

FIRST APPRAISAL SERVICES

An Appraisal Report for the Valuation of
a Vacant Tract of Land

Owned by
Arizona Department of Transportation

Location of Property to be Appraised:

East side of State Route 66 south of Thompson Avenue
Kingman, Arizona 86401

Report Dated:

July 8, 2025

Effective Date:

May 30, 2025

Prepared for:

Arizona Department of Transportation
Right of Way Operations Section
205 S. Seventeenth Avenue
Room 331, Mail Drop #612E
Phoenix, Arizona 85007

Prepared by:

Timothy A. Haskins, ASA
*Arizona Certified General
Real Estate Appraiser #30668*

First Appraisal Services, PLC
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**Reference:**

FAS 1.25-3008.00

Project: M6975
Highway: Kingman – Ashfork Highway
Section: Kingman Airport Section
Parcel: L-K-025



FIRST APPRAISAL SERVICES

7227 N. 16th Street, Suite 112 | Phoenix | Arizona | 85020
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July 8, 2025

Mr. Jim Walcutt
Review Appraiser
Arizona Department of Transportation
Right of Way Operations Section
205 S. Seventeenth Avenue
Room 331, Mail Drop #612E
Phoenix, Arizona 85007

RE Project: M6975
Highway: Kingman – Ashfork Highway
Section: Kingman Airport Section
Parcel: L-K-025

Dear Mr. Walcutt:

In accordance with your request and authorization, I have prepared an appraisal of the property referenced above. I am pleased to present the narrative Appraisal Report transmitted by this letter, containing pertinent data related to the valuation of the property appraised.

The purpose of this appraisal is to provide an opinion of the market value of the property identified herein. This appraisal is intended to assist in decisions regarding the possible sale or disposal of the property being appraised. The effective date for this appraisal assignment is May 30, 2025.

The subject property is a 7.746-acre tract of land located on the east side of State Route 66 south of Thompson Avenue in an unincorporated area of Mohave County in Kingman. A physical inspection of the property was made on May 30, 2025, with representatives of the property owner.

This appraisal report has been written in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, the Code of Ethics of the American Society of Appraisers, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24, and the guidelines and standards of the Arizona Department of Transportation.



Mr. Jim Walcutt
Arizona Department of Transportation
July 8, 2025

The opinion of market value as defined and expressed herein is subject to the Underlying Assumptions and Limiting Conditions set forth in this report, as well as the appraiser's certification. There have been no extraordinary assumptions or hypothetical conditions made for this appraisal assignment.

The appraisal of the fee simple interest in the subject property is being presented in this report. As a result of my investigation and study, I am of the opinion that the market value of the appraised property, as of May 30, 2025, is:

THREE HUNDRED FORTY-NINE THOUSAND DOLLARS

\$349,000.00

Thank you for the opportunity to be of service to you. If you have any questions or if we may be of any further assistance in this matter, please do not hesitate to call or write this office.

Respectfully submitted,

FIRST APPRAISAL SERVICES

Timothy A. Haskins, ASA

Arizona Certified General Real Estate Appraiser No. 30668

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Summary of Salient Facts and Conclusions

Client	Arizona Department of Transportation		
Client Reference	Project:	M6976	
	Highway:	Kingman – Ashfork Highway	
	Section:	Kingman Airport Section	
	Parcel:	L-K-025	
Date of Report	July 8, 2025	Limiting Conditions	See Addendum A
Report Format	Appraisal Report	Certification	See Page 52
Intended Use	Assist in the possible sale or disposal of the subject property		
Intended User(s)	Arizona Department of Transportation and Federal Highway Administration		

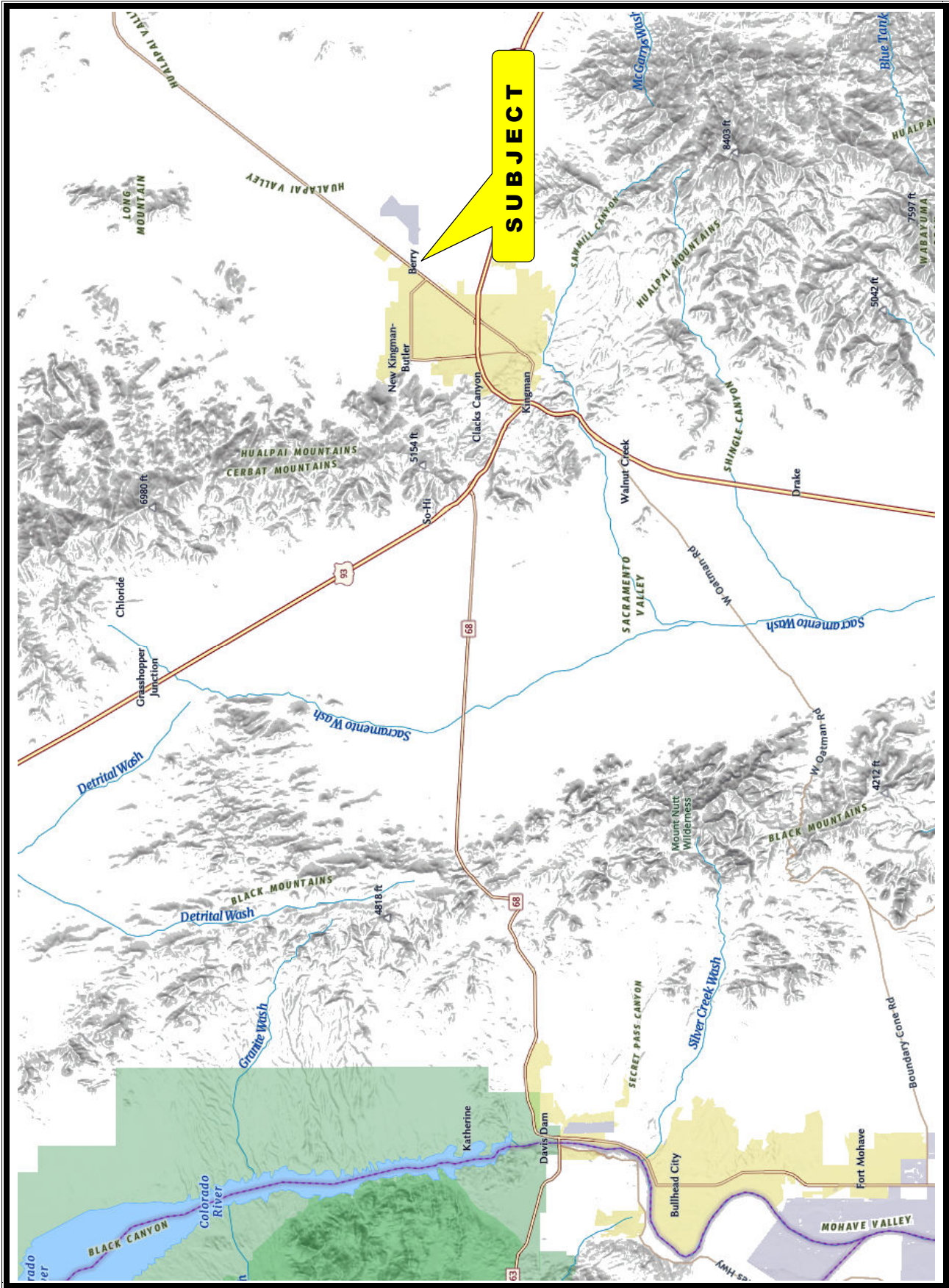
Property Information

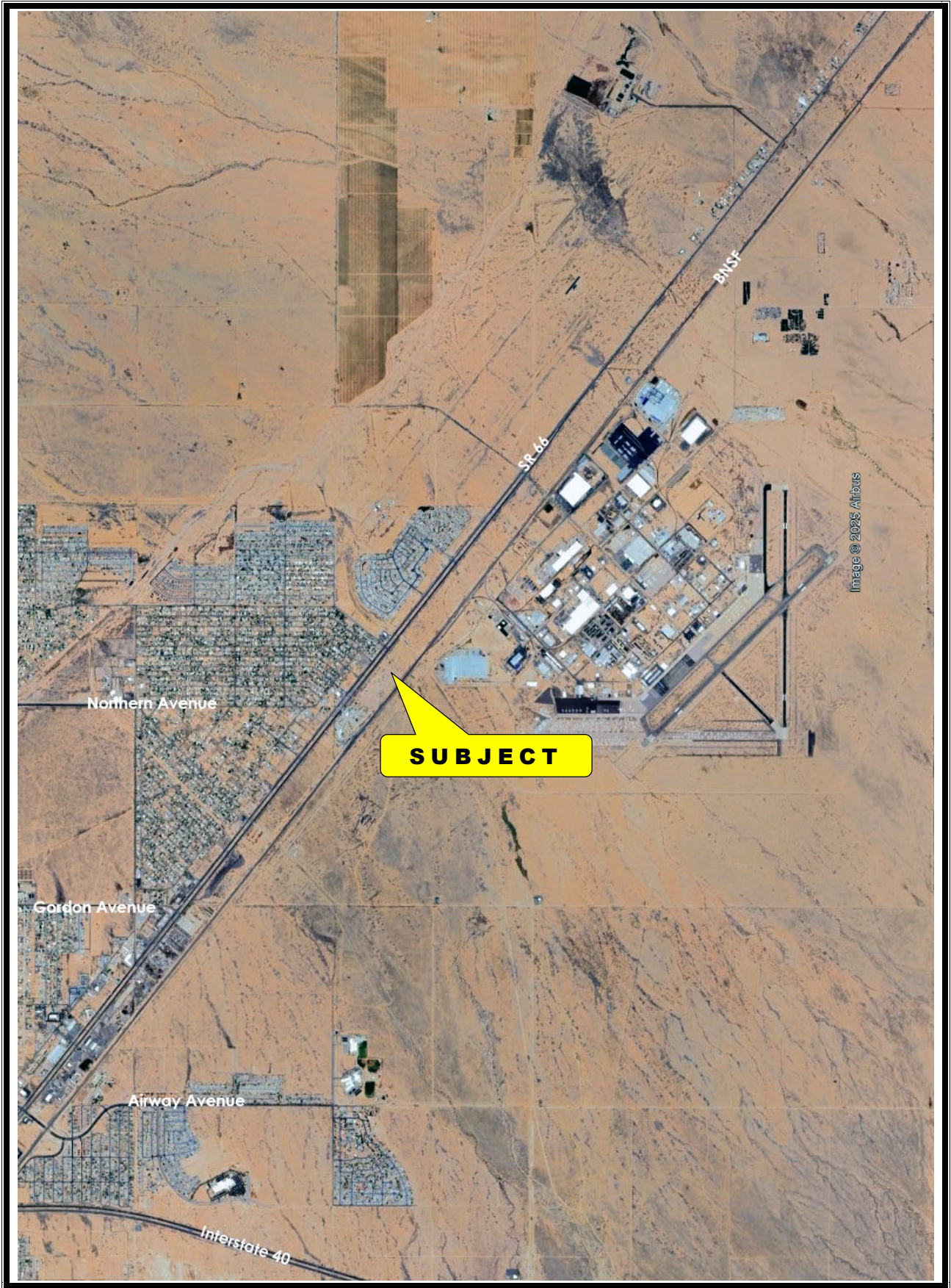
Ostensible Owner	Arizona Department of Transportation		
Location of Property	East side of State Route 66 south of Thompson Avenue		
Street Address	None Given	Township-Range	T22N-R16W
	Kingman, Arizona 86401	Section	27
County	Mohave		
Assessor Parcel Number(s)	310-21-081 <i>(portion of)</i>		
Site Area	337,427 square feet	Zoning District(s)	C-MO
	7.746 acres		Mohave County
		Flood Zone	Zone X
Present Use	Vacant Land		
Date of Inspection	May 30, 2025		

Valuation Information

Highest and Best Use			
As If Vacant:	Land Investment		
Effective Date	May 30, 2025		
Extraordinary Assumptions	None		
Hypothetical Conditions	None		
Indications of Value	Sales Comparison Approach.....	\$349,000.00	
	Income Approach.....	Not Developed	
	Cost Approach	Not Developed	
Fee Simple Interest	Conclusion of Value	\$349,000.00	









INTRODUCTION

Purpose and Scope of the Appraisal

Purpose

The purpose of this appraisal is to provide an opinion of the market value of the property identified on page 8, hereinafter referred to as the “subject property”. The intention of this appraisal service was that it was to be performed in such a manner that the results of the analysis, opinion, or conclusion would be those of a disinterested third party.

Intended Use, User and Client

The intended use of this appraisal is to assist in decisions regarding the possible sale or disposal of the property being appraised. The Arizona Department of Transportation and the Federal Highway Administration are the intended users of this appraisal. The appraiser’s client for this appraisal assignment is the Arizona Department of Transportation.

Definitions

Market Value

The decision of what value is being estimated is determined, at least in part, by the function of the appraisal and affects the scope of the appraisal. Different types of value that may be considered include market value, value in use, going-concern value, investment value, assessed value and insurable value. Considering the purpose of this appraisal, market value will be estimated in this appraisal and is defined as follows:

For the purposes of this article, “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.

Arizona Revised Statute 28-7091 [Title 28 Chapter 20 Article 6]

Exposure Time

The definition of exposure time used in this report is in accordance with the Appraisal Standards Board of the Appraisal Foundation. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market, and is defined by the Appraisal Board as the,

an opinion, based on supporting market data, of the length of time that 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.¹

Based upon an analysis of the general market area and sales of similar property types in the area, normal exposure time for properties similar to the subject is estimated to be within a twelve-month time period.

¹ Uniform Standards of Professional Appraisal Practice, 2024 Edition, The Appraisal Foundation

Significant Dates

Effective Date: May 30, 2025

The effective date of this appraisal, which is also referred to as the date of value, is the date to which an appraiser's analyses, opinions, and conclusions apply. The effective date of this appraisal, which is the date of valuation, is the most recent date of physical inspection by the appraiser.

Date of Inspection: May 30, 2025

The appraiser made a physical inspection of the property at approximately 11:00 am on May 30, 2025.

Date of Report: July 8, 2025

The date of the report is the date on which the report is transmitted to the Client.

Property Rights Appraised

In the appraisal of real property, there are many concepts that must be understood and applied. One of these concepts relates to the rights inherent in the ownership of real property.

Real property appraisal involves not only the identification and valuation of a variety of different rights, but also analysis of the many limitations on those rights and the effect that the limitations on the valuation.²

The fee simple title is regarded as an estimate without limitations or restrictions. Partial interests are created by selling, leasing, or otherwise limiting the "bundle of rights" in the fee simple estate, resulting in something less than the complete fee simple estate. An appraisal assignment may require the appraisal of a fee simple title or a partial interest such as a leasehold estate or an easement. The three most common types of property rights involved in the appraisal process are defined below.³

Fee simple estate 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.

Leased fee estate the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold estate the right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

The appraisal of the fee simple interest in the subject property is being presented in this report, subject to "Schedule B" of a Right of Way Disposal Report prepared for the subject property. Since there are no leases affecting the ownership of the subject property, there is no leased fee or leasehold estate to be considered.

² The Appraisal of Real Estate, 15th ed. (Chicago: Appraisal Institute, 2020) p59

³ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022) p73 and p105

Scope of Work

The appraisal process is an orderly set of procedures that is undertaken to solve a problem concerning the value of real estate. These procedures help direct an appraiser to identify the particular appraisal problem and lead to reporting its solution to the client. The initial step in this process is the definition of the appraisal problem. This is accomplished through the identification of the real estate, the date of value to be utilized, the property rights to be appraised, and the type of value sought to be estimated.

After the appraisal problem is identified, general data on the market and the subject property is collected. This data includes information about the state, county, city, neighborhood, and the subject site and improvements. This information is then examined to conclude the highest and best use of the property being appraised. It is also during this stage in the process that any potentially applicable comparable cost, rental and sales market data is collected for analysis in the valuation of the subject property.

Area Analysis

Research during the preparation of this appraisal included a regional analysis as well as analysis of the more immediate area surrounding the subject property. Primary sources of information are cited within the body of this report and include the United States Census Bureau, the United States Department of Labor and Center for Business Research, the Arizona Department of Commerce, the Arizona Department of Economic Security, the Arizona State University Center for Real Estate Theory and Practice, the Eller College of Management Economic and Business Research Center at the University of Arizona, and various local and regional business publications. Neighborhood data was gathered from several sources including a physical inspection of the area.

Property Description

Primary sources of information regarding the description of the subject property include a physical inspection of the property by the appraiser on May 30, 2025. The inspection of the site consisted of an observation of the property from the abutting roadway and on site.

Zoning information and information relating to the availability of utility infrastructure was provided by Mohave County. Title information is based upon public records. Other sources of information utilized in this appraisal include the Office of the Mohave County Recorder, Mohave County Treasurer and Mohave County Assessor, and the Federal Emergency Management Agency.

Market Data Information

The market data used in this appraisal was collected, in part, from real estate agents and brokers who are knowledgeable of the subject marketplace, local and regional publications, CoStar Group, the Kingman/Golden Valley Association of Realtors, and the public record. The appraiser researched comparable market transactions occurring within the subject market area and found sufficient data to estimate a reliable value of the subject property under appraisement. The market search for similar properties was specifically concentrated in the Kingman area. The analysis of the market incorporated both historic and current data.

After all the data is gathered, an analysis of the market and subject property is undertaken. This is done to gain an understanding of the market and the property to be appraised so that informed conclusions as to the value of the property can be formulated. One of the primary objectives of this analytical process is to assist the appraiser in determining the highest and best use of the property, as if vacant and as improved, if applicable. The data and analysis are then applied to the three traditional approaches to value: the cost approach, the sales comparison (or market) approach, and the income capitalization approach, if applicable.

The final step in the appraisal process is the reconciliation or correlation of the conclusions derived from the approaches to value utilized. In the reconciliation, the appraiser considers the relative applicability of each of the approaches and then examines the range provided by the indications of value from each applicable approach to value. The appraiser must consider the strengths and weaknesses of each approach and the reliability of each indicator as it relates to the property being appraised. The reconciled value may be stated as a single figure, a range, or a combination of both.

Under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice, an appraiser may communicate the results of an appraisal in either an “Appraisal Report” or a “Restricted Appraisal Report”. The primary difference between the report formats is who may rely on the appraisal. The Appraisal Report format was chosen for this appraisal assignment. The depth of discussion presented in this report is based upon the scope of the appraisal assignment and the stated intended use and users.

The scope of this report includes the accumulation and analysis of pertinent and sufficient market data in order to employ a meaningful and appropriate valuation methodology in the appraisal of the fee simple interest in the property that is the subject of this report. This appraisal report is written in accordance with the guidelines and standards of the Uniform Standards of Professional Appraisal Practice, the Code of Ethics of the American Society of Appraisers, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24, and the Arizona Department of Transportation.

Assignment Conditions

The underlying assumptions and limiting conditions pertaining to this report are contained in the Certificate of Appraiser on page 52 and Addendum A to this report. These assumptions and limiting conditions are an integral part of the report and are only placed at the end to facilitate reading of the report, not to minimize their importance.

Extraordinary Assumptions and Hypothetical Conditions

Extraordinary assumptions and hypothetical conditions are conditions of the appraisal assignment that affect the scope of work. The intended users of this appraisal are cautioned that the use of the hypothetical conditions and extraordinary assumptions discussed below, if any, might have affected the assignment results.

The Appraisal Foundation defines an extraordinary assumption as, “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”⁴ There have been no extraordinary assumptions made in the appraisal of the property for this assignment.

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”, as defined by The Appraisal Foundation.⁵ The opinions and conclusions as stated within this report are not based upon any hypothetical conditions.

⁴ Uniform Standards of Professional Appraisal Practice, 2024 Edition, The Appraisal Foundation

⁵ Uniform Standards of Professional Appraisal Practice, 2024 Edition, The Appraisal Foundation



FACTUAL DATA

Identification of the Real Estate

The first step in the appraisal process is the definition of the appraisal problem, which includes the identification of the real estate to be appraised. There are several ways to identify a property, including by reference (if the property is named), by address and by the identity of a physical entity in a legal description.

The purpose of this section of the report is to identify the property only. A physical description of the property to be appraised can be found later in this report beginning on page 27 of this report. The property that is the subject of this report may be commonly identified as follows:

Location.....	East side of State Route 66 south of Thompson Avenue
Street Address	None Given
City, State, ZIP	Kingman, Arizona 86401
Assessor Parcel Number(s)	310-21-081 (<i>portion of</i>)

Legal Description⁶

A portion of the Southwest quarter of Section 27, Township 22 North, Range 16 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona

Figure 1 – Aerial Photograph



⁶ A full legal description has been provided by the Client for this appraisal assignment and is included in the addenda to this report

Ownership and Occupancy

Ostensible Owner

According to public records, the State of Arizona, by and through its Department of Transportation, holds title to the subject property as of the date of valuation. The current vesting of the subject property appears to have been established in 1933 from the Santa Fe Pacific Railroad Company.

Five Year Sales History

Investigation of the public records fails to reveal any arm's length transactions involving the subject property within five years of the date of valuation. The appraiser has not discovered any evidence indicating that the subject property is currently offered for sale.

Occupancy

When analyzing the bundle of rights inherent to the subject property, tenancies of the property must be examined. Tenancy is created when real estate ownership is divided into property interests. This can result from co-ownership of real estate, or when the right to use and occupy a property is conveyed through a lease. Based upon a site visit, the occupancy of the property to be appraised as of the effective date of this appraisal is believed to be as follows:

Vacant Land	<input checked="" type="checkbox"/>	Occupant(s): - _____	Owner	Tenant
Unoccupied	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Agricultural	<input type="checkbox"/>			

Regional Analysis

Location

The sunbelt state of Arizona is among the fastest growing in the nation with most new residents moving into the metropolitan Phoenix area. Known informally as the “Valley of the Sun”, this area covers only eight percent of the state’s 113,909 square miles but encompasses most of the urban core of Maricopa County where 60 percent of Arizona’s population lives. This large population base exerts considerable economic and political influence over the balance of the state and contributes to making metropolitan Phoenix the largest trade center in the southwestern United States.

Figure 2 – State Map



Geographically, Arizona can be generally divided into three physiographic regions. Much of the northern portion of the state is a semi-arid, mostly flat region of the Colorado Plateau. This region ranges in elevation between 5,000 and 8,000 feet in elevation. The southern edge of the plateau is defined by the Mogollon Rim which extends from northern Yavapai County eastward into New Mexico. The southern portion of the state, as well as a strip of land in the northwest part of the state, is within the Basin and Range Province region. This part of Arizona is characterized by wide desert plains alternating with steep, linear mountain ranges. Between the Basin and Range Province and the Colorado Plateau is a region of rugged mountainous terrain. This region, the Transition Zone, shares characteristics of the two other regions. Mohave County is in the northwestern portion of the state across all three regions but primarily with the Basin and Range and Colorado Plateau regions.

Mohave County covers an area of 13,470 square miles, of which 158 square miles are water. The Grand Canyon divides the county into northern and southern sections. The northern section which forms the western portion of the Arizona Strip is smaller and less populated than the southern section. Approximately 8% of the land in the county is public land. The U.S. Forest Service and Bureau of Land Management controls approximately 61% of the land, the State of Arizona controls 7%, and 6% of the land area is within Indian Reservations. The City of Kingman is in the central portion of the county and serves as the county seat of Mohave County.

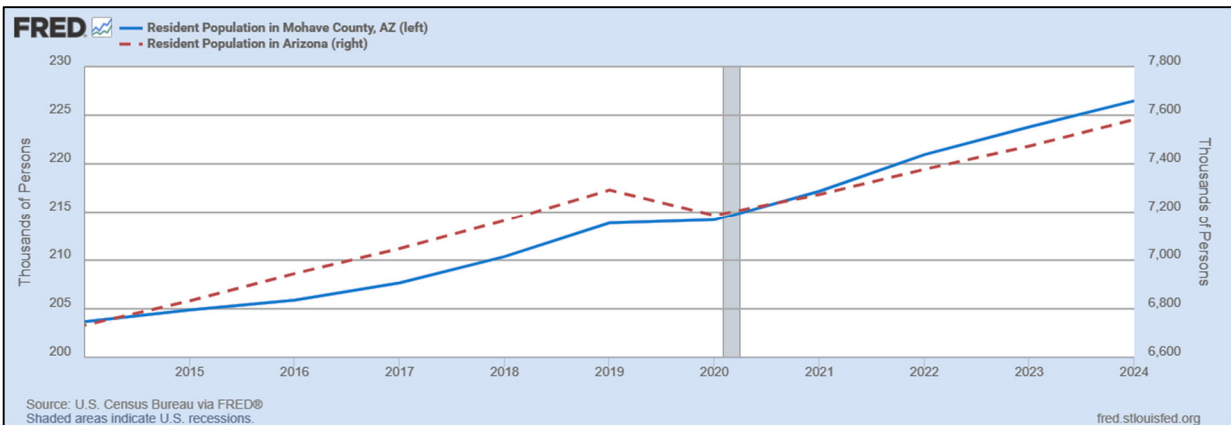
Population

Based upon the 2000 decennial census performed by the U.S. Bureau of Census, Arizona has a population 5,130,632 persons. The population of Arizona increased by 40.0% over the estimate of 3,665,339 persons made in the 1990 census. Only the population of Nevada grew at a faster rate than Arizona during this decade. The 2020 Census population estimate for the State of Arizona by the U.S. Census Bureau is 7,151,502 and currently ranks as the 14th largest state in the nation by population.

Figure 3 – Historical Decennial Population Estimates⁷

	Arizona	Mohave County
Census Estimates		
2020	7,151,502	217,206
2010	6,392,017	200,186
2000	5,130,247	154,981
1990	3,665,228	93,497
1980	2,718,215	55,865
1970	1,770,900	25,857
1960	1,302,161	7,736

Figure 4 – Mohave County Population Trend



Mohave County was formed in 1864 by Arizona's first Territorial Assembly and included portions of present-day Nevada. The most recent population estimates for Mohave County reported by the Arizona Office of Economic Opportunity⁸ is 228,107 persons as of July 1, 2024. In the decade between 1980 and 1990, the population of Mohave County increased by approximately 70%, followed by a 69% growth between 1990 and 2000. The growth rate has dropped to approximately 24% and 10% in the most recent two decades.

There are several population centers in Mohave County. Lake Havasu City is the largest incorporated municipality with a 2024 population estimate of 59,484. Other leading population centers include Bullhead City, Kingman and Colorado City. More than 83,000 of the county's residents live in unincorporated areas of Mohave County.

⁷ Source: U.S. Census Bureau

⁸ <https://oeo.az.gov/population/estimates>

Economic Trends

Figure 5 – GDP by State and Region

Table 1. Gross Domestic Product by State and Region: Level and Percent Change From Preceding Period

	Current-dollar gross domestic product								Real gross domestic product									
	Millions of dollars				Percent change from preceding period ¹				Millions of chained (2017) dollars						Percent change from preceding period ¹			
	Seasonally adjusted at annual rates								Seasonally adjusted at annual rates									
	2023	2024			2023	2024			2023	2024			2023	2023 Rank	2024 Q2	2024 Q3 ^P	2024 Rank Q3	
		Q1	Q2	Q3 ^P		Q2	Q3 ^P	Q1		Q2	Q3 ^P							
United States	27,720,709	28,624,069	29,016,714	29,374,914	6.6	5.6	5.0	22,671,096	23,053,545	23,223,906	23,400,294	2.9	--	3.0	3.1	--		
New England	1,410,687	1,467,183	1,484,942	1,504,032	6.5	4.9	5.2	1,169,288	1,192,393	1,198,786	1,207,363	1.8	--	2.2	2.9	--		
Midwest	4,745,213	4,895,879	4,969,586	5,032,810	6.1	6.2	5.2	3,901,561	3,949,163	3,980,260	4,006,365	1.8	--	3.2	2.6	--		
Plains	1,726,903	1,749,553	1,771,777	1,787,845	6.5	5.2	3.7	1,388,151	1,390,226	1,400,468	1,405,370	2.5	--	3.0	1.4	--		
Southeast	6,122,627	6,354,855	6,444,240	6,531,441	7.7	5.7	5.5	4,952,759	5,055,131	5,095,906	5,141,119	3.1	--	3.3	3.6	--		
Southwest	3,498,332	3,598,732	3,648,018	3,691,238	6.2	5.6	4.8	2,838,599	2,897,525	2,917,247	2,945,506	6.7	--	2.8	3.9	--		
Arizona	522,767	541,058	548,806	555,614	8.0	5.9	5.1	422,400	428,803	432,050	435,345	3.0	20	3.1	3.1	24		
Rocky Mountain	1,057,159	1,087,817	1,105,197	1,119,667	7.2	6.5	5.3	856,063	868,636	876,509	884,183	4.1	--	3.7	3.5	--		
Far West	5,421,428	5,631,490	5,704,518	5,774,043	6.3	5.3	5.0	4,525,828	4,633,870	4,663,936	4,698,379	2.6	--	2.6	3.0	--		

The state gross domestic product (GDP) is the sum of gross state product originating from all industries in Arizona. This is a measurement of the State's output, which was estimated to be \$161,792 million in 2000. The Arizona GDP, the counterpart to the national gross domestic product, had been increasing prior to 2007. By 2008, the Arizona GDP had increased to \$261,128 million, but decreased to \$245,216 million in 2009. The Arizona GDP has been increasing since 2009 to its current level of \$435,345 million in the third fourth quarter of 2024.⁹ According to the Bureau of Economic Analysis website,

Real gross domestic product increased in 46 states and the District of Columbia in the third quarter of 2024, with the percent change ranging from 6.9 percent at an annual rate in Arkansas to -2.3 percent in North Dakota, according to statistics released today by the U.S. Bureau of Economic Analysis

Current-dollar gross domestic product (GDP) increased in 49 states and the District of Columbia, with the percent change ranging from 8.9 percent at an annual rate in Arkansas to -2.6 percent in North Dakota.

In the third quarter of 2024, real GDP for the nation grew at an annual rate of 3.1 percent. Real GDP increased in 16 of the 23 industry groups for which BEA prepares quarterly state estimates. Retail trade, health care and social assistance, and information were the leading contributors to growth in real GDP nationally

- Agriculture, forestry, fishing, and hunting, which increased in 25 states, was the leading contributor to growth in five states including Arkansas, Alabama, and Mississippi, the states with the largest increases in real GDP. In contrast, this industry was the leading offset to growth in 14 states including North Dakota, Nebraska, South Dakota, and Montana, the only states with declines in real GDP.
- Retail trade, which increased in all 50 states and the District of Columbia, was the leading contributor to growth in 39 states including Idaho, the state with the fourth-largest increase in real GDP.
- Mining, which increased in 17 states, was the leading contributor to growth in West Virginia, the fifth-largest growing state.

⁹ United States Department of Commerce, Bureau of Economic Analysis;
<https://www.bea.gov/sites/default/files/2024-12/stgdppi3q24.xlsx>

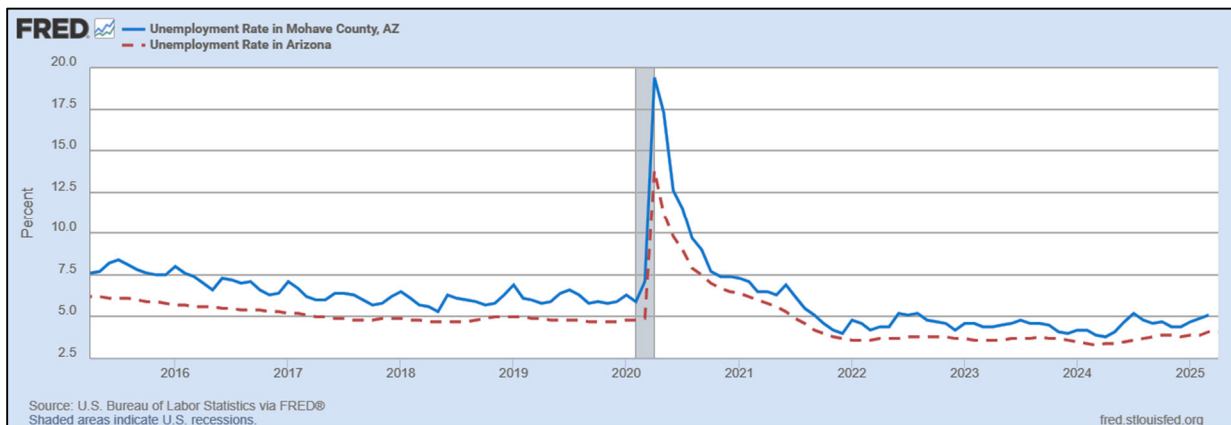
Labor Force and Employment

Figure 6 – Phoenix-Mesa-Chandler MSA Civilian Labor Force Profile

2024 Labor Force						
Age Group	Population	Employed	Unemployed	Unemployment Rate	Labor Force Participation Rate	Employment-Population Ratio
16+	192,324	82,956	4,622	5.3%	45.5%	43.1%
16-24	17,730	10,478	935	8.2%	64.4%	59.1%
25-54	64,303	48,020	2,436	4.8%	78.5%	74.7%
55-64	35,514	15,751	711	4.3%	46.4%	44.4%
65+	74,777	8,707	540	5.8%	12.4%	11.6%
Male Age 16+	98,137	43,959	2,277	4.9%	47.1%	44.8%
Female Age 16+	94,187	38,997	2,345	5.7%	43.9%	41.4%
White Age 16+	153,775	64,027	3,795	5.6%	44.1%	41.6%
Black Age 16+	2,129	1,007	94	8.5%	51.7%	47.3%
American Indian Age 16+	4,326	2,198	212	8.8%	55.7%	50.8%
Asian Age 16+	2,794	1,502	34	2.2%	55.0%	53.8%
Pacific Islander Age 16+	366	160	6	3.6%	45.4%	43.7%
Other Race Age 16+	11,578	5,931	156	2.6%	52.6%	51.2%
Multiple Races Age 16+	17,356	8,131	325	3.8%	48.7%	46.8%
Economic Dependency Ratio						
Total						165.8
Child (<16)						37.8
Working-Age (16-64)						48.8
Senior (65+)						79.2
Industry						
	Employed	Percent	US Percent	Location Quotient		
Total	82,956	100.0%	100.0%	-		
Agriculture/Forestry/Fishing	561	0.7%	1.1%	0.64		
Mining/Quarrying/Oil & Gas	457	0.6%	0.3%	2.00		
Construction	6,502	7.8%	6.9%	1.13		
Manufacturing	5,133	6.2%	10.0%	0.62		
Wholesale Trade	885	1.1%	2.0%	0.55		
Retail Trade	10,627	12.8%	10.5%	1.22		
Transportation/Warehousing	4,289	5.2%	5.1%	1.02		
Utilities	1,226	1.5%	0.9%	1.67		
Information	998	1.2%	2.0%	0.60		
Finance/Insurance	2,577	3.1%	4.8%	0.65		
Real Estate/Rental/Leasing	2,057	2.5%	1.8%	1.39		
Professional/Scientific/Tech	3,295	4.0%	8.3%	0.48		
Management of Companies	46	0.1%	0.1%	1.00		
Admin/Support/Waste Management	2,960	3.6%	4.3%	0.84		
Educational Services	5,551	6.7%	9.1%	0.74		
Health Care/Social Assistance	12,390	14.9%	14.1%	1.06		
Arts/Entertainment/Recreation	4,656	5.6%	2.3%	2.43		
Accommodation/Food Services	9,274	11.2%	6.8%	1.65		
Other Services (Excluding Public)	4,012	4.8%	4.6%	1.04		
Public Administration	5,460	6.6%	5.0%	1.32		

Source: Esri forecasts for 2024 and 2029 (stadb.com)

Figure 7 - Unemployment Rate Trend



Historically, the principal industries in Arizona have been agriculture, mining, trade and services. Through the years, there has been a shift in the State's industrial structure, with significant declines in mining and agriculture in relation to other sectors. Agriculture and mining remain significant forces in the local economy of some parts of rural Arizona. Principal industries of the region include health care/social assistance, retail trade, accommodation/food services, construction and public administration.

The preliminary average monthly statewide total civilian labor force in December 2024 was estimated to be 3,615,734 persons with an average unemployment rate of 3.8%. The labor force level was 86,544 for Mohave County while the average unemployment rate was 4.4%.¹⁰ The unemployment rates for both the State and Mohave County have been generally decreasing since 2009, although conditions surrounding the COVID-19 pandemic resulted in a spike in mid-2020.

Income and Wages

Figure 8 – Arizona Per Capita Personal Income by County

Table 1. Per Capita Personal Income, by County, 2021–2023

	Per capita personal income ¹				Percent change from preceding period		
	Dollars			Rank in state	Percent change		Rank in state
	2021	2022	2023	2023	2022	2023	2023
United States	64,460	66,244	69,810	--	2.8	5.4	--
Arizona	56,976	58,968	62,543	--	3.5	6.1	--
Apache	46,084	46,201	47,885	11	0.3	3.6	12
Cochise	49,715	50,530	53,304	7	1.6	5.5	9
Coconino	58,092	58,396	62,002	2	0.5	6.2	5
Gila	49,597	50,254	52,984	8	1.3	5.4	10
Graham	39,152	41,593	42,787	15	6.2	2.9	15
Greenlee	48,308	54,052	57,359	5	11.9	6.1	7
La Paz	52,938	56,698	58,739	3	7.1	3.6	13
Maricopa	61,611	64,155	68,111	1	4.1	6.2	6
Mohave	42,978	43,657	46,777	12	1.6	7.1	2
Navajo	42,360	42,925	44,667	14	1.3	4.1	11
Pima	53,631	54,776	58,232	4	2.1	6.3	3
Pinal	44,808	46,876	49,829	9	4.6	6.3	4
Santa Cruz	47,893	46,692	49,416	10	-2.5	5.8	8
Yavapai	50,645	51,921	55,913	6	2.5	7.7	1
Yuma	44,461	45,028	46,441	13	1.3	3.1	14

Arizona's nominal per capita personal income hit \$62,543 in 2023, according to the latest estimates from the U.S. Bureau of Economic Analysis (BEA). National per capita personal income was \$69,810. At \$46,777, per capita personal income in Mohave County is below both the state and national levels.

¹⁰ Arizona Commerce Authority, Office of Economic Opportunity (<https://www.azcommerce.com/oeo/labor-market/unemployment>)

Forecast Data

George W. Hammond, Ph.D., EBR Director with the Eller College of Management at The University of Arizona, reports¹¹

Even with significant headwinds from reduced housing affordability, elevated interest rates, and tight labor markets, Arizona continues to generate solid economic growth. Job gains are far outpacing national growth in the preliminary data and may be growing even faster than the data suggest. Phoenix inflation has decelerated below the national average, leaving real personal income growth in Arizona above the U.S. Taxable retail plus remote and restaurant and bar sales, however, have slowed significantly in 2024.

The baseline outlook calls for Arizona, Phoenix, and Tucson to continue growing, and to outpace the U.S., assuming the U.S. economy avoids recession. Risks to the U.S. outlook remain tilted slightly to the downside. A modest U.S. recession would take the wind out of Arizona's sails, but probably not generate a huge downturn.

This forecast was completed before election day. The results of the election inject significant uncertainty into the outlook. It is unclear as of this writing how the incoming Federal administration will implement policies discussed during the campaign. However, there are significant downside risks to the state and national economies from large and widespread increases in tariffs, as well as mass deportations. Stay tuned to future forecasts as the policy landscape becomes clearer.

ARIZONA RECENT DEVELOPMENTS

Arizona's seasonally-adjusted unemployment rate ticked up to 3.6% in October, up from 3.5% in September. Arizona's rate remained below the national average in October (4.1%).

Overall, according to preliminary data, state jobs were up 65,000 over the year in October, which translated into 2.0% growth. That was above the nation at 1.3%. Year to date through October, jobs were up 68,500, or 2.2%. Again, Arizona outpaced the U.S. at 1.7%.

Keep in mind that the U.S. Bureau of Labor Statistics has indicated that (based on data through March of 2024) they expect to revise Arizona jobs up with the benchmark revisions to be released in March 2025.

Jobs in the Phoenix MSA were up 45,100 over the year in October, for 1.9% growth. Phoenix accounted for 69.4% of state gains. Year to date, Phoenix jobs were up 52,400. That translated into a 2.2% increase.

As for the state, the U.S. Bureau of Labor Statistics expects to revise Phoenix jobs up with the benchmark revision in March 2025.

Tucson MSA jobs were also up over the year in October, rising by 3,800. However, that translated into relatively slow growth of 0.9%. That was below the state and national averages. Year to date, Tucson jobs were up 3,600 or 0.9%.

The U.S. Bureau of Labor Statistics does not release preliminary benchmark analyses for smaller metropolitan areas, like Tucson and Prescott.

Prescott MSA jobs were up 1,400 over the year in October, for 2.0% growth. Year to date, Prescott jobs were up 1.5%.

House prices in Phoenix and Tucson continue to rise at modest rates, at least compared to the explosive growth during 2021-2022. The Phoenix median house price rose 3.4% over the year in October 2024, hitting 449,900. Tucson's median home price was lower, at 352,000, which was down 0.1% over the year. The Phoenix Case-Shiller Index was up 2.1% over the year in August (latest data).

Even so, house prices in the Phoenix MSA were well below their recent peak in 2022, measured either by the median home price or the Case-Shiller index. Tucson's median home price was modestly above 2022 levels.

The U.S. Bureau of Economic Analysis (BEA) has revised data back to 2019. The latest data put Arizona per capita personal income (before adjustment for inflation) at \$62,543 in 2023, using Census population estimates. That was up 6.1% from 2022, outpacing national growth of 5.4%. National per capita personal income was \$69,810 last year. Overall, Arizona's per person income was 89.6% of the national average and ranked 35th in the nation (including the District of Columbia).

¹¹ Excerpts from Arizona's Economy, December 2022, University of Arizona Eller College of Management, Economic and Business Research Center

The Phoenix MSA consumer price index for all items rose just 1.6% over the year in October. That was below the national pace of 2.6%. Phoenix MSA inflation now has been below the U.S. average for more than a year (since September 2023).

Core inflation, all items less food and energy, in Phoenix rose 2.7% over the year in October, below the U.S. rate of 3.3%.

Commodities inflation, which includes tangible goods, like gas, food, new and used cars, furniture, apparel, etc., was -2.5% in Phoenix and -1.0% nationally over the year October. That implies that commodities prices, on average, were lower than a year ago. In fact, Phoenix commodities prices have been falling since October 2023.

Services inflation, which includes intangible goods like health care, travel and tourism, educational services, and, most importantly, housing, rose 3.7% over the year in Phoenix in October. That was below the national pace of 4.7%.

Shelter inflation, which includes rent, imputed owner-occupied rent, and short-term rentals, was 2.4% over the year in Phoenix in October and 4.9% nationally.

Even though inflation has moderated significantly in Phoenix and nationally, prices remain elevated. The all-items consumer price index in Phoenix was up 25.5% in October 2024, compared to October 2020. Nationally, the all-items index was up 21.2%. Phoenix prices were driven up faster than the U.S. by the housing market. In particular, the shelter consumer price index was up 39.6% in Phoenix during the past four years, compared to 23.8% nationally.

Arizona taxable retail sales growth (including remote sellers) has decelerated significantly this year, particularly in the third quarter. Statewide taxable retail plus remote sales were down slightly over the year through September 2024, down 0.4% in Phoenix, and down 0.6% in Tucson. Sales were up 1.3% in Prescott. The performance in the retail plus remote category was buoyed by remote sellers, with sales up between 8.8% and 12.4%, across Phoenix, Tucson, Prescott, and the state. In contrast, sales in the narrowly-defined retail sector were down across all four geographies.

Sales at restaurants and bars have also decelerated. Statewide sales at restaurants and bars were up 1.9% over the year through August 2024, up 2.1% in Phoenix, up 1.2% in Tucson, and up 0.6% in Prescott.

ARIZONA OUTLOOK

The Arizona forecast calls for sustained growth at rates above the U.S. As Exhibit 3 shows, job growth is expected to accelerate to 2.9% in 2024, up from 2.6% in 2023. This is well above current job growth rates in the preliminary nonfarm payroll data, because the U.S. Bureau of Labor Statistics preliminary benchmark suggested that they will revise the Arizona data up significantly next March. In order to accommodate this, the 2024 nonfarm payroll data in the Arizona projections are forecast estimates, not published historical data.

Nonfarm job growth decelerates in 2025 and 2026, reaching 2.0%, as labor force gains slow in response to the aging of the baby boom generation.

Education and health services drive state job gains during the next decade, followed by professional and business services; financial activities, leisure and hospitality; and trade, transportation, and utilities. These five sectors account for 91.1% of total job gains through 2034.

While no goods-producing sector is forecast to make the top five in job gains, manufacturing jobs are expected to rise significantly during the next decade, reflecting gains in high-tech manufacturing (semiconductors and related, batteries, etc.).

Personal income rose strongly in 2023, up 7.0%. It is forecast to decelerate to 6.1% in 2024, 6.2% in 2025 and 5.8% in 2026. Income growth slows this year with decelerating wage gains and slower growth in dividends, interest, and rent as interest rates fall.

Nominal taxable retail (plus remote) sales growth decelerates from 3.4% in 2023 to 1.0% in 2024, reflecting slower income growth and decelerating inflation. Growth rebounds in 2025 to 4.1% and again in 2026 to 4.5%.

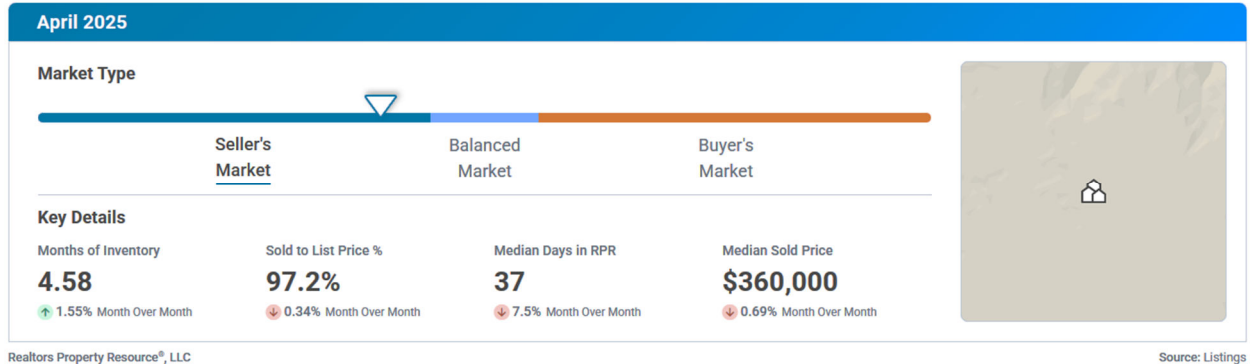
Population growth slows gradually during the forecast period, reflecting in part demographic pressures related to the aging of the baby boom generation. Natural increase is very low during the next ten years, which makes net migration the main driver of population gains. Net migration slows in the near term as mortgage interest rates remain well above pre-pandemic levels, locking in some homeowners to their current place of residence. The state unemployment rate is forecast to drop to 3.6% in 2024, down from 3.9% in 2023, reflecting the job growth acceleration. As job growth slows, the unemployment rate trends up to 4.3% by 2026.

Slowing population gains put downward pressure on housing permits during the forecast. Total permits fall from 60,932 in 2024 to 52,175 in 2026.

Real Estate Market Sectors

Single Family Housing Sector

Figure 9 – NARRPR Real Property Resource, Mohave County Market Trends



Sold Listings ⓘ

April 2025

Share

Property Type SF + Condo/TH/Apt



Months Supply of Inventory ⓘ

April 2025

Share

Property Type SF + Condo/TH/Apt



Multifamily Housing Sector¹²

Figure 10 – CoStar Analytics Key Indicators, Multi-Family Market

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	416	8.4%	\$1,188	\$1,178	(1)	0	0
3 Star	1,314	7.5%	\$1,149	\$1,130	9	0	0
1 & 2 Star	1,439	3.9%	\$945	\$940	(3)	0	0
Market	3,169	6.0%	\$1,094	\$1,081	5	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0% (YOY)	7.9%	6.2%	11.7%	2013 Q1	4.6%	2021 Q3
Absorption Units	4	17	0	136	2007 Q4	(42)	2023 Q2
Delivered Units	5	17	2	231	2007 Q4	0	2023 Q1
Demolished Units	0	0	0	0	2025 Q1	0	2025 Q1
Asking Rent Growth	1.1%	2.9%	2.6%	11.2%	2021 Q4	-3.1%	2009 Q3
Effective Rent Growth	0.5%	2.9%	2.5%	11.3%	2021 Q4	-3.1%	2009 Q3
Sales Volume	\$11.7M	\$10M	N/A	\$35.9M	2022 Q1	\$380K	2011 Q2

The Lake Havasu multifamily market has a vacancy rate of 6.0% as of the second quarter of 2025. Over the past year, the market's vacancy rate has not changed. The Lake Havasu market vacancy rate of 6.0% compares to the market's five-year average of 5.7% and the 10-year average of 6.2%.

As of the second quarter of 2025, there are no multifamily units under construction in the Lake Havasu market. The Lake Havasu multifamily market contains roughly 3,200 units of inventory. The market has approximately 420 units rated 4- and 5-star, 1,300 units rated 3-star, and 1,400 units rated 1- and 2-star.

Market rents in the Lake Havasu market are \$1,090 per month, compared to the national average of \$1,770 per month. Rents average around \$1,190 per month for 4- and 5-star buildings, \$1,150 per month for 3-star properties, and \$950 per month for 1- and 2-star assets. Rents have changed by 1.1% year over year in the Lake Havasu market, compared to a change of 1.0% nationally. Market rents have changed by 2.7% in 4- and 5-star buildings year over year, -1.1% in 3-star buildings, and 4.4% in 1- and 2-star buildings. Annual rent growth of 1.1% in the Lake Havasu market compares to the market's five-year average of 6.0% and its 10-year average of 5.2%.

¹² CoStar Analytics, Lake Havasu, AZ, Multi-Family Market Report (generated May 23, 2025)

Industrial Sector¹³

Figure 11 – CoStar Analytics Key Indicators, Industrial Market

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	5,986,442	1.5%	\$9.58	13.3%	(9,340)	0	60,000
Specialized Industrial	2,446,136	1.2%	\$11.52	1.2%	0	0	0
Flex	471,964	1.9%	\$12.53	2.5%	(6,200)	0	0
Market	8,904,542	1.4%	\$10.26	9.4%	(15,540)	0	60,000
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.7% (YOY)	8.7%	1.9%	15.2%	2015 Q4	0.6%	2024 Q1
Net Absorption SF	(41.5K)	40,156	14,766	796,422	2024 Q3	(683,413)	2020 Q2
Deliveries SF	19.2K	43,591	35,427	420,068	2010 Q2	0	2022 Q2
Market Asking Rent Growth	2.7%	3.6%	3.5%	7.6%	2022 Q3	-2.9%	2010 Q1
Sales Volume	\$23.5M	\$13.5M	N/A	\$36.4M	2024 Q2	\$0	2008 Q4

The Lake Havasu industrial market has a vacancy rate of 1.4% as of the second quarter of 2025. Over the past year, the market's vacancy rate has changed by 0.7%, a result of 19,000 square feet of net delivered space and 42,000 square feet of net negative absorption. The Lake Havasu market vacancy rate of 1.4% compares to the market's five-year average of 6.9% and the 10-year average of 8.9%.

The Lake Havasu industrial market has roughly 850,000 square feet of space listed as available, for an availability rate of 9.4%. As of the second quarter of 2025, there is 60,000 square feet of industrial space under construction in the Lake Havasu market. In comparison, the market has averaged 24,000 square feet of under construction inventory over the past 10 years.

The Lake Havasu industrial market contains roughly 8.9 million square feet of inventory. The market has approximately 6.0 million square feet of logistics inventory, 460,000 square feet of flex inventory, and 2.4 million square feet of specialized inventory.

Market rents in the Lake Havasu market are \$10.30 per square foot. Rents average around \$9.60 per square foot for logistics buildings, \$12.50 per square foot for flex properties, and \$11.50 per square foot for specialized assets. Rents have changed by 2.7% year over year in the Lake Havasu market, compared to a change of 2.0% nationally. Market rents have changed by 4.5% in logistics buildings year over year, 2.5% in flex buildings, and -0.6% in specialized buildings. In the Lake Havasu market, five-year average annual rent growth is 5.6% and 10-year average annual rent growth is 5.0%.

¹³ CoStar Analytics, Lak Havasu, AZ, Industrial Market Report (generated May 23, 2025)

Office Sector¹⁴

Figure 12 – CoStar Analytics Key Indicators, Office Market

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	4,192	0%	\$26.94	0%	0	0	0
3 Star	1,566,652	2.2%	\$20.35	2.4%	(2,102)	0	0
1 & 2 Star	990,932	0.7%	\$16.29	1.1%	0	0	0
Market	2,561,776	1.7%	\$18.79	1.9%	(2,102)	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.4% (YOY)	3.8%	1.8%	7.8%	2015 Q1	0.7%	2023 Q4
Net Absorption SF	(6.8K)	24,084	(1,368)	171,180	2010 Q3	(65,455)	2019 Q3
Deliveries SF	4.2K	22,762	1,809	134,771	2010 Q4	0	2024 Q4
Market Asking Rent Growth	2.4%	1.7%	2.3%	6.1%	2014 Q4	-6.3%	2010 Q1
Sales Volume	\$21M	\$9M	N/A	\$25.5M	2022 Q3	\$0	2009 Q1

The Lake Havasu office market has a vacancy rate of 1.7% as of the second quarter of 2025. Over the past year, the market's vacancy rate has changed by 0.4%, a result of 4,200 square feet of net delivered space and -6,800 SF of net absorption. The Lake Havasu market vacancy rate of 1.7% compares to the market's five-year average of 1.9% and the 10-year average of 3.0%.

The Lake Havasu office market has roughly 49,000 square feet of space listed as available, for an availability rate of 1.9%. As of the second quarter of 2025, there is no office space under construction in the Lake Havasu market. In comparison, the market has averaged 4,200 square feet of under construction inventory over the past 10 years.

The Lake Havasu office market contains roughly 2.6 million square feet of inventory. The market has approximately 4,200 square feet of 4- and 5-star inventory, 1.6 million square feet of 3-star inventory, and 990,000 square feet of 1- and 2-star inventory. Market rents in the Lake Havasu market are \$18.80 per square foot. Rents average around \$27.00 per square foot for 4- and 5-star buildings, \$20.00 per square foot for 3-star properties, and \$16.30 per square foot for 1- and 2-star assets.

Rents have changed by 2.4% year over year in the Lake Havasu market, compared to a change of 0.9% nationally. Market rents have changed by 2.9% in 4- and 5-star buildings year over year, 2.8% in 3-star buildings, and 1.8% in 1- and 2-star buildings. In the Lake Havasu market, five-year average annual rent growth is 2.9% and 10-year average annual rent growth is 3.3%.

¹⁴ CoStar Analytics, Lake Havasu, AZ, Office Market Report (generated May 23, 2025)

Retail Sector¹⁵

Figure 13 – CoStar Analytics Key Indicators and Submarkets, Retail Market

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	768,269	0%	\$15.46	0%	0	0	0
Power Center	388,134	11.6%	\$14.11	6.3%	0	0	0
Neighborhood Center	2,207,531	5.9%	\$15.02	6.4%	(3,362)	0	0
Strip Center	485,380	2.6%	\$14.51	2.6%	(7,696)	0	0
General Retail	6,830,362	2.4%	\$15.41	2.8%	732	0	0
Other	0	-	-	-	0	0	0
Market	10,679,676	3.3%	\$15.24	3.5%	(10,326)	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.7% (YOY)	4.5%	3.2%	6.9%	2014 Q2	1.9%	2007 Q4
Net Absorption SF	(61.6K)	93,934	(6,933)	1,181,211	2008 Q4	(213,287)	2012 Q3
Deliveries SF	11K	102,709	7,338	1,377,507	2008 Q4	0	2013 Q2
Market Asking Rent Growth	1.5%	1.6%	2.3%	5.0%	2022 Q1	-1.9%	2009 Q4
Sales Volume	\$58.1M	\$49.3M	N/A	\$127.9M	2022 Q3	\$7.2M	2009 Q3

The Lake Havasu retail market has a vacancy rate of 3.3% as of the second quarter of 2025. Over the past year, the market's vacancy rate has changed by 0.7%, a result of 11,000 square feet of net delivered space and 62,000 square feet of net negative absorption. The Lake Havasu market vacancy rate of 3.3% compares to the market's five-year average of 3.9% and the 10-year average of 4.3%.

Among the retail subtypes, neighborhood center vacancy stands at 5.9%, power center vacancy is 11.6%, strip center vacancy is 2.6%, mall space has no vacancy, and general retail vacancy is 2.4%. The Lake Havasu retail market has roughly 370,000 square feet F of space listed as available, for an availability rate of 3.5%.

As of the second quarter of 2025, there is no retail space under construction in the Lake Havasu market. In comparison, the market has averaged 13,000 square feet of under construction inventory over the past 10 years. The Lake Havasu retail market contains roughly 10.7 million square feet of inventory. The market has approximately 2.2 million square feet of neighborhood center inventory, 390,000 square feet of power center inventory, 490,000 square feet of strip center inventory, 770,000 square feet of mall inventory, and 6.8 million square feet of general retail.

Market rents in the Lake Havasu market are \$15.20 per square foot. Rents have changed by 1.5% year over year in the Lake Havasu market, compared to a change of 1.7% nationally. Market rents have changed by 1.7% in neighborhood center properties year over year, 1.8% in power center properties, 1.5% in strip center properties, 1.9% in mall properties, and 1.3% in general retail properties. In the Lake Havasu market, five-year average annual rent growth is 3.4% and 10-year average annual rent growth is 2.6%.

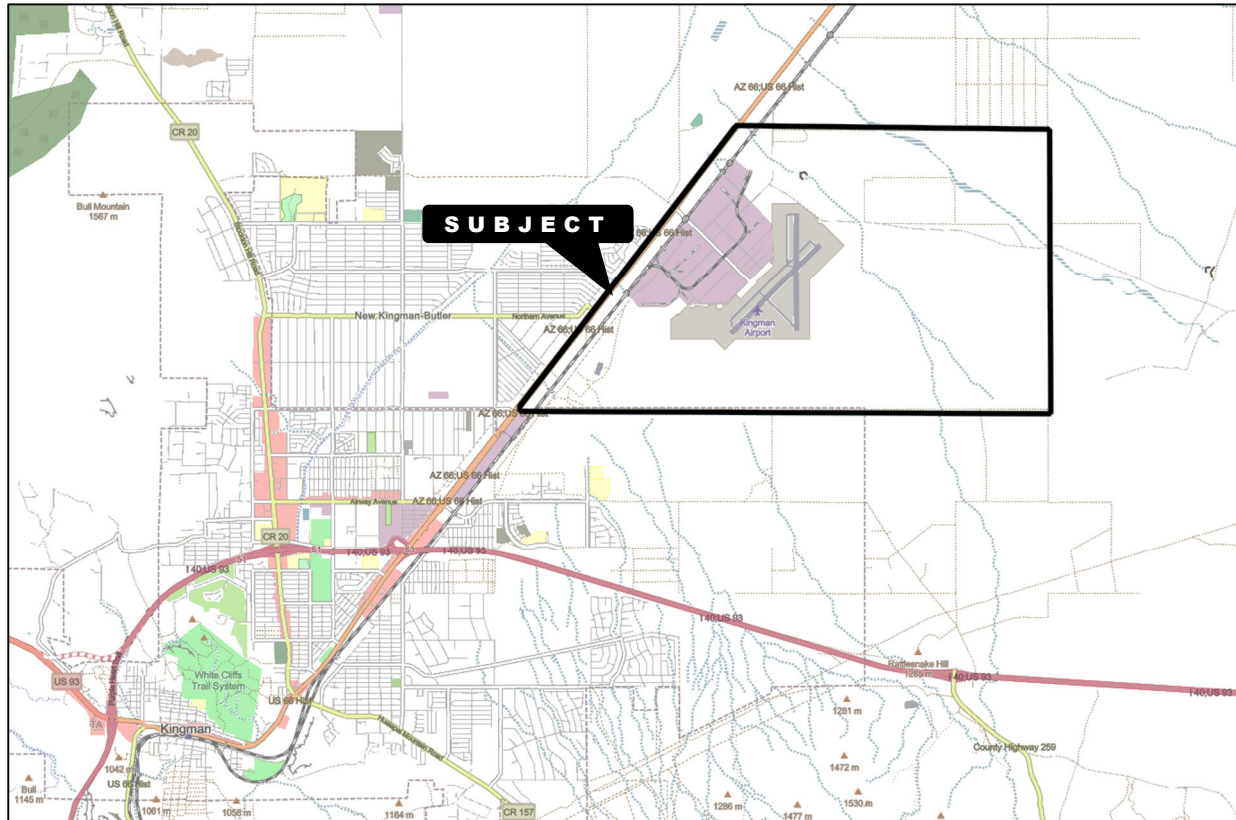
¹⁵ CoStar Analytics, Lake Havasu, AZ, Retail Market Report (generated May 23, 2025)

Neighborhood Analysis

Location

The subject property is located on State Route 66 south of Mohave Airport Drive in the northeast portion of the Kingman area. The location of the subject property is graphically illustrated on the map in Figure 14.

Figure 14 – Location Map



© ArcGIS Business Analyst (stdb.com)



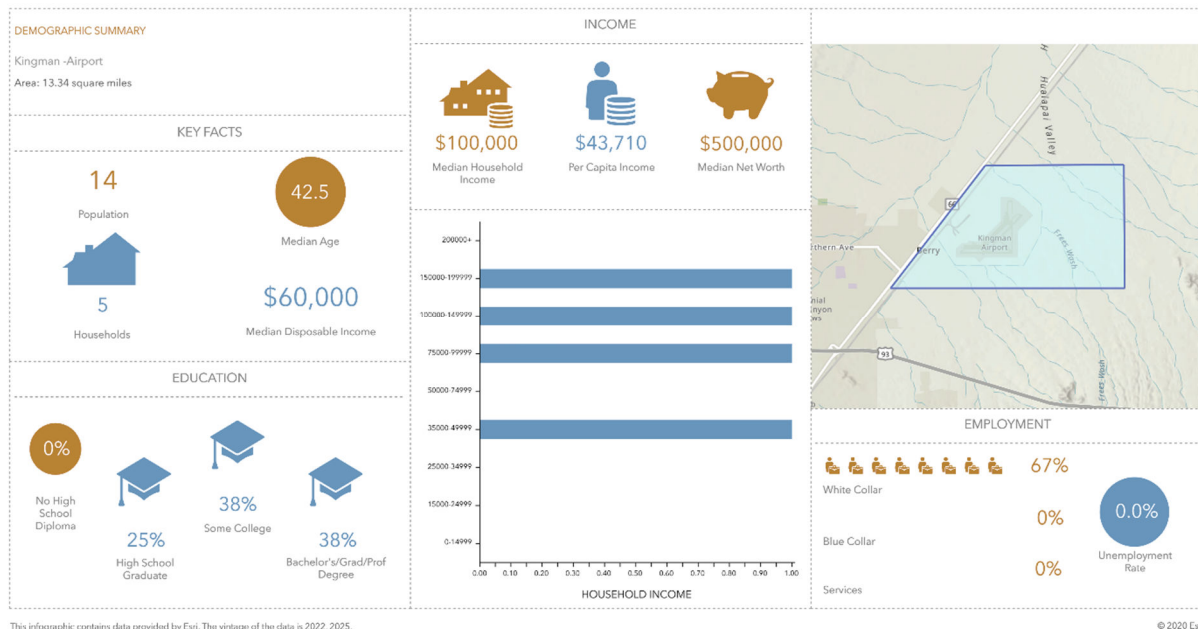
The subject neighborhood is generally bounded by State Route 66 on the west, and the alignments of Gordon Road to the south, Grossman Road to the north, and Donald Drive to the east. This area covers approximately thirteen square miles within the City of Kingman and unincorporated areas of Mohave County. The boundaries of the subject neighborhood, which represents a portion of the market area, encompass an area considered influential on the property to be appraised, given the types, visibility, accessibility, utility and overall consistency and similarity of uses. The subject neighborhood represents only a portion of the market area.

Demographics

Figure 15 – Demographic Summary

Summary	Census 2010	Census 2020	2024	2029
Population	14	23	14	32
Households	3	4	5	11
Families	2	3	3	7
Average Household Size	4.67	5.75	2.80	2.91
Owner Occupied Housing Units	2	3	4	10
Renter Occupied Housing Units	1	1	1	1
Median Age	37.5	40.0	42.5	42.5
Trends: 2024-2029 Annual Rate	Area		State	National
Population	17.98%		0.74%	0.38%
Households	17.08%		1.10%	0.64%
Families	18.47%		1.08%	0.56%
Owner HHs	20.11%		1.52%	0.97%
Median Household Income	-3.12%		3.56%	2.95%
Households by Income	2024		2029	
	Number	Percent	Number	Percent
<\$15,000	0	0.0%	0	0.0%
\$15,000 - \$24,999	0	0.0%	0	0.0%
\$25,000 - \$34,999	0	0.0%	1	9.1%
\$35,000 - \$49,999	1	20.0%	2	18.2%
\$50,000 - \$74,999	0	0.0%	1	9.1%
\$75,000 - \$99,999	1	20.0%	2	18.2%
\$100,000 - \$149,999	1	20.0%	2	18.2%
\$150,000 - \$199,999	1	20.0%	1	9.1%
\$200,000+	0	0.0%	1	9.1%
Median Household Income	\$100,000		\$85,357	
Average Household Income	\$109,818		\$119,549	
Per Capita Income	\$43,710		\$46,371	

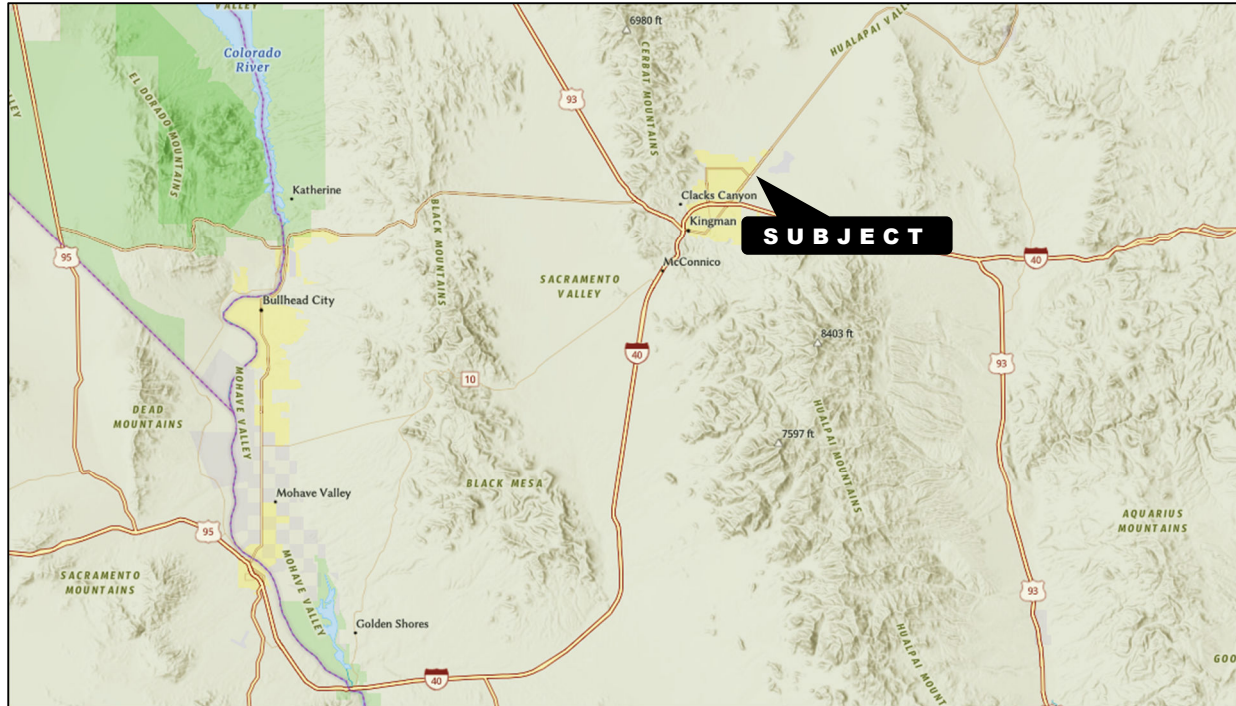
Source: Esri forecasts for 2024 and 2029. U.S. Census Bureau 2020 decennial Census in 2020 geographies.



Transportation

Regional Freeway System

Figure 16 – Regional Freeway System Map



© ArcGIS Business Analyst (stdb.com)



Interstate 40 is the primary transportation route in the region and provides access across Mohave County from the California border to the west and to other northern Arizona counties to the east. State Route 66 crosses the neighborhood and extends east toward Flagstaff. State Route 93 extends northwest from Interstate 40 at Beale Street and provides access to the Las Vegas metropolitan area in Nevada. East of the subject neighborhood, State Route 93 extends southeast from Interstate 40 through Wickenburg to the metropolitan Phoenix area.

Local Roadways

The network of principal and secondary streets is well developed and provides the neighborhood with convenient access to the rest of the city and to the balance of metropolitan Phoenix. Many of the streets in the Kingman area are laid out in a grid system.

The roadways in the subject neighborhood consist primarily of State Route 66, Mohave Airport Drive, and several other paved roadways on the north side of the Kingman Municipal Airport. The subject neighborhood is largely undeveloped outside of the airport where the roadway system is not well developed and limited to dirt and gravel roads.

Railway

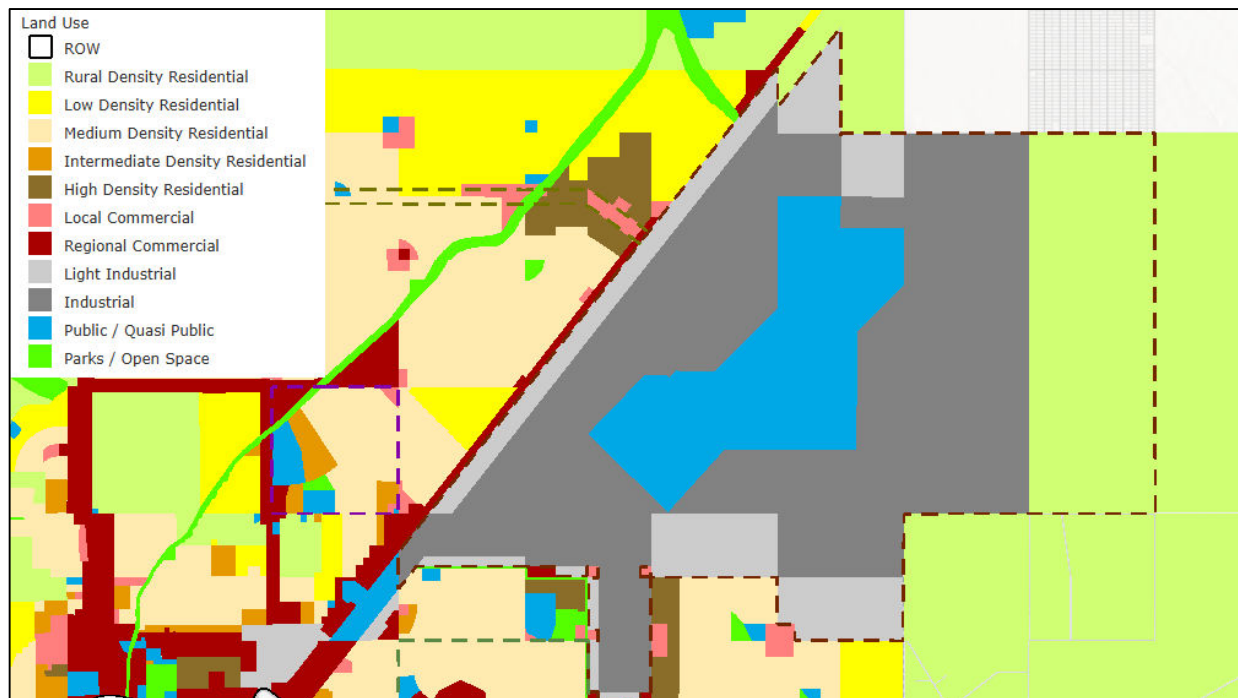
The Burlington Northern Santa Fe (BNSF) railroad crosses the region, generally following the Interstate 40 alignment to the north. The railroad extends west into California and east toward Flagstaff and New Mexico. Amtrak also provides intercity rail passenger service along this route and has a station in Needles, California, north of the area.

Airports

Public air transportation for the subject neighborhood is provided by the Kingman Municipal Airport which has two active runways just under 7,000 feet in length. The nearest regional airport is McCarran International Airport located in the metropolitan Las Vegas area to the northwest in Nevada. Phoenix Sky Harbor International Airport is located in the metropolitan Phoenix area to the southeast.

Land Use Patterns

Figure 17 – Existing Land Use Map, City of Kingman General Plan



Development patterns tend to be defined by zoning ordinances. The City of Kingman and Mohave County have successfully coordinated growth by defined zoning ordinances, construction requirements, and environmental requirements. The land use within the subject neighborhood is a mix of undeveloped desert land, industrial development north of the Kingman Municipal Airport, and the airport itself.

The City of Kingman is taking part in the I-40 TradePort Corridor initiative which plans for clean energy-logistics-industrial development in California, Arizona and New Mexico. The TradePort Kingman area is 1,500 acres located just south of the Kingman Municipal Airport and the subject neighborhood. A future Interstate 40 traffic interchange at Rancho Santa Fe Parkway could help development in the TradePort area and provide an additional route to the airport.

Amenities

Utilities in the form of sanitary sewer, water, electric power, natural gas and telephone service are available and in proximity to the airport. These utilities are adequate to support additional development. Municipal water service and sanitary sewer service are provided by the City of Kingman and several private suppliers. Frontier Communications provide local telecom services. Electric and natural gas services are provided by UniSource Energy Services. Utility rates are equitable when compared to other areas of the city and do not adversely impact property values.

Trends

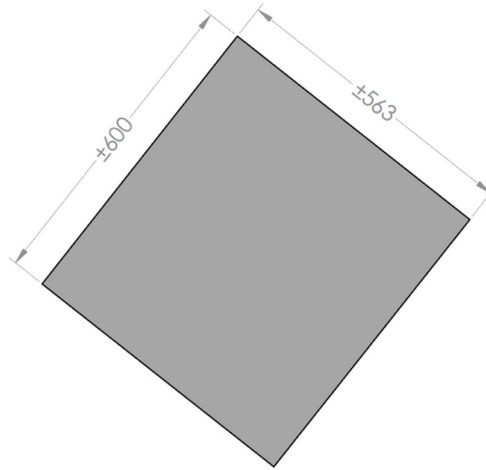
The subject neighborhood is characterized by the Kingman Municipal Airport and surrounding industrial development, but much of the land in the area is undeveloped desert land planned for industrial land uses. The area does not exhibit any indication of drastic changes in land use in the near future.

Real Property Description

The following description of the subject property is based upon a physical inspection of the property on May 30, 2025, and on other occasions, in conjunction with an examination of Mohave County public records. Photographs of the property being appraised are in Addendum B of this report.

Site Data

<i>Location</i>	East side of State Route 66 south of Thompson Avenue		
<i>Street Address</i>	None Given		
<i>City, State ZIP</i>	Kingman, Arizona 86401		
<i>County</i>	<u>Mohave</u>		
<i>Census Tract</i>	<u>953900</u>	<i>Block</i>	<u>2025</u>
<i>Assessor Parcel No(s)</i>	310-21-081 (portion of)		
<i>Land Area</i> ¹⁶	<u>337,427</u>	Square Feet	
	<u>7.746</u>	Acres	
<i>Shape/Dimensions</i>	The subject property is rectangular in shape, measuring approximately 600 feet along the northwestern boundary and 563 feet along the northeastern boundary.		



<i>Surrounding Development</i>	North:	<u>Residential / Commercial Development</u>
	South:	<u>Vacant Land</u>
	East:	<u>Vacant Land / Industrial Development</u>
	West:	<u>Residential / Commercial Development</u>

The subject parcel is located in an area along State Route 66 where residential development is the predominant land use on the northwest side of the roadway and some commercial development on those parcels with frontage along the highway. Properties on the east side of State Route 66 are primarily undeveloped desert land with the exception of the Kingman Municipal Airport and industrial development on the northwest side of the airport.

¹⁶ Source: Arizona Department of Transportation

Utilities

	In Use		Available from:
	Yes	No	
Electricity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UniSource Energy Services
Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Private Well
Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Private Septic
Natural Gas.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UniSource Energy Services
Telecom.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Frontier Communications

Frontage/Access

The subject site has frontage along State Route 66. The site also has frontage along the BNSF Railway along the southeastern boundary of the parcel. Access to the property is considered good.

Street Improvements

Street Name	State Route 66
Lanes (# Direction)	2 North 2 South
Street Width	±280 feet
Center Lane/Median	Median
Surface	Asphalt
Curb	No
Gutter	No
Sidewalk	No
Lighting	No
Frontage	±600 feet
Traffic Count	12,506

Topography

The site is generally level and at grade with surrounding properties.

Drainage

No apparent drainage problems were observed during a physical inspection of the site by the appraiser.

Flood Hazard

FEMA Flood Insurance Rate Map(s):

Flood Zone(s)	Panel	Effective Date
X	04015C4314G	November 18, 2009

The Zone X designation is for areas of 0.2% chance of flood; area of 1% annual chance flood with average depths of less than one foot or with drainage areas less than one square mile; and areas protected by levees from 1% annual chance flood.

As with any property, the subject may be susceptible to standing water due to localized conditions not reflected on the Flood Insurance Rate Maps.

*Soil Conditions
and
Environmental
Conditions*

The appraiser is not aware of any soils report or other environmental study having been conducted for the property, nor has any such report been requested or supplied to the appraiser. Furthermore, the appraiser has not performed any background investigation or testing for indications of contamination, whether man-made or naturally occurring. This appraisal assumes that the property is not in violation of any federal or state environmental policy, act, statute, or regulation.

A physical inspection of the property was made, and no factors were observed that would indicate the existence of surface or subsurface contamination of the property. A site assessment study by a qualified environmental engineer, hydrologist, geologist and/or other such experts may discover conditions that require action. This appraisal is written with the assumption that the property is free from environmental contaminants. The reader of this report is cautioned that the presence of such substances can have a dramatic impact upon the value of the property.

Zoning

The subject property is located in an area categorized for light industrial land use as shown on the general plan for the City of Kingman. More specifically, the subject property is located within the Commercial, Manufacturing and Open Lot Storage (C-MO) district as defined by the Mohave County zoning authorities. According to the zoning ordinance,

The C-MO zone is intended to provide for general commercial or light manufacturing uses in locations which are suitable and appropriate, taking into consideration the land uses on adjacent or nearby properties, access to major streets or highways, and the availability of public utilities. The C-MO zone has been established to permit businesses with open lot storage.¹⁷

As is the case with almost every zoning district, the permitted uses are subject to density, area, building and yard regulations. In addition to these development standards, other requirements such as those for parking are set forth in the appropriate sections of the zoning ordinance.

The appraiser has not found any evidence that there are pending zoning changes involving the property being appraised. The current use of the property as vacant land is considered to be a conforming use under current zoning regulations.

Easements and Restrictions

The appraisal of a property involves consideration of the bundle of rights contained with the property and the effect of the loss of any of these private rights on its value as a whole. These rights are inherent in ownership of real property and guaranteed by law, but subject to certain limitations and restrictions.

A title report would reveal the presence of any easements and legal restrictions placed upon the subject property, although such a report has not been provided in conjunction with this appraisal assignment. A physical inspection did not reveal the presence of any obvious easements, restrictions or adverse uses which would affect the development potential, utility, or marketability of the property to be appraised.

¹⁷ Mohave County Zoning Ordinance, Section 31A

Taxes and Assessments

Since 1980, the State of Arizona has operated under two distinct valuation bases for levying ad valorem property taxes. Taxes levied against the net assessed amount of limited property valuation are referred to as primary taxes, and the dollars generated are used for the maintenance and operation of counties, cities, school districts, community college districts, and the state. Taxes levied against the net assessed amount of full cash value are referred to as secondary taxes, and the dollars generated are used for retirement of bonded indebtedness, voter-approved budget overrides, and the maintenance and operation of special service districts, such as sanitary, fire, and road improvement districts.

Real estate taxes in Arizona are assessed on a calendar year. The first installment, equal to one-half of the total tax liability, is due and payable on the first day of October and delinquent on the first day of November of the tax year. The second installment is payable on the first day of October of the tax year, but not due until the first day of March of the year following the tax year. The second installment becomes delinquent on the first day of May of the year following the tax year.

The full cash value (FCV) of real estate as estimated by Mohave County is determined for ad valorem tax purposes and is purportedly synonymous with market value according to state statute. Table 1 summarizes the current assessments and shows a brief tax history of parcel number 310-21-081 which includes the subject property and additional land. In this instance, the subject property is exempt from real property taxes because it is owned by the State of Arizona.

Table 1 – Real Property Assessment and Tax History

Tax Year	Primary Valuation			Secondary Valuation			Assessed	
	Limited Value	Assessment Ratio	Assessed Value	Full Cash Value	Assessment Ratio	Assessed Value	Tax	Status
2026	\$995,143.00	15%	\$149,271.00	\$2,014,548.00	15%	\$302,182.00		Preliminary
2025	\$947,755.00	15%	\$142,163.00	\$1,546,049.00	15%	\$231,907.00		Preliminary
2024	\$902,624.00	15%	\$135,394.00	\$1,529,465.00	15%	\$229,420.00	\$0.00	Exempt

While there is some theoretical relationship between the assessed valuation and the fair market value of properties in Mohave County, no reliance may be placed on this relationship since the Assessor's appraisals are not always borne out by examination of actual activity in the marketplace. Consequently, no further emphasis or attention will be given to the assessed valuation of the subject property, as it relates to market value, in this appraisal report.

Division of Real and Personal Property

Personal property is a movable item of property that is not permanently affixed to, or part of, real estate. The Appraisal Institute offers two definitions of personal property:

1. Tangible or intangible objects that are considered personal, as opposed to real property. Examples of tangible personal property include furniture, vehicles, jewelry, collectibles, machinery and equipment, and computer hardware. Examples of intangible personal property include contracts, patents, licenses, computer software, and intellectual property.
2. Any tangible or intangible article that is subject to ownership and classified as real property, including identifiable tangible objects that are considered by the general public as being “personal,” such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails, or designs for digital tokens. (USPAP, 2020-2021 ed.)¹⁸

When personal property is attached to the land and/or improvements, they are typically fixtures and become a part of the real estate. While fixtures are considered real estate, trade fixtures are not. Trade fixtures are those fixtures that are owned and attached to a rented space by a tenant. On occasion, it can be difficult to determine whether an item should be considered as personal property or real estate.

The valuation of any personal property located on the subject property is beyond the scope and purpose of this appraisal assignment. As a practical matter, the property being appraised is a vacant tract of land and a physical inspection did not reveal any evidence of personal property located on this parcel.

¹⁸ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022) p142



VALUATION ANALYSIS

Highest and Best Use

Highest and best use is a market-driven concept and is the underlying premise of estimating market value. The competitive forces in a property's market area directly influence the highest and best use of that property. The definition of highest and best use may be stated as, "the reasonably probable use of a property that results in the highest value."¹⁹

As stated in this definition, the analysis of highest and best use requires separate examinations of the land as if vacant, and the entire property as improved, when applicable. If a property is vacant, then only an analysis of the land is necessary. If a property is improved, it is necessary to analyze the highest and best use of the property as improved and as if it were vacant. In either instance, the highest and best use of the subject must be legally permissible, physically possible, financially feasible and maximally productive.

Implied within the definition of highest and best use is recognition of the contribution of that specific use to community environment or to community development goals. In cases where a site is improved, the highest and best use may be determined to be different from the existing use. The existing use will continue, unless and until the land value under its highest and best use exceeds the total value of the property in its existing use. The conclusion of highest and best use results from the appraiser's judgment and analytical skills and represents an opinion, not a fact, to be found.

As If Vacant

Legally Permissible

The Mohave County zoning ordinance requirements are the only significant legal restrictions limiting the use of the property. As indicated in the site analysis, the subject property is within the Commercial, Manufacturing and Open Lot Storage (C-MO) district. The C-MO district allows for a variety of commercial and industrial uses as set forth in the zoning ordinance for Mohave County. Thus, only these uses and those specifically mentioned in the zoning ordinance could currently be considered legally permissible.

The reasonable probability of a change in zoning that would allow different uses of the land, other than those allowed under the current zoning classification, can also be important in giving an opinion as to the highest and best use of the property. In analyzing any possible change in zoning, the existing development of surrounding properties can be considered to determine what other land uses might be appropriate for the property being appraised. Other factors such as the public response to a change in zoning and support, or lack of support, by city planning personnel should also be taken into consideration in the probability of successfully obtaining a change in zoning.

The current zoning is compatible with the general plan and existing development in the area. Considering the existing land uses in the area and those allowed under the current zoning of the land, a significant change in zoning is not likely to occur.

¹⁹ The Appraisal of Real Estate, 15th ed. (Chicago: Appraisal Institute, 2020) p305

Physically Possible

The physical characteristics of the property being appraised, such topography, access, size, shape, and available utilities, are adequate for its legally permissible land uses. A soils report has not been provided, although it is noted from a physical inspection of the property and existing development on properties in the immediate area, that the soil appears to be adequate for its legally permissible uses.

The property being appraised has a good location in proximity to residential development, commercial services, employment centers and transportation routes. No adverse external physical conditions were observed which would materially affect the development of the site. In general, there do not appear to be any significant physical constraints to the development of the subject parcel.

Financially Feasible

Economic feasibility is a function of supply and demand. The feasibility of any development of the subject site, then, is dependent upon the supply of similar land suitable for development and the demand for the available development alternatives.

In terms of land inventory in the immediate area, the number of industrial sites is limited and the demand has been low as evidenced by the relatively few number of sales. Given existing development patterns, the location of the subject property, the current economic climate, and the market in which the subject property competes, it is my opinion that near-term speculative development of the subject site would not be economically feasible as of the date of valuation.

Maximally Productive

After considering the uses that are physically possible, legally permissible, and economically feasible, the question of profitability is addressed. A parcel of land may have several different uses that generate sufficient revenue to satisfy an investor's required rate of return on investment and provide a return on the land. The highest and best use of the land is that financially feasible use that produces the greatest return. This concept is significantly related to user demand for the end product and the cost of production.

Considering the physical characteristics of the subject site, the location of the property, its access to transportation routes, and proximity to commercial services, employment centers and residential development, the most profitable use of the subject site is for land investment purposes.

Summary and Conclusion

After examining the reasonably probable use of the property that results in the highest value, both as if vacant and as improved, it is my conclusion that the highest and best use of the subject property is as follows:

As If Vacant: Land Investment

Valuation Methodology

This report has, thus far, presented the first three significant steps in the valuation process. The appraisal problem has been defined by stating the scope and purpose of the appraisal, identifying the real estate to be appraised, identifying the real property rights to be valued, and stating what value is to be estimated and as of a particular date of valuation. During the second step of the process, data has been collected and analyzed regarding the region in which the property is located, the more immediate subject market, and specific data regarding the property itself. The third step taken was the conclusion of highest and best use for the property to be appraised. The next step is the application of the different approaches to estimating value.

Under current appraisal methodology, improved real estate is valued by applying three traditional approaches to value, commonly known as 1) the sales comparison (or market) approach, 2) the income capitalization approach to value, and 3) the cost approach. All three approaches to value have been considered in the preparation of this report. The relative merits of each approach are weighed in respect to the property being appraised. The reconciled value is then derived from analysis and judgment concerning each of these approaches to value. The valuation of the land is made under its highest and best use as if vacant.

Sales Comparison Approach to Value

This approach to value is based upon the principle of substitution that states that no one is justified in paying more for a property than the cost of acquiring an equally desirable substitute property, assuming no undue or costly delay. To implement this approach, a search is made in the market to find sales of property with similar utility and having similar characteristics to the subject, whether the property being appraised is improved or an undeveloped tract of land. This is done on the theory that these properties are those that would be competing with the subject if it were placed on the market.

This approach is a comparative method in which properties that have been sold in the open market are compared directly with the subject. The first step is to collect and then analyze the appropriate sales data. No two properties are exactly alike, so it is necessary to develop some common unit of comparison. Based upon this unit of comparison, adjustments are then made to the comparable properties for features in which they differ from the subject. After adjustment, the sales give useful indications of value for the property being appraised.

Income Capitalization Approach to Value

While the sales comparison approach and cost approach are based upon the principle of substitution, the income capitalization approach to value is founded in the principle of anticipation. Simply put, there is value in real property that can be measured by converting anticipated benefits, such as cash flow and/or a reversion, into an indication of value by capitalizing this income stream. Typically, an estimate is made of the potential gross income of a property by analyzing the market rental value of the property and any other sources of income attributable to the real property. Vacancy and collection losses are then subtracted to arrive at the effective gross income. The applicable expenses are deducted to arrive at a net income figure.

The resultant net income is processed into an indication of the property value. This is typically accomplished by applying an overall capitalization rate to the net income. An alternate income capitalization method utilizing gross rental income and a gross rental income multiplier can also be utilized. The income capitalization approach to value is of most importance in estimating the value of revenue producing properties.

Cost Approach to Value

In this approach to value, an estimate is made of the reproduction or replacement cost new of any improvements on the property. Depreciation from all causes is then deducted and the land value is added to provide an indication of value for the entire property. Since the cost approach to value includes an estimate of value for the land, a sales comparison analysis is made to compare sales of vacant land parcels similar in highest and best use to the subject site.

The cost to reproduce or replace a property is most closely related to market value when a property is of new construction. As a result, this approach to value is most important when estimating the value of a property that is relatively new and can be especially persuasive when the value of the underlying land is well supported and there is little evidence of accrued depreciation.

The final step in the valuation process is a reconciliation of the three approaches to value. The quantity and quality of the data gathered for each method is examined and weighted appropriately. The subject parcel is a vacant tract of land, and for this reason, a sales comparison methodology will be employed in this analysis. The income capitalization and cost approaches to value are not germane in the valuation of land parcels similar to the property being appraised.

Sales Comparison Approach

Introduction

This approach to value is based upon the principle of substitution which states that no one is justified in paying more for a property than the cost of acquiring an equally desirable substitute property, assuming no undue or costly delay. To implement this approach, a search is made in the market to find sales of property of similar utility and having similar characteristics to the subject. This is done on the theory that these properties are those that would be competing with the subject if it were placed on the market. The Appraisal Institute describes the sales comparison approach to value as:

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.²⁰

During the preparation of this appraisal report, several sale transactions were investigated and analyzed. In order to discover these comparable transactions, a search was made of the public records of Mohave County. Those properties meeting certain minimum criteria in terms of similarity and sale date are researched further by obtaining copies of the transfer documents and declarations of value. At this point, efforts are made to contact the buyer and seller, as well as any brokers or agents who would have knowledge of the transaction, in order to further verify the more specific details of the sale. This would include whether the buyer and seller were related, what the financial terms of the transaction were, and the motivations of the parties involved, as well as additional details of the physical characteristics of the properties that have been sold.

The process of estimating the value of the subject property encompassed a search of similar properties in the subject's market area. The most significant of these sales are included in some detail in the addenda to the appraisal report, along with a map showing their relative location to the subject property.

²⁰ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022) p170

Land Value Analysis

No two properties are exactly alike, so it is necessary to develop some common unit of comparison. This could be the price per square foot, the price per acre, the price per section, or the price per site. Due to the size of the subject land and the market in which the property competes, a comparison on a price per acre basis will be most meaningful. Since properties do differ in characteristics, it is necessary to adjust comparable sites for features in which they differ from the subject. This might be for such items as size, shape, location, access, terrain, and vegetation. After adjustment, the sales will then give useful indications of value for the subject land. Table 2 summarizes the significant information extracted from the comparable sales believed to be most pertinent in the valuation of the subject land.

Table 2 – Land Sales Summary Table

Comp No.	Intended Use	Sale Date	Zoning	Flood Zone	Frontage	Land Area Acres	Price	Price per Acre
1	Land Investment	12/21	A-D	X	Mid-Block	8.810	\$ 750,000.00	\$85,131
2	Land Investment	07/22	A-D	X	Cul-de-Sac	6.470	\$ 250,000.00	\$38,640
3	Land Investment	11/22	C-MO	X	Mid-Block	10.410	\$ 385,000.00	\$36,984
4	Land Investment	10/23	A-D	X	Mid-Block	11.640	\$ 1,164,800.00	\$100,069
5	Land Investment	12/23	M-2	X	Mid-Block	23.620	\$ 596,000.00	\$25,233
SUBJECT			CM	X	Mid-Block	7.746		

The comparable sales summarized in the Land Sales Summary Table differ in terms of location, total size, date of sale, and unit selling price, yet each is believed to be comparable to the subject land in some respects and each would offer a viable alternative to a prospective buyer of the property. After adjustment for those factors that vary significantly from the subject land, these sales will each provide a useful value indication for the property to be appraised.

The elements of comparison that may require adjustment can generally be described as transactional adjustments or property adjustments. Transactional adjustments are those made for characteristics of the sale transaction including property rights, financing, conditions of the sale, any immediate expenditures made in order to make the sale, and market conditions. Property adjustments are those made for differences in the characteristics of the properties. The elements of comparison are summarized and analyzed as follows.

- *Property Rights*

The fee simple interest in the subject land is being analyzed herein, and those comparable transactions which conveyed the fee simple rights in their respective properties will be of most benefit in this analysis. Each of the properties above conveyed nothing less than the fee simple interest in the property and, therefore, no adjustment will be necessary when considering the real property rights conveyed.

- *Financing*

These properties were purchased on a variety of terms, none of which fell outside the usual range found in the market. As documented on the individual comparable sheets located in the appendix to this report, each of these properties sold for cash, or on terms commonly found in the market and deemed equivalent to cash. The terms of these sales, then, do not affect their validity as indicators of market value. No adjustment for the financing terms of the transactions will be necessary when compared with the subject land.

- *Conditions of Sale*

An examination of the comparable transactions reveals each of the conveyances to be considered arm's length, and the buyers and sellers having been informed and typically motivated. For this reason, no adjustment will be necessary when considering the conditions of these sales.

- *Immediate Expenditures*

In some instances, the price paid for a property reflects the knowledge that the buyer will have to make some expenditure prior to closing or immediately thereafter in order for the sale of the property to be completed. These expenditures can include such costs as those associated with demolition of improvements, or a remediation of environmental contamination. Each of the comparable sites examined in this analysis did not require any unusual expenditure that would require adjustment.

- *Market Conditions*

There are two measures of the prevailing market conditions that are pertinent to the valuation of the subject land. Given a sufficient number of transactions that have taken place over any time period, the trend of prices developed over that time period can indicate a strengthening, weakening or even a static market. In addition, the amount of time each property is exposed to the market can give an indication of current conditions.

Price Trends – It would be difficult to quantify any specific time adjustment in terms of percentage or dollar amount that could be universally applied to all properties within the subject area. The sales presented in this report for analysis cover a time period from late 2021 to late 2023. Based upon my analysis of the market data and my professional judgment, no adjustment will be made in this analysis when considering the amount of time that may have elapsed between the date of purchase of the comparable property and the date of valuation of the property to be appraised.

Exposure Time – Similar properties within a given market at a given time could be expected to have similar periods of exposure to the market prior to being purchased, other things being equal. A reasonable exposure time of any property is not only a function of time, but also a function of price and use. As a result, a reasonable exposure time should encompass adequate, sufficient and reasonable time and effort. Since there are different factors that contribute to a reasonable exposure time, this period will vary from property to property and vary based on market conditions.

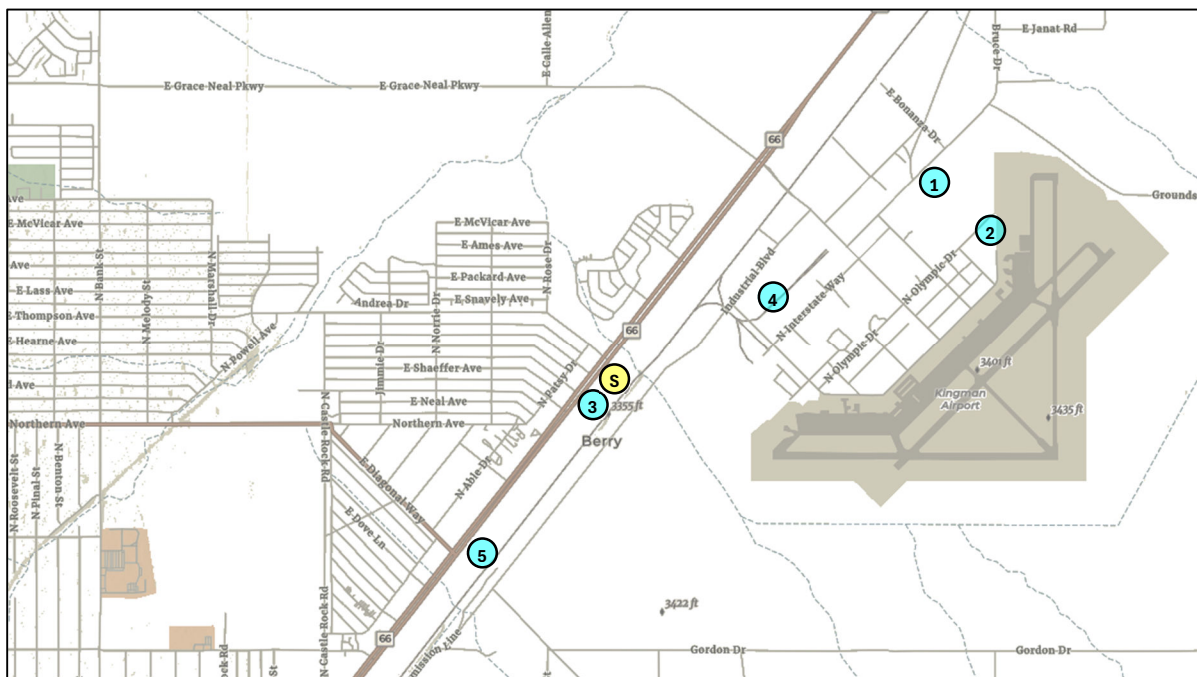
Properties that were exposed to the market for a significantly shorter or longer period of time than the exposure time of the subject would require adjustment. In this instance, each of the comparable properties was purchased given a reasonable exposure time, and no adjustment will be necessary for this factor.

- *Location*

Through the examination of the location of a property, the time-distance relationship between a property and possible points of destination is studied. These relationships, or linkages, include the ease of access to places such as schools, shopping, parks, other recreational facilities, and workplaces. In theory, a property with a greater number of linkages will command a higher price than a similar property with fewer linkages. A property with a greater number of linkages is generally created by that property being closer to existing development.

Considered in the location of a property are such external influences as street patterns and width, surrounding property maintenance and upkeep, access to the property and the neighborhood, availability of utilities, and possible nuisances in the area. Adjustments for location can be for these general external influences and may also be applied for site specific characteristics such as frontage, visibility, or corner characteristics.

Figure 18 – Land Sales Location



Comparable Nos. 1, 2 and 4 are located within an established industrial development adjacent to the Kingman Municipal Airport which has municipal water and sewer services available. Downward adjustments will be applied for the location of these properties when compared to the subject parcel. Comparable Nos. 3 and 5 are located along State Route 66 similar to the subject and no adjustment will be made for location.

- *Physical Characteristics*

Adjustment for physical characteristics is based on the observation that price per unit varies with size, shape, topography, and related physical attributes. After careful examination of each comparable property, including a physical inspection, the physical characteristics of the comparable properties are similar enough so that no adjustment is warranted, except as noted herein.

Land Area – Other things being equal, it is generally accepted that larger parcels tend to develop lower prices than do similar smaller parcels on a per unit basis. In practice, the price-size tradeoff is typically a less direct, more uncertain relationship complicated by other physical characteristics and locational factors. Based upon the size of the subject parcel and those of the comparable properties, an upward adjustment will be made for the larger size of Comparable No. 5 in this analysis.

Shape – The subject property is rectangular in shape and similar to most of the comparable properties. Comparable No. 2 has a more irregular shape and a minor upward adjustment will be made for this factor.

- *Economic Characteristics*

Economic characteristics are those that affect the ability of a property to produce income. Examples of these characteristics include operating expenses, quality of management, lease terms and rent concessions, to name a few. This element of comparison is especially important when examining properties that are purchased as an investment by providing an income stream to an investor.

This analysis is being made to provide a value opinion of the subject site. Vacant land is not typically purchased to provide an immediate income stream to an investor. Thus, economic characteristics of the subject site will not be considered any further in this analysis, except as they relate to the development potential of the subject and comparable properties.

- *Legal Characteristics*

The highest and best use of the comparable properties should be similar to that of the subject property. Legal characteristics such as zoning, environmental regulations, building codes and flood zones are factors which contribute to the highest and best use of a property. In this instance, there are no legal characteristics of the comparable properties which need to be addressed in the valuation of the subject land.

- *Non-Realty Components*

In certain instances, the price of a property may reflect the additional value of personal property, business concerns or other items that do not constitute real property. In this case, the transaction of each respective comparable property conveyed only real property and no adjustment will be made when considering non-realty components.

With these general observations in mind, we may now proceed with a comparison of these properties to the subject property and the value indications derived from each. The adjustments utilized in this analysis are extracted from available data using the paired sales technique, when possible, which is frequently used in the application of the sales comparison approach to value. In cases where there is insufficient data to extract adjustments, the appraiser's judgment and experience are emphasized unless other data or techniques could be employed.

Comparable No. 1

East of State Route 66 and north of Mohave Airport Drive

Grantor	Like Kingman I, LLC	Land Area	383,764 Square Feet
Grantee	Kingman Terminal Railroad, LLC		8.810 Acres
Sale Date	December 2021	Zoning	A-D
Sale Price	\$750,000.00		Airport Development
	\$85,131 per Acre		



Comparable No. 1 is a site located east of State Route 66 and north of Mohave Airport Drive, situated less than two miles northeast of the subject property. Surrounding land uses include industrial development and vacant land within the industrial park adjacent to the Kingman Municipal Airport. This site is generally level and at grade with the abutting properties and roadways. The buyers have subsequently constructed two rail spurs of the Kingman Terminal Railroad which serves the surrounding industrial park.

An adjustment will not be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is within the industrial park adjacent to the Kingman Municipal Airport and has superior availability of utilities. A 20% downward adjustment will be made for this factor. In terms of physical characteristics, this property is slightly larger than the subject property, although no adjustment will be applied in this instance. After the adjustments indicated, this sale suggests a value of \$68,105 per acre for the subject land.

Comparable No. 2

East of State Route 66 and north of Mohave Airport Drive

Grantor	RCE Enterprises, LP	Land Area	281,833 Square Feet
Grantee	Insteel Wire Products Company		6.470 Acres
Sale Date	July 2022	Zoning	A-D
Sale Price	\$250,000.00		Airport Development
	\$38,640 per Acre		



Comparable No. 2 is a site located east of State Route 66 and north of Mohave Airport Drive, situated less than two miles northeast of the subject property. Surrounding land uses include industrial development and vacant land within the industrial park adjacent to the Kingman Municipal Airport. This site is generally level and at grade with the abutting properties and roadways.

An adjustment will not be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is within the industrial park adjacent to the Kingman Municipal Airport and has superior availability of utilities. A 20% downward adjustment will be made for this factor. In terms of physical characteristics, this property is slightly smaller than the subject property, although no adjustment will be applied in this instance. A 5% upward adjustment will be made for the slightly more irregular shape of this site. After the adjustments indicated, this sale suggests a value of \$32,844 per acre for the subject land.

Comparable No. 3

State Route 66 south of Mohave Airport Drive

Grantor	Erwin F. Krabbe and Mary Ann Krabbe
Grantee	AZ MGS Operations, LLC
Sale Date	November 2022
Sale Price	\$385,000.00
	\$36,984 per Acre

Land Area	453,460 Square Feet
	10.410 Acres
Zoning	C-MO
	Commercial
	Manufacturing-Open Lot



Comparable No. 3 is a site located on the east side of State Route 66 south of Mohave Airport Drive, situated adjacent to the subject property. Surrounding land uses include commercial and industrial development along the highway and residential development further to the west. The BNSF Railway tracks are located along the eastern boundary of this site.

An adjustment will not be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is considered quite comparable the subject parcel and will not require adjustment. In terms of physical characteristics, this property is slightly larger than the subject property, although no adjustment will be applied in this instance. After the adjustments indicated, this sale suggests a value of \$36,984 per acre for the subject land.

Comparable No. 4

East of State Route 66 and south of Mohave Airport Drive

Grantor	Kingman 4900, LLC	Land Area	507,038 Square Feet
Grantee	Kingman V, LLC		11.640 Acres
Sale Date	October 2023	Zoning	A-D
Sale Price	\$1,164,800.00		Airport Development
	\$100,069 per Acre		



Comparable No. 4 is a site located east of State Route 66 and south of Mohave Airport Drive, situated approximately one mile northeast of the subject property. Surrounding land uses include industrial development and vacant land within the industrial park adjacent to the Kingman Municipal Airport. This site is generally level and at grade with the abutting properties and roadways, and is bisected by a spur of the Kingman Terminal Railroad.

An adjustment will not be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is within the industrial park adjacent to the Kingman Municipal Airport and has superior availability of utilities. A 20% downward adjustment will be made for this factor. In terms of physical characteristics, this property is slightly larger than the subject property, although no adjustment will be applied in this instance. After the adjustments indicated, this sale suggests a value of \$80,055 per acre for the subject land.

Comparable No. 5

State Route 66 south of Mohave Airport Drive

Grantor	State of Arizona	Land Area	1,028,887 Square Feet
Grantee	UNS Electric, Inc.		23.620 Acres
Sale Date	December 2023	Zoning	M-2
Sale Price	\$596,000.00		General Manufacturing
	\$25,233 per Acre		



Comparable No. 5 is a site located on the east side of State Route 66 south of Mohave Airport Drive, situated approximately one mile southwest of the subject property. Surrounding land uses include commercial and industrial development along the highway and residential development further to the west. The BNSF Railway tracks are located along the eastern boundary of this site.

An adjustment will not be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is considered quite comparable the subject parcel and will not require adjustment. In terms of physical characteristics, this property is larger than the subject property, and a 10% upward adjustment will be applied in this instance. After the adjustments indicated, this sale suggests a value of \$27,756 per acre for the subject land.

Conclusion of Land Value

Thus far, we have examined several sales that are believed to be the best representations of the value that may be applied to the subject land. The unadjusted value indications range from a low of \$25,233 per acre to a high indication of \$100,069 per acre. The comparable sales examined each have some characteristics in common with the subject site. After adjustments have been applied for those factors that vary from the subject, we are presented with a range in values that might be applied to the subject land.

The adjustments to the comparable properties discussed above may be more graphically illustrated in the sales adjustment grid on the following page. The sequence of adjustments of the transactional items (property rights, financing, conditions of sale, immediate expenditures, and market conditions) are typically applied in the order they are listed, and an adjusted price is calculated after each adjustment. The property adjustments are each applied, in no particular order, to the adjusted price after all transactional adjustments are made. An adjusted price is not made after each separate property adjustment.

After adjustment for those elements that differ from the subject property, the indicated range is from \$27,756 per acre to \$80,055 per acre, with a mean value of \$49,149 per acre. I believe that the subject property may be reasonably and fairly placed within this range.

Comparable No. 1 and 4 developed prices in the upper portion of the range due to their location within the airport industrial park and the superior availability of utilities. These properties also required the largest total adjustments as a percentage of their sale prices and the indications of value provided by these properties will be given less weight and consideration. Comparable No. 3 did not require any adjustment and is located adjacent to the property being appraised. For this reason, the indication of value provided by this property will be given greater weight and consideration.

Based upon the preceding analysis, a value of \$45,000 per acre represents a reasonable expectation of the probable market value of the subject land. Therefore, the indication of value for the subject land, as of the date of valuation and given a reasonable period of exposure, is \$349,000.00, and can be calculated as follows:

$$\begin{array}{rcll} 7.746 \text{ acres at} & \$45,000 \text{ per acre} & = & \$ 348,570.00 \\ & \text{rounded to,} & & \$ 349,000.00 \end{array}$$

Table 3 – Land Sales Adjustment Grid

Comparable No.	1	2	3	4	5	SUBJECT
Sale Price	\$750,000.00	\$250,000.00	\$385,000.00	\$1,164,800.00	\$596,000.00	
Date of Sale	12/21	07/22	11/22	10/23	12/23	
Elapsed Time (months)	42	35	31	20	18	
Frontage	Mid-Block	Cul-de-Sac	Mid-Block	Mid-Block	Mid-Block	Mid-Block
Access	Paved Road	Paved Road	Paved Road	Paved Road	Paved Road	Paved Road
Land Area – Acreage	8.810	6.470	10.410	11.640	23.620	7.746
Shape	Rectangular	Irregular	Slightly Irregular	Irregular	Rectangular	Rectangular
Topography	Level	Level	Level	Level	Level	Level
Availability of Utilities	At property	At property	At property	At property	At property	At property
Zoning	A-D	A-D	C-MO	A-D	M-2	CM
Flood Zone	X	X	X	X	X	X
Sale Price per Acre of Land	\$85,131	\$38,640	\$36,984	\$100,069	\$25,233	
Transactional Adjustments						
Property Rights	0%	0%	0%	0%	0%	
Adjusted Price	\$85,131	\$38,640	\$36,984	\$100,069	\$25,233	
Financing	\$0	\$0	\$0	\$0	\$0	
Adjusted Price	\$85,131	\$38,640	\$36,984	\$100,069	\$25,233	
Conditions of Sale	0%	0%	0%	0%	0%	
Adjusted Price	\$85,131	\$38,640	\$36,984	\$100,069	\$25,233	
Immediate Expenditures	0%	0%	0%	0%	0%	
Adjusted Price	\$85,131	\$38,640	\$36,984	\$100,069	\$25,233	
Market Conditions	0%	0%	0%	0%	0%	
Adjusted Price	\$85,131	\$38,640	\$36,984	\$100,069	\$25,233	
Property Adjustments						
Location	-20%	-20%	0%	-20%	0%	
Physical Characteristics						
Land Area	0%	0%	0%	0%	+10%	
Shape	0%	+5%	0%	0%	0%	
Economic Characteristics	0%	0%	0%	0%	0%	
Legal Characteristics	0%	0%	0%	0%	0%	
Non-Reality Components	0%	0%	0%	0%	0%	
Net Adjustment	-20%	-15%	0%	-20%	+10%	
Indicated Unit Value	\$68,105	\$32,844	\$36,984	\$80,055	\$27,756	
Gross Property Adjustment	20%	25%	0%	20%	10%	
Total Adjustment	-\$17,026	-\$5,796	\$0	-\$20,014	\$2,523	
Total Adjustment as % of Sale Price	-20%	-15%	0%	-20%	+10%	

Income Capitalization Approach

Introduction

The procedures involved in this approach to value simulate much of the same analyses performed by an investor in the acquisition of real estate. Rather than employing an individual's investment objectives, however, general market objectives for the typical investor are substituted so that the resultant value indication represents market value. The Appraisal Institute describes the income capitalization approach to value as follows:

The income capitalization approach to value consists of methods, techniques, and mathematical procedures than an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value.²¹

The underlying premise of the income capitalization approach is the principle of anticipation. The definition above implies that the value of a property is created as a result of the anticipation of future benefits derived from that property. These future benefits can either be an income stream produced by the property, a lump sum at the time of sale of the property (referred to as a reversion), or both the income stream and reversion. These cash flows are processed into an indication of value by use of capitalization techniques. The direct and yield capitalization methods are typically examined.

Direct capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only one year's income is used. Yield and value changes are implied, but not explicitly identified.²²

Yield capitalization is a method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.²³

The income capitalization approach to value is generally applied to properties which are considered to be an investment-type property owned for the potential of providing an income stream to an investor. In this instance, the property to be appraised is vacant land which is not typically owned for the potential of providing an income stream to an investor. While ground leases of vacant land do occur, they are not considered to be an investment vehicle capable of producing an income stream commensurate with the market value of the underlying land. For this reason, the income capitalization approach will not be developed in this appraisal.

²¹ *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020) p413

²² *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022) p53

²³ *Ibid*, p206

Cost Approach

Introduction

The cost approach is based on the understanding that market participants relate value to cost. In this approach to value, an estimate is made of the reproduction or replacement cost new of any improvements on the property. Depreciation from all causes is then deducted and the land value is added to provide an indication of value for the entire property. The cost approach is of most value when dealing with improvements that are new or in like new condition. The Appraisal Institute describes the cost approach to value as follows:

A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.²⁴

The basic premise of the cost approach is the principle of substitution that holds that when several commodities or services with the same utility are available, the one with the lowest price attracts the greatest demand and the widest distribution. As applied to the cost approach, a prudent individual would not pay more to purchase an existing building than the amount at which a property of equal desirability and utility can be obtained through the purchase of a site and the construction of the improvements without undue delay.

This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged in the market. Cost approach techniques can also be employed to derive information needed in the sales and income capitalization approaches to value, such as cost-related adjustments to account for specific building features and cost-to-cure adjustments to address deferred maintenance.

The property that is the subject of this appraisal is a vacant tract of land. The cost approach to value is not germane in the valuation of the property to be appraised since there are no building improvements on the property to be considered in this analysis.

²⁴ The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022) p43

Reconciliation of Value

The concluding step in the valuation process is to evaluate the alternative conclusions of value indicated by each of the traditional approaches to value to arrive at a reconciled indication of value. The indications of value provided by the approaches to value applied in this appraisal can be summarized as follows:

Sales Comparison Approach	\$349,000.00
Income Capitalization Approach	Not Developed
Cost Approach	Not Developed

The sales comparison approach is often considered to provide the most reliable indication of value because it addresses direct sales of comparable properties. We have found properties which are believed to share some characteristics with the subject and have been able to make adjustments for those characteristics which differ from the property to be appraised. After adjustment, each of the properties compared to the subject property results in a reasonable indication of value for the property to be appraised. Since the subject property is a vacant tract of land, this is the only approach applied and presented in this analysis.

An income approach to value is often preferred when analyzing the value of an income producing property. Through the application of the income capitalization approach to value, an overall capitalization rate is applied to the net income of the subject property, or a multiplier is applied to the potential gross rent of the subject property, to arrive at an indication of value. This approach to value is generally preferred for appraising income-producing properties because it can measure the value of future anticipated cash flows. This approach to value has not been developed for this appraisal assignment.

In the cost approach to value, the depreciated replacement value of the subject improvements is analyzed as of the date of valuation, including the contributing value of the land as if vacant. There are inherent difficulties in accurately estimating the total accrued depreciation when applying the cost approach to value to a property that is not new, or in like new condition. The measurement of accrued depreciation will more often than not be a subjective determination by the appraiser. While this approach can and does provide a benchmark against the other indications of value, the indication of value from the cost approach to value is typically given little weight in the valuation of a property. This approach to value has not been developed for this appraisal assignment.

Based on the analyses presented herein and the indications of value provided by the traditional approaches to value, it is my final conclusion that the market value of the fee simple interest of the subject property, as of May 30, 2025, is:

THREE HUNDRED FORTY-NINE THOUSAND DOLLARS
\$349,000.00

Certification

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

- The statements of fact contained in this report are to the best of my knowledge and belief, true and correct and that no information has knowingly been withheld.
- The analyses, opinions and conclusions are my personal, impartial and unbiased professional opinions which are limited only by the Underlying Assumptions and Limiting Conditions contained herein. Unless otherwise acknowledged in this report, no one has provided significant professional assistance in the preparation of this report.
- I have no interest or bias, present or contemplated, in the property appraised or any personal interest in the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- No one provided significant real property appraisal assistance to the person signing this certification.
- Neither my employment to make the appraisal, nor the compensation is contingent on the development or reporting of a predetermined value for the property, a direction in value which favors the cause of the client, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have personally inspected the property which is the subject of this report.
- This appraisal was made in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
- This appraisal complies with the Code of Ethics and Standards of Professional Practices of the American Society of Appraisers. Furthermore, the American Society of Appraisers has a mandatory recertification program for all of its Senior members, and I am in compliance with that program.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
- As of the date of this report, I have completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

Therefore, based upon the preceding data and discussion, together with the appraiser's best judgment and experience, the market value of the subject property as of May 30, 2025, is:

THREE HUNDRED FORTY-NINE THOUSAND DOLLARS

\$349,000.00



Timothy A. Haskins, ASA

Arizona Certified General Real Estate Appraiser No. 30668

**RIGHT-OF-WAY SECTION APPRAISAL SERVICES
CERTIFICATE OF APPRAISER**

Project Number: M6975
Parcel Number: L-K-025

I hereby certify:

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

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept to liability for matters of title or survey. That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed, therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I assume to responsibility for such condition. Or for engineering which might be required to discover such factors. That unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present in the property 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 condition, or for any expertise or engineering knowledge required to discover them.

That my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the ADOT ROW Procedures Manual, Chapter 4, Appraisal Standards and Specifications (2018); the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; and the Uniform Standards of Professional Appraisal Practice (USPAP 2024) guidelines.

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

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

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

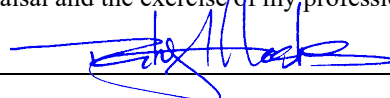
That I have no direct or indirect present or contemplated future personal interest in the property that is the subject of this report, or any benefit from the acquisition of the property appraised herein.

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

That my opinion of the Market Value of the property, as of May 30, 2025, is THREE HUNDRED FORTY-NINE THOUSAND DOLLARS (\$349,000.00), based on my independent appraisal and the exercise of my professional judgment.

DATE: 7/8/2025

SIGNATURE: _____



Underlying Assumptions and Limiting Conditions

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. A legal description was not furnished to the appraiser, unless so noted in the text of this report. 2. The title to the property is marketable, free and clear of all liens. 3. The property does not exist in violation of any applicable codes, ordinances, statutes or other governmental regulations. 4. The appraiser was not furnished with a specific site survey, unless one is cited in the text of this report. 5. The property is appraised as if owned in fee simple title without encumbrances, unless otherwise mentioned in this report. This fee simple estate contains the sum of all fractional interests which may exist. 6. Responsible ownership and competent management exist for the property. 7. Adequate utility services are available for the subject property and that they will continue to be so in the foreseeable future. 8. The appraisers are not responsible for the accuracy of the opinions furnished by others and contained in this report, nor are they responsible for the reliability of government data utilized in the report. 9. The compensation for appraisal services rendered is dependent only upon the delivery of this report and compensation is not contingent upon the values estimated. 10. This report considers nothing of a legal character and the appraisers assume no responsibility for matters of a legal nature. 11. Testimony or attendance in court is not required by reason of this appraisal, unless arrangements are previously made. 12. Any information furnished by the property owner, agent, or management is correct as received. 13. The appraisers assume that there are no hidden or unapparent conditions of the property, sub-soil or structures which could render it more or less valuable than an otherwise comparable property, unless such is stated in the report. 14. This appraisal will not take into consideration the possibility of the existence of asbestos, PCB transformers, urea formaldehyde foam insulation, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (containing hazardous materials), or the cost of encapsulation or removal thereof. The appraisers are not qualified to detect or evaluate such substances. 15. Should the client have a concern over the existence of such substances, they are urged to retain the services of a qualified independent engineer or contractor to determine the extent of the condition and the cost of any required or desired treatment or removal. The cost must be borne by the client or owner of the property, however, this cost has not been considered in the valuation of the property. 16. Virtually all land in Arizona is affected by pending or potential litigation by various Indian tribes claiming superior water rights for their reservations. The amounts claimed and the effects on other water users are largely undetermined, but the claims could result in some curtailment of water usage or ground water pumping on private land. The Ground Water Management Act (as amended) may also restrict future ground water pumping in various parts of the State. Given this uncertainty, neither the undersigned nor any of their representatives can make warranties concerning rights to or adequacy of the water supply with respect to the premises, although the sale of premises include such water rights as are appurtenant thereto. | <ol style="list-style-type: none"> 17. The appraisers cannot predict or evaluate the possible effects of future wage price control actions of the government upon retail income or financing of the subject property; hence, it is assumed that no control will apply which would nullify contractual agreements, thereby changing property values. The market value estimated is as of the date of the estimate. All dollar amounts are based on the purchasing power of the dollar as of that date. 18. Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only. 19. Neither all nor any part of this appraisal report shall be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser(s). 20. Neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser(s). No part of this appraisal may be reproduced without the permission of the appraisers. 21. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall have no responsibility if any such unauthorized change is made. 22. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by a court of law or body with the power of subpoena. 23. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless so designated. 24. On-site or off-site proposed improvements, if any, as well as any repairs required, are considered for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. 25. The authentic copies of this report are signed in blue ink and have been bound. Any copy that does not have the above is unauthorized and may have been altered. 26. Acceptance of, and/or use of, this appraisal report by client constitutes acceptance of the foregoing conditions in their entirety. Appraiser liability extends only to the identified client, not subsequent parties or users, and is limited to the amount of fee received by the appraiser. Use or reliance upon this report by third parties is specifically prohibited. |
|---|--|

1



View north-northeast across the subject property

2



View northeast across the subject property

3



View south-southeast across the subject property

4

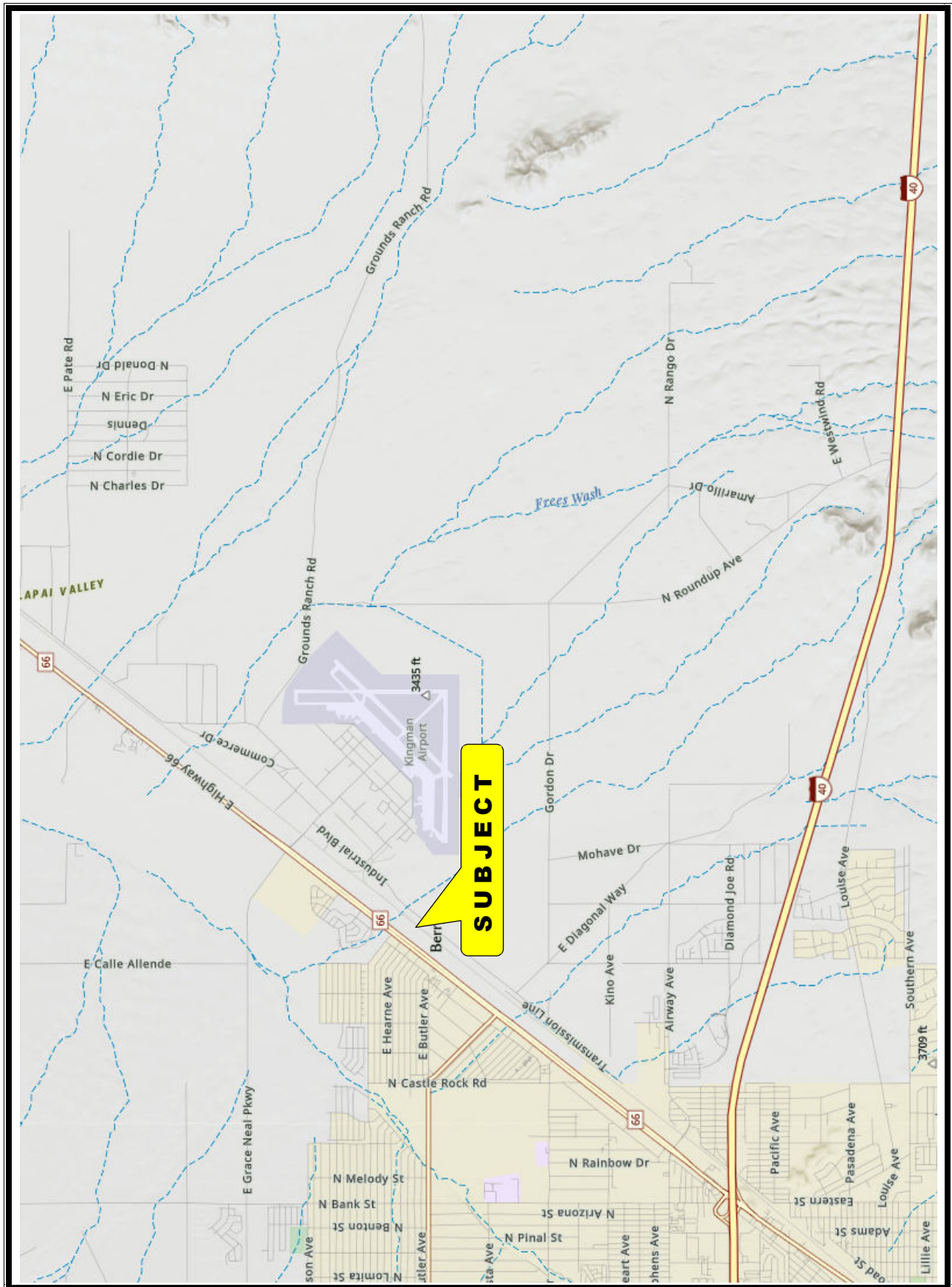


View northwest toward subject property from east of railroad

5



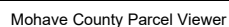
View north along State Route 66



© ArcGIS Business Analyst Parcel Viewer (stdb.com)

C







ARIZONA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY GROUP
RIGHT OF WAY DISPOSAL REPORT

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

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

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

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

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

LEGAL DESCRIPTION

SEE SCHEDULE A-1 ATTACHED

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

Updated 04/17/2024 JG

Amended 04/18/2024 to delete Schedule B, item 2. JG

Date of Search: 03/24/06

Examiner: Julia Tope

Reviewer: L. Mellema

Update to: 04/03/2024

Examiner: Jim Gregg

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

County: Mohave	Tax Arb: A ptn of 310-21	Disposal: D-K-038
Tracs No.: F-008-2-709/ 066MO000H088801R	Highway: Kingman - Ashfork	Excess Land: L-K-025
Fed. No.: N/A	Section: Kingman - Airport	Parcel No.: N/A

**SCHEDULE A-1
LEGAL DESCRIPTION**

That portion of Southwest quarter of the South half of Section 27, Township 22 North, Range 16 West, as depicted on Exhibit "A" attached, Sheet 10, of ADOT Drawing D-8-T-283, the Right of Way Plans of KINGMAN - -ASHFORK STATE HIGHWAY, Kingman - Airport Section, Project F-008-2-709.

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

END OF SCHEDULE A-1

RIGHT OF WAY / VESTING

1. Fee Indenture dated 10/11/1933, between Santa Fe Pacific Railroad Company and the State of Arizona, its successors and assigns, recorded 12/11/1933 in Book # 48 of Deeds, page 551. FAP-80G

NOTE: Mineral Reservations must be reserved out again when ADOT sells parcel herein.

END OF RIGHT OF WAY / VESTING

**RESOLUTIONS FOR DISPOSAL REPORTS
D-K-038 / L-K-025**

1. Resolution by the Arizona Highway Commission dated 09/09/27, in the Official Minutes, page 26, for the establishment of U.S. Route 66 as a State Route.
2. Resolution # 66-26 by the Arizona Highway Commission dated 03/25/66, in the Official Minutes, for the establishment of U.S. Route 66 as a State Highway.
3. Resolution # 84-10-A-063 by the Arizona Transportation Board dated 10/26/84 recorded 11/01/84 in Docket # 1066, page # 845, for the redesignation and elimination of U.S. Route 66 to State Route 66.

REQUIREMENTS

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

NOTE: Repurchase rights do not apply due to the property being acquired December 11, 1933.

END OF REQUIREMENTS

SCHEDULE B

1. Terms, conditions, reservations and rights, including but not limited to, the right to prospect for, mine and remove all oil, gas, coal and minerals, whatsoever, already found or which may hereafter be found, upon or under said land, as contained in Indenture dated October 11, 1933, recorded December 11, 1933 in Book 48 of Deeds, page 551.
2. ~~Any loss, claim or damage by virtue of the fact that said land has no access to and from a public highway or dedicated street.~~

END OF SCHEDULE B



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

ADOT Right Of Way THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY	DISPOSAL #	L-K-025	HIGHWAY NAME:	KINGMAN - ASH FORK
	DRAWN	JV	PROJECT NO.	066 MO 057 H6908 01R
	DATE	02/02/2024	FEDERAL AID NO.:	UNASSIGNED
ROUTE NO.: SR-66	LOCATION:	KINGMAN - AIRPORT	SHEET NO.	1 OF 1

G:\9340\PROJECTS\MOHAVE (8)\066 MO 057 H6908 01R SR-66 -berry Lane\L-K-025\L-K-025 Exhibit.dgn

EXHIBIT "A"

That portion of the Southwest quarter (SW¼) of Section 27, Township 22 North, Range 16 West, Gila and Salt River Meridian, Mohave County, Arizona, described as follows:

Commencing at the Southwest corner of said Section 27, marked by a USGLO brass cap – 1911, from which the South quarter corner of said Section 27, marked by a USGLO brass cap – 1911, bears South 89°59'42" East 2637.11 feet;

thence along the South line of said Section 27 South 89°59'42" East 409.08 feet to a line that is 285.00 feet southeasterly of and parallel with the existing northerly right of way line of State Route 66 (KINGMAN – SELIGMAN HIGHWAY);

thence along said line that is 285.00 feet southeasterly of and parallel with said northerly right of way line of State Route 66, North 38°15'11" East 1030.00 feet to the POINT OF BEGINNING;

thence continuing along said line that is 285.00 feet southeasterly of and parallel with said northerly right line of way of State Route 66, North 38°15'11" East 600.00 feet;

thence South 51°44'49" East 563.29 feet to the common right of way line of said State Route 66 and the Burlington Northern and Santa Fe Railroad;

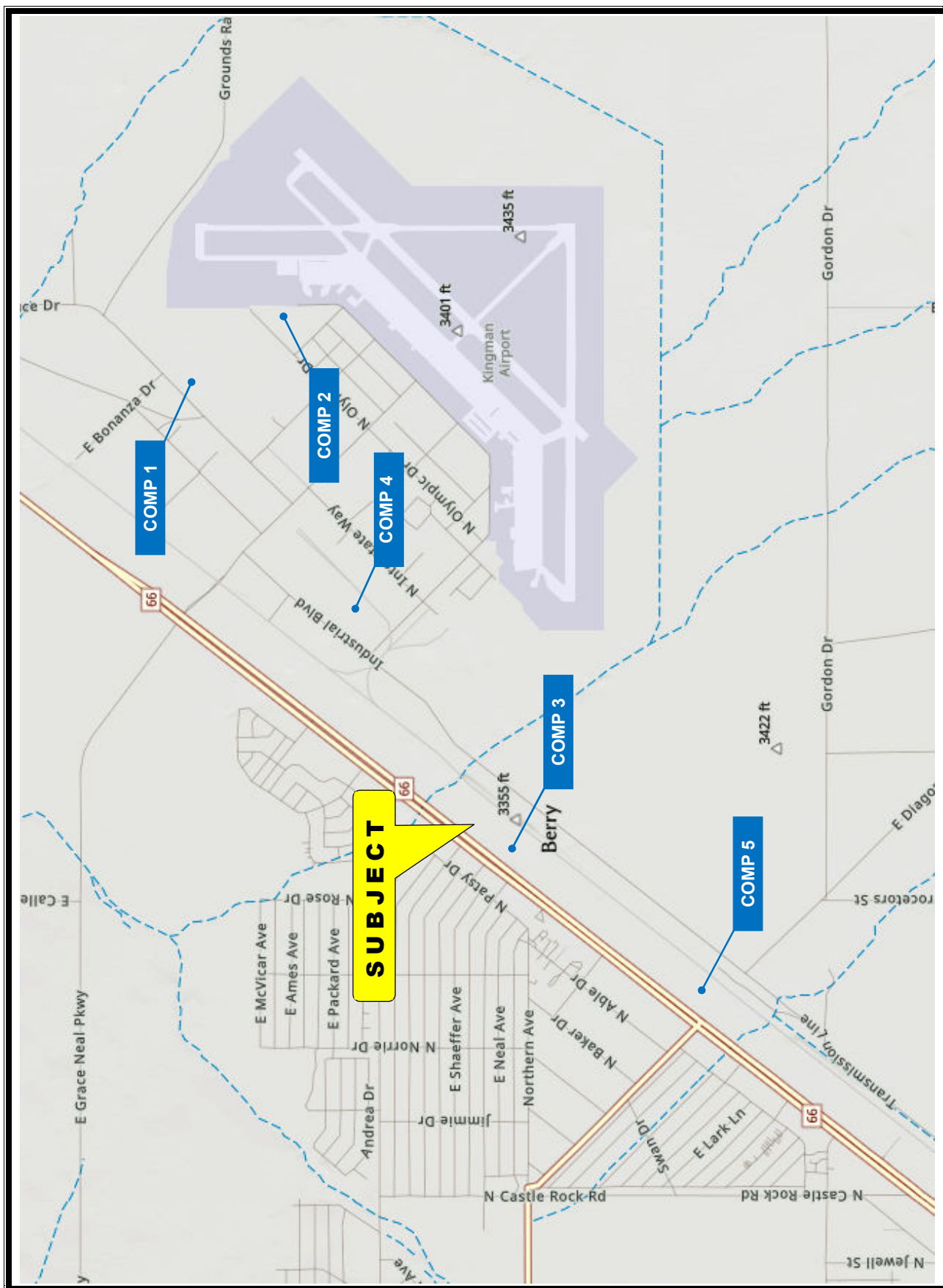
thence along said common right of way line South 38°25'34" West 600.00 feet;

thence North 51°44'49" West 561.47 feet to the POINT OF BEGINNING.

EXCEPTING therefrom, all oil, gas, coal and other minerals in said land, together with the right to prospect for, mine and remove the same, all as set forth in Deed recorded in Book 48 of Deeds, Page 551.

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

PROJECT: 066 MO 000 H0888	LOCATION: Kingman Airport Section	PARCEL: L-K-025
F-008-2-709	Disposal	cg 05-22-2024



© ArcGIS Business Analyst Parcel Viewer (stdb.com)

C

Comparable No. 1**Property Information**

Property Type: Vacant Lot

Location: East of State Route 66 and north of Mohave Airport Drive

Address: 9780 Shipping Lane
City, State ZIP: Kingman, Arizona 86401

County: Mohave

Land Area: 383,764 square feet
 8.810 acres

Legal Description: Part of the SE¼ of Section 23, Township 22 North, Range 16 West, Gila and Salt River Base and Meridian, Mohave County, Arizona

Parcel Number(s): 310-16-058

Zoning Authority: Mohave County
Zoning District(s): A-D, Airport Development

Flood Hazard Zone(s): X
Topography: Level
Access: Paved Road
Utilities: At property

Building Area: NA
Year Built: NA
No. of Stories: NA
Occupancy: NA

LBR: NA
Parking / 1,000 sf: NA
Clear Height: NA
Percent Office: NA

Sale Information

Grantor: Like Kingman I, LLC
Grantee: Kingman Terminal Railroad, LLC

Date of Sale: December 2021

Sales Price: \$750,000.00
 \$85,131 per acre

Terms: \$750,000.00 (100%) cash down
 Cash to seller

Recordation: 2/22/2022
 Special Warranty Deed
 2022-011558

Three Year Sales History: None

Source/Confirmation: Kingman Golden Valley Multiple Listing Service; Recorded Affidavit of Property Value

Comments:

Surrounding land uses include industrial development and vacant land within the industrial park adjacent to the Kingman Municipal Airport. This site is generally level and at grade with the abutting properties and roadways. The buyers have subsequently constructed two rail spurs of the Kingman Terminal Railroad which serves the surrounding industrial park.



Comparable No. 2**Property Information****Property Type:** Vacant Lot**Location:** East of State Route 66 and north of Mohave Airport Drive**Address:** 7495 N. Olympic Way**City, State ZIP:** Kingman, Arizona 86401**County:** Mohave**Land Area:** 281,833 square feet
6.470 acres**Legal Description:** Part of the NE¼ of Section 26, Township 22 North, Range 16 West, Gila and Salt River Base and Meridian, Mohave County, Arizona**Parcel Number(s):** 310-19-231**Zoning Authority:** Mohave County**Zoning District(s):** A-D, Airport Development

Flood Hazard Zone(s): X
Topography: Level
Access: Paved Road
Utilities: At property

Building Area: NA
Year Built: NA
No. of Stories: NA
Occupancy: NA

LBR: NA
Parking / 1,000 sf: NA
Clear Height: NA
Percent Office: NA

Sale Information

Grantor: RCE Enterprises, LP
Grantee: Insteel Wire Products Company

Date of Sale: July 2022

Sales Price: \$250,000.00
 \$38,640 per acre

Terms: \$250,000.00 (100%) cash down
 Cash to seller

Recordation: 8/15/2022
 Warranty Deed
 2022-049572

Three Year Sales History: None**Source/Confirmation:** Kingman Golden Valley Multiple Listing Service; Recorded Affidavit of Property Value**Comments:**

Surrounding land uses include industrial development and vacant land within the industrial park adjacent to the Kingman Municipal Airport. This site is generally level and at grade with the abutting properties and roadways.



Comparable No. 3**Property Information**

Property Type:	Vacant Lot		
Location:	State Route 66 south of Mohave Airport Drive		
Address:	None Given		
City, State ZIP:	Kingman, Arizona 86401	County:	Mohave
Land Area:	453,460 square feet 10.410 acres		
Legal Description:	Part of the SW¼ of Section 27, Township 22 North, Range 16 West, Gila and Salt River Base and Meridian, Mohave County, Arizona		
Parcel Number(s):	310-21-083; 310-21-084; 310-21-085; 310-21-086		
Zoning Authority:	Mohave County		
Zoning District(s):	C-MO, Commercial Manufacturing-Open Lot Storage		

Flood Hazard Zone(s):	X	Building Area:	NA	LBR:	NA
Topography:	Level	Year Built:	NA	Parking / 1,000 sf:	NA
Access:	Paved Road	No. of Stories:	NA	Clear Height:	NA
Utilities:	At property	Occupancy:	NA	Percent Office:	NA

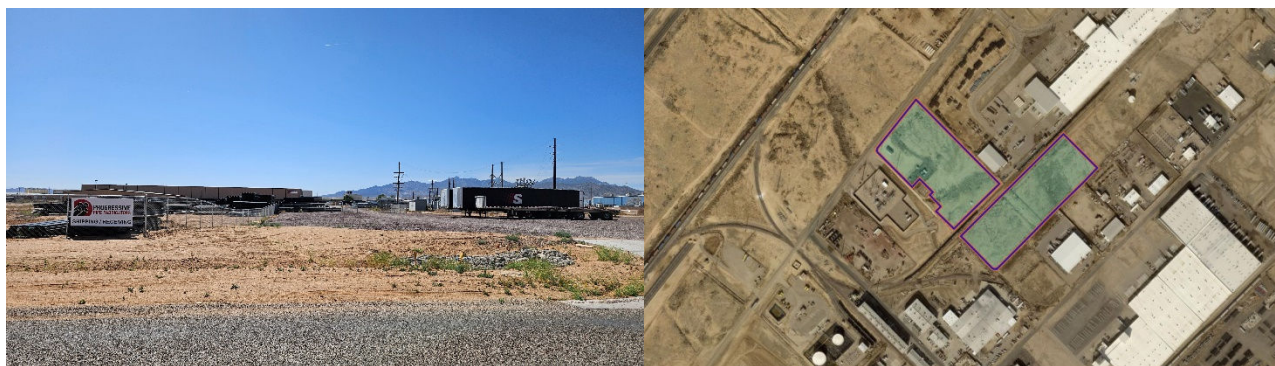
Sale Information

Grantor:	Erwin F. Krabbe and Mary Ann Krabbe		
Grantee:	AZ MGS Operations, LLC		
Date of Sale:	November 2022		
Sales Price:	\$385,000.00 \$36,984 per acre	Terms:	\$80,000.00 (21%) cash down Seller carried balance on undisclosed terms
Recordation:	11/3/2022 Warranty Deeds 2022-063478; 2022-063479; 2022-63480; 2022-063481	Three Year Sales History:	04/2019
Source/Confirmation:	Kingman Golden Valley Multiple Listing Service; Recorded Affidavit of Property Value		

Comments:

Surrounding land uses include commercial and industrial development along the highway and residential development further to the west. The BNSF Railway tracks are located along the eastern boundary of this site.



Comparable No. 4**Property Information****Property Type:** Vacant Lot**Location:** East of State Route 66 and south of Mohave Airport Drive**Address:** 4190 E. Mohave Airport Drive**City, State ZIP:** Kingman, Arizona 86401**County:** Mohave**Land Area:** 507,038 square feet
11.640 acres**Legal Description:** Part of the 0 of Section 26 & 27, Township 22 North, Range 16 West, Gila and Salt River Base and Meridian, Mohave County, Arizona**Parcel Number(s):** 310-19-238; 310-29-239**Zoning Authority:** Mohave County**Zoning District(s):** A-D, Airport Development**Flood Hazard Zone(s):** X
Topography: Level
Access: Paved Road
Utilities: At property**Building Area:** NA
Year Built: NA
No. of Stories: NA
Occupancy: NA**LBR:** NA
Parking / 1,000 sf: NA
Clear Height: NA
Percent Office: NA**Sale Information****Grantor:** Kingman 4900, LLC
Grantee: Kingman V, LLC**Date of Sale:** October 2023**Sales Price:** \$1,164,800.00
\$100,069 per acre**Terms:** \$1,164,800.00 (100%) cash down
Cash to seller**Recordation:** 10/3/2023
Special Warranty Deed
2023-044304**Three Year Sales History:** None**Source/Confirmation:** Recorded Affidavit of Property Value**Comments:**

Surrounding land uses include industrial development and vacant land within the industrial park adjacent to the Kingman Municipal Airport. This site is generally level and at grade with the abutting properties and roadways, and is bisected by a spur of the Kingman Terminal Railroad.



Comparable No. 5**Property Information**

Property Type:	Vacant Lot		
Location:	State Route 66 south of Mohave Airport Drive		
Address:	None Given		
City, State ZIP:	Kingman, Arizona 86409	County:	Mohave
Land Area:	1,028,887 square feet 23.620 acres		
Legal Description:	Part of the E½ of Section 33, Township 22 North, Range 16 West, Gila and Salt River Base and Meridian, Mohave County, Arizona		
Parcel Number(s):	324-11-075		
Zoning Authority:	Mohave County		
Zoning District(s):	M-2, General Manufacturing		

Flood Hazard Zone(s):	X	Building Area:	NA	LBR:	NA
Topography:	Level	Year Built:	NA	Parking / 1,000 sf:	NA
Access:	Paved Road	No. of Stories:	NA	Clear Height:	NA
Utilities:	At property	Occupancy:	NA	Percent Office:	NA

Sale Information

Grantor:	State of Arizona		
Grantee:	UNS Electric, Inc.		
Date of Sale:	December 2023		
Sales Price:	\$596,000.00 \$25,233 per acre	Terms:	\$596,000.00 (100%) cash down Cash to seller
Recordation:	12/6/2023 Special Warranty Deed 2023-053750	Three Year Sales History:	None
Source/Confirmation:	Recorded Affidavit of Property Value		

Comments:

Surrounding land uses include commercial and industrial development along the highway and residential development further to the west. The BNSF Railway tracks are located along the eastern boundary of this site.



ARIZONA**PURCHASE ORDER**

PHOENIX, on 5/8/2025

CTR054966/ JW-25-034/ M697501X/ L-K-025/ Appraisal due in 60 days-FIRST APPRAISAL SERVICES INC

SUPPLIER

FIRST APPRAISAL SERVICES INC
Attn: TIMOTHY HASKINS
Address: Legal Address
 7227 N. 16th Street
 UNITED STATES
 PHOENIX, Arizona 85020
Phone: 6022640011
E-mail: THASKINS@AZFAS.COM

ORDER No. PO0000769113*(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	CTR054966-4	906208-1	CTR054966/ JW-25-034/ M697501X/ L-K-025/ Appraisal due in 60 days Commentaire : L-K-025	1.0000	Total Cost		

Total before Tax **USD**

Non-Taxable - 0 % **USD**

Total after Tax **USD**

ARIZONA

ARIZONA**PURCHASE ORDER****DELIVERY CONDITIONS**

Delivery Conditions	Date	Type	%	Amount	Item

ARIZONA

Page 2 of 5



PURCHASE ORDER

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.





PURCHASE ORDER

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





PURCHASE ORDER

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.



Page 5 of 5

Timothy A. Haskins, ASA

APPRAISAL CERTIFICATION, LICENSING AND MEMBERSHIPS

State of Arizona Certified General Real Estate Appraiser; Certificate No. 30668
Recertified through June 30, 2027

Accredited Senior Appraiser, (ASA) American Society of Appraisers (1995)
Recertified through October 30, 2025

- Officer – Phoenix Chapter of American Society of Appraisers (1994-1996)
- President – Phoenix Chapter of American Society of Appraisers (1997-1999)

Practicing Affiliate, Appraisal Institute

Member, International Right of Way Association (2001)

EXPERIENCE

Owner, First Appraisal Services, PLC (2016-present)
Senior Appraiser, First Appraisal Services, Inc. (2000-2015)
Production Director/Senior Analyst, WMF Robert C. Wilson (1998-2000)
Senior Managing Appraiser, Appraisal Sciences, Ltd. (1997-1998)
Staff Appraiser, Appraisal Sciences, Ltd. (1990-1997)

SCOPE OF ASSIGNMENTS

<u>Property Types</u>	<u>Purpose</u>	<u>Geographic Areas Covered</u>
Vacant Land	Eminent Domain	Arizona, statewide
Industrial Facilities	Estate Planning	
Office Buildings	Tax Planning	
Retail Buildings	Appraisal Review	
Residential Properties	Litigation Support	
Special Use Properties	Expert Witness	

EDUCATION

University of Arizona, B.S. in Business Administration, 1990

Various Continuing Education Courses, including:

Business Practices and Ethics
National Uniform Standards of Professional Appraisal Practice
Uniform Appraisal Standards for Federal Land Acquisitions
Ethics and the Right of Way Profession
Basic Capitalization Course
The Technical Inspection of Real Estate
The Appraisal of Partial Acquisitions
Valuation of Conservation Easements Certificate Program
Marshall & Swift Commercial Cost Approach Certification
Office Building Valuation: A Contemporary Perspective
Principles of Real Estate Negotiation
Principles of Real Estate Engineering
Real Estate Finance Statistics and Valuation Modeling
Marketability Studies: Six-Step Process & Basic Applications
Forecasting Revenue
Small Hotel/Motel Valuation
Subdivision Valuation

7227 N. 16th Street, Suite 112
Phoenix, Arizona 85020
602.264-0011
thaskins@azfas.com



ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-30668

TIMOTHY A. HASKINS

CREDENTIAL TYPE

ISSUE DATE

EFFECTIVE DATE

EXPIRATION DATE

Certified General Appraiser

June 14, 1993

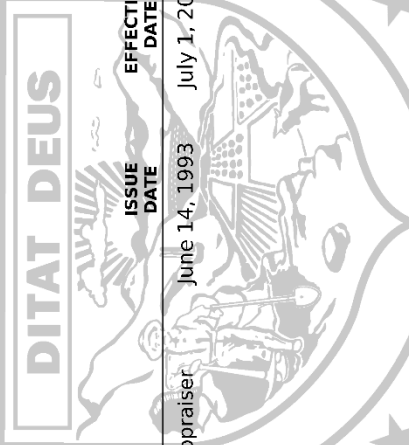
July 1, 2025

June 30, 2027

DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

STATE OF ARIZONA

DITAT DEUS



This certificate was printed on June 4, 2025 and will remain in effect until a change request has been approved by the Department or the credential is surrendered, suspended, revoked or expired.

Arizona Department of Insurance and Financial Institutions

difi.az.gov

100 N 15th Ave, Suite 261

Phoenix, AZ 85007-2630

FAS 1.25-3008.00

FIRST APPRAISAL SERVICES

F-7