satellite Imagery from South Property Boundary Facing North



EXECUTIVE SUMMARY

| | |
|--|---|
| Property Location: | The subject property is located Southeast of S Avenue 3 E and southwest of County 9 th Street in Yuma, AZ. |
| Assessor's Parcel Number: | 182-33-001 |
| Property Type: | Vacant Land |
| Effective Date of Value: | May 28, 2024, the date of the property inspection. |
| Purpose of the Appraisal: | Provide "As Is" Market Value opinion for the subject property. |
| Intended Use: | The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the potential sale of the subject property. |
| Intended Users: | The intended users of the appraisal includes the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading. |
| Interest Appraised: | Fee Simple Interest. |
| Site Size: | According to the Yuma County Assessor, the subject property consists of 1,742,400 square feet or 40 acres. |
| Hazardous Substances: | None known. |
| Flood Insurance Zones: | The subject property is located within the following flood zones: Zone AE, Zone A, Zone X Shaded, and Zone D. |
| Zoning: | Zoned RA-10, Rural Agricultural in Yuma County. |
| Highest & Best Use: | Investment Purchase for Future Development. |
| <i>As Is" Market Value Opinion:</i> | <i>\$105,000</i> |
| Exposure Time: | Exposure time is estimated at 12 months if priced appropriately. |

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 Data, Neighborhood Data, Site Analysis, and Highest and Best Use. The highest and best use of the subject property 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 for the fee simple in the subject property. The three traditional approaches to value are considered. However, since the subject property is vacant land, only the Sales Comparison Approach is applicable.

In the Sales Comparison Approach, recent sales of similar properties, known as "comparables," are analyzed and adjusted 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 property determines the reliability of this approach.

PROPERTY IDENTIFICATION

The subject property is identified as Yuma County Assessor's Parcel Number 182-33-001 which is comprised of 40.0 gross acres. A brief legal description for the subject is as follows:

Northwest Quarter of the Northwest Quarter, Section 33, Township 8 South, Range 21 West, Gila & Salt River Base & Meridian, Yuma County, Arizona.

PURPOSE OF THE APPRAISAL

| | |
|---|---|
| <i>Purpose of the Appraisal:</i> | The purpose of the appraisal is to provide “as is” market value opinions of the fee simple estate. |
| <i>Intended User of the Appraisal:</i> | The intended users of the appraisal includes the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading. |
| <i>Intended Use of the Appraisal:</i> | The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the potential sale of the subject property. |
| <i>Date of Value Opinion:</i> | The effective date of the value opinion is May 28, 2024, the date of the property inspection. |
| <i>Date of the Appraisal Report:</i> | The date of the appraisal report is June 17, 2024. |

DEFINITIONS

Appraisal:

“(noun) The act or process of developing an opinion of value; an opinion of value. (adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.”⁶

Appraiser:

“One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.”⁷

Contiguity:

“The quality or state of being contiguous.”⁸

Economic Unit:

1. “A portion of a larger (parent) parcel, vacant or improved, that can be described and valued as a separate and independent parcel. Physical characteristics such as location, access, size, shape, existing improvements,

⁶ Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2018-2019.

⁷ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 10

⁸ Merriam-Webster On-Line Dictionary, 2010.

and current use are considered when identifying an economic unit. The economic unit should reflect marketability characteristics similar to other properties in the market area. In appraisal, the identification of economic units is essential in highest and best use analysis of a property.”

2. “A combination of parcels in which land and improvements are used for mutual economic benefit. An economic unit may comprise properties that are neither contiguous nor owned by the same owner. However, they must be managed and operated on a unitary basis and each parcel must make a positive economic contribution to the operation of the unit.”⁹

Exposure Time:

“The estimated length of time the property interest being appraised 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.”¹⁰

Fee Simple Estate:

The Fee Simple Estate is the interested to be appraised for the subject within this report.

“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.”¹¹

Larger Parcel:

“In governmental land acquisitions and in valuation of charitable donations of partial interest in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, and unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.”¹²

Market Value:

“'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.”¹³

⁹ Appraisal Institute, The Dictionary of Real Estate Appraisal (Sixth Edition), pg. 72-73

¹⁰ Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2016-2017.

¹¹ Appraisal Institute, The Dictionary of Real Estate Appraisal (Sixth Edition), pg. 90

¹² Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 105

¹³ Arizona Revised Statute 28-7091

OWNERSHIP HISTORY

According to the Yuma County Assessor, title to the subject property is vested in the State of Arizona as granted by a Conveyance Deed on October 20, 1953, recorded in Book 151, Page 201. The subject property has been listed for sale by ADOT since 2018 at \$600,000. This list price was reduced to \$440,000 in September 2020 and reduced again in September 2021 to \$352,000. During this list period there were no offers to purchase the subject property. In April 2022, the property was reduced to \$180,000 which is its currently listed sale price. No offers to purchase have been received by ADOT at the current list price. To the best of the appraiser's knowledge, there have been no title transfers, sales or offers to purchase since the subject has been on the open market.

On Tuesday, May 21, 2024 Arizona Department of Transportation officials were informed of the May 28, 2024 inspection. At the time, Mr. Jim Walcutt planned to accompany the appraisers on the property inspection. On the day of the inspection, Mr. Walcutt was unable to travel to Yuma to accompany the appraisers on the inspection. No representatives from ADOT accompanied the appraisers on the 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 opinions. The Sales Comparison Approach is employed to estimate the market value of the subject property. The Cost and Income Approaches are excluded since the market does not rely on these approaches when valuing vacant land.

In accordance with *Uniform Standards of Professional Appraisal Practice* (USPAP) 2024, 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, and confirmation of comparable market data.

Research included the examination of sales and listing data published by CoStar COMPS of Arizona, Multiple Listing Service of Southern Arizona (MLSSAZ), Yuma County public records, and interviews with real estate participants and brokers. Based on

our conclusions of Highest and Best Use, vacant land property sales with similar uses were selected.

The comparable properties and other market data that is included in the analysis are considered to be the best available. The data selected is adequate to provide reliable indications of market value for the subject property. Overall, the market value opinion provided in this report is adequately supported.

Limitation in Scope:

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

REGIONAL MAP



REGIONAL ANALYSIS

The subject property is located within Yuma County in the State of Arizona. This section presents an analysis of Yuma County's growth and economic trends. The City of Yuma is also reviewed here as it is the largest metro in the county. Then, we provide a conclusion relating these area trends to the valuation of the subject.

Overview - Yuma County

Yuma County is located in the southwestern part of the State of Arizona. It is approximately 172 miles to San Diego and 185 miles to Phoenix from Yuma. The county is bordered by California to the west and Mexico to the south. The Arizona counties of La Paz, Maricopa, and Pima are to the north and east. Yuma was originally founded as a trading post due to its location near the Colorado River, facilitating river crossings. Agriculture, trade, tourism, and defense have long been part of the area's economy. Due to its location in the southern deserts, Yuma has among the highest temperatures in the United States, with summer temperatures exceeding 100 degrees.

Yuma County has a mostly rural character with a limited population base. There are only four incorporated cities in the County. These are San Luis, Somerton, Wellton, and Yuma. Yuma is the largest municipality in the county. The Office of Economic Opportunity estimates that the population of Yuma in 2023 was 214,264 persons. The three most important economic sectors are agriculture, military, and winter tourism. The area also benefits from retail trade with Mexico as Yuma area stores are patronized by cross-border Mexican shoppers.

Population -Yuma County

Yuma County has had a continually growing population. During the seven-year period from 2017 through 2023 the total growth rate was 6.80%, or 0.97% annually. The growth rate for the most recent year, 2023, was 2.07%, the highest growth rate over this 7-year period. This population growth rate is represented in the following chart.

**Population
Yuma County**

| Year | Total Population | Numerical Increase | Percent Increase |
|------|---------------------|-----------------------|---------------------|
| 2017 | 200,595 | N/A | N/A |
| 2018 | 201,032 | 437 | 0.22% |
| 2019 | 202,457 | 1,425 | 0.71% |
| 2020 | 204,722 | 2,265 | 1.12% |
| 2021 | 207,318 | 2,596 | 1.27% |
| 2022 | 209,920 | 2,602 | 1.26% |
| 2023 | 214,264 | 4,344 | 2.07% |

Source: State of Arizona, Office of Economic Opportunity

Gross Domestic Product – Yuma County

The primary measure of an area’s economic activity is Gross Domestic Product (GDP). As indicated, Yuma has experienced growth in GDP for four of the seven years noted. Most recently, GDP increase by 6.25% in 2022. GDP figures for Yuma County are provided in the following table for the past seven years.

**Gross Domestic Product
Yuma County**

| Year | Total | Numerical Increase | Percent Increase |
|------|--------------|-----------------------|---------------------|
| 2017 | \$ 7,543,432 | \$ 399,598 | 4.04% |
| 2018 | \$ 7,522,243 | \$ (21,189) | 3.56% |
| 2019 | \$ 7,747,758 | \$ 225,515 | 5.39% |
| 2020 | \$ 7,516,153 | \$ (231,605) | -2.99% |
| 2021 | \$ 7,658,882 | \$ 142,729 | 1.90% |
| 2022 | \$ 8,137,550 | \$ 478,668 | 6.25% |

Source: U.S. Bureau of Economic Analysis

Employment – Yuma County

Total employment in Yuma County continues to experience positive growth, with an increase of 13.4% over the last 7-year period. The overall growth over the last 7 years is largely attributed to the increases of employment in 2019 and 2022. Excluding those two years, employment has experienced minimal growth or a decline.

**Employment
Yuma County**

| Year | Total Employment | Numerical Increase | Percent Increase |
|------|---------------------|-----------------------|---------------------|
| 2016 | 76,271 | N/A | N/A |
| 2017 | 78,354 | 2,083 | 2.73% |
| 2018 | 78,076 | (278) | -0.35% |
| 2019 | 84,487 | 6,411 | 8.21% |
| 2020 | 84,484 | (3) | 0.00% |
| 2021 | 83,791 | (693) | -0.82% |
| 2022 | 87,602 | 3,811 | 4.55% |
| 2023 | 86,500 | (1,102) | -1.26% |

Note: All figures are as of January.

Source: U.S. Bureau of Labor Statistics. Employment Back-Data

Unemployment – Yuma County

Unemployment rates for Yuma County have declined 4.5% over the last 6-year period. As Yuma County is largely dependent on seasonal agricultural workers, unemployment fluctuates throughout the year. The following chart represents the change in unemployment since 2017.

**Unemployment Rates
Yuma County**

| Year | Unemployment Rate |
|------|----------------------|
| 2017 | 15.1% |
| 2018 | 14.3% |
| 2019 | 14.1% |
| 2020 | 13.9% |
| 2021 | 10.3% |
| 2022 | 10.6% |
| 2023 | 10.6% |

Note: All figures are as of May.

Source: Federal Reserve Bank, Economic Data.

San Luis Port of Entry

The San Luis Land Port of Entry (LPOE) serves as a critical economic engine for the City of San Luis and Yuma County. Cross-border trade and tourism facilitated by this port of entry contribute substantially to the regional economy. According to the provided

information, shoppers from Mexico contribute approximately \$160 million annually to Yuma County's economy.¹⁴ The port's efficient operation is vital for supporting the county's major industries, including agriculture, tourism, and military/government activities.

Prior studies have highlighted the significant costs associated with delays and congestion at the San Luis LPOE. In 1998, delays for non-commercial vehicles resulted in an annual cost of \$15.4 million due to lost productivity, while commercial vehicle delays cost \$1.8 million annually.¹⁵ To address these issues, the San Luis II Commercial Port of Entry was constructed in 2010, separating commercial and non-commercial traffic flows. This expansion aimed to increase efficiency, reduce delays, and foster economic growth driven by cross-border trade and the maquiladora industry in Mexico. The relocation of commercial operations was projected to save money from decreased traffic congestion for commercial shipments while enabling continued economic activity around the original San Luis I LPOE focused on non-commercial interests like tourism and cross-border shopping.

Agriculture Industry – Yuma County

Yuma County stands as a preeminent agricultural hub, contributing approximately 30% of Arizona's total agricultural cash receipts. Despite farmland comprising a mere 7% of the county's total land area, agriculture plays an indispensable role, accounting for over 14% of the county's gross domestic product and employing nearly one-fourth of all private industry workers. The county has garnered a reputation for its prolific production of winter vegetables, particularly leafy greens such as romaine, iceberg, and leaf lettuce, supplying an impressive 80-95% of the United States' weekly shipments during peak weeks in December. Notably, Yuma County ranks as the third-largest vegetable and melon producing county nationwide, with sales amounting to \$782.3 million in 2017. Other major agricultural commodities include grains, oilseeds, fruits, tree nuts, and berries. The county's mild winter temperatures, abundant sunshine, fertile soil derived from the Colorado River, and access to irrigation water create an optimal environment conducive to agricultural endeavors.

¹⁴ <https://www.gsa.gov/system/files/EA.pdf>

¹⁵ <https://www.gsa.gov/system/files/EA.pdf>

Military – Yuma County

Yuma County hosts a substantial military presence that plays a vital role in the local economy. The two major military installations are Marine Corps Air Station Yuma (MCAS Yuma) and the U.S. Army Yuma Proving Ground. MCAS Yuma functions as the premier aviation training facility for the U.S. Marine Corps. The Yuma Proving Ground is one of the largest military installations in the western United States and Yuma County's top civilian employer with over 2,300 personnel. Established in 1943, it plays a decisive role in ensuring the safety and functionality of weapon systems and equipment issued to American soldiers. According to a study commissioned by the State of Arizona, Yuma Proving Ground has an economic impact of \$1.1 Billion¹⁶ annually for Yuma County's economy.

The Yuma Proving Ground boasts several unique testing capabilities that contribute to its significance. It manages three of the four recognized extreme natural environment testing sites for the U.S. military, including desert, cold weather, and tropic regions. It features the longest overland artillery range in the country and a highly instrumented helicopter armament test range called the Cibola Range. Extensive testing and development work on the Global Positioning System (GPS) took place at the proving ground, leveraging its specialized tracking systems and software. The clear, stable air and extremely dry climate make it an ideal venue for unmanned aircraft testing, utilized by both military and commercial customers.

The military's longstanding presence in Yuma County dates back to the establishment of Fort Yuma in 1850 and the Yuma Quartermaster Depot in 1865, which served as a vital supply base for Army posts in the region. This deep-rooted military heritage, coupled with the county's strategic location and unique environmental conditions, has solidified Yuma County's role as a critical hub for military training, testing, and operations.

Population – City of Yuma

Similar to the County, the City of Yuma has had continual population growth. During the most recent ten-year period, the total population growth rate was 9.4%. In 2023, the City of Yuma experienced its largest population growth rate over the last 10-year period with a

¹⁶ <https://www.dvidshub.net/news/397222/us-army-yuma-proving-grounds-economic-impact-significant-longstanding>

2.3% increase. The City of Yuma population growth over the last 10-year period is represented in the following chart.

**Population
City of Yuma**

| Year | Total Population | Numerical Increase | Percent Increase |
|------|---------------------|-----------------------|---------------------|
| 2013 | 92,206 | (196) | -0.21% |
| 2014 | 91,911 | (295) | -0.32% |
| 2015 | 92,188 | 277 | 0.30% |
| 2016 | 93,424 | 1,236 | 1.34% |
| 2017 | 93,443 | 19 | 0.02% |
| 2018 | 94,031 | 588 | 0.63% |
| 2019 | 94,624 | 594 | 0.63% |
| 2020 | 96,355 | 1,731 | 1.83% |
| 2021 | 97,883 | 1,528 | 1.59% |
| 2022 | 98,527 | 644 | 0.66% |
| 2023 | 100,858 | 2,331 | 2.31% |

Arizona Office of Economic Opportunity

Employment by Industry – City of Yuma

According to the United States Census Bureau, the largest employment sector in Yuma County is Educational Services, Health Care, and Social Assistance. This sector accounts for 19.8% of the workforce. The Agriculture, Forestry, Fishing, Hunting, and Mining sector employs 11.7% of the population. Additionally, Arts, Entertainment, Recreation, Accommodation, and Food Services make up 11.6% of employment. These statistics, which are outlined in the following chart, exclude the defense sector. According to Visityuma.com, The defense sector is the second largest employer in Yuma.

| Industry | Estimate | Percent |
|--|----------|---------|
| Educational services, and health care and social assistance | 14,918 | 19.80% |
| Agriculture, forestry, fishing and hunting, and mining | 8,768 | 11.70% |
| Arts, entertainment, and recreation, and accommodation and food services | 8,706 | 11.60% |
| Public administration | 8,003 | 10.60% |
| Construction | 6,971 | 9.30% |
| Retail trade | 6,512 | 8.70% |
| Professional, scientific, and management, and administrative and waste management services | 6,427 | 8.50% |
| Manufacturing | 3,373 | 4.50% |
| Finance and insurance, and real estate and rental and leasing | 3,237 | 4.30% |
| Transportation and warehousing, and utilities | 3,077 | 4.10% |
| Other services, except public administration | 2,670 | 3.50% |
| Wholesale trade | 1,715 | 2.30% |
| Information | 856 | 1.10% |

SOURCE: United States Census Bureau

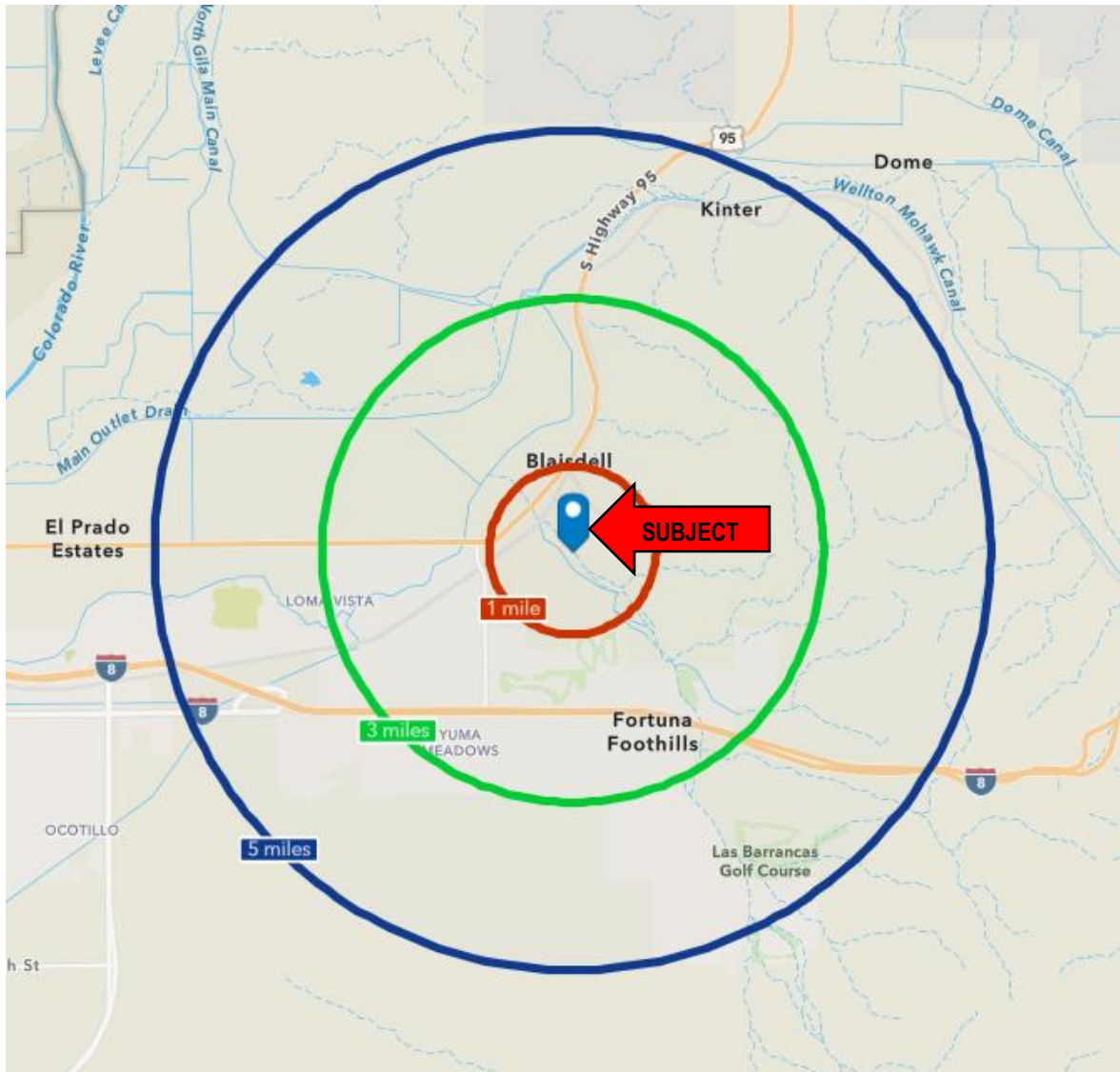
Transportation – City of Yuma

Yuma is adequately served by several major modes of transportation. Interstate 8 connects Yuma with San Diego and Los Angeles to the west, and with Phoenix and Tucson to the east. Freight rail service is provided by Union Pacific with the line connecting to Los Angeles and El Paso. Yuma International Airport provides commercial passenger and freight service as well as general aviation facilities.

Conclusion

Over the last 10-year period, Yuma County has experienced steady growth, although slower compared to other major metropolitans in Arizona. Located in southwestern Arizona, it benefits from proximity to major cities like San Diego and Phoenix, boosting trade. The economy is driven by agriculture, military, and tourism, with agriculture thriving due to the fertile Colorado River lands. The regional economy is expected to continue its limited growth for the foreseeable future.

NEIGHBORHOOD ANALYSIS



The subject property is located northwest of the city limits of Yuma in unincorporated Yuma County. It is remotely located southwest of U.S. Highway 95, south of Rifle Range Road. The neighborhood's boundaries are the Gila Mountains to the east, Interstate-8 to the south, U.S. Highway 95 to the north, and the Gila Gravity Canal to the west.

Land Use and Economic Activity

The subject neighborhood consists largely of vacant land. For those land uses which do exist within the subject's neighborhood, they are of a mixture of agriculture, mining, manufacturing, recreational uses, and residential uses to the south. The most prominent economic activities near the subject property are outlined below:

Gowan Milling is located just north of the subject is a contract manufacturer specializing in blending, micronizing, packaging, and serving industries like agriculture and chemicals. They utilize advanced equipment and offer Foreign Trade Zone benefits.

DPE Materials is located just north of the subject supplies and handles recycling of construction materials like sand and asphalt.

Desert Depot is located just north of the subject is a warehouse facility offering storage and shipment services. They boast over 215,000 square feet of space and handle both domestic and international shipments.

Access

Primary access to the subject neighborhood is provided by U.S. Highway 95. Rifle Range Road is an asphalt paved road that provides access to the major economic drivers in the area. Access to the remaining areas is from graded dirt roads that are largely unmaintained. To the south of the subject property are more prominently developed areas with access from Interstate-8.

Demographics

| 2023 Demographics: <i>Source: STDBOnline</i> | 1-Mile Radius | 3-Mile Radius | 5-mile Radius |
|--|--------------------------|--------------------------|--------------------------|
| 2023 Summary | | | |
| Population | 369 | 18,372 | 39,460 |
| Households | 136 | 8,501 | 17,148 |
| Families | 102 | 5,646 | 11,923 |
| Average Household Size | 2.71 | 2.16 | 2.29 |
| Owner Occupied Housing Units | 90 | 6,681 | 13,848 |
| Renter Occupied Housing Units | 46 | 1,820 | 3,300 |
| Median Age | 35.3 | 60.5 | 55.2 |
| Median Household Income | \$95,161 | \$63,191 | \$61,605 |
| Average Household Income | \$108,861 | \$81,848 | \$79,877 |

Conclusion:

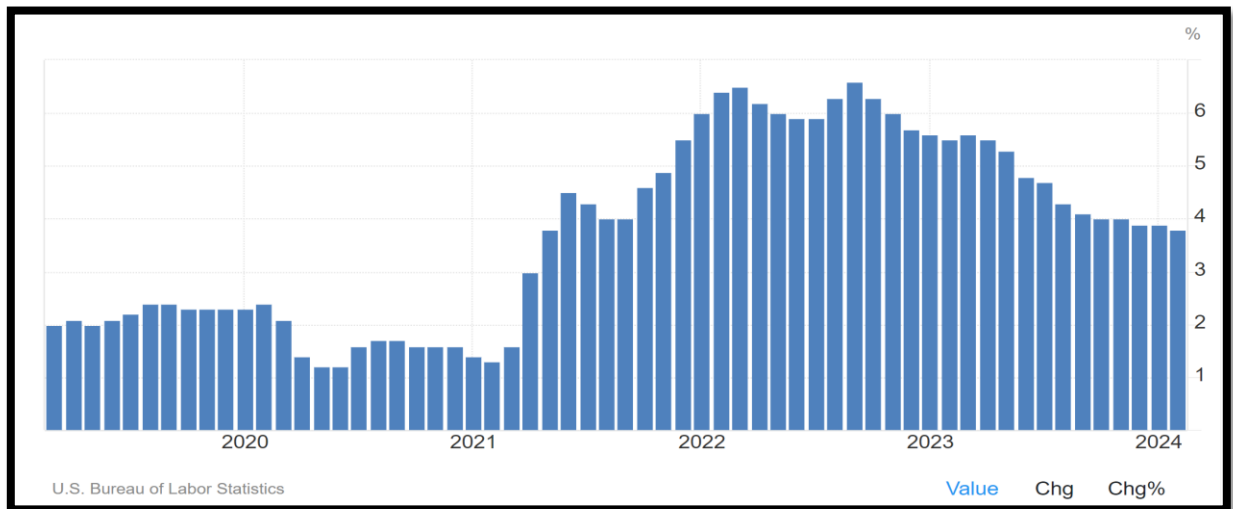
There is minimal development within close proximity of the subject property. Residential expansion to the south of the subject property increases the population and income levels in the area. Although, this expansion is slow due to the limited population growth in the Yuma area. Overall, the subject’s immediate surroundings cannot support expansive new developments due to the limited access and population base.

MARKET ANALYSIS

“Market analysis is a study of the supply of and demand for a specific type of property in a specific market area.”¹⁷

National Economy

According to the U.S. Bureau of Labor Statistics, the inflation rate was around 2% from 2019 through 2021. In 2022 inflation began to increase and peaked at over 9% in June, 2022. Since then, inflation has declined and is presently at 3.8% as of April 2024. This remains above the Federal Reserve’s target of 2%. The following chart represents inflation in the United States over the last 3 years according to the U.S. Bureau of Labor Statistics.



<https://tradingeconomics.com/united-states/core-inflation-rate>

Conventional Long Term Mortgage Data

According to the “Primary Mortgage Market Survey” compiled by Freddie Mac, the most recent interest rate for a 30-year fixed rate mortgage is 6.82% as of April 2024. Mortgage interest rates are up from the all-time low of 2.65% in January, 2021. In the beginning of 2022, the 30-year United States Single Family Home Prices mortgage interest rate began a steep increase to almost 8% by late 2023. Since then, the 30-year mortgage interest rate has declined to the previously reported 6.82%. The outlook for 2024 is for continued declines according to Freddie Mac’s Chief Economist, Sam Khater.

¹⁷ *The Appraisal of Real Estate, 15th Edition*, Appraisal Institute, P 273

The following chart shows the fixed mortgage interest rates for a 30-year loan over the last 3-year period.

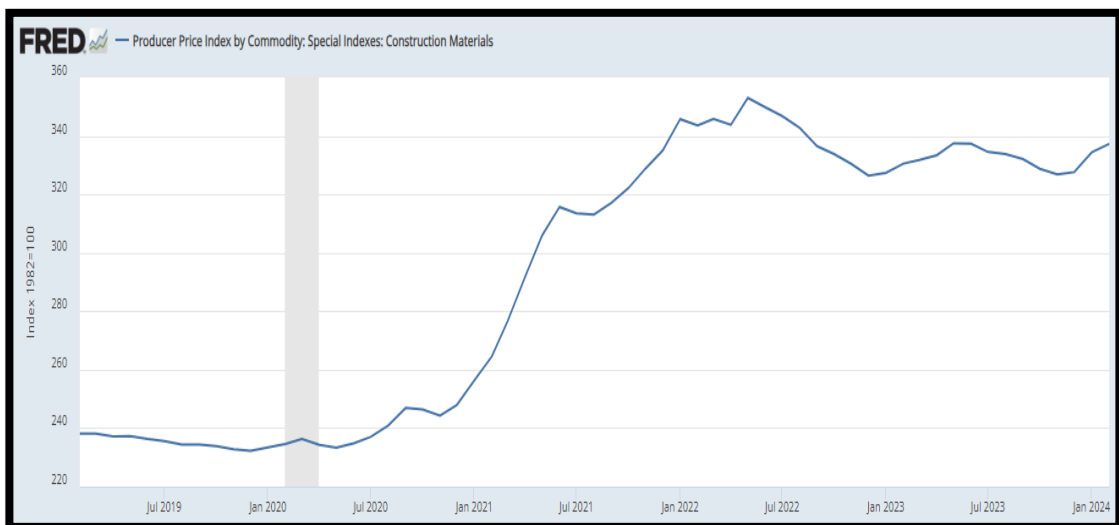


SOURCE: <https://www.freddiemac.com/pmms>

Cost of Construction

In July 2020, Construction Materials Pricing index was 237, (1982=100). The index increased dramatically to 353.02 in May 2022, an increase of 49% in less than 2 years. Even though construction material costs have declined modestly by 4.5% since that time to 337.29, these costs remain well above the previous 10-year average.

The following chart represents the previous 5-year period of construction costs according to the St. Louis Federal Reserve follows.

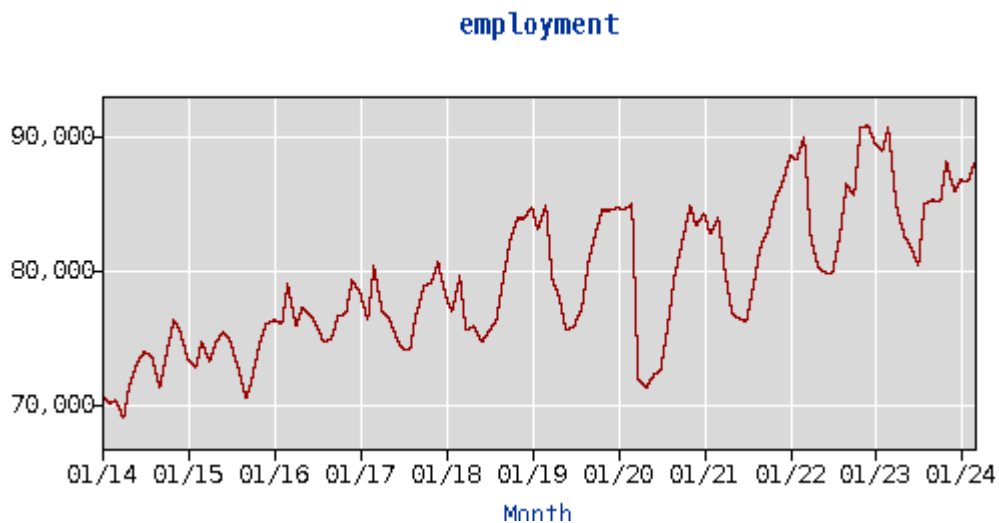


SOURCE: <https://fred.stlouisfed.org/series/WPUSI012011>

YUMA MSA STATISTICS

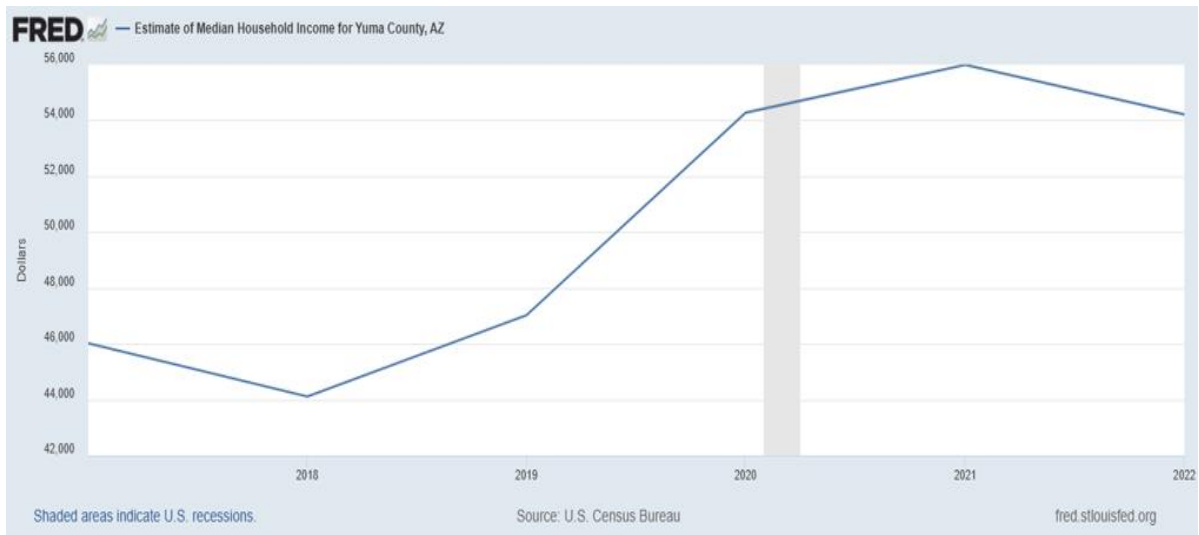
Employment

Employment in the Yuma MSA has also shown steady growth over the last 10-year period. In March 2024, there were 87,953 persons employed. The unemployment rate was 8.5% during the same period. Over the last 5 years, employment slightly increased 3.8% from 84,759 workers in March 2019. As represented in the following chart, employment is seasonal which is largely attributed to the seasonal work in the agricultural sector. The chart below represents these employment numbers from the Bureau of Labor Statistics.



Household Income

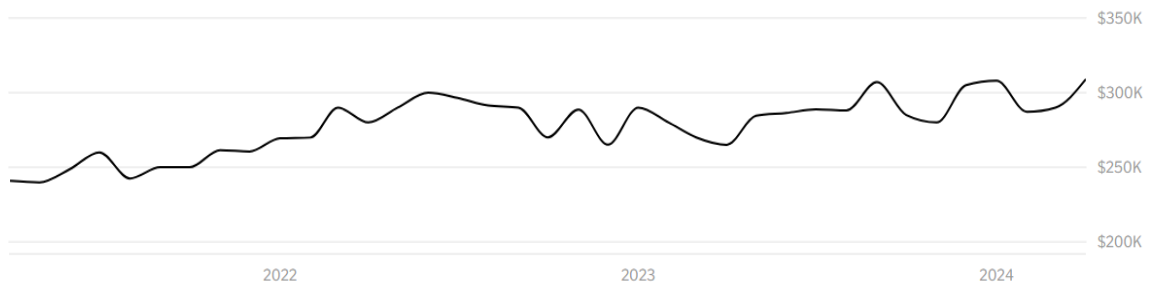
According to the most recent information from the St. Louis Federal Reserve, Yuma County has per capita personal income of \$54,209 dollars annually in 2022. Income levels declined 3.2% from \$55,991 in 2021, but have remained generally flat over the 2-year period. The lower-than-average income levels in comparison to other major metropolitans in Arizona limits investor developments. The following chart shows the income growth since 2017.



REAL ESTATE VALUE ANALYSIS

Yuma County Residential Values

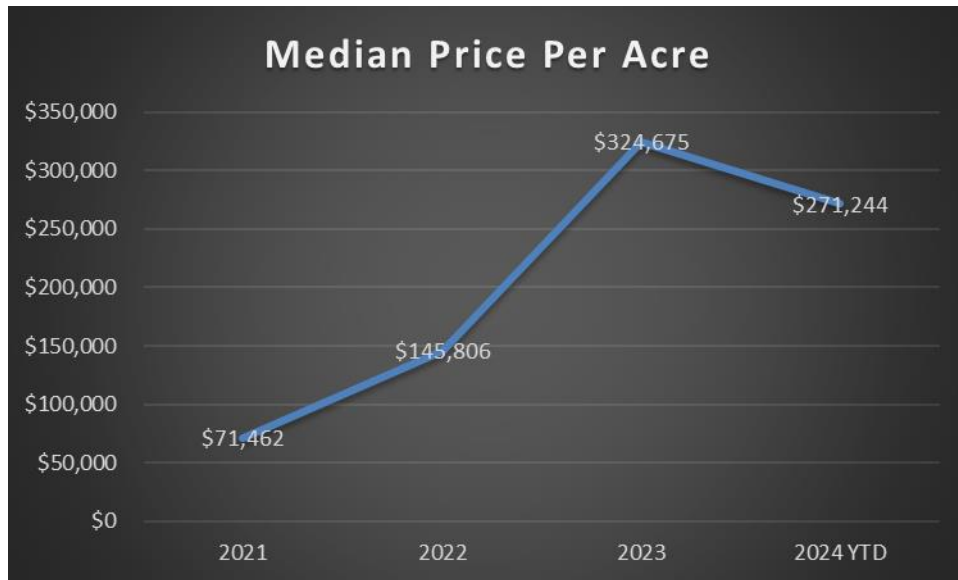
According to Redfin, residential property values have increased over the last 3-year period in Yuma County. In April 2021, the median sale price for a residence was \$240,950. Median sales prices increased 28.2% or 9.4% annually to \$309,000 in April 2024. Although residential properties are not related to the subject property, they provide an indication of the change in real estate values. The following chart shows these sales price changes.



Based on Redfin calculations of home data from MLS and/or public records.

Vacant Land Sales (All Property Types)

According to CoStar, there were 58 land sales in the Yuma market from 2021 to 2024 year to date. Due to the limited number of land sales, this analysis includes all land types including residential, commercial, and industrial use land. From 2022 to 2024 year to date, the median sale price per acre has increased \$125,438 or 86% per acre. This equates to an annualized sales price increase of approximately 34.4%. This data is only given partial consideration as the data is limited and the sales contain improved building pads. The following chart represents these median sales price increases per acre.



Market Analysis Conclusion

Economic conditions in the Yuma MSA real estate market have experienced improving market conditions over the last 3-year period. Due to the limited increase in the population base, this growth has been minimal. Based on the aforementioned data, a 3% annual price increase will be used in our market conditions adjustments.

SITE ANALYSIS

Location

The subject is located south Rifle Range Road and southeast of U.S. Highway 95. More specifically it is located southeast of Avenue 12 E and southwest of County 9th Street in Yuma County, Arizona.

Site Area

According to the legal description and the Yuma County Assessor's records, the subject is comprised of 40.0 gross acres.

Topography/Shape

The subject has a quarter-section square shape. The topography is gently rolling terrain which includes the floodway for the Fortuna Wash and the nearby flood prone lands.

Access and Visibility

Physical Access: The property has physical access from Avenue 12 E which is an unmaintained dirt road that intersects with Rifle Range Road. Avenue 12 E is a rough graded dirt road that is accessible by typical passenger vehicles in clear weather. During inclement weather, four-wheel drive vehicles would likely be needed or could not be used all together.

The nearest recorded traffic in the area is from Highway 95 which is a paved two-lane highway. According to ADOT, the 2024 average two-way daily traffic count is 6,986 vehicles at the point nearest the subject property. Due to its remote location, the property's visibility is minimal.

Legal Access

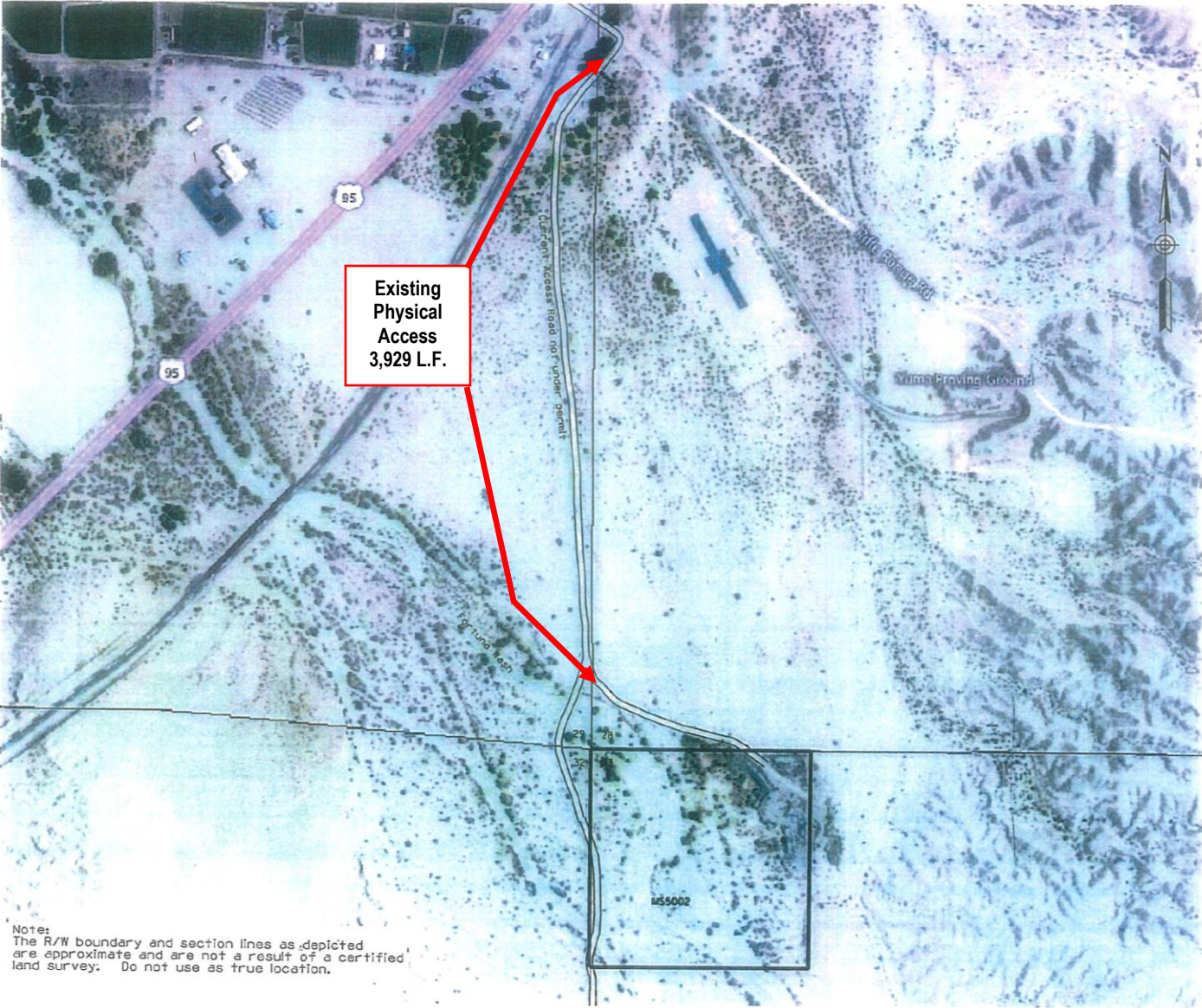
Legal access was created for the subject property in 1955 when it was acquired by the Arizona Highway Department (now ADOT) from the Yuma Irrigation District. A roadway was never constructed over the legal access alignment. Historically, the above-described Avenue 12 E road has been used to access the subject.

According to the title report provided, the existing legal access runs along the Fortune Wash, under the Union Pacific rail line bridge. Joseph Wagner with the Union Pacific was consulted about constructing an at grade crossing over existing rail line and creating access under the existing rail bridge. Mr. Wagner estimated that an at grade crossings cost between \$250,000 to \$500,000 depending on the intensity of use. In addition to these costs, protective liability insurance coverage is required by the crossing's user. Due to these costs, constructing an at grade crossing where the existing legal access exists is cost prohibitive.

At this time, Mr. Wagner did not have definitive information about grading a road under the existing rail line bridge. This development proposal would have to be submitted through Union Pacific for approval. This appraisal assumes that development of a graded dirt road under the existing Union Pacific rail line bridge would be allowable.

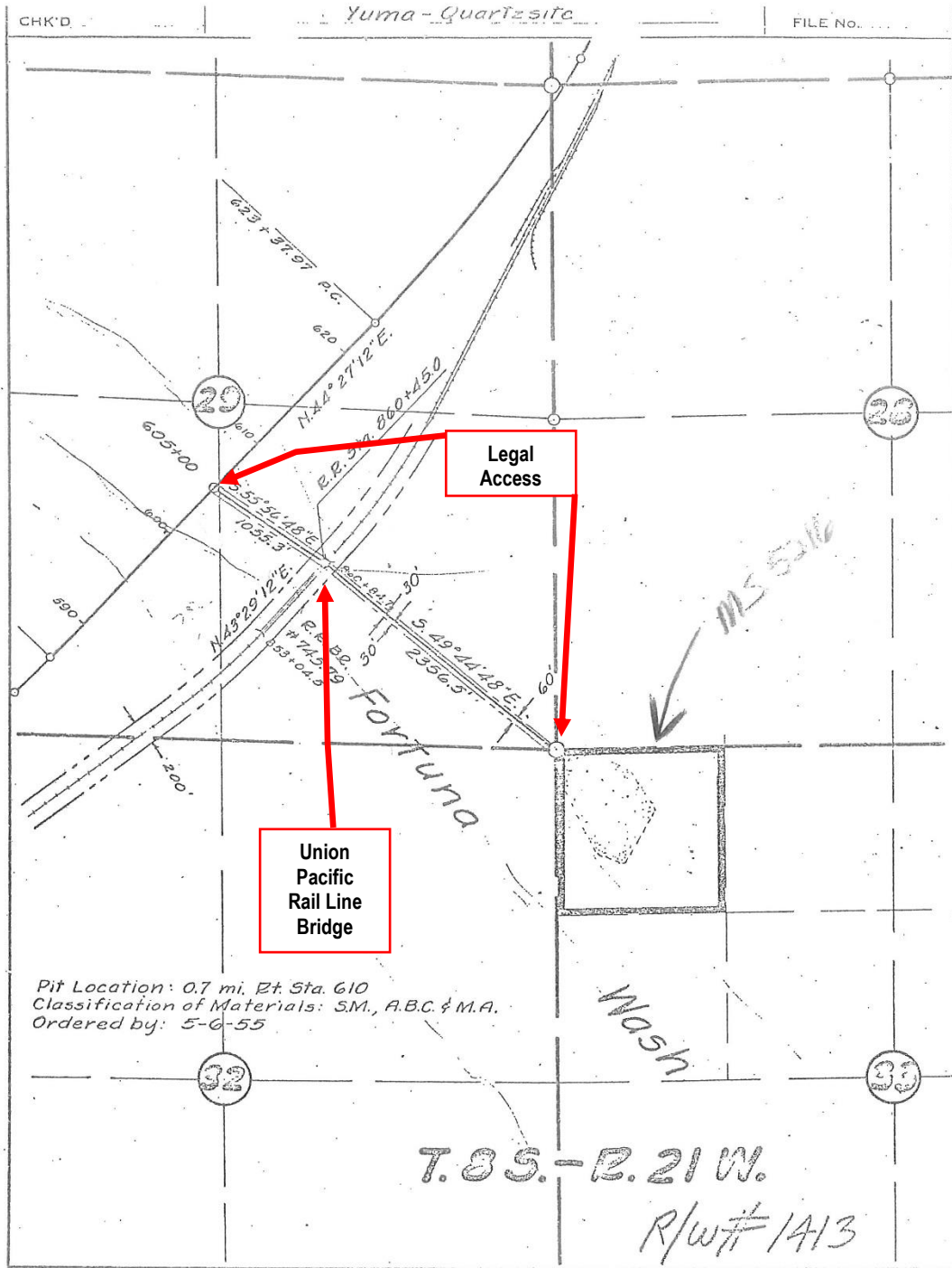
The following exhibits that depict the physical and legal accesses for the subject property.

Physical Access Map, Non-Legal



Note:
The R/W boundary and section lines as depicted
are approximate and are not a result of a certified
land survey. Do not use as true location.

Existing Legal Access Map



W FORM No. 11

Estimated Cost to Obtain Legal Access

The most cost-effective way to obtain legal access from the subject property to U.S. Highway 95 is to utilize the existing legal access. Using the Yuma County GIS measuring tool, an estimated 1,266 linear feet of easement is required over two separate parcels. Approximately 81 L.F. is required in parcel 182-29-016, owned by Yuma Irrigation District. An additional 1,185 L.F. is required in parcel 182-29-024, owned by the State of Arizona. Assuming the right of way is 60-feet wide, the total area of land required is 75,960 square feet as calculated below.

1,266 L.F. X 60 Feet Wide = 75,960 Square Feet

Based on Yuma County GIS measurements, access along the existing physical access from Avenue 12 E is 4,021 linear feet in length. Based on a 60-foot-wide easement, 241,260 square feet of land is required to purchase for an easement over the existing physical access. Thus, the financial feasibility of developing from the existing legal access is superior. The measurements previously discussed are attached within the Addenda.

Estimated Cost to Obtain Legal Access from State of Arizona, Parcel 182-29-024:

Mr. Taylor Suiter, Arizona State Land Department, Rights of Way Section, was contacted about the process to obtain legal access over State Trust Land. Mr. Suiter stated that a \$500 application fee is required. Fees for native plant survey, land survey, and appraisal is required to be paid by the acquirer of access. The process is estimated to take 6 to 12 months. A price of 99% of the fee value, obtained through an appraisal, is charged for the easement. The easement required over State land is 1,185 L.F. and 60 feet wide, which is calculated below.

1,185 L.F. X 60 Wide = 71,100 Square Feet

The additional fees are outlined below:

Appraisal \$5,000

Land Survey: \$3,000 (Sigma Geospatial LLC Estimate)

Plant Survey: \$1,500 (Sigma Geospatial LLC Estimate)

Estimated Cost to Obtain Legal Access from Yuma Irrigation District, Parcel 182-29-016:

Mr. Rex Green of the Yuma Irrigation District, (928) 726-1047, was interviewed about the possibility of acquiring legal access over YID land. Mr. Green stated that the issue would need to be presented to the Board, which will not meet again for several weeks. Thus, there was no definitive answer available at this time. Lacking more specific information from YID, this appraisal assumes that a similar process as used by the State Land Department would be employed. The YID land area needed for access is 60 feet wide and roughly 81 feet in length which equals 4,860 square feet, as calculated below.

81 L.F. X 60 Feet Wide = 4,860 Square Feet

This analysis also assumes that a private owner would need to pay for a land survey and appraisal, similar to the State Land process. The plant survey is excluded in this analysis.

A real estate attorney, who requested anonymity, was consulted regarding about the legal process required for an easement. The attorney stated that the process takes 3 to 12 months

for contested easement acquisitions. The stated attorney's fees are approximately \$400 per hour. No total cost estimate was provided as every easement case varies greatly. As these easements are assumed to not be contested, 4 hours of legal work, \$1,600, for each easement is estimated to account for legal paperwork filing.

Land Value

To estimate the land value for the land to be acquired for an easement, the unadjusted average sale price, and list price of the five comparable sales is used. The average unadjusted price of the five comparables within this report is \$0.09 per square foot.

The combined cost to obtain legal access from the State Land Department and the Yuma Irrigation District are summarized below:

Estimated Cost to Obtain Legal Access from AZ State Land & YID:

Yuma Irrigation District:

| | | | | | | |
|-----------------|-------|-------|--------|---------|------|--------------|
| Appraisal Fees: | | | | | | \$5,000 |
| Legal Fees: | | | | | | \$1,600 |
| Land Survey | | | | | | \$3,000 |
| Land Needed: | 4,860 | S.F.X | \$0.09 | /S.F. X | 0.99 | <u>\$433</u> |
| Subtotal: | | | | | | \$10,033 |

State Land Department:

| | | | | | | |
|------------------|--------|--------|--------|---------|------|-----------------|
| Application Fee: | | | | | | \$500 |
| Appraisal Fee | | | | | | \$5,000 |
| Legal Fees: | | | | | | \$1,600 |
| Land Survey: | | | | | | \$3,000 |
| Plant Survey: | | | | | | \$1,500 |
| Land Needed: | 71,100 | S.F. X | \$0.09 | /S.F. X | 0.99 | <u>\$6,335</u> |
| Subtotal: | | | | | | <u>\$17,935</u> |

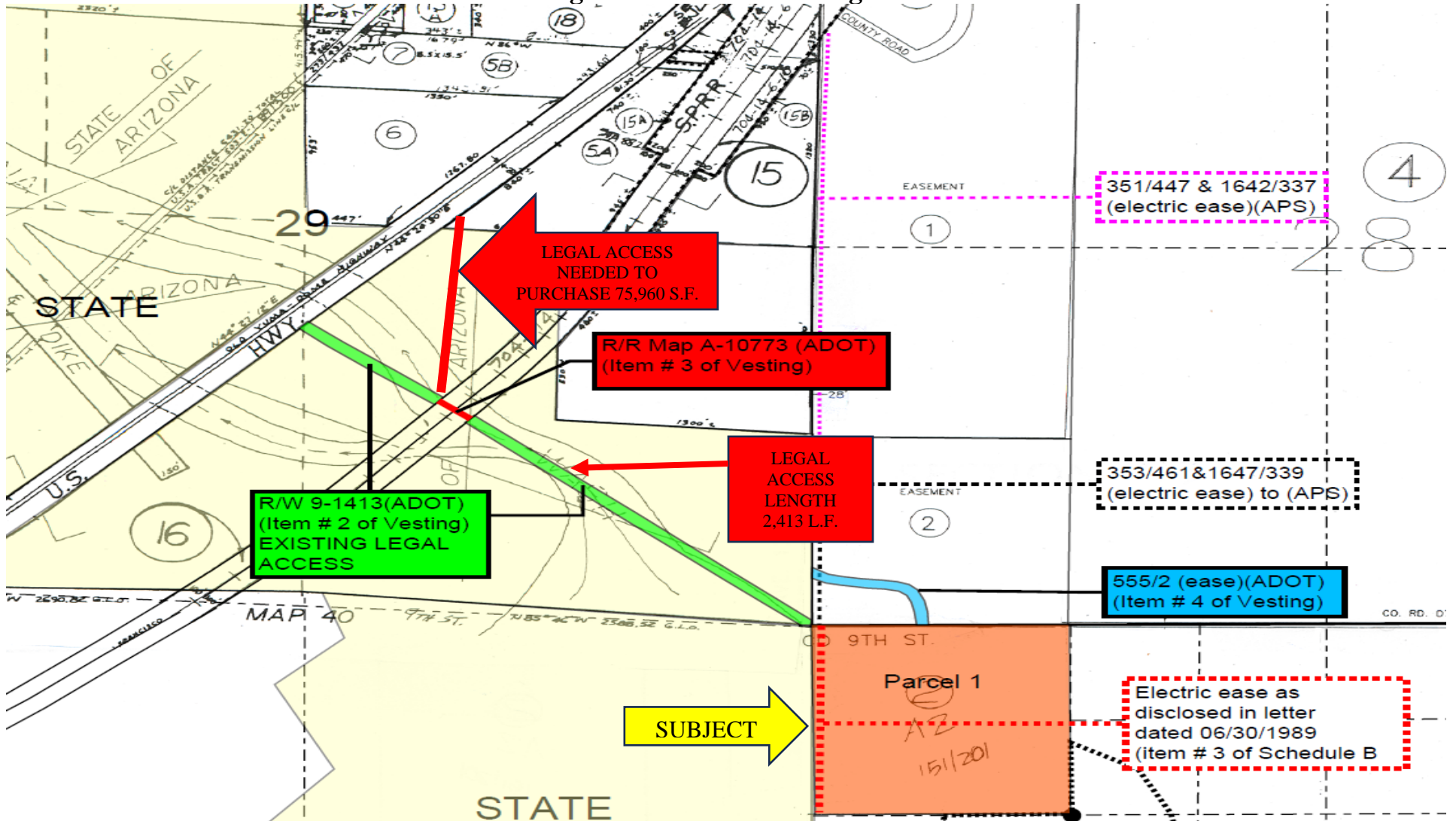
Total Estimated Cost:

| | | | | | | |
|---------------------------|--|--|--|--|--|-----------------|
| Cost per Acre (40 Acres): | | | | | | \$27,968 |
| | | | | | | \$699 |

The total estimated cost to obtain legal access is \$27,968 or \$699 per acre for the subject's 40.0 acres. However, this analysis does not consider the cost of creating physical access. This will be discussed in the Sales Comparison Approach analysis. Based on the above analysis, constructing the new road over the legal access would be the most cost-effective cure.

The following map outlines the location of the shortest, most cost-effective legal access to the subject property. This access would traverse the Fortuna Wash and would not accommodate all-weather access. Due to the isolated location of the subject property, and its highest and best use as an investment land purchase, all-weather access is not required.

Existing and Potential New Legal Access



Utilities:

Electric is available along the west boundary of the subject. No water and sewer service is available to the subject. Improved properties in the vicinity rely on private water wells and septic systems.

Surrounding Uses:

The subject is immediately surrounded by vacant scrub desert land that has rolling terrain. The 40 acres of undeveloped land adjacent north of the subject is owned by the Portland Cement Company. The land to the east and south is undeveloped land owned by the United States Government. To the west is undeveloped land owned by the State of Arizona.

Flood Zone:

According to the FEMA FIRM Map Panel 04027C1560F, dated January 16, 2014, the subject property is largely located within a flood hazard area. Approximately 75% of the property is located within Zone AE. About 40% of the area in Zone AE is within the regulatory floodway and the remaining 35% is within the base flood elevation. The remainder of the site is estimated to be 5% in Zone A, 10% in Zone X Shaded, and 10% in Zone D. These zones as defined by FEMA follow.

Zone AE: *“The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.”*

Zone A: *“Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.”*

Zone X Shaded: *“Area of moderate flood hazard, usually the area between the limits of the 100- year and 500-year floods.”*

Zone D: *“Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.”*

Police & Fire Protection:

Police and fire protection are provided by the Yuma County Sheriff and Fire Department Services.

Soil & Subsoil Conditions:

A soils engineering report was not provided to the appraisers 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 of properties of this nature.

Environmental Conditions:

During the property inspection, no signs of distressed vegetation, soil stains or extraordinary odors were observed. No environmental reports were provided to the appraisers. Lacking an environmental report that specifically includes the subject property, this appraisal assumes

no environmental conditions, other than the existing asphalt and concrete, are present that would adversely affect the value of the appraised property.

In the northeast portion of the property, piles of broken-down asphalt and concrete are stored in piles. Based on Yuma County GIS measurements, approximately 219,218 square feet, or 5.0 acres contains this material. The exact amount of material stored on the site is unknown to the client and appraisers. The following map outlines the area of land impacted.

Asphalt and Concrete Storage Area



BLT Companies, an asphalt and concrete company that recycles aggregates in Yuma, AZ, was interviewed about the subject property's existing millings. BLT Companies knew of the existing millings and stated that they were not interested in acquiring those materials as they had no value to them. In order to develop or utilize these 5 acres, a buyer would have to remove the millings and dispose of them. According to *Marshall Valuation Service, MVS*, surplus disposal in Yuma County costs \$0.88 per square foot.

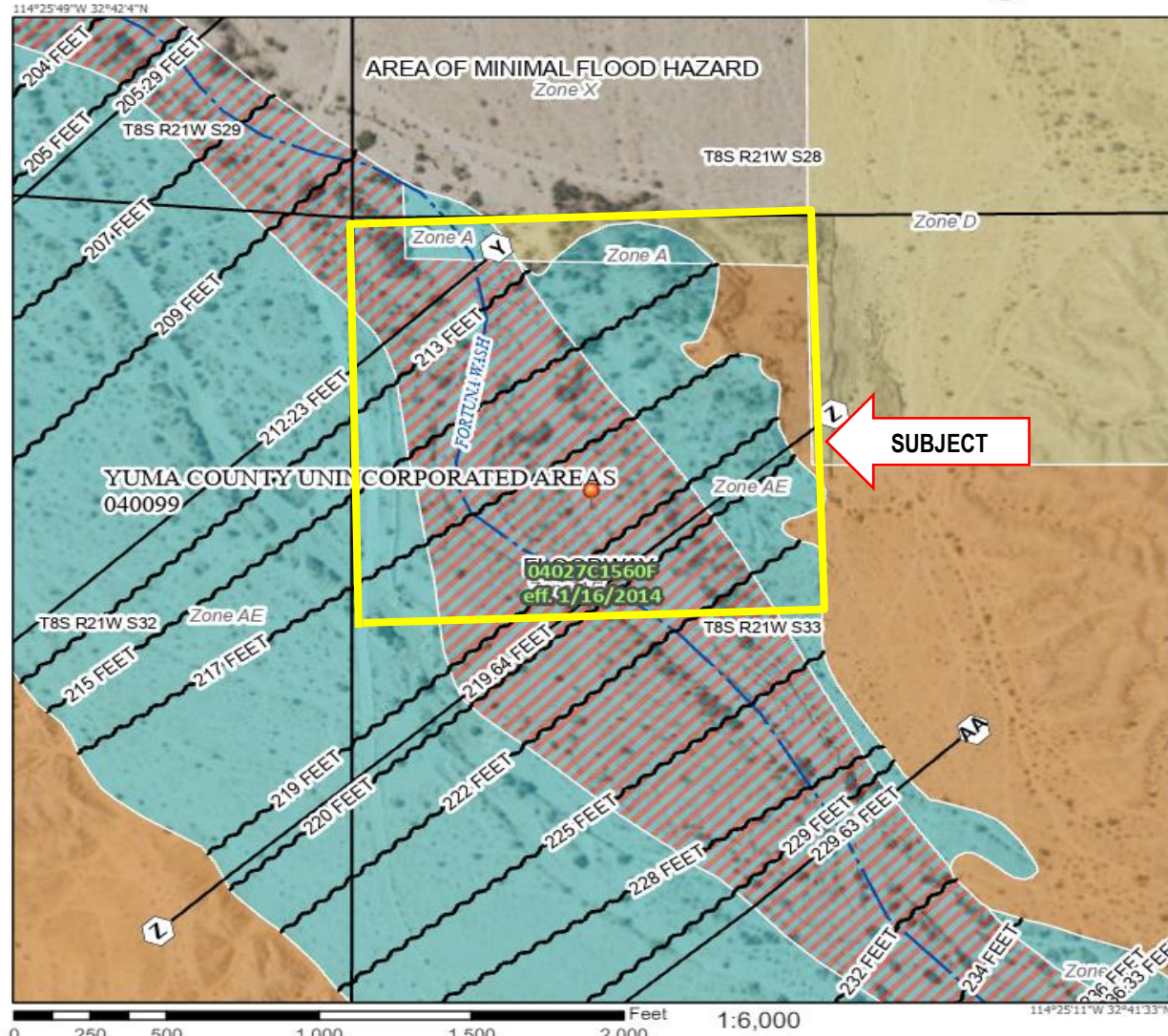
The estimated cost to remove the millings is \$192,912, making its removal financially unfeasible. As the millings cannot be removed without substantial cost, the estimated 5 acres of site area will be excluded from the property's market value.

Restrictions & Easements:

No apparent adverse easements or encroachments were observed. According to the title report provided, the subject property has an easement for the realignment of power poles by Arizona Public Service, dated 6/30/1989, within the subject property. These power poles do not prohibit the subject property's development and provide electric to the site. Thus, they are not considered to negatively impact the subject property's market value. No other adverse easements impact the subject.

FEMA FLOODMAP

National Flood Hazard Layer FIRMette



Legend

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

| | |
|------------------------------------|---|
| SPECIAL FLOOD HAZARD AREAS | <ul style="list-style-type: none"> Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway |
| OTHER AREAS OF FLOOD HAZARD | <ul style="list-style-type: none"> 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X Future Conditions 1% Annual Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee. See Notes, Zone X Area with Flood Risk due to Levee Zone D |
| OTHER AREAS | <ul style="list-style-type: none"> NO SCREEN Area of Minimal Flood Hazard Zone X Effective LOMRs Area of Undetermined Flood Hazard Zone D |
| GENERAL STRUCTURES | <ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall |
| OTHER FEATURES | <ul style="list-style-type: none"> Cross Sections with 1% Annual Chance Water Surface Elevation Coastal Transect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transect Baseline Profile Baseline Hydrographic Feature |
| MAP PANELS | <ul style="list-style-type: none"> Digital Data Available No Digital Data Available Unmapped |

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

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/21/2024 at 4:09 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

Basemap Imagery Source: USGS National Map 2023

ZONING

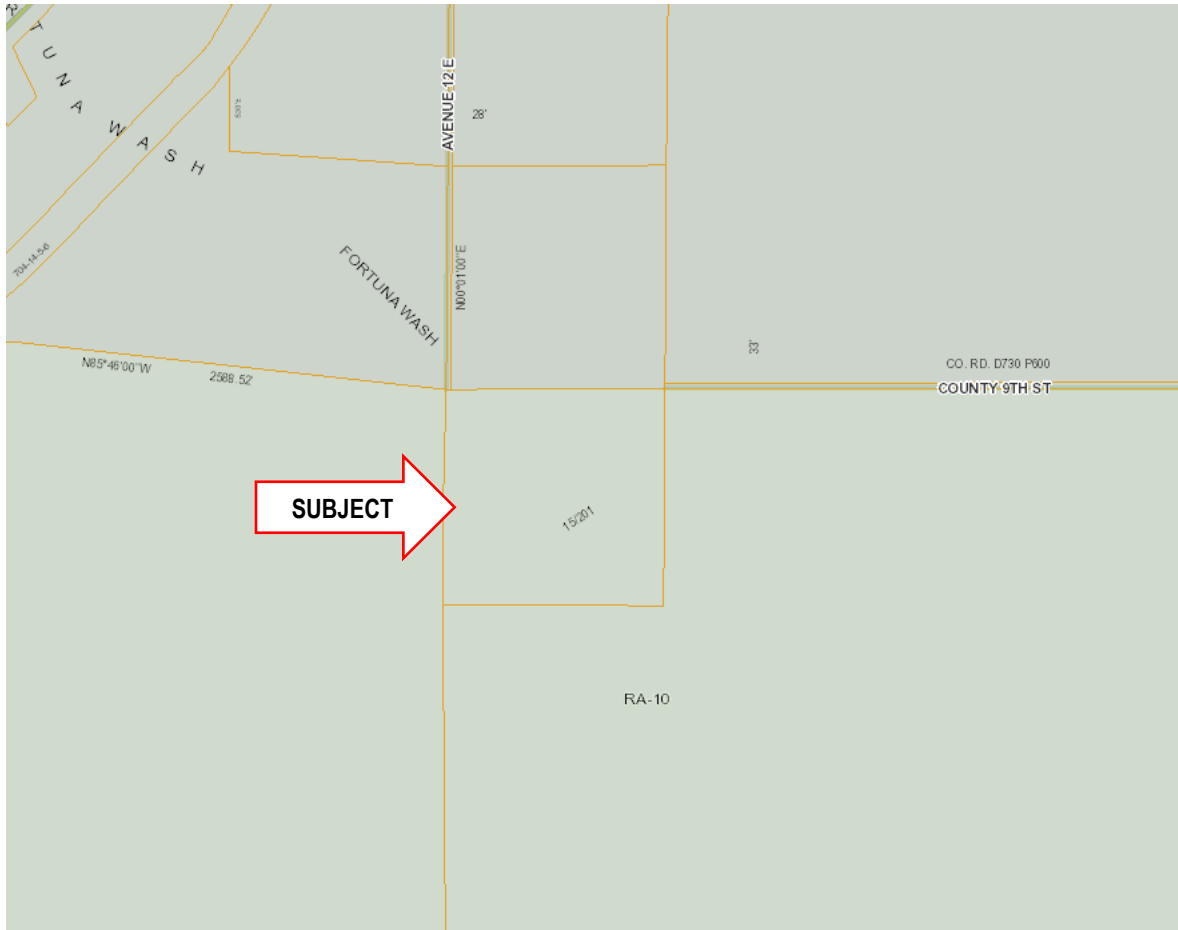
The subject is in the RA-10, Rural Agricultural Zoning District for Yuma County. The purpose of this zoning is to conserve and preserve farms, agricultural related resources, continued agricultural use and other open space land uses fostering orderly growth in rural areas, preventing urban and agricultural land use conflicts and allowing rural lot development with emphasis on preserving the character of farming communities. Principle uses permitted in this zoning district include residential uses on large parcel sizes, farms, agriculture-related land uses, and open space or recreational uses.

Permitted uses include, but are not limited to, the following: one single family dwelling with a minimal parcel size of 10 acres; ranch/farm headquarters; farm labor housing; farms and ranches; lakes, ponds, lagoons, irrigation and storm water retention facilities; home occupations; plant nurseries; kennels; seasonal roadside stands for produce, flowers, and Christmas trees; storage of agricultural related equipment; warehouse and storage of agricultural products; and accessory buildings to the above uses.

Special uses that are allowed with special use permits include: agricultural processing; cemeteries, crematoriums and mausoleums associated with on-site mortuary; churches; cultural events; horse stables; dude ranches, resorts, organized group camps; game preserves; golf courses; hospitals; educational, charitable and philanthropic institutions; land clearing, landfills, and inert material landfills; libraries, museums, art galleries, parks, playgrounds and community buildings; organic fertilizer manufacturing and storage; private clubs; stadiums, fairgrounds and other similar amusement facilities; private airstrips; private or charter schools; public or private fire stations, sheriff stations and post offices; private utility installations; public parks, public schools; sanitary landfills, accessory dwelling units; and wireless communication facilities.

The minimum parcel size in this district is 10 Acres. Minimum width is 660 feet; minimum setbacks are 50' front, 50' side and 34 feet rear.

ZONING MAP



ASSESSED VALUATION & REAL ESTATE TAXES

The subject property is exempt from real estate taxes due to its ownership by the State of Arizona. The real estate tax data for the appraised property is derived from the Yuma County Assessor’s records, as follows:

| ASSESSED VALUE & TAX DATA | | | | |
|---------------------------|------------|---------------------------|----------------|------------|
| ADOT Parcel | APN | Full & Limited Cash Value | Assessed Value | Tax Amount |
| L-Y-020 | 182-33-001 | \$40,000 | \$6,000 | Exempt |

HIGHEST AND BEST USE

According to *The Appraisal of Real Estate, 15th 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 property as vacant and as improved 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.

The four tests above are applied to the appraised property in the following paragraphs.

AS VACANT

Legally Permissible:

The larger parcel is located in the RA-10 Rural Area Zoning District for Yuma County. This zoning permits very low density rural residential use, agricultural-related, open space and recreational uses. Since most of the property is in the floodplain, the potential use is restricted by county flood zone regulations. There is also a potential for sand and gravel extraction outside of the floodway channel. As vacant, the legally permissible use is any of the uses that are permitted in the RA-10 zoning.

Physically Possible:

The subject is 40.0 acres located south of Highway 95, along the southeast side of the Avenue 12E alignment. The site contains asphalt and concrete millings on approximately 5 acres of the site. As it is not financially feasible to remove these millings, they prevent development within this 5-acre portion of the subject property. The property has physical access from Highway 95 over an existing rough-graded dirt road. Currently, there is no legal use of the existing physical access road. As such, the estimated cure is to construct a new roadway along the alignment of the legal access that is previously described in the “Site Analysis” section.

The subject is surrounded by vacant desert land. Nearby uses along Highway 95 include agriculture, material processing plant, industrial uses and sand and gravel extraction. Electric is available to the site. Private properties in the vicinity rely on private well and septic systems. The majority of the property is in the floodplain which limits its development potential and uses.

Based on the zoning, location, physical characteristics and surrounding uses, the physically possible use for the subject, as vacant, is for a use that would be allowed in the RA-10 zoning and flood zone regulations.

Financially Feasible and Maximally Productive:

The financially feasible and maximally productive use for the property is that use which is legally permissible, physically possible and that generates the greatest return on investment. The Yuma area economy is largely reliant on the agricultural sector and tourism. Due to the modest population growth and currently high interest rates, development of physically constrained land with residential uses is not financially feasible.

Given the restrictions for the potential uses of the subject property with some modest improvement in the local economy, the financially feasible use of the subject is limited to an investment purchase to hold for future development. This is substantiated by the limited number of development restricted land sales data in Yuma County over the last 5-year period. Based on the foregoing, the financially feasible and maximally productive use of the subject, as vacant, is investment.

Conclusion – Highest and Best Use as Vacant:

Given the land use regulations, location and physical characteristics, the highest and best use, as if vacant, is an investment purchase to hold for future development.

LAND VALUATION

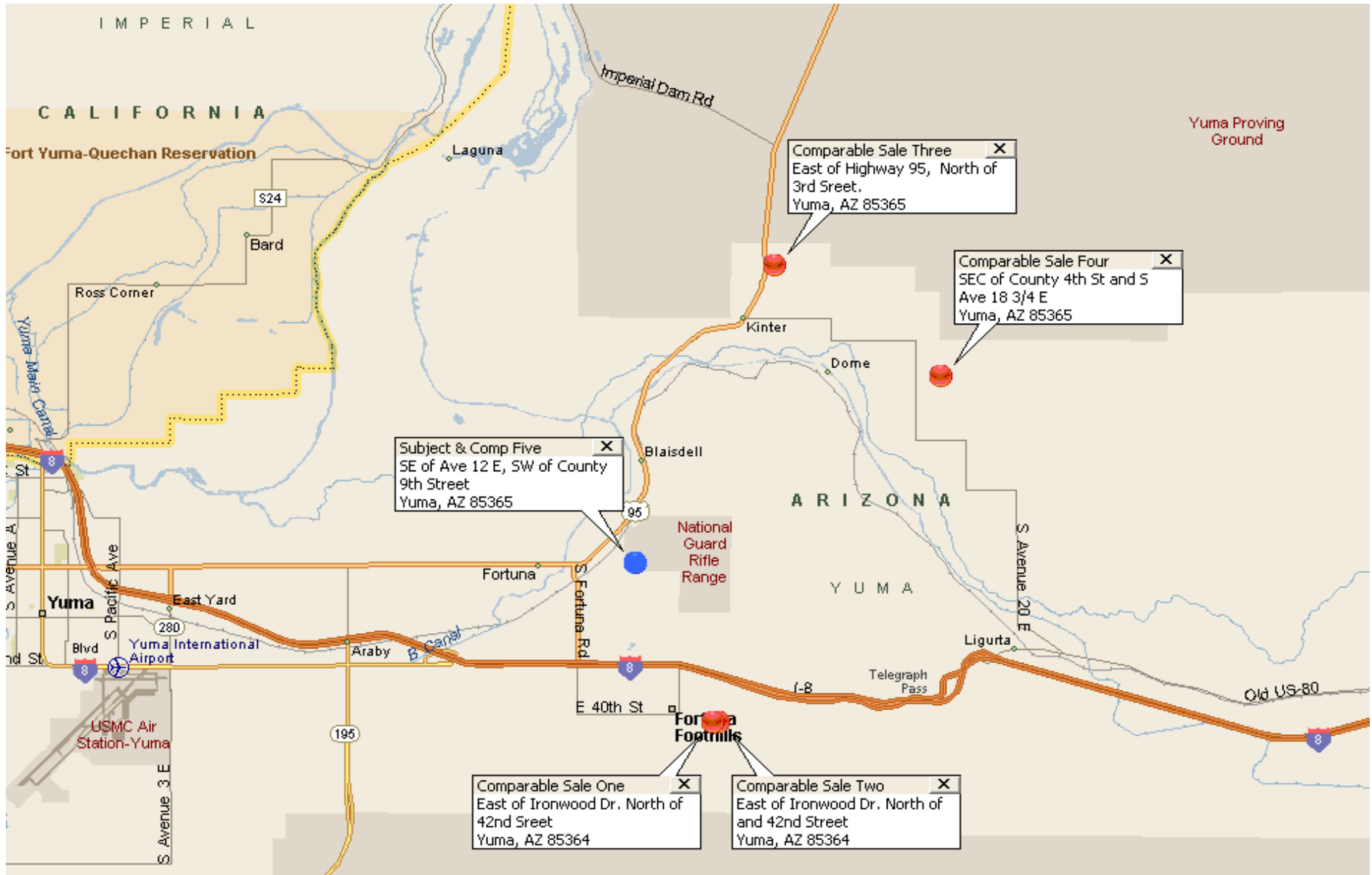
The Sales Comparison Approach is used to provide a market value opinion for the subject as vacant land. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay.

Adjustments are made to the comparable sales based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions or date of sale, location, physical characteristics and zoning/intended use. The sale price per acre is the appropriate unit of comparison for the analyses. This is derived by dividing the sale price by the total acreage of the site.

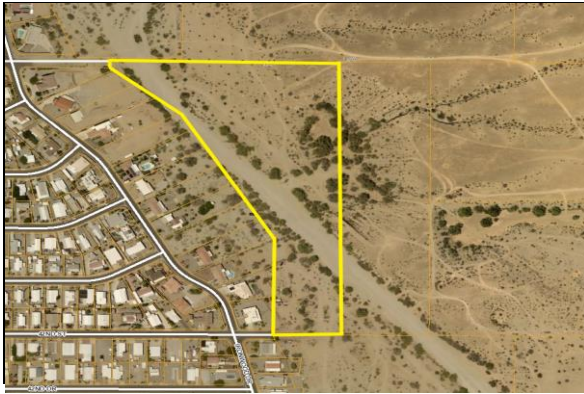
Search parameters for comparable land sales focused on land sales that are similar in size and potential use. Given the small market area, there has been limited sales activity over the last several years. The search for recent land sales included the Yuma MSA and the surrounding area. Sales of land that have restricted development issues or are impacted by floodplain and floodway issues, similar to the subject property were selected. The market data that is included in the analysis is considered to be the best available and provides a credible opinion of value.

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

COMPARABLE LAND SALES MAP



COMPARABLE LAND SALE



| | |
|------------------------|--|
| COMPARABLE: | LAND COMP 1 |
| LOCATION: | East of Ironwood Drive, North of 42nd St. Yuma, AZ 85364 |
| TAX CODE NUMBER(S): | 728-07-027 |
| RECORDS: | |
| Instrument: | Warranty Deed |
| Date Recorded: | February 17, 2022 |
| Sale Date: | December, 2021 |
| Affidavit of Fee No: | 2022-05870 |
| SELLER: | MAHA LLC. |
| BUYER: | Aaron Salyi |
| SALE PRICE: | \$81,000 |
| INTEREST CONVEYED: | Fee Simple |
| TERMS: | Cash to Seller |
| CONDITIONS OF SALE: | Arm's-Length |
| LAND AREA IN SQ. FT. | 621,538 |
| LAND AREA IN ACRES. | 14.27 |
| LAND PRICE PER SQ. FT: | \$0.13 |
| LAND PRICE PER ACRE: | \$5,677 |
| PHYSICAL DESCRIPTION | |
| Location: | Average / Yuma County |
| Access: | Below Average |
| Traffic Count (VPD): | 631 along Ironwood Dr, ADOT 2022 |
| Topography/Shape: | Gently Rolling / Irregular |
| Utilities: | Electric, No Water or Sewer |
| Flood Plain: | Zone AE Floodway and Zone X Shaded |
| ZONING / PLANNED USE: | RA-10 / Investment Purchase |
| THREE YEAR HISTORY: | The subject property was part of a larger land purchase totaling |
| MARKETING TIME: | Not Disclosed |
| CONFIRMED WITH: | Aaron Salyi & Nicole Baggerly, Buyers, Affidavit of Value, and Physical Inspection |
| DATE CONFIRMED: | 5/28/2024 |
| COMMENTS: | |

This comparable represents the purchase of 14.27 acres of raw land that is largely located within a floodway. Approximately 2.5 acres in the southwest portion of the property is developable according to the buyer. Currently, access is from the adjacent neighborhood to the west. All-weather access over the Fortuna Wash is not financially viable. The buyer purchased the land to develop a small agricultural use in the southwest portion of the site. The remainder is planned for open space. The site would require a water well and septic system if developed. The subject property has been combined with an adjacent parcel to create Yuma County Parcel Number 728-07-001.

COMPARABLE LAND SALE



| | |
|-------------------------|--|
| COMPARABLE: | LAND COMP 2 |
| LOCATION: | East of Ironwood Drive, North of 42nd St. Yuma, AZ 85364 |
| TAX CODE NUMBER(S): | 728-07-020 |
| RECORDS: | |
| Instrument: | Warranty Deed |
| Date Recorded: | April 14, 2022 |
| Sale Date: | March, 2022 |
| Deed Recording No: | 2022-13501AOV |
| SELLER: | Paula Capestro and Sandra Branden |
| BUYER: | Aaron Salyi |
| SALE PRICE: | \$30,000 |
| INTEREST CONVEYED: | Fee Simple |
| TERMS: | Cash to Seller |
| CONDITIONS OF SALE: | Arm's-Length / Adjacent Buyer |
| LAND AREA IN SQ. FT. | 429,760 |
| LAND AREA IN ACRES. | 9.87 |
| LAND PRICE PER SQ. FT.: | \$0.07 |
| LAND PRICE PER ACRE: | \$3,040 |
| PHYSICAL DESCRIPTION | |
| Location: | Average / Yuma County |
| Access/Visibility: | Poor / Poor |
| Traffic Count (VPD): | 631 along Ironwood Dr, ADOT 2022 |
| Topography/Shape: | Gently Sloping / Rectangular |
| Utilities: | Electric Nearby, No Water or Sewer |
| Flood Plain: | Zone AE Floodway, Zone A, Zone D |
| ZONING / PLANNED USE: | RA-10 / Speculative Single-Family Residence |
| THREE YEAR HISTORY: | No Sales |
| MARKETING TIME: | Not Disclosed |
| CONFIRMED WITH: | Aaron Salyi & Nicole Baggerly, Buyers, Affidavit of Value, and Physical Inspection |
| DATE CONFIRMED: | 5/28/2024 |
| COMMENTS: | |

This comparable represents the sale of 9.87 acres of undeveloped land. The property was sold without existing legal access. The buyer owned the property adjacent west of the comparable which provided access to the site. The buyer plans to develop a single-family residence in the norther portion of the site that is outside of the floodway. According to the buyer, all-weather access to the property is not financially viable. The remaining portion of the site is planned to remain as open space. Electric is available approximately 1/4 mile to the west of the site. The buyer plans to develop off-grid electric service. A water well and septic would be required for the site to be developed. The subject property has been combined with an adjacent parcel to create Yuma County Parcel Number 728-07-001.

COMPARABLE LAND SALE



| | |
|-------------------------------|--|
| COMPARABLE: | LAND COMP 3 |
| LOCATION: | East of U.S. Highway 95, North of 3rd St. Yuma, AZ 85365 |
| TAX CODE NUMBER(S): | 168-26-005 |
| RECORDS: | |
| Instrument: | Warranty Deed |
| Date Recorded: | October 24, 2022 |
| Sale Date: | October, 2022 |
| Affidavit of Fee No: | 2022-33457AOV |
| SELLER: | Ramon and Evangelina Del Real |
| BUYER: | Yuma Mesa Holdings LLC |
| SALE PRICE: | \$128,529 |
| INTEREST CONVEYED: | Fee Simple |
| TERMS: | Cash to Seller |
| CONDITIONS OF SALE: | Assumed Arm's-Length |
| LAND AREA IN SQ. FT. | 2,613,600 |
| LAND AREA IN ACRES. | 60.00 |
| LAND PRICE PER SQ. FT: | \$0.05 |
| LAND PRICE PER ACRE: | \$2,142 |
| PHYSICAL DESCRIPTION | |
| Location: | Below Average / Yuma County |
| Access/Visibility: | Average / Above Average |
| Traffic Count (VPD): | 7,348 along U.S. Highway 95, ADOT 2022 |
| Topography/Shape: | Level / Rectangular |
| Utilities: | Electric, Water Well, No Sewer |
| Flood Plain: | Zone A |
| ZONING / PLANNED USE: | RA-20 / Assumed Speculative Investment |
| THREE YEAR HISTORY: | The comparable previously sold in March, 2019 for \$150,000 |
| MARKETING TIME: | Not Disclosed |
| CONFIRMED WITH: | Barry Olsen, Statutory Agent of Buyer, CoStar, Affidavit of Value, and Physical Inspection |
| DATE CONFIRMED: | 5/25/2024 |

COMMENTS:

This comparable represents 60 acres of graded land that is currently improved with a water well according to the Arizona Department of Water Resources. The property has a 9.10 acre easement owned by A.P.S. that runs east to west along the central portion of the property. According to the buyer's statutory agent, the buyer purchases vacant land parcels in the Yuma area but had minimal information about this transaction. Multiple unsuccessful attempts were made to contact the buyer and seller. As the buyer is an investor, this transaction is assumed to be arm's-length and purchased as a speculative investment as no improvements or building permits are listed since this purchase. Physical access is north of the property through the property adjacent north of this comparable.

COMPARABLE LAND SALE



| | |
|-------------------------------|--|
| COMPARABLE: | LAND COMP 4 |
| LOCATION: | SEC of County 4th St. and Ave. 18 3/4 E, Yuma, AZ 85365 |
| TAX CODE NUMBER(S): | 183-04-004 |
| RECORDS: | |
| Instrument: | Warranty Deed |
| Date Recorded: | March 11, 2024 |
| Sale Date: | March, 2024 |
| Affidavit of Fee No: | 2024-05780AOV |
| SELLER: | Kathleen Bertoldi and Makena Mordret |
| BUYER: | Darren Hardesty |
| SALE PRICE: | \$162,000 |
| INTEREST CONVEYED: | Fee Simple |
| TERMS: | Cash to Seller |
| CONDITIONS OF SALE: | Arm's-Length |
| LAND AREA IN SQ. FT. | 1,789,009 |
| LAND AREA IN ACRES. | 41.07 |
| LAND PRICE PER SQ. FT: | \$0.09 |
| LAND PRICE PER ACRE: | \$3,944 |
| PHYSICAL DESCRIPTION | |
| Location: | Below Average / Yuma County |
| Access/Visibility: | Below Average / Poor |
| Traffic Count (VPD): | Not Available |
| Topography/Shape: | Sloping / Rectangular |
| Utilities: | Electric Nearby, Water Well, No Sewer |
| Flood Plain: | Zone X and Zone D |
| ZONING / PLANNED USE: | RA-40 / Assumed Single-Family Residence |
| THREE YEAR HISTORY: | No prior sales |
| MARKETING TIME: | Not Disclosed |
| CONFIRMED WITH: | MLS Listing, Affidavit of Value, and Physical Inspection |
| DATES OF CONFIRMATION: | 5/28/2024 |
| COMMENTS: | |

This comparable represents the sale of 41.07 acres of raw land. Access to the property is provided by a roughly graded dirt road that shows minimal signs of maintenance. Although they are not outlined by FEMA, the property has a wash that traverses the southern half of the property. Additionally, a smaller wash is located in the northern half of the property. Due to this, the property is assumed to be impacted by a floodplain. According to the Arizona Department of Water Resources, a water well was installed on the subject property on July 28, 2023, prior to the sale. The surrounding area is improved with low-density residential uses. Multiple unsuccessful attempts were made to contact a party related to the transaction. Due to this, It is assumed that the property was purchased to develop with a single-family use.

COMPARABLE LAND LISTING



| | |
|---|---|
| COMPARABLE: LOCATION: TAX CODE NUMBER(S): LISTING DATA Original List Date: Original List Price: Current Listing Price Date: Current Listing Price: SELLER: BUYER: LIST PRICE: INTEREST CONVEYED: TERMS: CONDITIONS OF SALE: LAND AREA IN SQ. FT. LAND AREA IN ACRES. LIST PRICE PER SQ. FT. LIST PRICE PER ACRE: PHYSICAL DESCRIPTION Location: Access: Traffic Count (VPD): Topography/Shape: Utilities: Flood Plain: ZONING / PLANNED USE: THREE YEAR HISTORY: MARKETING TIME: CONFIRMED WITH: DATES OF CONFIRMATION: COMMENTS: | LAND COMP "LISTING" 5 Southeast of Avenue 12 E and Southwest of County 9th Street, Yuma, AZ 85365 182-33-001 September, 2018 \$600,000 April, 2022 \$180,000 State of Arizona N/A \$180,000 Fee Simple Assumed Cash to Seller Active Listing 1,742,400 40.00 \$0.10 \$4,500 Below Average / Yuma County Poor Not Available Gently Rolling / Square Electric, No Water or Sewer Zone AE Floodway, Zone A, Zone X Shaded, Zone D RA-10 / Investment Purchase No prior sales 6 Years Donna Bentley, ADOT Listing Agent, ADOT Listing, and Physical Inspection 5/30/2024 |
|---|---|

This comparable is the active listing of the subject property. According to Donna Bentley, ADOT, the subject property has been listed on ADOT's website since 2018. The subject property was originally listed for \$600,000. This price was reduced to \$440,000 in 2020 and reduced again to \$352,000 in 2021. In April 2022, the subject property was reduced again to \$180,000, its current list price. To date, the property has not received any written offers to purchase. Some interest has been garnered at the current list price, but due to the restrictions of legal access no written offers have been submitted. According to the interested parties, the property is currently priced above its market value. The potential buyers interviewed were interested in the property as a speculative investment and had no current plans for development. The active listing states that the property is 39.49 acres. The Yuma County Assessor's Office states that the property is 40.00 acres which is used in this analysis.

LAND VALUATION ANALYSIS

Quantitative adjustments have been considered for elements of comparison including property rights conveyed, financing terms, conditions of sale, and date of sale, location, and physical characteristics, zoning/planned use. Due to the limited available sales data, the appraisers have limited ability to extract adjustments based on paired-sales. Due to this, alternative data is used as a proxy for price adjustments. A tabulation of these comparable sales and listing follows.

SUMMARY OF COMPARABLE LAND SALES

| LAND COMP | SALE DATE | PROPERTY LOCATION | LAND SALE PRICE | GROSS ACRES | LAND AREA (SF) | PRICE PER ACRE | PRICE PER SF | ZONING / PLANNED USE |
|----------------|----------------|---|-----------------|-------------|----------------|----------------|--------------|---|
| 1 | December, 2021 | East of Ironwood Drive, North of 42nd St. Yuma, AZ 85364 | \$81,000 | 14.27 | 621,538 | \$5,677 | \$0.13 | RA-10 / Investment Purchase |
| 2 | March, 2022 | East of Ironwood Drive, North of 42nd St. Yuma, AZ 85364 | \$30,000 | 9.87 | 429,760 | \$3,040 | \$0.07 | RA-10 / Speculative Single-Family Residence |
| 3 | October, 2022 | East of U.S. Highway 95, North of 3rd St. Yuma, AZ 85365 | \$128,529 | 60.00 | 2,613,600 | \$2,142 | \$0.05 | RA-20 / Assumed Agriculture Use |
| 4 | March, 2024 | SEC of County 4th St. and Ave. 18 3/4 E, Yuma, AZ 85365 | \$162,000 | 41.07 | 1,789,009 | \$3,944 | \$0.09 | RA-40 / Assumed Single-Family Residence |
| 5* | April, 2022 | Southeast of Avenue 12 E and Southwest of County 9th Street, Yuma, AZ 85365 | \$180,000 | 40.00 | 1,742,400 | \$4,500 | \$0.10 | RA-10 / Investment Purchase |
| SUBJECT | --- | Southeast of Avenue 12 E and Southwest of County 9th Street, Yuma, AZ 85365 | --- | 40.00 | 1,742,400 | --- | --- | RA-10 / Investment Purchase |

*All Pricing Represents Active Listing Price

Property Rights Conveyed:

All of the comparable sales transferred the fee simple estate. The fee simple interest in the subject property is conveyed. Price adjustments are unnecessary.

Financing Terms:

All of the sale transactions were or are assumed to be cash to the seller. No price adjustments are necessary.

Conditions of Sale:

Adjustments for conditions of sale consider any atypical conditions that surrounded the negotiations of the sales. Examples include a seller under duress, an adjacent property purchase or the lack of a sales commission.

Comparable Sales One, Three, and Four are market transactions that utilized a broker, no price adjustments are made. Comparable Two was purchased by an adjacent property owner. Due to the low purchase price and lack of a price premium paid according

to the buyer, a minimal downward price adjustment is made. Comparable Five is an active listing. Due to the extended length of the active listing period and lack of interest in the property at the current list price, a downward price adjustment is made

Market Conditions:

The transaction dates for the sales are from December, 2021, to actively listed. The effective date of this appraisal is May 28, 2024. As described in the Market Analysis, a 3% annual market condition adjustment is made from the comparable sales' sale dates to the effective date of value. Comparable Sales Four and Five are not adjusted as they are recent transactions or actively listed.

Location and Access:

One of the most significant elements of value for a vacant land is location. The subject property is remotely located south of Highway 95, about 3 miles northeast of the I-8 and Fortuna Road interchange. Residential development is located approximately one-mile south of the subject. Due to the limited available market data, demographic data will be used as a basis for location adjustments. Within a one-mile radius of the subject, there are 136 households, with 369 persons that have a median household income of \$95,161. Due to the limited population base, the median incomes near the subject is given minimal weight. As the property's immediate area is remotely located, the overall location is considered below average.

The property has physical access from an existing graded dirt road, Avenue 12 E. As discussed in the Site Analysis section, legal access would need to be secured at an estimated cost of \$27,968. The 2,413 linear feet of existing legal access would need to be graded. An additional 1,266 linear feet over lands which is not the current legal access would require grading. In total, 3,679 linear feet of access requires grading for access. These estimates are attached within the Addenda. Assuming a 20-foot-wide road that allow for two-way access, 73,580 square feet of grading is required. This is calculated below.

3,679 L.F. X 20-Foot-Wide Road = 73,580 Square Feet of Grading

According to *Marshall Valuation Service, MVS*, grading and disposal costs \$0.34 per square foot. Based on the 73,580 square feet required, the total cost to grade a dirt road is \$25,017 (73,580 X \$0.34 = \$25,017). In total, the estimated cost to obtain graded, legal access is \$52,985 or \$1,325 per acre (\$27,968 Legal + \$25,017 Grading = \$52,985). These costs will be used as the basis for the price adjustments made for access.

Comparable Sales One and Two are located adjacent east of a residential development. Due to their close proximity, they share the same demographic information. Within a one-mile radius, there is 4,338 persons with a median household income of \$50,521. These comparable sales are better located due to the surrounding development, access, and population base. Downward price adjustments are made for location.

Comparable Sale One has paved access to the north and south entrances of the site. According to the buyer, due to the location of Fortuna Wash along the west portion of the site, all-weather access is not financially feasible. As the access from the property corner to within the site is restricted by Fortuna Wash, the access is below average, superior to the subject. A downward price adjustment is made. The basis for this adjustment is the costs that would be incurred to secure legal access for the subject as the comparable has similar physical access constraints.

Comparable Sale Two was purchased without existing legal or physical access. Due to its location across Fortuna Wash, the property could not feasibly develop all-weather access. The comparable's access restrictions are similar to the to the subject and no price adjustment is made.

Comparable Sale Three is located north of the subject property in a remote location. Within a one-mile radius, there are 15 persons with an annual, median household income of \$66,667. Even though the demographic information is inferior to the subject, the comparable sale's location is considered similar to the subject due to its location adjacent to existing agricultural uses. No price adjustment is made for location.

The comparable has physical access from a dirt road off of U.S. Highway 95. This access is from the property adjacent north of the property. The legality of the access is unknown as no title report for the comparable was obtained. As no legal access was described within the Warranty Deed, the existing access is assumed to be non-legal access. The property's access is benefited by its close proximity adjacent to U.S. Highway 95. Overall, the comparable sale's access is considered below average due to the assumed lack of legal access. A downward price adjustment is made as the procurement of legal access is less burdensome than the subject's legal and physical constraints.

Comparable Sale Four is located in a remote area with low-density residential developments to the west. East of the comparable is vast amounts of vacant land. Within a one-mile radius, there are 14 persons with an annual, median household income of \$75,000.

Even though the demographic information is inferior, the property is adjacent to existing residential developments. Overall, its location is considered below average, comparable to the subject property. No price adjustment is made for location.

Access to Comparable Four is from a roughly graded dirt road that has been unmaintained and requires vehicles with high clearance to pass. As the legal access currently exists, its access is superior to the subject property. A downward price adjustment is made based on the price to secure legal access only. This is due to the necessity to re-grade the existing access to the comparable.

Comparable Sale Five is the subject property. No adjustments for location or access are required.

PHYSICAL CHARACTERISTICS

Site Size:

Assuming all other things are equal a larger property usually sells for a lower price per acre than a smaller property due to economies of scale. This is because smaller properties typically have a larger number of potential buyers than a larger property and because the holding cost to the developer of a larger parcel is greater due to the extended timeline to develop a larger site area. The subject property is 40.0 acres, with only 35 acres being usable due to the existing milling stored on 5 acres at the northeast property corner. The comparable sales range from 9.87 to 60 acres.

None of the sales included in this analysis provide paired-sale evidence to support adjustments for differences in size. Due to this, land sales of all property types over the last 10-year period in Yuma County were analyzed to extract a site size adjustment. According to CoStar, land sales from 9 to 20 acres had a median sale price of \$1.95 per square foot, 20 to 40 acres had a median sale price of \$1.26 per square foot, and 40-to-60-acre land sales has a median sales price of \$0.42 per square foot.

Comparable Sales One and Two are smaller than the subject property. Downward price adjustments are made. Comparable Sale Three is larger than the subject, an upward price adjustment is made. Comparable Sales Four and Five are similar to the subject property and no price adjustment is warranted.

Topography and Shape:

The subject property has a square shape and has gently rolling terrain. Comparable Sales One, Two, Four, and Five have similar terrain and shape. Adjustments are unnecessary.

Comparable Three has level terrain which is more cost effective to develop and allows for more intensive development. A downward price adjustment is made. This adjustment is minimal as the comparable's topography will largely be accounted for in its potential use adjustment. No adjustments are necessary for site shape as the subject and comparable's shape does not inhibit their development.

Utilities:

Electric is available at the subject's west boundary. Water and sewer would require the development of a water well and septic system.

Comparable Sales One, Two, and Five have similar access to utilities, no price adjustments are made. Comparable Sale Four has an existing water well. This is superior to the subject property and downward price adjustment is made.

Comparable Sale Three is improved with a water well. This is superior to the subject property and a downward price adjustment is made. Additionally, the property has an approximately 9-acre easement with A.P.S. for existing power lines that traverse the center of the property. This electrical pole development divides the property and restricts its development. An upward price adjustment is made due to utility easement that the subject property does not have.

Floodplain:

As discussed in the Site Analysis, the subject property is largely located in a floodway and floodplain. This restricts the site's development potential and increases development costs.

Comparable Sales One, Two, and Five are partially located within a floodway and floodplain, similar to the subject property. No price adjustments are made. Comparable Sales Three and Four are less impacted by the floodplain issues. Downward price adjustments are appropriate.

Zoning/Potential Use:

The subject is located in the RA-10, Rural Area zoning district. Due to the access restrictions and floodplain issues, the subject's highest and best use is for investment.

Comparable Sales One, Two, and Five have similar zoning to the subject property. As these comparable sales' development is constrained by access and floodplain issues, their potential uses are limited and investment properties for future development. No price adjustments are made.

Comparable Three has inferior zoning which requires a larger site size for residential development. An upward price adjustment is made for zoning. As the property is less restricted by floodplain and access issues, it can be developed with an agricultural use. Its development potential is superior to the subject property and a downward price adjustment is made. Overall, a downward price adjustment is made as greater weight is given to the comparable's use.

Comparable Sale Four has inferior zoning that requires 40-acres per residence. An upward price adjustment is made. As the property could be developed with a single-family residence in the near-term, its use is superior to the subject property. A downward price adjustment is made for the comparable's use. Overall, a downward price adjustment is made as greater consideration is given to the comparable's use.

The Land Sales Adjustment Matrix follows which summarizes the adjustments as they apply to the sales.

LAND COMPARABLE ADJUSTMENT MATRIX

| ELEMENTS OF COMPARISON | SUBJECT | LAND COMP 1 | | LAND COMP 2 | | LAND COMP 3 | | LAND COMP 4 | | LAND COMP "LISTING" 5 | |
|-----------------------------------|---|--|------------------------------|--|------------------------------|--|------------------------------|---|------------------------------|---|------------------------------|
| | Southeast of Avenue 12 E and Southwest of County 9th Street, Yuma, AZ 85365 | East of Ironwood Drive, North of 42nd St. Yuma, AZ 85364 | Price Per Acre / Adjustments | East of Ironwood Drive, North of 42nd St. Yuma, AZ 85364 | Price Per Acre / Adjustments | East of U.S. Highway 95, North of 3rd St. Yuma, AZ 85365 | Price Per Acre / Adjustments | SEC of County 4th St. and Ave. 18 3/4 E, Yuma, AZ 85365 | Price Per Acre / Adjustments | Southeast of Avenue 12 E and Southwest of County 9th Street, Yuma, AZ 85365 | Price Per Acre / Adjustments |
| SALE PRICE | N/A | | \$5,677 | | \$3,040 | | \$2,142 | | \$3,944 | | \$4,500 |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Fee Simple | | Fee Simple | | Fee Simple | | Fee Simple | | Fee Simple | |
| Adjustment | | 0% | \$0 | 0% | \$0 | 0% | \$0 | 0% | \$0 | 0% | \$0 |
| FINANCING TERMS | Assume cash to seller | Cash to Seller | \$5,677 | Cash to Seller | \$3,040 | Cash to Seller | \$2,142 | Cash to Seller | \$3,944 | Assumed Cash to Seller | \$4,500 |
| Adjustment | | 0% | \$0 | 0% | \$0.00 | 0% | \$0 | 0% | \$0 | 0% | \$0 |
| CONDITIONS OF SALE | Assume Arm's -Length | Arm's-Length | \$5,677 | Arm's-Length / Adjacent Buyer | \$3,040 | Assumed Arm's-Length | \$2,142 | Arm's-Length | \$3,944 | Active Listing | \$4,500 |
| Adjustment | | 0% | \$0 | -2.5% | -\$76 | 0% | \$0 | 0% | \$0 | -25% | -\$1,125 |
| MARKET CONDITIONS (TIME) | May 28, 2024 | December, 2021 | \$5,677 | March, 2022 | \$2,964 | October, 2022 | \$2,142 | March, 2024 | \$3,944 | Active Listing | \$3,375 |
| Adjustment | Date of Value | 8% | \$454 | 7% | \$207 | 5% | \$107 | 0% | \$0 | 0% | \$0 |
| ADJUSTED SALE PRICE | | | \$6,131 | | \$3,171 | | \$2,249 | | \$3,944 | | \$3,375 |
| LOCATION | General | Average / Yuma County | | Average / Yuma County | | Below Average / Yuma County | | Below Average / Yuma County | | Below Average / Yuma County | |
| Access | Below Average / Yuma County | Below Average | | Poor | | Below Average | | Below Average | | Poor | |
| Adjustment | Poor | -30% | -\$1,839 | -5% | -\$159 | -10% | -\$225 | -10% | -\$394 | 0% | \$0 |
| PHYSICAL CHARACTERISTICS | Site Size in Acres | 14.27 | | 9.87 | | 60.00 | | 41.07 | | 40.0 | |
| Adjustment | (35.00 Usable) | -5% | -\$307 | -5% | -\$159 | 5% | \$112 | 0% | \$0 | 0% | \$0 |
| Topography / Shape | Gently Rolling / Square | Gently Rolling / Irregular | | Gently Rolling / Rectangular | | Level / Rectangular | | Gently Rolling / Rectangular | | Gently Rolling / Square | |
| Adjustment | | 0% | \$0 | 0% | \$0 | -5% | -\$112 | 0% | \$0 | 0% | \$0 |
| Utilities | Electric at Lot Line, No City Water & Sewer | Electric, No Water or Sewer | | Electric Nearby, No Water or Sewer | | Electric, Water Well, No Sewer / Easement | | Electric Nearby, Water Well, No Sewer | | Electric, No Water or Sewer | |
| Adjustment | | 0% | \$0 | 0% | \$0 | 15% | \$337 | -5% | -\$197 | 0% | \$0 |
| Floodplain | Zone AE Floodway, Zone A, Zone X Shaded, Zone D | Zone AE Floodway and Zone X Shaded | | Zone AE Floodway, Zone A, Zone D | | Zone A | | Zone X and Zone D | | Zone AE Floodway, Zone A, Zone X Shaded, Zone D | |
| Adjustment | | 0% | \$0 | 0% | \$0 | -5% | -\$112 | -5% | -\$197 | 0% | \$0 |
| Zoning / Planned Use | RA-10 / Investment Purchase | RA-10 / Investment Purchase | | RA-10 / Speculative Single-Family Residence | | RA-20 / Assumed Agriculture Use | | RA-40 / Assumed Single-Family Residence | | RA-10 / Investment Purchase | |
| Adjustment | | 0% | \$0 | 0% | \$0 | -10% | -\$225 | -5% | -\$197 | 0% | \$0 |
| ADJUSTED SALE PRICE / ACRE | | | \$3,985 | | \$2,854 | | \$2,024 | | \$2,958 | | \$3,375 |

Conclusion:

The unadjusted sale price range from the comparable sales is \$2,142 to \$5,677 per acre. After adjustments for the appropriate elements of comparison, the estimated value range for the subject is from \$2,024 to \$3,985 per acre. The arithmetic mean is \$3,039 with a median price of \$2,958 per acre. Greatest weight is given to Comparable Sale Four, which is a recent sale, remotely located, similarly sized, and has access and development restraints.

Based on the foregoing data and analysis it is our opinion that the market value of the larger parcel is \$3,000 per acre.

5 Acres of Milling Storage

As previously discussed in the Site Analysis section, there are asphalt and concrete millings stored on 5 acres in the northeast property corner. It is estimated that these millings would cost \$192,912, or \$4,823 per acre of total property size, to remove. As the cost of removal is greater than the subject property's total market value, removal is not financially feasible. Due to this, the 5 acres impacted is excluded in the subject property's market value estimate. The unimpacted 35 acres will be valued at \$3,000 per acre. The impacted 5 acres will be valued at \$0 per acre as outlined below. Rounding is unnecessary as the subject's market value equates to a rounded total.

$$\begin{aligned} 35.0 \text{ Acres} \times \$3,000/\text{Acre} &= \$105,000 + \\ \underline{5 \text{ Acres} \times \$0/\text{Acre}} &= \$0 \\ \text{Total 40 Acres} &= \$105,000 \text{ or } \$2,625 \text{ Per Acre} \end{aligned}$$

**“AS IS” MARKET VALUE OPINION
FOR THE SUBJECT 40.0 ACRES\$105,000**

EXPOSURE TIME

The marketing times from the comparable sales were not available. Based on the current market conditions in the Yuma market, an exposure time of 12 months is estimated, if priced appropriately.

AUDITING BREAKDOWN

| | |
|-------------------------------------|------------------|
| Market Value Opinion, Land: | \$105,000 |
| Market Value Opinion, Improvements: | \$0 |
| Opinion of Market Value: | \$105,000 |

CERTIFICATION OF APPRAISER

Project Number: L-Y-020
Parcel Number: 182-33-001

We hereby certify:

That we personally inspected, the property herein appraised, and that we have afforded the property owner the opportunity to accompany us at the time of inspection. We 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 we 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 our knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and we assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the property, was 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 our analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes; and that, to the best of our 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 we understand this appraisal may be used in conjunction with the acquisition of right of way for a highway to be constructed by the State of Arizona with the assistance of Federal aid highway funds or other Federal funds.

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

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

That we have not revealed the findings and results of such appraisal to anyone other than the proper officials of the Arizona Department of Transportation or officials of the Federal Highway Administration, and we will not do so unless so authorized by proper State

officials, or until we are required to do so by due process of law, or until we are released from this obligation by having publicly testified as to such findings.

That our opinion of the MARKET VALUE of the subject property as of the 28th day of May, 2024, is \$105,000, based upon our independent appraisal and the exercise of our professional judgement.



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



John E. Medley
Certified General Real
Estate Appraiser # 1049989

CERTIFICATION

THE APPRAISER CERTIFIES TO THE BEST OF THEIR KNOWLEDGE AND BELIEF:

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

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

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

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

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

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

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

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

Steven Cole, MAI, AI-GRS and John Medley made a personal inspection of the property that is the subject of this report.

Estefania Lizarraga Esquivel, AZ Trainee License #RTA-1039259 provided significant real property appraisal assistance to the person(s) signing this certification. However, the final report and its opinions and conclusions of value are the signing appraiser's.

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

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

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

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

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



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



John E. Medley
Certified General Real
Estate Appraiser # 1049989

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, 2027.

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

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

EXPERIENCE:

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

ADDITIONAL EDUCATIONAL AND PROFESSIONAL ACTIVITY:

Publication of articles in Professional Journals:

“A New Methodology for Estimating Highest and Best Use”,

Real Estate Appraiser and Analyst, Summer, 1987

“

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

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

Associate Faculty, University of Arizona and Pima Community College. Courses offered; “Real Estate Appraisal Principles” and “Basic Valuation Procedures.”

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, 2007-2023.

Member of the Arizona Airports Association.

APPROVED APPRAISER:

With many major commercial banks and mortgage companies in Arizona.

STATE CERTIFICATION:

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

Licensed real estate sale person in Arizona, 1975-2024. Licensed through April 2026.

Licensed real property tax agent. Current through April 27, 2025.

Department of Insurance and Financial Institutions
State of Arizona

CGA - 30130

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

has complied with the provisions of

STEVEN R. COLE

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

STEVEN R. COLE

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

Expiration Date : **August 31, 2024**

QUALIFICATIONS OF JOHN E. MEDLEY

FORMAL EDUCATION:

Bachelor of Arts Degree, University of Arizona, Tucson, 2008

PROFESSIONAL EDUCATION:

Successful completion of examinations for the following courses:

- Basic Appraisal Principles and Basic Valuation Procedures
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Residential Site Valuation and Cost Approach
- General Appraiser Market Analysis and Highest and Best Use
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Sales Comparison Approach
- General Appraiser Report Writing and Case Studies
- General Appraiser Income Approach
- Statistics, Modeling and Finance
- Commercial Appraisal Review
- Expert Witness for Commercial Appraisers

EXPERIENCE:

Includes valuation of most types of commercial, industrial, and vacant land properties. Experience also includes condemnation appraisals, aviation properties, special purpose properties, fee simple, leased fee, and leasehold interests.

SEMINARS:

- Condemnation Summit XXXI
- Arizona Airport Association Conferences
- Southern Arizona CCIM Economic Forecasts
- Tucson Association of Realtors Conferences

STATE CERTIFICATION:

Arizona Certified General Real Estate Appraiser Number 1049989. Currently certified through November 30, 2025.

Department of Insurance and Financial Institutions
State of Arizona

CGA - 1049989

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

has complied with the provisions of

John Edward Medley

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

John Edward Medley

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 : **November 30, 2025**

ADDENDA



PURCHASE ORDER

PHOENIX, on 5/21/2024
CTR054974/ JW-24-027/ M697501X & M519501X/ L-Y-016, L-Y-020/ 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. P0000666320

(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
1801 W Jefferson St
UNITED STATES
Phoenix, Arizona 85007
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 | CTR054974-3 | 789375-1 | CTR054974/ JW-24-027/ M697501X & M519501X/ L-Y-016, L-Y-020/ Appraisal due 45 days from approval Commentaire : L-Y-020/ M697501X | 1.0000 | Total Cost | | |
| 2 | CTR054974-3 | 789375-2 | CTR054974/ JW-24-027/ M697501X & M519501X/ L-Y-016, L-Y-020/ Appraisal due 45 days from approval Commentaire : L-Y-016/ M697501X (Partial Split of project per Budget Mgr) | 1.0000 | Total Cost | | |
| 3 | CTR054974-3 | 789375-3 | CTR054974/ JW-24-027/ M697501X & M519501X/ L-Y-016, L-Y-020/ Appraisal due 45 days from approval Commentaire : L-Y-016 / M519501X (Partial split of project per Budget Mgr) | 1.0000 | Total Cost | | |

Total before Tax

Non-Taxable - 0 %

Total after Tax

0.00 USD



ARIZONA

PURCHASE ORDER

ARIZONA

Page 2 of 6

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. Protection of State Cybersecurity Interests. Seller shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.

11. 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.

12. 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

13. 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.

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

15. 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

16. 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.

17. 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.

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

19. 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.

20. 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.)

21. 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.

22. 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.

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



Infrastructure Delivery and Operations

Katie Hobbs, Governor

Jennifer Toth, Director

Greg Byres, Deputy Director for Transportation/State Engineer

Steve Boschen, Division Director

Iqbal Hossain, PE, Group Manager

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

May 15, 2024

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

RE: Appraisal Assignment No.: JW-24-027
PROJECT: M6975 01X
HIGHWAY: AVE 3E HIGHWAY
SECTION: Jct. US 80 / I-8
PARCEL: L-Y-016, L-Y-020

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 sale or disposal of the excess parcel.

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 Donna Bentley (DBentley@AZDOT.GOV); Vanessa Nunez (VNunez@AZDOT.GOV); Jim Walcutt (JWalcutt@AZDOT.GOV); Therisa Billingsley (TBillingsley@AZDOT.GOV); and Timothy O'Connell (O'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: EXCESS LAND

ARIZONA DEPARTMENT OF TRANSPORTATION
206 S. 17th Ave. | Phoenix, AZ 85007 | azdot.gov

Scope Notes: Market Value is required for appraisal of this excess ADOT parcel.

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 20, 2024.

Sincerely,
Jim Walcutt
R/W Project Management Section

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

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 record 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 City of Yuma, an Arizona municipal corporation.

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: 09/07/2016 | Examiner: Don Greene | Reviewer: Byron Hopkins |
| Update to: | Examiner: | Reviewer: |
| Update to: | Examiner: | Reviewer: |
| Update to: | Examiner: | Reviewer: |
| Update to: | Examiner: | Reviewer: |

| | | |
|------------------------|---|------------------------------|
| County: Yuma | Tax Arb: N / A | Disposal: N / A |
| Tracs No.: None | Highway: STATEWIDE FACILITY SITES | Excess Land: L-Y-020 |
| Fed. No.: N / A | Section: Fortuna Wash - Telegraph Pass | Parcel No.: M.S. 5002 |

**SCHEDULE A-1
LEGAL DESCRIPTION**

Parcel 1:

The Northwest quarter of the Northwest quarter of Section 33, Township 8 South, Range 21 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona

Parcel 2:

An appurtenant easement for a 30 foot wide Right of Way over that portion of the Southeast quarter and the Northeast quarter of Section 29, Township 8 South, Range 21 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona as set-forth in Right of Way Lease No. 9-1413.

Parcel 3:

An appurtenant easement for 15 foot wide Railroad Roadway over that portion of the Southeast quarter of Section 29, Township 8 South, Range 21 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona as set-forth in Agreement dated 07/02/1956, Drawing A-10773.

Parcel 4:

An appurtenant easement for 50 foot wide Roadway over that portion of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 28, Township 8 South, Range 21 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona as set-forth in Docket 555, page 2.

Parcel 5:

An appurtenant easement for 50 foot wide Haul Roadway over that portion of the Southwest quarter of Section 3 and a portion of Southeast quarter of Section 4, Township 9 South, Range 21 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona as set-forth in State Right of Way Lease No. 9-3393

END OF SCHEDULE A-1

RIGHT OF WAY / VESTING

1. Quit Claim Deed from Yuma Irrigation District, to the State of Arizona, by and through its Department of Transportation, dated 10/20/1955, recorded 12/01/1955, in Docket 151, page 201, described as: the Northwest quarter of the Northwest quarter of Section 33 Township 8 South, Range 21 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona.
(Parcel 1)
2. Right of Way Lease # 9-1413 from the State of Arizona (State Land Office)(Grantor) to Arizona State Highway Commission (Permittee), dated 11/18/1955.
(Parcel 2)
3. Agreement from Southern Pacific Company, a corporation (termed Railroad) and State of Arizona, by and through its Department of Transportation (termed State), dated 07/02/1956, Railroad's Tucson Division Drawing A-10773
(Parcel 3)
4. Easement for Ingress and Egress from Tanner Bros. Contracting Company, Inc., an Arizona corporation to State of Arizona, by and through its Department of Transportation, dated 12/13/1968, recorded 02/11/1969 in Docket 555, page 2.
(Parcel 4)
5. Right of Way Lease # 9-3393 from the State of Arizona (State Land Office) (Grantor) to Arizona State Highway Commission (Permittee), dated 11/22/1963. (haul road H-3)
(Parcel 5)

END OF RIGHT OF WAY / VESTING

SCHEDULE B

1. Reservations contained in Patents issued on said land by Patent dated 09/15/1926, recorded 09/15/1926 in Book 1 of Deeds, page 124.

Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognize and acknowledged by the local customs, laws, and decisions of courts, and there is reserved from the lands hereby granted a right of way for ditches and canals constructed by the authority of the United States".

(Parcel 1)

2. Lack of access due to the fact that easement described in Parcel 2 in Schedule A-1 herein, said Lease No. 9-1413 fails to connect to property.
(Parcels 1 and 2)

3. Electrical facilities as disclosed by Agreement letter from Arizona Department of Transportation to Arizona Public Service Company, dated 06/30/1989, as to realignment of existing pole lines within Material Site No. 5002.
(Parcel 4)

TITLE NOTES:

- a. An extensive search by the Bureau of Reclamation and Yuma District office did not reveal any existing valid permits for Material Site No. 5216 and associated haul roads as to Section 33, Township 8 South, Range 21 West.
- b. An extensive search of the State Land Office as to Sections 29 and 32, Township 8 South, Range 21 West, did not reveal any new valid permits for haul roads, except for haul road H-3 over Sections 3 and 4 of Township 9 South, Range 21 West (see Parcel 5)

END OF SCHEDULE B

REQUIREMENTS

1. Record Deed from the State of Arizona, by and through its Department of Transportation to the City of Yuma.

END OF REQUIREMENTS

- 5 -

Easement Required From State of Arizona ~1,185 L.F.
Parcel 182-29-024



Easement Required From Yuma Irrigation District ~81 L.F.
Parcel: 182-29-016



