

APPRAISAL COVER SHEET

TYPE OF APPRAISAL:	Disposition Market Value of the Fee Simple Interest
PARCEL NO.:	L-Y-020
OWNER'S NAME:	Arizona Highway Department Arizona Department of Transportation
LOCATION OF PROPERTY:	On Fortuna Wash, East of US Highway 95 Yuma County, Arizona
PROJECT NUMBER:	M697501X
HIGHWAY:	Yuma – Casa Grande Highway
SECTION:	Fortuna Wash – Telegraph Pass
DATE OF REPORT:	March 22, 2022
EFFECTIVE DATE OF VALUE:	February 1, 2022
APPRAISER:	Barry Weissenborn Arizona Certified General Real Estate Appraiser #30724  Beverly Weissenborn, MAI Arizona Certified General Real Estate Appraiser #30125



March 22, 2022

Mr. Timothy F. O'Connell, Jr.  
Appraisal Section Supervisor  
Right of Way Project Management Section  
ADOT Mail Drop 612E  
1655 W. Jackson Street  
Phoenix, AZ 85007

RE: Appraisal Assignment No.: TO-22-025  
Project No.: M519301X  
Parcel No.: L-Y-020

Dear Mr. O'Connell:

At your request, we have developed an opinion of market value for a 40.00-acre parcel located on Fortuna Wash, east of U.S. Highway 95, in Yuma County, Arizona. The property is owned by the Arizona Department of Transportation and is slated for disposal. The effective date of the appraisal is February 1, 2022 and coincides with our most recent visit to the property.

The purpose of this appraisal was to develop an opinion of market value for the fee simple interest. Pursuant to Arizona Revised Statute 28-7091, the definition of market value is as follows:

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

The intended user of the appraisal is the State of Arizona Department of Transportation (ADOT). The intended use of the appraisal report is to utilize the opinion of value to assist in decisions regarding the disposition of the property.

The appraisal is intended to comply with:

- ADOT Department of Transportation Contract ID CTR054976;
- ADOT Right of Way Procedures Manual, Project Management Section, Chapters 3 and 4;
- Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24;
- current edition of the *Uniform Standards of Professional Appraisal Practice (USPAP)*;
- the scope of work for this assignment.

Based upon the data, analysis and discussions contained in this report, it is our opinion that the market value of the subject property, as of the February 1, 2022 effective date of value, was:

**\$180,000**

**Extraordinary Assumptions:** None

**Hypothetical Conditions:** None

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

Thank you for this opportunity to be of service.



Barry Weissenborn  
*Arizona Certified General*  
*Real Estate Appraiser #CGA-30724*



Beverly Weissenborn, MAI  
*Arizona Certified General*  
*Real Estate Appraiser #CGA-30125*

**Table of Contents**

Contingent and Limiting Conditions..... 1  
Summary of Salient Facts.....3  
Valuation Process.....5  
Property Identification – Larger Parcel .....5  
Purpose of the Appraisal.....8  
    Definition of Market Value  
    Interest To Be Appraised  
    Ownership History  
    Owner Contact and Site Inspection Information  
Contact Report ..... 10  
Scope of the Project .....11-12  
    Arizona State Transportation Board Resolution Data  
    Right-of-Way Plan Drawing Number  
    Scope of Work Performed  
    Data Sources and Confirmation  
Regional and Neighborhood Setting ..... 13  
Site Description.....24  
Restrictions and Easements .....29  
Subject Photos .....33  
Tax Data and Assessed Valuation .....40  
Signs .....40  
Zoning .....40  
Highest and Best Use .....43  
Comparable Sales Overview.....46  
Land Valuation--Sales Comparison Approach .....61  
    Transactional Characteristics.....61  
    Property Characteristics.....66  
Conclusion.....73  
Exposure Time/Marketing Period.....73  
Project Influence.....73  
Auditing Breakdown.....73  
ADOT Certificate of Appraiser.....74  
Certification.....78  
Qualifications .....80  
Addenda .....86



### **Contingent and Limiting Conditions**

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

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

The Appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the Appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership, competent management and adequate marketing typical for that type of property.

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

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

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

The Appraisers are not required to give testimony or appear in court because of having made the appraisal unless prior arrangements have been made and confirmed in writing.

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

The Appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or

less valuable. The Appraisers assume no responsibility for such conditions or for engineering which might be required to discover such factors. To the extent that published data from public agencies is available on the above, the Appraisers have made an effort to consult this information.

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

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

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

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

The Appraisers have not made a specific survey of the subject property to determine whether or not it has any plant or wildlife identified by the U.S. Fish and Wildlife Service as endangered or threatened species. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the Appraisers are not qualified to detect or analyze such plants and wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. It is possible that a survey of the property could reveal that the site contains endangered or threatened plants or wildlife. If so, this fact could have a negative effect on the value of the property. Since the Appraisers have no direct evidence relating to this issue, possible endangered or threatened species were not considered in valuing the property.

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

**Extraordinary Assumptions:** None

**Hypothetical Conditions:** None

**Summary of Salient Facts**

**Parcel:** L-Y-020

**Larger Parcel:** 40.00 acres

**Property Location:** On Fortuna Wash, east of U.S. Highway 95, in Yuma County, Arizona.

**Assessor Parcel No.:** 182-33-001

**Purpose of the Appraisal:** To develop an opinion of market value of the fee simple interest.

**Intended Use:** To utilize the opinion of value to assist in decisions regarding the disposition of the property.

**Client and Intended User:** State of Arizona Department of Transportation (ADOT).

**Effective Date of Value:** February 1, 2022

**Date of the Report:** March 22, 2022

**Owner of Record:** State of Arizona Department of Transportation (ADOT).

**Interest Appraised:** Fee Simple.

**Scope of the Appraisal:** Work on the appraisal was not limited in scope and was intended to comply with the Statement of Work for this assignment, the ADOT Procedures Manual Project Management Section Chapters Three and Four, The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24, and the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

Our findings are conveyed via a Real Property Appraisal Report per USPAP.

**Site Description:**

Size: 40.00 acres

Shape: Rectangular

Topography: Hummocky desert, mostly within the floodplain and floodway of Fortuna Wash.

Access: Legal: Undeveloped

Existing: Via a largely unmaintained dirt road that runs a northerly-southerly course near the alignment of Yuma County Avenue 12E.

Vegetation: Xeroriparian cover and sparse desertscrub.

Utilities: Electricity at or near the west property boundary, along the dirt road that approximates the Avenue 12E alignment.

Improvements: None

**Flood Hazard:** FEMA Panel No.: 04027C1560F dated January 1, 2014

Majority in Zone AE floodway and Zone AE: Special Flood Hazard Areas subject to inundation by the 1% annual chance flood, base flood levels determined.

Small portion in Zone X-Shaded: Areas of 0.2% annual chance of flood.

**Zoning:** Yuma County RA-10  
RA-10 is a rural holding category that provides for a broad range of agricultural, residential, accessory and supporting occupancies on a minimum lot size of 10 acres.

**Highest and Best Use:** Speculative investment.

**Exposure Time:** 12 to 15 months.

**Opinion of Value:** \$180,000

**Extraordinary Assumptions:** None

**Hypothetical Conditions:** None

## **Valuation Process**

An appraisal includes the development and reporting of an opinion of value that is based upon research and analysis of factors influencing real property values. When organized properly, the appraisal process runs through a series of steps that leads to a well-founded and soundly supported opinion of market value that is credible, reliable and accurate.

The Arizona Department of Transportation (ADOT) Project Management Section Right of Way Procedure Manual lays out the preferred process for the development and reporting of appraisals made for ADOT operations. This report is structured on those guidelines.

The first sections of this report cover factual data that define the appraisal problem. Those include *Property Identification - Larger Parcel*, the *Purpose of the Appraisal*, the *Scope of the Appraisal process*, *Neighborhood Data*, and *Subject Property Data and Description*. The second portion of the appraisal includes the analyses and conclusions on which the opinion of value is based. This follows logically through the appraisal process, beginning with the *Highest and Best Use* analysis, which is followed by the *Comparable Sales Overview*, and in turn by the *Valuation* analysis.

The three traditional approaches to value are considered. Since the subject site is vacant, the only applicable approach to value is the Sales Comparison Approach. In the Sales Comparison Approach, recent sales of similar properties, known as "comparables," are analyzed and adjusted to the subject property. This approach best represents the actions of buyers and sellers in the market for this type of property.

### **Property Identification – Larger Parcel**

The subject property is a 40.00-acre parcel located on Fortuna Wash, east of U.S. Highway 95, in Yuma County, Arizona.

### **Legal Description**

Township 8 South, Range 21 West, Gila and Salt River Meridian, Yuma County,  
Arizona  
Section 33: Northwest Quarter of the Northwest Quarter (NW $\frac{1}{4}$ NW $\frac{1}{4}$ ).

### **Larger Parcel**

The Larger Parcel concept finds its foundation in condemnation appraisal, where an organization with condemnation authority acquires a partial interest in a property through an eminent domain action. It is useful for other types of partial acquisitions as well, such as road and utility rights of way, or for conservation easements.

According to the ADOT Right of Way Procedures Manual, the "larger parcel" may be all of one parcel, part of a parcel, or several parcels combined, depending on the following:

- a. Unity of use: Unity of use is considered the most predominate test. This does not necessarily mean the existence or non-existence of a current unity of use, but rather unity of Highest and Best Use. Thus, even though a parcel may be under one ownership and contiguous, there may be more than one existing or economic use of the site. In this case there may be more than one "larger parcel" to be considered.

b. Unity of title/ownership: Acquisition of parts of a whole at different times does not destroy unity of title, nor, in some cases, does the fact that one parcel is owned by an individual and the second is owned by a corporation under the control of that individual.

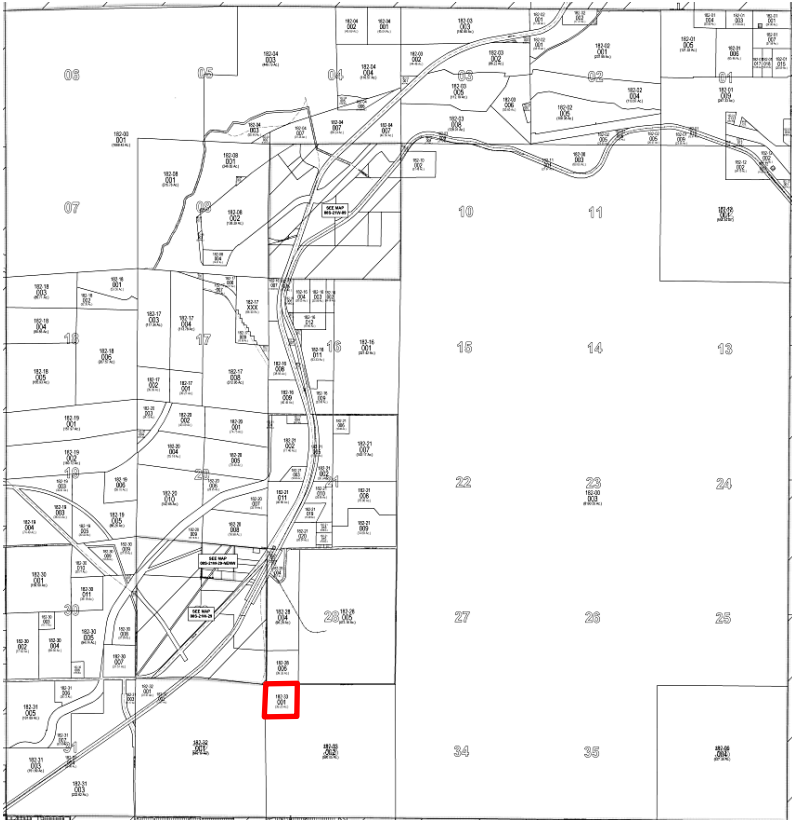
Likewise, a fee interest in one parcel and a leasehold interest in an abutting parcel can operate as one larger parcel for the remaining term of the lease.

c. Contiguity: Although typically a prime factor in determination of the larger parcel, contiguity is also not always mandatory. For example, a site located several parcels away, which provides necessary overflow parking may be considered as part of a larger parcel. Another example would be the taking of a processing plant for items produced on a non-contiguous site.

In this case, the disposition of the subject is a voluntary action and includes all interests in the property held by ADOT. The property has a single highest and best use. Though ADOT controls other lands in the area, the subject is segregated from those in terms of configuration and highest and best use. And, the subject is not reliant on any other property, or property rights, in achieving its highest and best use.

The subject property, as described above, represents a single economic unit, or Larger Parcel.

Yuma County Assessor Map



Aerial Map of the Property



## **Purpose of the Appraisal**

The purpose of this appraisal was to develop an opinion of market value for the fee simple interest.

Pursuant to Arizona Revised Statute 28-7091, the definition of market value is as follows:

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

Fee Simple is defined in the Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition, published by the Appraisal Institute, as:

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

Per the ADOT Procedure Manual:

*The underlying assumptions and limiting conditions pertaining to this report are contained in the Certificate of Appraiser immediately following the Auditing Breakdown section of 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.*

## **Intended User**

The intended user of the appraisal is the State of Arizona Department of Transportation (ADOT).

## **Intended Use of the Appraisal**

The intended use of the appraisal report is to utilize the opinion of value to assist in decisions regarding the disposition of the property.

## **Owner Contact and Site Inspection Information:**

The property is owned by the Arizona Department of Transportation, which has commissioned Weissenborn Appraisal, LLC to perform this appraisal. Much communication has taken place between Weissenborn Appraisal and ADOT representatives throughout the appraisal process.

Barry Weissenborn and Beverly Weissenborn, MAI met at the subject property with two representatives of ADOT on February 1, 2022. Those representatives were Donna Bentley, Senior Right of Way Agent, and James Walcutt, Review Appraiser. We drove the west property boundary, with stops at select points to view interior areas, and walked much of the "upland" portion in the northeast corner of the subject. During that visit, Ms. Bentley and Mr. Walcutt shared important details on the property and its history.



### **Effective Date of Value**

The effective date of this appraisal is February 1, 2022, which coincides with that property visit.

### **Date of the Appraisal**

This report was completed for use by the client on March 22, 2022.

### **Ownership & Five-Year Chain of Title:**

Documentation provided to us by the client indicates that the subject property was Quit-Claimed to ADOT's predecessor, the Arizona Highway Department, by the Yuma Irrigation District on October 20, 1955. The property was used for materials storage in the construction of the Yuma-Quartzite Highway (U.S. Highway 95). That project is long since completed and there is no evidence of recent activity at the property. Roughly four to five acres at the northeast corner of the property have, more recently, been used for storage of milled asphalt.


There are no recent leases, rental agreements or similar arrangements that have a bearing on the current market value of the property.

Information provided by Donna Bentley, of ADOT, indicates that the property has been listed for sale since 2018. The initial asking price of \$600,000, or \$15,000/ac., was based on an ADOT-contracted appraisal with an effective date of July 1, 2016. The price was reduced to \$440,000 or \$11,000/ac. in September 2020, and again to \$352,000 or \$8,800/ac. in September 2021.

Ms. Bentley reports that there was one serious inquiry at the \$440,000 price level, but that no offers to purchase have been received by ADOT.

ADOTM-1-V-4042-9-14

APPRAISALS EXHIBIT 9-14 July 1, 1992

<b>CONTACT REPORT</b>	
<p>DATE: January 25, 2022          PARTIES CONTACTED: An Email was sent to Timothy O’Connell on January 25, 2022 notifying him of our intent to visit the subject property on February 1, 2022. The appraisers visited the property at about 12:00 PM on February 1, 2022. Those present at the inspection included Beverly Weissenborn, MAI, Barry Weissenborn, Jim Walcutt, ADOT and Donna Bentley, ADOT.</p>	
	
<p>Appraisal Services    Contract No. CTR054976    Appraisal Assign. No.: TO-022-025</p>	
<p>Project: M519301X    Highway: Yuma – Casa Grande    Section: N/A    Parcel No.: L-Y-020</p>	

## **Scope of the Project**

The appraisal is not being made for a highway project per se. Rather, ADOT no longer has an operational need for the property and it has been designated for disposal. This is a straightforward appraisal of the fee simple interest, subject to inferred easements for the dirt road and electric distribution line that run along a portion of the west property boundary.

**Arizona State Transportation Board Resolution Data:** Not Applicable

**Right-of-Way Plan Drawing Number:** Not Applicable

## **Scope of Work Performed**

Our work on this appraisal was not limited in scope and included a thorough application of appropriate appraisal methodology. It was made subsequent our inspection of the subject property and investigation of relevant market data. The appraisal and report were intended to comply with:

- ADOT Department of Transportation Contract ID CTR054976;
- ADOT Right of Way Procedures Manual, Project Management Section Chapters 3 and 4;
- Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24;
- current edition of the *Uniform Standards of Professional Appraisal Practice (USPAP)*;
- the scope of work written specifically for this assignment.

There are three generally accepted approaches to the valuation of real property, the cost approach, the income approach and the sales comparison approach. The applicability of each varies with the valuation task at hand and the nature of market data available.

In the **sales comparison approach**, value is indicated through analysis of sales that include properties that are competitive with the subject property in the given marketplace. This approach is generally recognized as the most reliable in the valuation of properties like the subject and is the only approach used in this appraisal. What follows is a discussion of the process used in the development of the sales comparison approach for this assignment.

The subject property includes a 40-acre property on Fortuna Wash, on the northern outskirts of Yuma. The majority of the property is situated within the wash and is identified by FEMA as being in the floodway and floodplain. Only about four to five acres at the northeast property corner, where milled asphalt has been stored in recent years, lies outside the floodplain.

Our original search for comparable sales was focused on similarly impacted properties along major drainages in western Yuma County. Given the limited utility of the property type considered, some flexibility was necessary in the search. Included among the original sixteen sales considered are rural outliers in locations ranging from well north of the subject on U.S. 95, to desert lands south and east of Wellton. From that dataset, five sales of particular relevance to this appraisal were selected for use in the valuation analysis.

Information on the individual sales was gathered through a number of sources including commercial data companies, County Assessor's and Recorder's records, buyers, sellers, brokers, appraisers and other real estate professionals. We have personally inspected each of the sales in the core dataset and, to the extent possible, have verified the details of each

sale with a party to the transaction. Individual data sheets for each of those sales are included in the section titled *Comparable Sales Overview* on sheets titled *Real Property Transaction Data*. Those data sheets are accompanied by a comparable sale location map and by individual maps and photos of each sale property.

Verification of the other data considered were more limited, but appropriate for the level of analysis. Confirmations have, at a minimum, included a review of MLS and Yuma County records related to the sales and properties included. We have personally visited most, but not all of those properties.

The valuation analysis is divided into two broad categories. The first includes factors pertaining to the individual sale transactions, such as the property rights conveyed, the conditions under which the sale took place, the terms of financing, and the market conditions at the time of the sale. The second category includes factors related to the property traded, such as locational appeal and availability of supporting infrastructure, physical characteristics such as terrain/vegetative cover that may affect the suitability for use as projected, and property size or magnitude of the sale.

Where supported by the data, quantified adjustments are developed to reflect important differences between the subject and comparable sales. Where market activity suggests adjustments are warranted, but data is lacking in support of quantified adjustments, qualitative adjustments are applied. At all points in the analysis, the reasoning and methodology used in developing the adjustments is laid out clearly.

At the end of the analysis, the relative merits of each sale—after appropriate adjustment for identifiable differences—are weighed against those of the others and a sound opinion of value is developed. The result of this process is a well-grounded and credible opinion of value that, to the best extent possible, properly places the subject within the context of the current market for properties of its class.

In the **cost approach**, value is typically estimated as the sum of the contributions provided by the land and the property improvements. The improvement valuation includes an estimate of the current cost of reproducing or replacing site improvements, minus the loss in value from depreciation. This approach is best suited for application where property improvements are new or nearly new.

There are no improvements of note at the subject property. Thus, the cost approach is not applicable to this assignment.

In the **income approach**, value is indicated by a property's earning power, as estimated via the discounting or capitalization of income generated. This approach is most reliable when income producing potential is the primary market driver and market-based data is available for use in construction of the valuation model.

There is little indication that the market places significant emphasis on income methodology in establishing the prices paid for properties of this class. Accordingly, application of income-based valuation methodology is also omitted.

## REGIONAL AND NEIGHBORHOOD SETTING

### State of Arizona

Arizona is the sixth largest state in the U.S. geographically, with a total land area of 295,146 square miles. Regional governance within the state is performed by fifteen counties which vary in size from 792,000 acres to nearly 12,000,000 acres. About 35% of the land area in the State is controlled by federal agencies including the USDA Forest Service, the USDI Bureau of Land Management and various branches of the military. Another 27.7% is within the boundaries of Indian reservations and nearly 13% is controlled by the State of Arizona. Approximately 8% is controlled by the USDI National Park Service or local governments. Only 16.5% of the total land area in the state is held by individuals or corporations.

In recent years, Arizona has been one of the fastest growing states in the nation. The 2020 US Census placed Phoenix as the fifth largest city in the country. Roughly 65% of the state's population growth has been in Maricopa County, where Phoenix is located. Sixty percent of the State's population resides in Maricopa County.

Over the past several years, Arizona added jobs, population, and income at solid rates. Statewide job growth rose by 2.9% in 2019 and was forecast to increase by 2.3% in 2020, and 1.7% in 2021. Those forecasts were well above the expected national rate of 1.7%. However, in late 2019, COVID-19 broke out in China and began to spread throughout the world. On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. This caused an economic recession and resulted in increased unemployment throughout the state.

According to statistics published by the University of Arizona, Arizona lost 331,500 jobs from February to April 2020. As of October 2021, the state had replaced 98.5% of non-farm jobs, lagging the prior peak by only about 6,100 jobs. Most metro areas had employment levels above the February 2020 peak; but two outliers, Tucson and Flagstaff, lagged the earlier figures, at 77.5% and 84.9%, respectively, of pre-pandemic employment levels.

The state was projected to regain the pre-pandemic peak in late 2021, well before the U.S. as a whole, which is expected to reach that benchmark in the spring of 2022. The largest net gains have been in those industries most affected by the pandemic. Only the Government sector has had additional job losses since the recovery started.


The baseline forecast from the University of Arizona's Economic and Business Research Center projects continued gains in employment through 2022, with unemployment at the 4.1% level later in the year. Inflation is expected to continue but drop in 2023. Population gains are expected to accelerate through 2022, driving continued high permitting demand, with an anticipated deceleration as interest rates rise. And finally, larger federal income support programs that drove income gains in 2020 and 2021 are expected to dissipate, resulting in decreased gains in retail sales.

The following table summarizes the EBRC's outlook for the state's economy.

## Fourth Quarter 2021 Baseline Scenario Economic Forecast – Arizona

Arizona Forecast*	2020	2021	2022	2023	2024
Personal Income (\$ mil)	368,458.6	389,928.6	395,317.6	418,583.8	443,844.4
% Chg from Year Ago	10.3%	5.8%	1.4%	5.9%	6.0%
Retail Sales (\$mil)	122,190.0	145,833.0	148,008.0	153,560.0	160,373.0
% Chg from Year Ago	6.8%	19.3%	1.5%	3.8%	4.4%
Total Nonfarm Employment (000s)	2,849.4	2,955.1	3,082.4	3,165.6	3,225.6
% Chg from Year Ago	-3.2%	3.7%	4.3%	2.7%	1.9%
Population (000s), July 1st estimates	7,161.1	7,263.1	7,388.0	7,507.8	7,617.5
% Chg from Year Ago	1.3%	1.4%	1.7%	1.6%	1.5%
Residential Building Permits (units)	60,342.0	65,399.4	64,575.1	54,021.2	47,870.6
% Chg from Year Ago	29.5%	8.4%	-1.3%	-16.3%	-11.4%

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Overall, the economic outlook for the state is good. But all projections assume that COVID will be effectively dealt with, and questions remain as to the political will to do so.

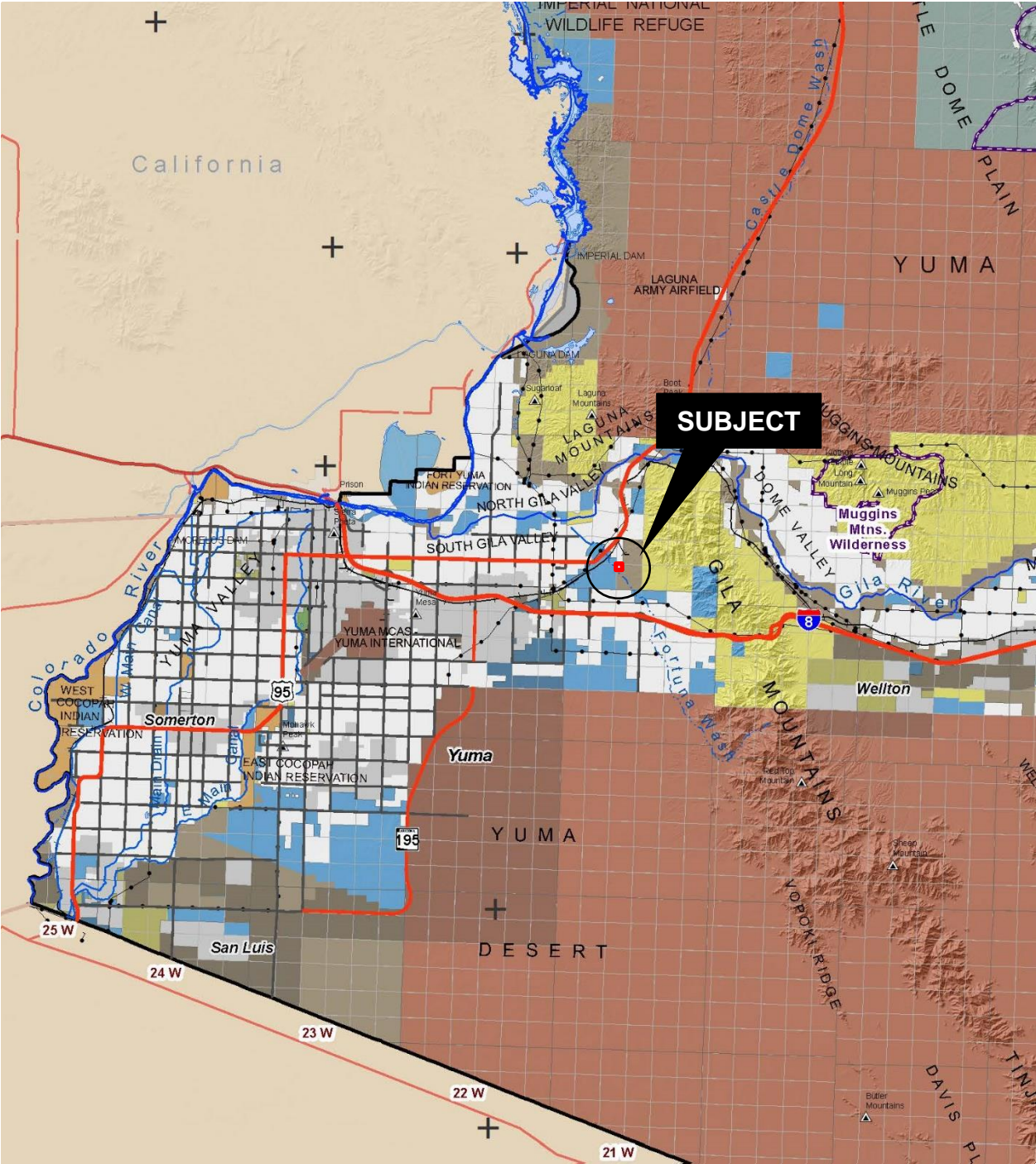


State Location Map





REGIONAL LOCATION MAP





## **Yuma County**

Yuma County is located in the southwest corner of Arizona. The state of California lies across the Colorado River to the west and the international border with Mexico forms the south county boundary. Yuma is one of the four counties originally designated by the first Territorial Legislature. In 1983, citizens voted to split the county in two, creating the new county of La Paz out of the northern portion. The southern part, including the city of Yuma, which remains the county seat, retained the name of Yuma.

Following is a summary of relevant information about the county.<sup>1</sup>

### **Landforms**

Yuma County is located on the international boundary with Mexico, not far north of the historic terminus of the Colorado River at the Sea of Cortez. Terrain in the region is characteristic of the basin and range physiographic province and consists primarily of northwest-southeast trending mountain ranges, separated by low desert valleys. The city of Yuma is located within Yuma Valley at around three hundred feet elevation. The nearby Laguna Mountains, to the northeast, cap out at 1,082 feet. The taller Gila Mountains, to the east, reach 3,006 feet at Sheep Mountain, and Raven Butte, at the north end of the Tinajas Altas Mountains to the southeast reaches 2,734 feet.

What is unique about the county is that it is also crossed by two large river systems. The Colorado River forms the western boundary; the Gila River cuts east to west across the county. The confluence of the two is just northeast of the City of Yuma. The lower reaches of the Gila, through the Mohawk and Dome Valleys, and the Colorado, from Bard to San Luis, on the Mexican border, support vibrant agricultural systems that are among the most productive in the nation, particularly for winter produce.

### **History/Cultural Resources**

Local members of the Quechan and Cocopah Tribes are descendants of indigenous people who preexisted European settlement that began in 1540, when Hernando de Alarcon first visited the site of what is now the City of Yuma. He and subsequent settlers over the years recognized the importance of the location on the Colorado River as a river crossing and trade center.

In the mid-1800's, thousands of fortune hunters passed through the area, using the river crossing to reach the goldfields of California. In 1852, the US Army established Fort Yuma, which overlooked the river crossing.

The river served as a transportation corridor from the 1850's through 1870's, as steamboats carried passengers and goods to mines, settlements and military outposts including Yuma, Laguna, Castle Dome, Norton's Landing, Ehrenberg, Aubry, Ft. Mohave and Hardyville. The first railroad bridge across the Colorado River was built in 1877, thus permitting rail traffic between California and Arizona. Yuma grew in importance as a gateway to economic growth in California.

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<sup>1</sup> Sources: Yuma County Government Home Page, Yuma County Development Services Dept., Arizona Commerce Authority, US Census Bureau.

The Laguna Dam was completed in 1909, bringing an end to steamship travel on the river and, with the establishment of reliable irrigation infrastructure, marking the beginning for irrigated agriculture in the valley.

After Pearl Harbor, the Yuma area became a hubbub of military activity. The Yuma Army Air Base was one of the busiest flight schools in the country. Lands around Yuma were included in the Desert Training Center, which was established by Major-General George S. Patton in 1942. The Yuma Test Branch, at the present-day site of Yuma Proving Ground, was operational by 1943.

With the end of World War II, military activity trailed off considerably and many facilities were left unattended. But the Yuma Airfield was reactivated in 1951 and has remained active since. The Yuma Test Branch also reopened the same year, with an expanded operational mission, under the moniker of Yuma Proving Ground.

Those foundational underpinnings remain in place today, as trade, tourism, agriculture and the military remain key components to modern local economy.

Important historic and cultural attractions in the Yuma area include the Yuma Territorial Prison State Park, the Colorado River State Historic Park, the Yuma Art Center and Historic Theater, and numerous murals and galleries throughout the city. There are also numerous festivals and community events, generally between November and March, when the weather is most inviting.

## **Climate**

Yuma County is a popular destination for winter visitors and seasonal homeowners, including RV enthusiasts. The population surges by about a third during those months. But those visitors flee as temperatures begin to climb, and the town regains its hometown character.

Weather data for the Yuma Proving Ground<sup>2</sup> indicates that the average (overall) daily high temperature is 87.5 degrees and that the average daily low is 60.6 degrees. July is the hottest month, with an average daily high of 106.7 degrees and low of 80.8 degrees. December is the coolest, with an average daily high of 67.8 degrees and low of 42.7 degrees.

The average annual precipitation is 3.64 inches, though the desert can sometimes receive that much in a single storm.

## **Transportation Infrastructure**

As will be seen, much of the land within the county lies within restricted military ranges and wildlife refuges and is largely inaccessible by the public. However, the existing road network provides good quality access to those portions that are open to public travel.

Interstate 8 is the main travel corridor through Yuma County, providing west-to-east access between the California state line, near Yuma, to Interstate 10, at Casa Grande. US Highway 95 provides north-south access between Yuma and Interstate 40, passing through Quartzite, Parker and Lake Havasu City on the way. US 95 also runs south from Yuma,

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<sup>2</sup> Arizona State Climate Office YPG 1955-2016

through Somerton and on to San Luis, on the Mexican border. A series of County maintained paved and gravel roads provides access to smaller river and farm communities.

The Union Pacific Railroad provides commercial rail service through Yuma on its southern continental route. Amtrack provides thrice weekly passenger service in both directions on the Sunset Limited (& Texas Eagle) route.

Passenger and air cargo service are available through the Yuma International Airport. American Airlines provides five daily round-trip flights to Phoenix Sky Harbor Airport and one daily round-trip flight to Dallas Fort Worth Airport.

A number of companies provide intrastate and cross-country passenger ground transportation and there are numerous freight companies that serve the area.

**Land Tenure**

The majority of settlement in Yuma County has taken place in the four incorporated cities and towns and in the agricultural valleys along the Gila and Colorado River corridors. The County’s 2020 Comprehensive Plan indicates that there are approximately 472 square miles of privately owned land within unincorporated areas of the county. That amounts to under nine percent of the total (unincorporated) land area.

The majority of the total land area is controlled by the United States military and falls within either the Barry M. Goldwater Range or the Yuma Proving Ground. Those two account for just over 40% of the total. The Kofa National Wildlife Refuge and the Cabeza Prieta National Wildlife Refuge account for just under 30%; federal land administered by the Bureau of Land Management takes up about 10%; the State of Arizona controls about six percent and less than one percent is within Indian reservations. The following table summarizes land tenure for the county.

<u>Ownership</u>	<u>Acres</u>	<u>Square Miles</u>	<u>% of Total</u>
Total Land Area	3,403,938	5,318.7	100.00%
Unincorporated	3,208,650	5,013.5	94.26%
Barry M. Goldwater Range	928,263	1,450.4	27.27%
Yuma Proving Ground	448,244	700.4	13.17%
Kofa National Wildlife Refuge	527,316	823.9	15.49%
Cabeza Prieta National Wildlife Refuge	449,530	702.4	13.21%
Bureau of Land Management	341,581	533.7	10.03%
State of Arizona	203,399	317.8	5.98%
Indian Reservations	8,063	12.6	0.24%
Privately Owned	302,254	472.3	8.88%

Once again, private lands in the county are concentrated along the Gila and Colorado River corridors. They are sandwiched between federally controlled wildlife refuges and military reservations.

The Yuma Proving Ground lies north of the Gila River and Interstate 8, and reaches well into La Paz County to the north. It forms a horseshoe, of sorts, around the Kofa National Wildlife Refuge, which also extends northward into La Paz County. The subject property is an isolated private holding within the southern portion of the Proving Ground.

The Barry M. Goldwater Air Force Range is located south of the Gila River/Interstate 8 corridor and extends eastward into Maricopa and Pima Counties. The Cabeza Prieta National Wildlife Refuge is situated in the southeast corner of the county, between the Goldwater Range and the Mexican border. It too extends eastward into Pima County.

The private lands within the Gila River/Interstate 8 corridor are interspersed among Bureau of Land Management and State of Arizona holdings.

There is a large block of private land in the southwestern part of the county, surrounding the city of Yuma, Somerton, San Luis and other settlements in the area. Lesser blocks of state and federal land lie between that private block and the Goldwater Range. And there are small patches of Cocopah Indian land along the Colorado River and near Somerton.

**Population**

Yuma County’s year-round population stands at almost 214,000. But that number grows by about 90,000 every winter when visitors, RV enthusiasts and seasonal homeowners pour into the county for the warm, dry respite from colder climes.

While most of the year-round residents live in the four incorporated cities/towns, there is a substantial number that live in unincorporated rural neighborhoods and farm communities. Following is a breakdown of population trends in the county over the past 20 years.

	<u>2000</u>	<u>2010</u>	<u>2019 (est.)</u>	<u>2020</u>
Arizona:	5,130,632	6,401,569		7,151,502
Yuma County:	160,026	196,160	213,787	NA
Yuma:	77,515	93,275	98,285	
San Luis:	15,322	25,614	34,778	
Somerton:	7,266	14,329	16,554	
Wellton:	1,829	2,884	3,007	
Unincorporated County:	58,094	60,058	61,163	

Source: Arizona Commerce Authority

**Economy**

The industries that formed the community over the years remain at the core of economic activity in Yuma County. Farming, cattle raising and the two military installations—the US Marine Air Corps Station and the Yuma Proving Ground—all fuel local business and commercial activity. Tourism further boosts local economic activity, while Government and public services also play an important role.

**Agriculture:** By far the leading private industry, agriculture’s roots run deep, so to speak, in Yuma County. The rich soils laid down by the Colorado River over centuries, the relative abundance of farm labor, the willingness to advance progressive farming techniques, sound support infrastructure systems and availability of senior rights to irrigation water form the basis for a rock-solid agricultural economy.

Local production amounts to roughly \$3.4 billion and growers are responsible for roughly 90% of the U.S. supply of winter vegetables. Lettuce is the largest winter crop, but a wide variety of other agricultural products are also grown in the area. Among the other crops are alfalfa, Bermuda grass seed, cotton and wheat. Roughly two-thirds of the Desert Durum grown in Yuma is exported to Italy for production of premium pastas.

Historically a large citrus producing area, Yuma remains Arizona's leader for lemons, tangelos and tangerines. Local production also includes watermelon. Yuma County has long been a leading U.S. producer of Medjool dates, another important local product, which thrives in 100-plus degree temperatures.

As a major agricultural community, seasonal farmworkers are a significant component of the labor force. Campesinos Sin Fronteras estimates that between 40,000 and 50,000 farmworkers are in Yuma County at the peak of the season. Many travel seasonally between Yuma and Salinas, California or travel daily from Mexico. Another sector of the workforce is federally authorized H2A workers who are contracted from other countries to live and work in Yuma for a specific period of time. Transportation and housing are provided by the labor contractor.

**Military:** Yuma County is home to two important military installations: the Yuma Proving Ground and Marine Corps Air Station–Yuma (MCAS)

**The Yuma Proving Ground (YPG)** is one of the main economic drivers for the area. It covers approximately 870,000 acres or 1,300 square miles. Of that, seven hundred square miles are within Yuma County and 600 square miles in La Paz County, to the north. YPG provides a location and adequate land area for the US Army to test, among other things, long-range artillery, missile firing aircraft, cargo and personnel carrying parachutes, direct fire weapons, unmanned aerial systems, and technologies to defeat roadside bombs.

In 2009, General Motors opened a new hot weather vehicle testing facility on a 2,400-acre portion of the installation. As part of the lease agreement, the Army has gained access to forty miles of track and test roads constructed by GM, thus enhancing the test capabilities of YPG.

More than 3,000 people, mostly civilians, work at the proving ground, which is the largest employer in Yuma County. And about 23,000 people visit the facility annually to conduct testing and training each year. About 450 employees reside in housing located within YPG. The General Motors test facility is said to employ another seventy-five people.

A 2017 study commissioned by the State of Arizona concluded that the total direct, indirect and induced economic impact of YPG operations was \$1.1 billion annually. Of the nearly \$700 million direct impact, nearly \$250 million was in wages paid to +/- 2,000 civilian workers. The overall impact on the Yuma County economy is estimated to be about \$425 million annually.

**Marine Corps Air Station – Yuma (MCAS)** shares facilities with the Yuma International Airport and is located south of Interstate 8, between US Highway 95 on the west and State Highway 195 on the east. The MCAS mission is to “provide aviation ranges, support facilities and services that enable their tenants, other Marine Corps commands, visiting military and interagency forces to enhance their mission capabilities and combat readiness.”

The base covers roughly five square miles and has access to YPG, as well as the 1.9-million-acre Barry M. Goldwater Air Force Range to the east. It is home to Marine Aviation Weapons and Tactics Squadron 1 (MAWTS-1), Marine Operational Test and Evaluation Squadron 1 (VMX-1), Marine Aircraft Group 13 (MAG-13), Marine Air Control Squadron 1 (MACS-1), Marine Fighter Training Squadron 401 (VMFT-401), and Combat Logistics Company 16 (CLC-16).

Some 4,000 active-duty marines and sailors are stationed at MCAS, which attracts an average of seventy aviation units, bringing 600 aircraft and 14,000 personnel for training each year. Air Station has an annual economic impact of \$877 million and is responsible for 7,819 jobs.

**Tourism:** The tourism industry, which ranks third in terms of overall contribution to the Yuma County economy, has a higher level of sensitivity to larger economic occurrences. A 2019 study by Dean Runyan Associates found that direct travel spending amounted to \$667 million. Visitor spending at hotels/motels alone totaled \$171.4 million. Local tax receipts generated by tourism were estimated at \$24.6 million.

With the advent of the COVID-19 pandemic in 2020, those figures dropped significantly. Direct spending was down 29.7%, to \$468.9 million. In 2020, travel-supported employment was down 23% from the 2019 figure. Much of that decline was due to the closure of our northern border and the drop in Canadian visitors. With the opening of borders and a general increase in economic activity across all sectors, expectations are for a continued return to more typical levels of activity.

**Commercial:** Historically, downtown was the commercial center of the community. But the construction of Old Highway 80 along 32<sup>nd</sup> Street and 4<sup>th</sup> Avenue, along with the development of the 4<sup>th</sup> Avenue bridge to California, prompted the development of a string of commercial districts away from downtown. Numerous car dealers and retail centers have been built along 32<sup>nd</sup> Street. Supermarkets and other retail and office uses are found along 4<sup>th</sup> Avenue. In response to residential development in the East Yuma Mesa area, newer commercial centers have been built.

**Industrial:** Industrial development can be found along the major transportation corridors. Areas along the interstate highway, the railroad tracks and near the airport all have neighboring industrial centers and businesses. Major industries include manufacturing, fabrication, and agriculture-related businesses. Recently there has been an increase in the number of agricultural processing plants. At these facilities, produce is shipped in from farm fields, processed and bagged for market distribution.

**Housing:** Historically, the area in and around downtown was the residential heart of the city. But as the community has grown, residential development has radiated outward. First, along the southern edge of the mesa, then to the west in the north Yuma Valley and then to the east around Arizona Western College. The south Yuma valley and east Yuma mesa are the two fastest growing residential areas. Single family detached housing is most common. Apartments, duplexes and condominiums are also present.


HOUSING	2010	2019
Dwelling Units	38,626	41,162
Occupied Units	31,417	34,360
Owner Occupied	19,893	21,028
Renter Occupied	11,524	13,332
Vacancy Rate-Owner	2.6	1.6
Vacancy Rate-Rental	10.4	7.4
Average Household Size	2.86	2.79
Source: 2010 Census and 2019 ACS		

UNITS IN STRUCTURE	2019 ACS	
Total housing units	41,162	
Single unit	24,405	59.1%
2-4 units	3,203	7.8%
5-plex or more	5,304	12.9%
Mobile home	7,792	18.9%
Boat, RV, van, etc.	458	1.1%

**Employment Summary:** The following table provides a broader perspective on employment in the county. It lists the various employment sectors in order of the number employed, in thousands, and shows the percentage of the total contributed by each. The reader is cautioned, however, that these reflect 2018 figures, which are the last reported by the Arizona Department of Commerce.

Education, health care & social assistance	14.5	19.8 %
Retail trade	9.3	12.7 %
Agriculture, forestry, fishing, hunting, & mining	8.0	11.0 %
Public administration	7.9	10.9 %
Arts, entertainment, food & recreation services	7.8	10.7 %
Professional, scientific, & administrative services	6.0	8.2 %
Construction	4.2	5.8 %
Other services, except public administration	3.8	5.2 %
Manufacturing	3.1	4.2 %
Transportation, warehousing, & utilities	2.7	3.7 %
Finance, insurance & real estate	2.6	3.5 %
Wholesale trade	2.1	2.9 %
Information	0.8	1.1 %

The following table summarizes relevant economic information for Yuma County over the past six years.

Personal Income, Per Capita Personal Income, Population Yuma County, Arizona Yuma MSA	2015	2016	2017	2018	2019	2020
<i>Bureau of Economic Analysis</i>						
Personal income (thousands of dollars)	6,465,271	6,623,263	7,013,854	7,112,947	7,510,265	8,887,228
% Chg from Year Ago	7.00% ↑	2.44% ↑	5.90% ↑	1.41% ↑	5.59% ↑	18.33% ↑
Population (persons) 1/	205,187	207,162	209,244	211,245	214,182	217,824
% Chg from Year Ago	0.55% ↑	0.96% ↑	1.01% ↑	0.96% ↑	1.39% ↑	1.70% ↑
Per capita personal income (dollars) 2/	31,509	31,971	33,520	33,672	35,065	40,800
% Chg from Year Ago	6.41% ↑	1.47% ↑	4.85% ↑	0.45% ↑	4.14% ↑	16.36% ↑
1/ Census Bureau midyear population estimates. 2/ Per capita personal income was computed using Census Bureau midyear population estimates.						
Published by  Economic and Business Research Center.						

## **Site Description**

### **Property Location, Assessor Parcel Number, Legal Description**

The subject property is located on Fortuna Wash, east of U.S. Highway 95, in Yuma County, Arizona. It is identified by the Yuma County Assessor as tax parcel number 182-33-001. A complete legal description for the property is included in the Addenda.

### **Size and Shape**

The subject property is rectangular in shape and includes 40.00 acres.

### **General Location and Surrounding Uses**

The subject property is located north of the established "Foothills" area of Yuma. It is three-quarters of a mile north of 24<sup>th</sup> Street and the Mountain Shadows residential subdivision. The Highway 95-Fortuna Road intersection is a little more than a mile west of the property. It is reasonable to foresee commercial development at that intersection in the near future, but land use in the balance of the subject locale tends toward rural occupancies.

Lands in the immediate vicinity of the subject are generally vacant desert holdings. The property immediately west is Arizona State Trust land. The adjoining land to the south and east is federally owned and administered by the Bureau of Reclamation. The 40-acre parcel immediately north of the subject is owned by California Portland Cement, but remains undeveloped. And the 85-acre property immediately north of that is owned by the Yuma Irrigation District. It hosts the Yuma Aeromodelers RC Flying Field, a radio-controlled aircraft airfield.

To the north of the airfield, along Highway 95 and a mile north of the subject, there is an industrially zoned area. It is there that Gowan Milling is located, along with a construction aggregate company. Lands across Highway 95, to the north and west, are, for the most part, in agricultural production.

U.S. Highway 95 provides north-south access between Interstate 8 at Yuma and Interstate 10 at Quartzite. From Quartzite the road continues northward to Kingman, Arizona and on to Las Vegas.

### **Visibility, Streets and Access**

The property has little in the way of visibility from or exposure to local traffic flow. It is located about a mile south of the intersection of U.S. 95 and Rifle Range Road. Physical access to the site is via a well-established and often used, but rarely maintained dirt road. That road originates near the Rifle Range Road crossing of Union Pacific Railroad tracks east of Highway 95 and roughly follows the alignment of Avenue 12E southward to the subject property.

There is a legally established right of access to the property that leads from U.S. Highway 95, at Fortuna Wash, southeasterly, within the wash and under a Union Pacific Railroad (UPRR) trestle across Fortuna Wash, to the northwest corner of the subject. It appears that at the time of its inception, the highway was at grade and the access route was located on the north side of the wash.



Today, the legally dedicated route runs through the braided wash channel and under the UPRR trestle and, in that sense, is impractical for most purposes. In addition, the highway's crossing of Fortuna Wash has since been bridged, leaving direct access to the wash cut off by an aerial gap. Further, ADOT has since expanded the length and width of the bridge to all but eliminate any possibility of access to the legally dedicated route at the highway end.

The existing road to the west boundary of the property, over which there is no legal access, runs across land owned by the Yuma Irrigation District and State of Arizona. The road leads south from Rifle Range Road, for about 3,000 feet before crossing onto Arizona State Trust Land. From the private-state property boundary, the road runs about nine hundred feet to the north side of Fortuna Wash. At that point, there is a fork that leads to the northeast corner of the subject.

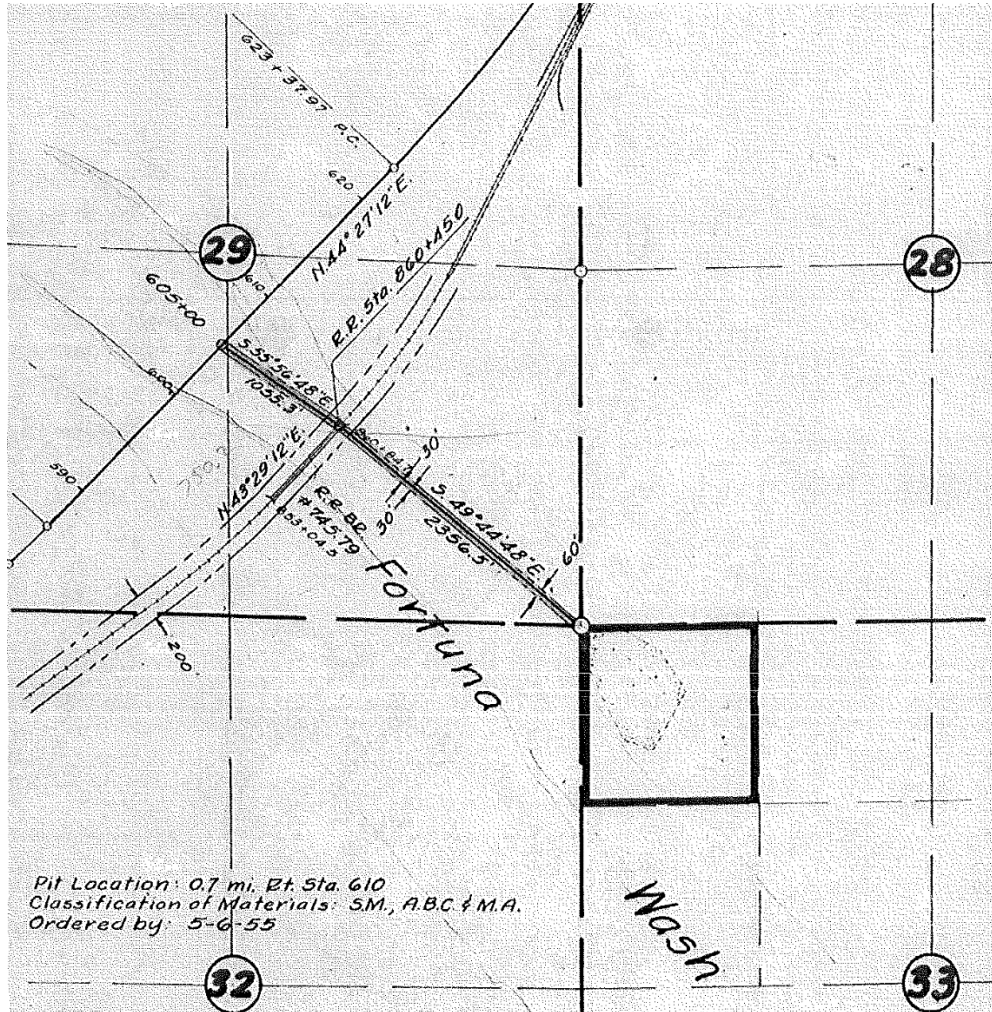
From the north side of Fortuna Wash, the main road runs another 1,000 feet or so before crossing over the west subject boundary a little north of center. The road then continues along the west subject boundary before exiting the property near the southwest corner.

By all accounts, there is no legally documented right of access to the subject property on this road.

Access from the primary road, at the north side of Fortuna Wash, to the northeast corner of the subject includes about two-tenths of a mile travel across adjoining private lands, for which there has been a legally dedicated route since 1969.



### 1955 ADOT Map of Legal Access



**Right of Way Acquisition Cost Estimate:** We spoke with two representatives of the Arizona State Land Department: Ruben Ojeda, section Manager for Rights of Way, and Frank Strickler, Review Appraiser, regarding the process of gaining legal access across the State Trust land. And based on the information gathered in those conversations, I have developed an estimate of the cost to acquire legal access to the subject via the existing road segment that crosses State Trust land.

Assuming a right of way width of sixty feet, and a total distance of 1,900 feet, the new right of way would require 114,000 square feet to accommodate the road. That right of way would then isolate a narrow and oddly shaped area between the road and eastern section lines of Sections 28 and 32 (T8S, R21W), resulting in an uneconomic unit of something on the order of 125,000 square feet. It is likely that the State would include that uneconomic remnant in the landowner's right of way acquisition.

Thus, the total area included in the right of way would be 239,000 (114,000 + 125,000) square feet—or 5.49 (rounded) acres.

The State Land Department requires an application fee of \$500 and the applicant must cover any costs related to formal survey, archaeological assessment and native plant

studies, as well as the cost of an appraisal. In this case, because it is an existing road, we can assume that the requirements for archaeological and native plant studies are waived. The fee for the formal survey is estimated at \$2,500. The fee for the appraisal is estimated at \$4,200. And based on the data presented and analyzed later in this report, the value of the land is estimated at \$5,000 per acre. In cases like this, an intensity of use factor of 99% is applied to the land value.

Based on the above figures, the cost of the right of way only is estimated as follows:

$$\begin{array}{r} 5.49 \text{ ac.} \times \$5,000/\text{ac.} \quad \$27,450 \\ \quad \quad \quad \times \quad 0.99 \\ \hline \quad \quad \quad \$27,176 \text{ (rounded)} \end{array}$$

And when the application, survey and appraisal fees are added, it results in a total estimated cost to acquire a right of way across the State Trust land of \$34,376.

Application:	\$500
Appraisal:	\$4,200
Survey:	\$2,500
<u>Right of Way:</u>	<u>\$27,176</u>
Total:	\$34,376

... or \$859/ac. (rounded) across the entire 40-acre subject property.

We have reached out, twice, to the Yuma Irrigation District for information regarding their anticipated process for granting legal access. As of the date of this writing, we have not received a reply. Lacking further guidance, we can use the information gathered from the Arizona State Land Department as a proxy for gaining legal access across the Irrigation District lands.

In this case, the northern 1,250 feet or so of the road to the subject run along the edge of industrially zoned lands, the other 1,750 feet or so run through land zoned RA-20.

From among the data gathered for this appraisal, we can look to Sale C on the "Table of All Sales Considered," at page 47. That property lies directly across Rifle Range Road from the industrial lands under consideration; is zoned HI; includes 22.79 acres and sold in September 2020 for \$957,112 or \$41,997/ac. That per acre price provides a basis for estimating the cost of the right of way across the industrially zoned land.

The RA-20 zoning at the backland desert portion of the Yuma Irrigation District property is reasonably similar to the RA-10 zoning at the subject, but the Irrigation District land is located outside of the floodplain and is arguably better suited for a wide variety of uses. The RA zoned properties in the Table of All Sales Considered range from \$487/ac. to \$11,667/ac. and it is reasonable to project a unit price in the upper mid-range for the District lands. In this case, a unit value of \$7,000/ac. is used.

Again, the model is constructed using a sixty-foot wide right of way. So, the total land area included in each of the two zoning segments is estimated as follows:

Industrial: 1,250 feet x 60 feet = 75,000 sf, or 1.72 acres  
RA: 1,750 feet x 60 feet = 105,000 sf, or 2.41 acres

And the contribution of each to the total value of the area encumbered is then estimated as follows:

1.72 acres x \$42,000/ac.	=	\$72,240
<u>2.41 acres x \$7,000/ac.</u>	=	<u>\$16,870</u>
Total:		\$89,110

And when the intensity of use factor is applied, the cost of the right of way alone amounts to \$88,219.

$$0.99 \times \$89,110 = \$88,219$$

Addition of the application, survey and appraisal fees results in a total estimated cost to acquire a right of way across the State Trust land of \$95,419.

Application:	\$500
Appraisal:	\$4,200
Survey:	\$2,500
<u>Right of Way:</u>	<u>\$88,219</u>
Total:	\$95,419

... or \$2,385/ac. (rounded) across the entire 40-acre subject property.

Based on the modeling presented here, the total cost to acquire a legal right of access across the Yuma Irrigation District property and Arizona State Trust land, along the existing roadway, is \$129,795 or \$3,245/ac.

Caution must be exercised in viewing this estimate as an “end-all” in analyzing the impact of the lack of legal access. First, it is based on a marginal model that applies Arizona State Land Department methodology to land owned by the Yuma Irrigation District. Second, the road has been in place and used by the public for many years. A number of professionals that are familiar with the area were not aware that there was no dedicated right of access for it. An argument might be made that, given the history, there is a prescriptive right of access to the subject.

### **Topography**

The majority of the subject property lies within Fortuna Wash. There, terrain includes hummocky desert lands and braided wash channels. A small area at the northeast corner, estimated to contain four or five acres, is elevated above the floodplain. Here, native desert lands have been altered by the storage of milled asphalt from past highway projects.

### **FEMA Special Flood Hazard Areas**

The property is included on the area covered by FEMA FIRM Map # 04027C1560F, which was last revised on January 16, 2014. The majority of the property is within Special Flood Hazard Area Zone AE, which includes lands subject to inundation by the 1% annual chance flood—base flood elevations determined. The AE lands are split between floodway and adjoining lands, with a bias toward floodway. Roughly four to five acres at the northeast corner are identified as being in Shaded Zone X, which is described as areas of 0.2% annual chance of flood.

## Soils

A review of the NRCS Web Soil Survey site indicates that the property includes a single soil unit.

The Antho sandy loam is common to floodplains and terraces. It has a parent material of mixed alluvium and is generally well suited for irrigated farming. It is rated by NRCS as Class 2. The NRCS site rates the Antho sandy loam as not limited for construction of local roads and houses without basements. The NRCS rating is the same for septic tank absorption fields.

The ratings for typical uses at properties of this size are misleading in that they do not account for the location of the majority of the property within Fortuna Wash. Only about four to five acres at the northeast corner are outside of the floodway and floodplain.

## Utilities

Electricity is provided locally by Arizona Public Service. The utility has a distribution line that runs along the Avenue 12E alignment, at the west boundary of the subject property.

Local telephone service is by CenturyLink and a number of cellular providers.

Potable water is provided locally by private wells. A review of Arizona Department of Water Resources records reveals no filings for wells at the subject or in the immediate vicinity.

Sewage disposal is typically accommodated by on-site septic systems. To the best of our knowledge, none exist at the subject property.

Propane delivery is available by individual contract.

## Easements, Restrictions and Encroachments

Title documentation provided by the client references several vesting items believed to be related to the subject property.

Those include the 1955 Quit-Claim deed from the Yuma Irrigation District to the Arizona Department of Transportation of the subject property; the 1955 right of way across State Trust land that serves as the (impractical) legal access to the subject; a 1956 Agreement between ADOT and the Union Pacific Railroad that provides for a vehicular crossing beneath UP's railroad trestle across the Fortuna Wash; The 1969 Easement across the property adjacent north of the subject that provides legal access from the north side of Fortuna Wash to the northeast corner of the subject; and a 1963 right of way for a haul road that runs across current and former State Trust land to the south of the subject. That right of way does not appear to extend as far north as the subject.

Schedule B Exceptions included in the title documentation are as follows:

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

*Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognize and acknowledged by the*

*local customs, laws, and decisions of courts, and there is reserved from the lands hereby granted a right of way for ditches and canals constructed by the authority of the United States.*

2. Lack of access due to the fact that easement described in Parcel 2 in Schedule A-1 herein, said Lease No. 9-1413 fails to connect to property.
3. Electrical facilities as disclosed by Agreement letter from Arizona Department of Transportation to Arizona Public Service Company, dated 06/30/1989, as to realignment of existing pole lines within Material Site No. 5002.

The first is typical of all patents issued by the United States of America and has no material impact on value.

The second exception is addressed, to an extent, in the previous discussion on Visibility, Streets and Access, and to a greater degree in the valuation analysis.

The third accommodates the electric distribution line that runs along the west boundary of the subject and provides a potential source of service for the property. In that light, it is viewed as beneficial.

### **Environmental Considerations**

The property has in the past been used for extraction and storage of highway construction materials. Once idled by ADOT, it became popular as a wildcat dumping site. The detritus included piles of discarded materials consisting of concrete, brick, block, floor and roof tiles, roof shingles, plaster, drywall, scrap metal, household waste, and used tires. An area of spilled petroleum was also present at the northeast corner of the site.

In 2015, ADOT contracted to remove discarded materials and to use milled asphalt stored on the property to construct entrance barriers. A second company, contracted by Amec Foster Wheeler removed the following:

- Approximately 10 cubic yards or 5.11 tons of non-friable asbestos containing material
- Approximately 10 cubic yards or 3.19 tons of non-regulated petroleum-impacted soil
- Approximately 40 tons of concrete debris
- Approximately five tires, weighing approximately one-half ton
- Approximately 15 cubic yards or 7.83 tons of other miscellaneous household waste

Approximately 4,000 linear feet of entrance barriers were constructed with on-site asphalt millings and native soil. Those were approximately 3 to 4 feet in height and 10 feet in width.

Documentation provided by the client indicates that the subject property is now free of known environmental hazards.

### **Improvements**

There are no structural improvements at the property.

### **Division of Realty and Personality**

The milled asphalt stockpiles at the subject property can, to a degree, be viewed as personal property. Yet, it is questionable whether they have true value as a standalone asset. It is likely that any benefit gained through sale will be offset by the cost to consolidate and haul that material. That material serves a functional purpose on site, providing a barrier to vehicular entry and preventing additional wildcat dumping of the type experienced in the past. Further, the material is useful as fill in elevating that portion of the subject above the FEMA floodplain.

Given those considerations, no distinction is made between the land and material.

### **Conclusion**

The subject property is situated largely within the braided channels of Fortuna Wash and includes proportionally high amounts of floodway and adjoining flood prone land. The four to five acres of "usable" area at the northeast corner is largely covered in stockpiled milled asphalt that has been redistributed to form entry barriers in order to prevent wildcat dumping. There is no legal access to the property. The model used here to estimate the cost to establish legal access places that figure at \$129,795 or \$3,245/ac. across the entire 40-acre parcel. In all likelihood, that figure represents a high benchmark.

Those characteristics substantially limit the potential pool of buyers for the property. Foreseeable uses include assemblage with adjoining private lands for tenure control purposes; recreational occupancy such as a BMX track, off-road vehicle course or paintball facility; and straightforward speculative investment.

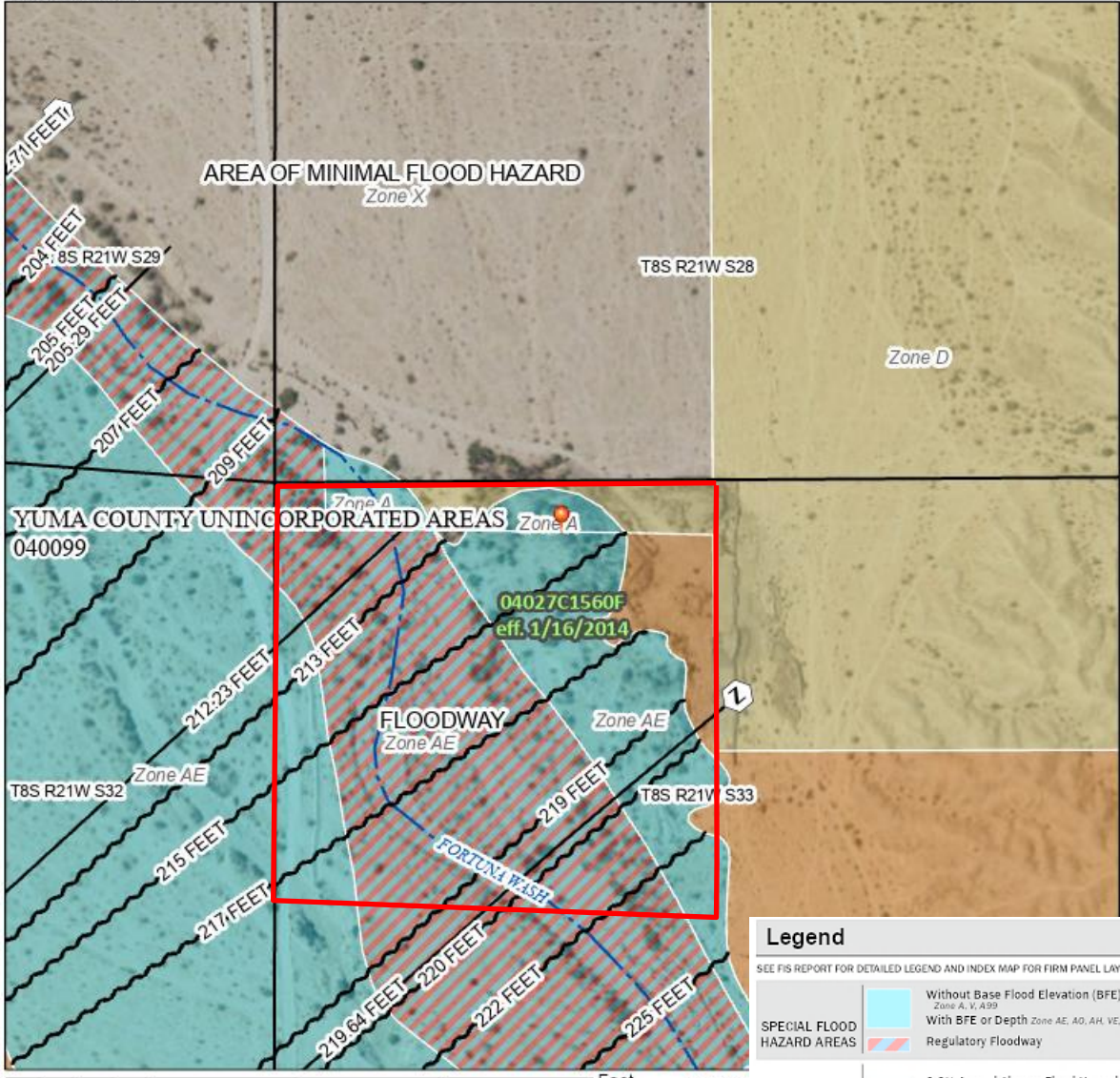
Those potential uses are further considered in the highest and best use discussion to follow.



# National Flood Hazard Layer FIRMette



114°25'47"W 32°42'11"N



**Legend**

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

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual chance Flood Hazard. Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes, Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
		Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		29.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		17.5 Coastal Transect
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
	Profile Baseline	
	Hydrographic Feature	



**Subject photographs**



1. Southeasterly view on Fortuna Wash, just north of northwest corner.



2. Southerly view on the main access road near center of west boundary.

**Subject photographs**



3. Southeasterly view on the main access road near center of west boundary.



4. Northeasterly view on the main access road near center of west boundary.



**Subject photographs**



5. Northerly view on the main access road, near center of west boundary.



6. Southerly view across the northeast corner of the subject property.



**Subject photographs**



7. Westerly view across the northeast corner of the subject property.



8. Northwesterly view in the southern portion of the stockpile area at the northeast corner.



**Subject photographs**



9. Northerly view in the southern portion of the stockpile area at the northeast corner.



10. SEly view in the southern portion of the stockpile area at the northeast corner.

**Subject photographs**



11. SWly view in the southern portion of the stockpile area at the northeast corner.



12. Southwesterly view of the U.S 95. bridge crossing of Fortuna Wash (legal access).



**Subject photographs**



13. Southeasterly from the highway to the U.P.R.R. trestle across Fortuna Wash.

## **Tax Data and Assessed Valuation**

The subject property is assessed as Yuma County Assessor Parcel Number 182-33-001. Assessor's records indicate that the site contains 40.00 acres and is treated as vacant land. The Assessor reports a Full Cash Value of \$40,000 and Taxable Value of \$5,771. for a total assessment value of \$43,577. As State property, there are no taxes due for the subject. A representative of the Assessor's office did, however, provide an estimate of \$699 to \$745 per year, depending on the assessment ratio used (15% or 16%).

## **Signs**

There are no signs of note at the subject property.

## **General Plan and Zoning**

**Yuma County Comprehensive Plan:** The subject is located between the North Gila and Dome Valley Planning Areas of Yuma County's 2020 Comprehensive Plan. It falls within the A-RR, or Agriculture, Rural Residential Land Use Designation.

The A-RR, or Agriculture, Rural Residential designation is intended to support resource conservation districts and reserves, with emphasis on preserving farm communities and character. But it also recognizes that some lands have potential for division into rural lots that are compatible with agricultural use on surrounding parcels. The recommended minimum lot size for A-RR designated areas is ten acres.

**Yuma County Zoning Ordinance:** The subject property falls within the RA-10 district of the Yuma County Zoning Ordinance. The purpose of the RA district, as stated in the ordinance is:

*... to conserve and preserve farms, agricultural related resources, continued agricultural use and other open space land uses fostering orderly growth in rural areas, preventing urban and agricultural land use conflicts, and allowing rural lot development with emphasis on preserving the character of farming communities. Principle uses permitted in this zoning district include residential uses on large parcel sizes, farms, agricultural-related land uses, and open space or recreational uses. These regulations apply to all four (4) of the Rural Area districts: Rural Area-40 Acre Minimum (RA-40), Rural Area-20 Acre Minimum (RA-20), Rural Area-10 Acre Minimum (RA-10), and Rural Area-5 Acre Minimum (RA-5).*

The RA District provides for a broad range of agricultural, residential, accessory and supporting uses including, but not limited to single family dwellings, farms, ranches, ranch/farm headquarters office, farm labor housing, home occupations, plant nurseries, kennels, seasonal produce stands, ag equipment storage and ag warehousing.

Among possible "Special Uses" are agricultural processing facilities, cemeteries, churches, dude ranches, game preserves, golf courses, hospitals, libraries, museums, art galleries, private clubs, private airstrips, private charter schools, utility installations, public schools, parks or buildings, wireless communications facilities and biofuel production facilities.

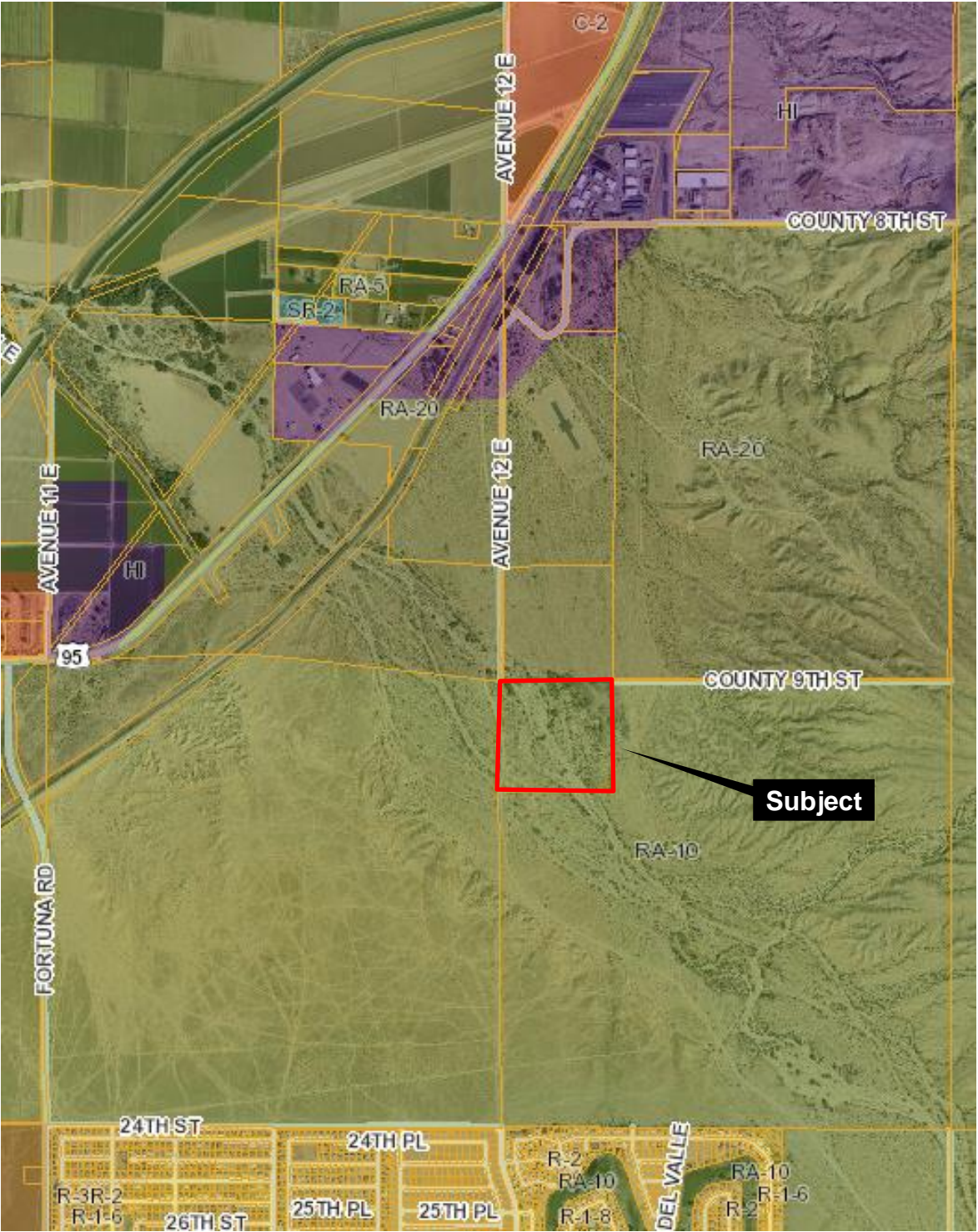
As indicated, the minimum lot size for RA-10 zoned properties is ten acres. The minimum lot width is 660 feet. Required setbacks include 50 feet for the front yard, 50 feet for side yards and 34 feet for the back yard. The maximum building height is 60 feet, except as provided for chimneys, church steeples, refrigeration coolers or ventilating fans, elevator



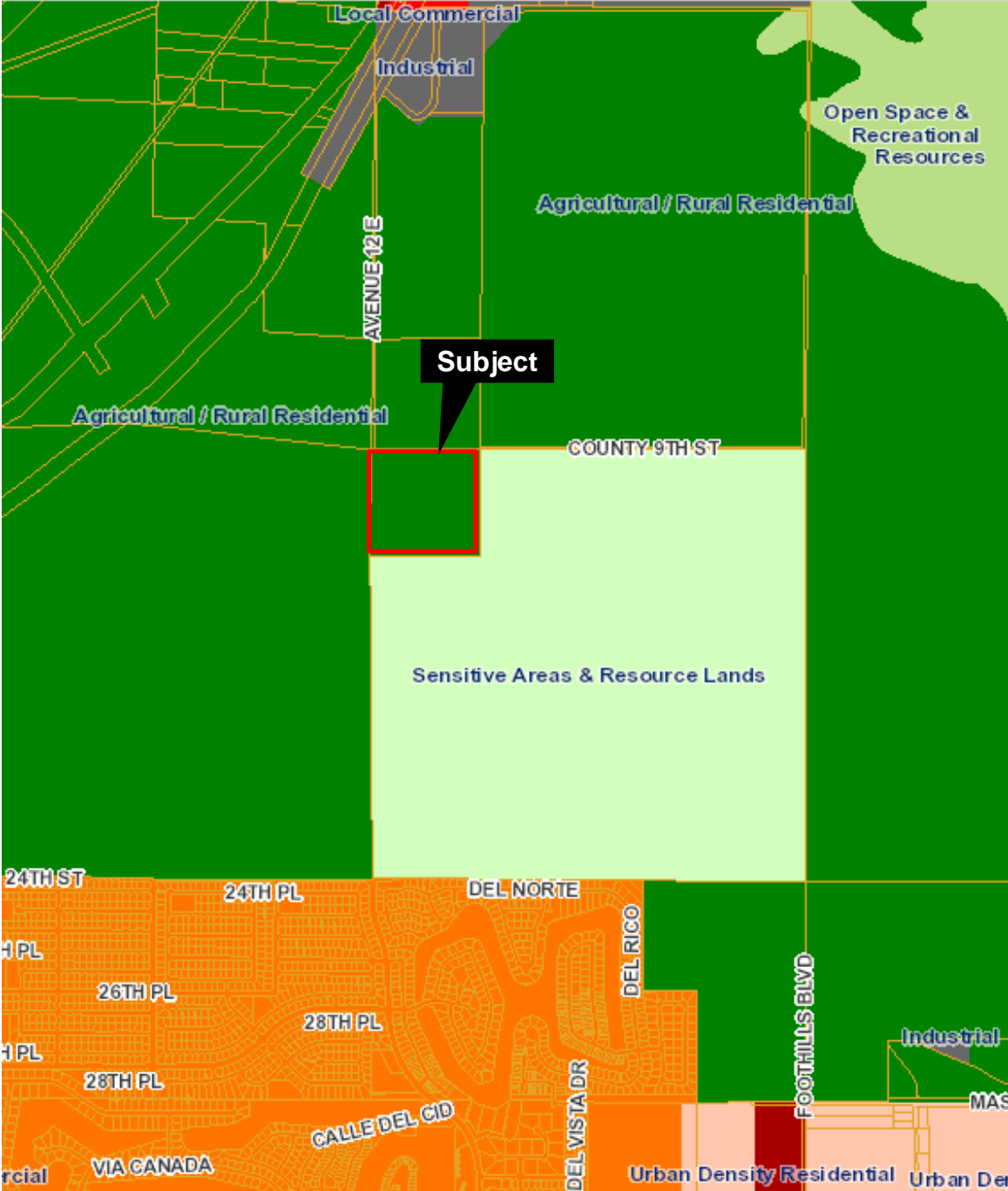
bulkheads, fire towers, ornamental towers or spires, mechanical appurtenances necessary to operate and maintain the building, and other uninhabited space. The maximum height for those is 100 feet, as long as they are set back at least one foot for each foot of additional height above 60 feet.

The type of use encouraged by the comprehensive plan and zoning ordinance is appropriate for the outlying location of the subject.

**Yuma County Zoning Map**



Yuma County General Plan



## **Highest and Best Use**

Highest and best use is defined in the 15th Edition of The Appraisal of Real Estate, published by the Appraisal Institute, as:

*"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value." (Page 306)*

### **Physically Possibility**

The majority of the subject property lies within Fortuna Wash. There, terrain includes hummocky desert lands and braided wash channels. A small area at the northeast corner, estimated to contain four or five acres, is elevated above the floodplain. Here, native desert lands have been altered by the storage of milled asphalt from past highway projects.

The property is included on the area covered by FEMA FIRM Map # 04027C1560F, which was last revised on January 16, 2014. The majority of the property is within Special Flood Hazard Area Zone AE, which includes lands subject to inundation by the 1% annual chance flood—base flood elevations determined. The AE lands are split between floodway and adjoining lands, with a bias toward floodway. Roughly four to five acres at the northeast corner are identified as being in Shaded Zone X, which is described as areas of 0.2% annual chance of flood.

Any substantive use of the subject property that is reliant on structural improvements will likely require a high degree of engineering and site work.

Other limitations to use include the lack of legally dedicated access and the poor quality of existing access. The former is addressed in the discussion to follow.

Should legal access be acquired across the existing route from the Rifle Range Road, it is likely that some level of improvement to the road would be required. The existing road, though plenty wide and on a seemingly solid bed, is washboard in places and exhibits a high level of heaving from past use. The road must be traveled at low speed and is poorly suited for use by anything other than a high-clearance vehicle. Given the lack of a legal right of use and the poor suitability of the subject for use at any substantive level, no attempt is made here to estimate the cost of bringing the road up to standard. But the condition of the road is another barrier toward productive use.

### **Legal Permissibility**

The second step of highest and best use analysis considers the legally permissible uses, as set out in existing zoning, private deed restrictions and any other restrictions that may be in effect.

The A-RR Land Use Designation at the property is consistent with the rural location and surrounding land use. The RA-10 zoning provides for a broad range of agricultural, residential, accessory and supporting uses on lots containing at least ten acres. It too is

consistent with the rural location of the property and with ongoing land use in the neighborhood. Yet given the level of exposure to flood hazard, it is unlikely that the subject will be developed to the full extent allowed by the regulatory structures.

The location of much of the property within FEMA designated Special Flood Hazard Areas does not outright restrict development in those areas, but any such development will need to be done in a manner consistent with appropriate local, state and federal guidelines. We note that there is abundant evidence of site alteration for productive use of similar lands along Fortuna Wash.

Another important consideration is the lack of a practical means of legal access to the property. There is dedicated legal access, but that route runs from the newly reconstructed bridge over Fortuna Wash at U.S. 95, up the wash and under the UPRR railroad trestle, to the northwest corner of the property. The northwestern terminus is some twenty feet above the wash bed and the entire route is within the main channel and braided side channels of the wash. Access on this route is impractical.

The existing and long-used route to the subject crosses land owned by the Yuma Irrigation District and the State of Arizona and can be made reasonably passable, but the owner of the subject has no legally dedicated right to use of this road for access to the subject. A ballpark estimate of the cost to acquire legal access along the existing road to the 40-acre subject property is \$129,795 or \$3,245/ac.

Local, state and federal regulatory structures are appropriate for the location of the property and for the specific setting within Fortuna Wash. And it appears that legal access to the property can be established, albeit at substantial cost. A prudent investor will take these factors into consideration when making decisions related to the purchase and future use of the property.

### **Financial Feasibility**

The reader is reminded here of a passage from earlier in this report.

The subject property is situated largely within the braided channels of Fortuna Wash and includes proportionally high amounts of floodway and adjoining flood prone land. The four to five acres of "usable area at the northeast corner is largely covered in stockpiled milled asphalt that has been redistributed to form entry barriers in order to prevent wildcat dumping. There is no legal access to the property. The model used here to estimate the cost to establish legal access places that figure at \$129,795 or \$3,245/ac. across the entire 40-acre parcel.

Those characteristics substantially limit the potential pool of buyers for the property. Foreseeable uses include assemblage with adjoining private lands for tenure control purposes; recreational occupancy such as a BMX track, off-road vehicle course or paintball facility; and speculative investment. Here, we can consider the likelihood of each in the given setting.

**Tenure Control:** The property is at the south end of a narrow strip of private lands. It is surrounded on three sides by government holdings.

Lands to the south and east are controlled by the USDI Bureau of Reclamation. The property to the west is Arizona State Trust land. There is little indication that either of these

agencies is in acquisition mode, although it is rumored that the Bureau of Reclamation has, in the past, offered something on the order of \$600—total—for the parcel.

The 40-acre property directly north of the subject is owned by California Portland Cement and has been for some time. Documentation for the subject indicates that the Tanner Bros Contracting, Inc., a likely predecessor to Cal Portland's ownership, granted the Arizona Highway Department a legal right of access across that property in 1968. It is possible that Cal Portland would be interested in acquiring the subject for tenure control purposes; but in the best case, this represents a one-buyer market.

**Recreational Occupancy:** It is possible to foresee recreation-based occupancy of the subject, such as a BMX track, off-road vehicle course or paintball facility. In such a case, structural improvements could be located on the elevated area at the northeast corner for storage or associated use. But a quick look around the immediate locale reveals a veritable spaghetti bowl of recreational roads—across a broad landscape—that are already in use by off roaders. There is little in the way of local regulatory infrastructure to encourage use of a single 40-acre property, especially on a paid basis, for such purposes.

**Speculative Investment:** Of the potential uses discussed here, speculative investment appears to be the most likely. Most of the sales considered for this appraisal included at least some element of this as a driver. And the five sales considered most relevant to this appraisal, which are directly analyzed in the valuation section of this report, were driven largely by speculative influence.

One included a desert property north of the subject on Castle Dome Wash that was acquired for conversion to date production and eventual resale. Once underway, the buyer discovered that such use was not permitted at the property, which is traversed by two large transmission lines. It is my understanding that the property is once again on the market, on an informal basis.

Three of the sales include long-shot residential prospects on Fortuna Wash, south of the subject, and south of Interstate 8. Those vary in character from benchland above the wash to property situated primarily in the wash. All present significant challenges to development.

One sale includes a “very low density residential” property within Ligurta Wash, near Wellton. That property currently hosts a couple of storage containers and is apparently used occasionally for recreational purposes. This is the only one of the sales that soundly supports the recreational class use. Again, given the braided road network at and surrounding the subject, such use is unlikely there.

### **Maximum Productivity**

Perhaps the best evidence of the financial feasibility of any use, and in turn, the potential for maximal productivity, is the presence, or absence of any use in a given marketplace. In this case, the sales considered most relevant to the task at hand represent speculative investments on the part of the buyers. And in that light, the highest and best use of the subject property, as of the February 1, 2022 effective date of this appraisal, is estimated to have been speculative investment. The buyer/owner may recognize a price gain through entitlement and improvement to a higher level of use, or simply through appreciation over time.

**Highest and Best Use Conclusion:** Speculative Investment.

### **Comparable Sales Overview**

The highest and best use of the subject property, as of the effective date of this appraisal, is estimated to be speculative investment. That estimate was informed by information revealed during our research on the subject property and by the data found during our search for comparable sales.

During that sale research, I found sixteen sales of relevance to the valuation task at hand. A summary table that includes information on all sixteen sales is included on the next page. With few exceptions, the sales are located on major drainages or in some way have limited potential for full development to the extent allowed by local zoning—at least in their present state.

Three of the sales have potential for more substantive use than the subject and other properties listed but are included in the table because of their proximity to the subject. One is an industrial property located just north of the subject, very near the intersection of U.S. 95 and Rifle Range Road. The other two are located at the junction of Fortuna Road and U.S. 95. Those have significant potential for commercial use, especially since the intersection is being modernized to handle greater traffic flow.

The sales listed in the table all took place between 2017 and present. The properties range in size from 3.78 acres to 307.88 acres, but most are in the 14-to-73-acre range.

From among that larger dataset, five sales have been selected for use in the valuation analysis. Those five generally bracket the subject in terms of location, size, physical characteristic and economic potential.

The table includes two sale groupings. The numbered sales in the top section are those that have been selected as comparables for use in the valuation analysis. The sales in the bottom portion, which are listed alphabetically, were also considered for this assignment, but are believed to have less bearing on the valuation task at hand.

In both sections, the sales are listed in a north-to-south and then west-to-east order.

**Table of All Sales Considered**

SALE	DATE DOCUMENT	SELLER / BUYER LOCATION ASSESSOR PARCEL NUMBER	SALE PRICE TERMS	SITE SIZE (ACRES)	SALE PRICE PER ACRE	ZONING
1	3/18/2019 2019-06684	Donnelly, et al. / Del Real US 95, N of 3rd St S 168-26-005	\$150,000 ½ down, SCB	60.00	\$2,500	RA-20
2	11/30/2017 2017-29911	J and J Prop Holdings LLC / Zayd LLC E side of Fortuna Wash 198-10-003	\$87,000	20.00	\$4,350	RA-10
3	1/30/2020 2020-02768	J and J Prop Holdings LLC / MAHA LLC Fortuna Wash, S of I-8 728-07-027 & 728-15-163	\$65,000	30.07	\$2,162	RA-10
4	10/19/2021 2021-38977	MAHA LLC / Black Fortuna Wash, S of I-8 728-15-163	\$117,500	15.82	\$7,427	RA-10
5	4/17/2018 2018-10085	Jenkins / Lima Delta Tr N sd Co. 14th St, W of Ave 24E 200-20-010	\$60,000	60.00	\$1,000	Wellton Ag
A	4/17/2019 2019-09657	Ng / Lewis US 95, N of Pima Cyn Rd. 101-00-002	\$150,000 ¾ down, SCB	307.88	\$487	RA-20
B	8/12/2021 2021-30621	Hancock / Lemmon N of Co. 8th St, E of Ave 22E 184-19-003	\$350,000	30.00	\$11,667	RA-40
C	9/18/2020	Yuma Irrigation Dist. / JRJ GMLAS, LLC W of US 95 & Ave 12E, W of UPRR tracks 182-28-008 & -009	\$957,112	22.79	\$41,997	HI
D	9/5/2019 2019-24521	Lazy T Seven Holdings / 11E LLC US 95 at Fortuna Rd 182-30-013	\$637,500	20.75	\$30,723	RA-20 & C-2
E	4/1/2021 2021-12242	Lazy T Seven Holdings / 11E LLC US 95 at Fortuna Rd 182-30-014	\$450,000	3.78 net	\$119,048	C-2
F	2/10/2017 2017-03535	Citizens T&T #2010-200 / Ravines Develop. LLC Fortuna Wash, S of I-8 198-14-009	\$490,000	73.01	\$6,711	RVS
G	3/3/2020 2020-07088	INA Group LLC / Kreutzman E of Ave 17E, N of Diversion Ch. 169-29-008	\$25,900	25.04	\$1,034	RA-40
H	07/31/17 2017-19247	Thompson / Dome Valley Dirt LLC W of Ave 16½E, N of Diversion Ch. 169-30-002	\$20,000	43.89	\$456	RA-40 & RA-10
I	10/30/2020 2020-33127	Mercer / Wilson W side of Ave 24E, N of Co. 14th St 200-20-011	\$19,600	14.00	\$1,400	Wellton Ag
J	1/7/2021 2021-00598	Sozo Investment Grp LLC / Rodriguez NEc Co 13th St & Ave 30E 201-16-010	\$35,000	45.00	\$778	RA-40
K	2/18/2020 2020-05522	Plowden / Sozo Investment Grp LLC NEc Co 13th St & Ave 30E 201-16-010	\$15,490	45.00	\$344	RA-40



The five comparable sales selected for use in the valuation analysis are summarized below. And while the analysis centers on those five sales, relevant information from other sales listed in the table is used, when appropriate, in the development of adjustments that are applied to the five core sales.

**1. Donnelly et al. to Del Real**  
**East Side of US Highway 95, north of County 3<sup>rd</sup> Street (Kinter)**  
**3/18/2019      60.00 ac.      \$150,000      \$2,500/ac.**

This property is located just east of U.S. 95 at the north edge of the deeded land block that comprises Dome Valley. The valley is largely agricultural in character and this desert parcel was purchased for conversion to date production. It lies just outside of the Wellton-Mohawk Irrigation and Drainage District. There is a problem with access from U.S. 95 to the property in that there is a narrow strip of BLM-administered federal land between them, over which there is no legally dedicated route.

The buyer made a down payment of \$50,000 and the seller carried a note on the balance, at six percent interest and a five-year call. The agent did not believe that the financing materially impacted the sale price.

The buyer cleared and leveled 40 acres and drilled a new well, at a reported cost of around \$170,000. But during the conversion it was found that they could not install a permanent planting underneath the two large transmission lines that traverse the property. It is reportedly the subject of a "hip pocket" listing, at the \$400,000 (\$6,667/ac.) level.

**2. J and J Property Holdings, LLC to Zayd, LLC**  
**East Side of Fortuna Wash on the 40th Street Alignment**  
**11/30/2017      20.00 ac.      \$87,000      \$4,350/ac.**

This property lies mainly on the east side of Fortuna Wash, across from Desert Foothills Estates Unit I. The 40th Street alignment runs from that subdivision, across the wash, to the southwest corner of the sale property. A few acres of the parcel are in lowland area at the wash, but the majority is on the desert bench to the east. Two large washes cut through the property on their way to Fortuna Wash. Vegetation includes xeroriparian cover at the wash and sparse deserts scrub on the bench. There are no utilities in place at the property, which is about 500 feet west of the subdivision.

This 20-acre property sold on November 30, 2017 for \$87,000 or \$4,350/ac.—cash.

The seller in this transaction acquired the property via a tax lien on this and two parcels to the south (see Sales 3 and 4).

**3. J and J Property Holdings, LLC to Zayd, Maha, LLC**  
**East Side of Fortuna Wash between 40th Street and 44<sup>th</sup> Street**  
**1/30/2020      30.07 ac.      \$65,000      \$2,162/ac.**

This property is adjacent south of Sale 2, on Fortuna Wash. The 40th Street alignment runs from Desert Foothills Estates Unit I, to the northwest corner of this property. The property is largely within the floodway and floodplain of Fortuna Wash, with only about six to eight acres at the north end being in FEMA Zone D (0.2% chance flood hazard). Vegetation includes xeroriparian cover at the wash and sparse deserts scrub in the upland.



There are no utilities in place at the property, which abuts the Desert Foothills Estates and Foothills Mobile Estates subdivisions at its west boundary. Electricity is nearby, but of unknown capacity for extension. Far West Water and Sewer, Inc. also has facilities in the area, but they do not extend to this property.

This 30.07-acre property sold on January 30, 2020 for \$65,000 or \$2,162/ac.—cash.

This property was also included in the larger holding acquired by the seller via tax lien prior to this transaction.

**4. Maha, LLC to Black**

**East Side of Fortuna Wash between 42<sup>nd</sup> Street and 44<sup>th</sup> Street**  
**10/19/2021    15.82 ac.    \$117,500    \$7,427/ac.**

This is the resale of the southern portion of the property included in Sale 3. The 42<sup>nd</sup> Street alignment forms the north boundary, and the southern tip is just north of 44<sup>th</sup> Street. The Foothills Mobile Estates subdivision is adjacent to the west.

Although the entire property is within the FEMA-identified Special Flood Hazard Area, the buyer is confident that, with proper engineering and site work, it can support as many as 52 single family homes. He purchased it with that in mind but is also considering potential alternatives such as a high-quality triathlon/ultramarathon training facility or glamping site.

Electricity is nearby; but again, of unknown capacity for extension. Far West Water and Sewer, Inc. also has facilities nearby, but those do not extend to this property.

This 15.82-acre property sold on October 19, 2021 for \$117,500 or \$7,427/ac.—cash.

**5. Jenkins to Lima Delta Trust**

**Ligurta Wash, Southwest Wellton**  
**4/17/2018    60.00 ac.    \$60,000    \$1,000/ac.**

This sale, while distant from the subject and other sale properties, is largely impacted by Ligurta Wash and is included as a rural offset for the urban settings of Sales 2, 3 and 4. Although at least half of the property is within Ligurta Wash, FEMA mapping places the property in Zone X, which is outside of the area of 0.2% or greater annual flooding.

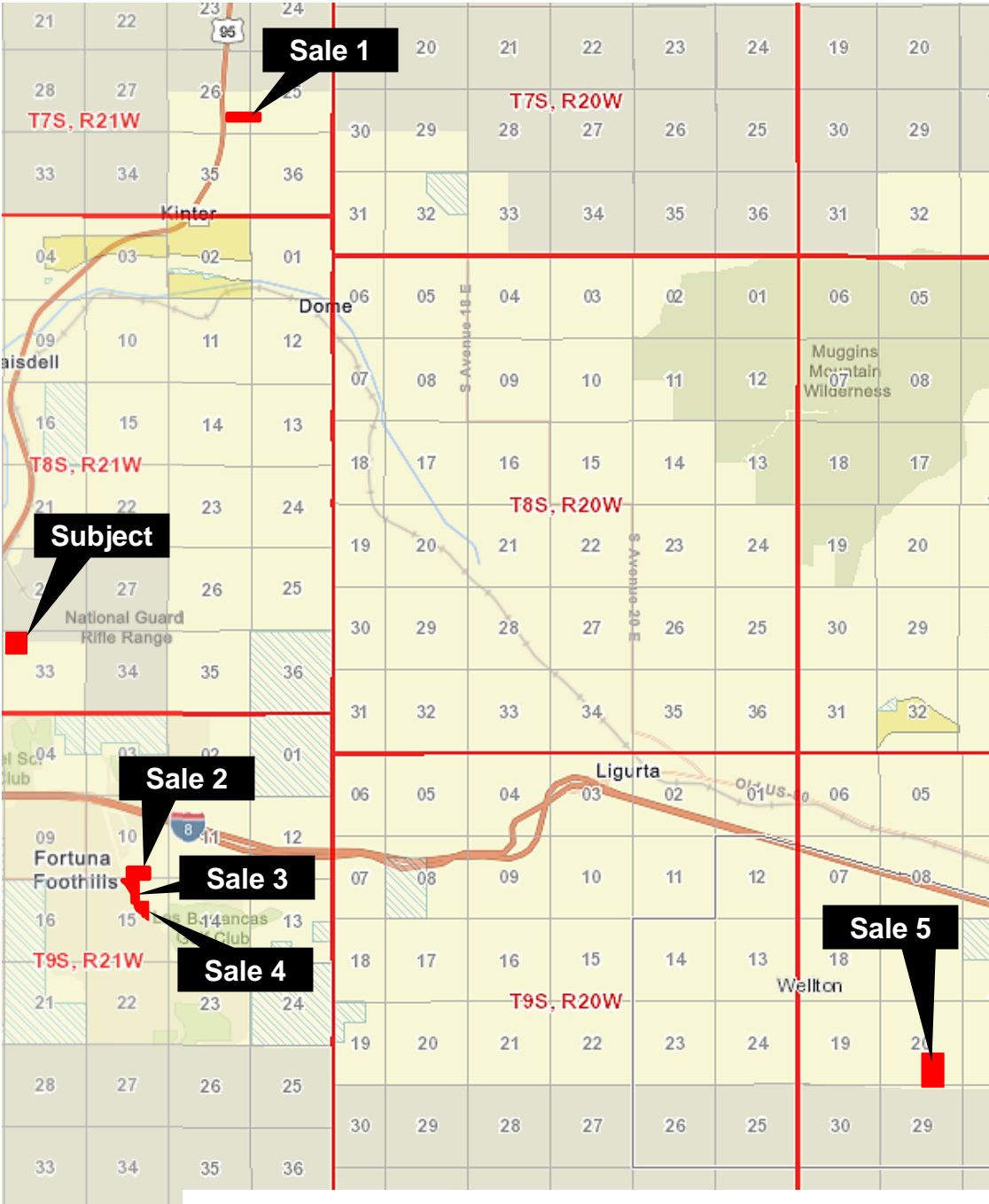
Access from Wellton is via Avenue 29E and County 14<sup>th</sup> Street, which runs along the north boundary of the Barry Goldwater Air Force Range. The southern property boundary coincides with the County 14<sup>th</sup> crossing of Ligurta Wash. Vegetation at the property includes a blend of xeroriparian cover and desertscrub.

The property is used on an occasional basis for recreational purposes. There is a shade shelter constructed of two parallel shipping containers with a metal roof bridging the gap between. There are no utilities run to the site.

The 60-acre property sold on April 17, 2018 for \$60,000 or \$1,000/ac.—cash

The following pages include a Comparable Sales Location Map, Transaction Datasheets, photographs and aerial maps for each of the comparable sale properties.

Comparable Sale Location Map



**REAL PROPERTY TRANSACTION DATA** **Sale No.: 1**

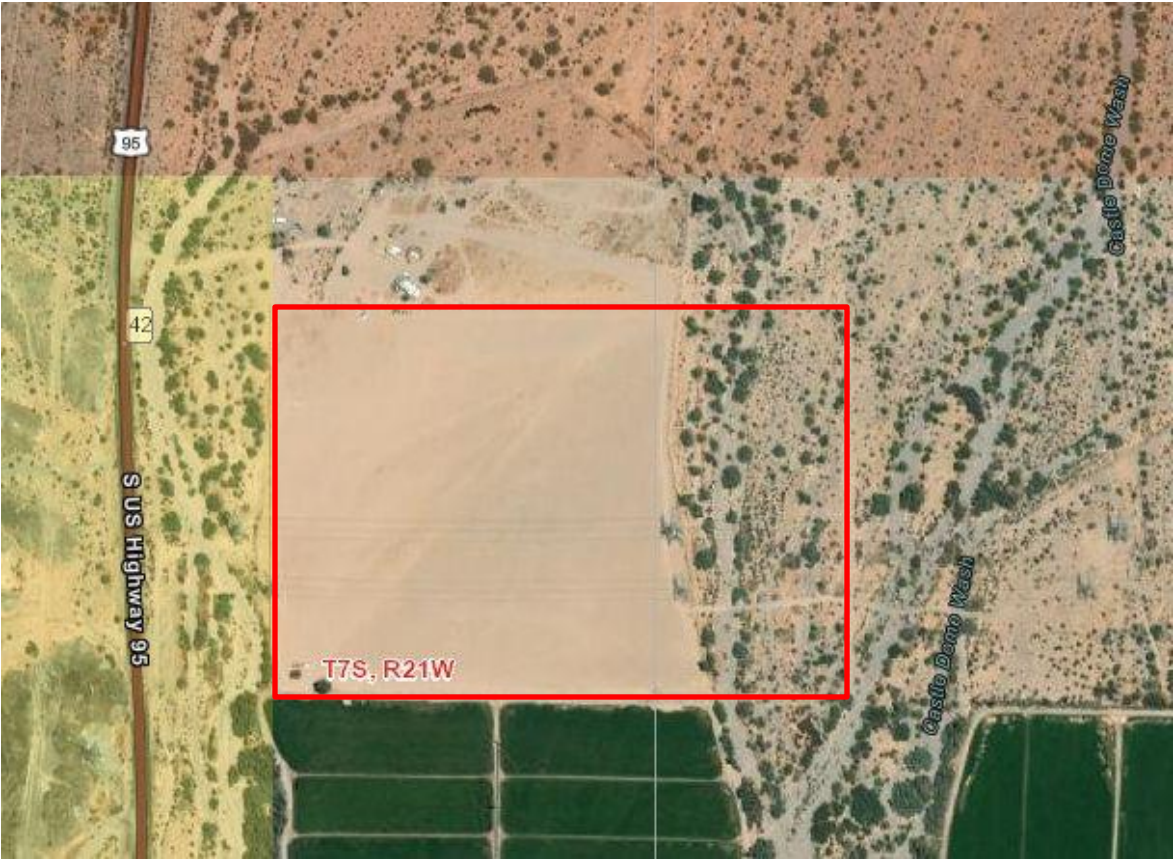
DESCRIPTION	<b>Location:</b> US 95 north of County 3rd Street (Kinter); 2539 N. US Highway 95, Yuma, AZ	<b>County:</b> Yuma <b>State:</b> Arizona	<b>Size:</b> 60 acres	
	<b>Parcel No.:</b> 168-26-005	<b>Township:</b> 7S	<b>Range:</b> 21W <b>Section:</b> 25,26	
	<b>Description:</b> W½ W½ of the SW¼ of Sec 25 and the E½ of the SE¼ of Sec 26, less the south 40 acres and the north 20 acres.			
TRANSACTION DATA	<b>Maps:</b> BLM: Yuma	<b>USFS:</b>	<b>USGS 7.5':</b> Laguna Dam	
	<b>Recording Date:</b> 3/18/2019	<b>Instrument Date:</b> 1/6/2018		
	<b>Fee#:</b> 2019-06684	<b>Docket:</b>	<b>Type of Instrument:</b> WD	
	<b>Sale Price:</b> \$150,000	<b>Terms:</b> \$50,000 down payment, balance financed by the seller at 6% with a five-year stop.		
	<b>Unit Price:</b> \$2,500 per acre			
	<b>Seller:</b> Mary Donnelly, Catherine A. Johnson, Joseph Francis Bodigo, Charles Gerald Bodigo, Ann Marie Crawford	<b>Address:</b> 3916 E. Park Ave Phoenix, AZ 85044		
	<b>Buyer:</b> Ramon G. Del Real and Evangelina Del Real	<b>Address:</b> 3041 S. Arizona Ave. Yuma, AZ 85364		
	<b>Confirmation By:</b> Ruben Fontanes	<b>Title:</b> Agent ERA Matt Fischer	<b>Date:</b> 6/3/2021	
	<b>Inspection:</b> by Weissenborn 6/9/2021			
	<b>Outstanding Rights:</b> Twin transmission lines through the south-central part of the property. None other known.			
<b>Restrictions/Zoning:</b> Yuma County RA-20 zoning.				
<b>Highest and Best Use:</b> Speculative investment. The buyer acquired this property for conversion to dates.				
PROPERTY DATA	<b>Improvements:</b> None.			
	<b>Access:</b> No legal access. There is a minimally-developed drive that crosses +/- 450 feet of BLM lands between US 95 and the property.			
	<b>Utilities:</b> Electricity available - Wellton-Mohawk IDD.			
	<b>Water:</b> Property lies just outside the irrigation district. Buyer has since put in a well.			
	<b>Minerals:</b> No reservations cited in the deed - assumed to run with the surface. Not a factor in the sale.			
	<b>Terrain:</b> Mildly sloping desert cut by Cast Dome Wash - FEMA Zone A.			
	<b>Vegetation:</b> Desertscrub. The buyer cleared about 40 acres for conversion to date trees.			
	<b>Remarks:</b> The buyer purchased the property to convert to date production. Incurred costs for a well and clearing, estimated by the agent to be \$170,000. For various reasons, the conversion was not completed. The agent believes that with legal access the property is well located for boat storage or similar use.			
ANALYSIS	<b>Sale Allocation:</b>			
	60 acres	@ \$2,500/ac.		
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	
	_____	_____	_____	

Sale ID: \_\_\_\_\_ Ref: ADOT MAT 22 Date Entered: 6/3/2021 Entered by: BNW Complete:

Sale 1 Photo



Sale 1 Aerial







Sale 2 Photo



Sale 2 Aerial



**REAL PROPERTY TRANSACTION DATA** **Sale No.: 3**

<b>D E S C R I P T I O N</b>	<b>Location:</b> Fortuna Wash, east of Foothills Mobile Estates.	<b>County:</b> Yuma <b>State:</b> Arizona	<b>Size:</b> 30.07 acres
	<b>Parcel No.:</b> 728-07-027 728-15-163	<b>Township:</b> 9S	<b>Range:</b> 21W

**Description:** Lengthy metes and bounds description in the W½NE¼.

<b>T R A N S A C T I O N  D A T A</b>	<b>Maps:</b> BLM: Yuma	<b>USFS:</b>	<b>USGS 7.5':</b> Fortuna	
	<b>Recording Date:</b> 1/30/2020	<b>Instrument Date:</b> 1/2020		
	<b>Fee#:</b> 2020-02768	<b>Docket:</b>	<b>Type of Instrument:</b> SWD	
	<b>Sale Price:</b> \$65,000	<b>Terms:</b> Cash		
	<b>Unit Price:</b> \$2,162 per acre			
	<b>Seller:</b> J and J Property Holdings, LLC	<b>Address:</b> PO Box 7274 Phoenix, AZ 85011		

<b>Buyer:</b> MAHA, LLC	<b>Address:</b> 1025 South 3rd Avenue Yuma, AZ 85634
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<b>Confirmation By:</b> Jack Evans	<b>Title:</b> Seller J and J Property Holdings, Inc.	<b>Date:</b> 2/16/2022
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**Inspection:** by Weissenborn 2/2/2022

<b>P R O P E R T Y  D A T A</b>	<b>Outstanding Rights:</b> Mineral reservations; no others specifically cited in the deed.
	<b>Restrictions/Zoning:</b> Yuma County RA-10 zoning.
	<b>Highest and Best Use:</b> Speculative investment. Buyer reportedly intended to do a residential buildout, but got diverted to another project in central Yuma.
	<b>Improvements:</b> None.
	<b>Access:</b> From 42nd Street at NW corner (barricaded); from the 44th Street at south end (across adjoining property).
	<b>Utilities:</b> Electricity, telephone in the area. APS and CenturyLink.
	<b>Water:</b> None developed. Far West Water and Sewer, Inc. facilities are nearby.
	<b>Minerals:</b> Minerals reserved in patent from the USA, not a factor in this sale.
	<b>Terrain:</b> Mostly in FEMA Zone AE, Fortuna Wash floodway and flood plain; less than an acre at NE corner outside of wash in Zone X.
	<b>Vegetation:</b> Xeroriparian at wash, sparse desertscrub in upland.

**Remarks:** The buyer in this transaction sold the south 15.82 acres of this property (APN 728-15-163) on 10/19/2021 for \$117,500 or \$7,427/ac. See Sale 4A.

<b>A N A L Y S I S</b>	<b>Sale Allocation:</b>
	30.07 acres @ \$2,162/ac.
	_____
	_____
	_____
	_____
	_____



Sale 3 Photo



Sale 3 Aerial





**REAL PROPERTY TRANSACTION DATA** **Sale No.:** 4

DESCRIPTION	<b>Location:</b> Fortuna Wash, east of Foothills Mobile Estates.		<b>County:</b> Yuma <b>State:</b> Arizona		<b>Size:</b> 15.82 acres	
	<b>Parcel No.:</b> 728-15-163		<b>Township:</b> 9S	<b>Range:</b> 21W	<b>Section:</b> 15	
	<b>Description:</b> Lengthy metes and bounds description in the SW¼NE¼, east of the Foothills Mobile Estates.					
TRANSACTION DATA	<b>Maps: BLM:</b> Yuma		<b>USFS:</b>		<b>USGS 7.5':</b> Fortuna	
	<b>Recording Date:</b> 10/19/2021			<b>Instrument Date:</b> 9/2021		
	<b>Fee#:</b> 2021-38977		<b>Docket:</b>		<b>Type of Instrument:</b> WD <b>Page:</b>	
	<b>Sale Price:</b> \$117,500			<b>Terms:</b> Cash		
	<b>Unit Price:</b> \$7,427 per acre					
	<b>Seller:</b> MAHA, LLC			<b>Address:</b> 1025 South 3rd Avenue Yuma, AZ 85634		
	<b>Buyer:</b> Black, Zecharia Aaron			<b>Address:</b> 2500 West 25th Street Yuma, AZ 85634		
	<b>Confirmation By:</b> Zecharia Black		<b>Title:</b> Buyer		<b>Date:</b> 2/17/2022	
	<b>Inspection:</b> by Weissenborn 2/2/2022					
	PROPERTY DATA	<b>Outstanding Rights:</b> Mineral reservations; no others specifically cited in the deed.				
<b>Restrictions/Zoning:</b> Yuma County RA-10 zoning.						
<b>Highest and Best Use:</b> Speculative investment. The buyer is local builder with engineering capabilities. He indicates that there are a number of options for the property: residential buildout, athletic training and competition facility, glamping are among those.						
<b>Improvements:</b> None.						
<b>Access:</b> From 42nd Street at NW corner (barricaded); from the 44th Street at south end (across adjoining property).						
<b>Utilities:</b> Electricity, telephone in the area. APS and CenturyLink.						
<b>Water:</b> None developed. Far West Water and Sewer, Inc. facilities are nearby.						
<b>Minerals:</b> Minerals reserved in patent from the USA, not a factor in this sale. Surface mining has occurred at the property adjacent east.						
<b>Terrain:</b> Mostly in FEMA Zone AE, Fortuna Wash floodway and floodplain; less than an acre at NE corner outside of wash in Zone X.						
<b>Vegetation:</b> Xeroriparian at wash, sparse desertscrub in upland.						
ANALYSIS	<b>Remarks:</b> The buyer indicates that, although the property is within floodway and floodplain, there has been essentially no flow since the channel was altered upstream; and that there is capacity for buildout of as many as 52 homes, though that is just one of the options he is considering.					
	<b>Sale Allocation:</b>					
	15.82 acres	@ \$7,427/ac.				
This is the resale from a 30.07-acre property that included similar land adjacent north. It was acquired by the seller on January 30, 2020 for \$65,000 or \$4,109/ac. The seller in that earlier transaction had purchased a tax lien on the larger property and foreclosed on the owner. See Sale 4B.						

Sale ID: \_\_\_\_\_ Ref: ADOT MAT 22 Date Entered: 2/17/2022 Entered by: BNW Complete:

Sale 4 Photo



Sale 4 Aerial



**REAL PROPERTY TRANSACTION DATA** **Sale No.: 5**

<b>D E S C R I P T I O N</b>	<b>Location:</b> Ligurta Wash Southwest Wellton	<b>County:</b> Yuma <b>State:</b> Arizona	<b>Size:</b> 60 acres
	<b>Parcel No.:</b> 200-20-010	<b>Township:</b> 9S	<b>Range:</b> 19W
<b>Description:</b> SW¼SE¼, S½NW¼SE¼			
<b>Maps:</b> BLM: Yuma		<b>USFS:</b>	<b>USGS 7.5':</b> Wellton Hills, Wellton

<b>T R A N S A C T I O N  D A T A</b>	<b>Recording Date:</b> 4/17/2018		<b>Instrument Date:</b> 3/2018	
	<b>Fee#:</b> 2018-10085	<b>Docket:</b>	<b>Type of Instrument:</b> WD	
	<b>Sale Price:</b> \$60,000		<b>Terms:</b> Cash.	
	<b>Unit Price:</b> \$1,000 per acre		<b>Page:</b>	
	<b>Seller:</b> Jenkins, Wayne and Nancy As Trustees		<b>Address:</b> Sierra Vista, AZ	
	<b>Buyer:</b> Lima Delta Trust		<b>Address:</b> 340 West 32nd Street Yuma, AZ 85354	
<b>Confirmation By:</b> County Records Only		<b>Title:</b>	<b>Date:</b> 2/2022	
<b>Inspection:</b> by Weissenborn 2/2/2022				

<b>P R O P E R T Y  D A T A</b>	<b>Outstanding Rights:</b> None specifically cited in the deed.			
	<b>Restrictions/Zoning:</b> Town of Wellton Agriculture zoning.			
	<b>Highest and Best Use:</b> Speculative investment, occasional recreational use.			
	<b>Improvements:</b> None.			
	<b>Access:</b> Via County 14th Street, which runs along the north boundary of the Barry Goldwater Range, and across Ligurta Wash.			
	<b>Utilities:</b> None			
	<b>Water:</b> No ADWR filings.			
	<b>Minerals:</b> Status unknown, but there are no reservations cited in the deed. Not a factor in this sale.			
	<b>Terrain:</b> Property is situated in Ligurta Wash, but shown as Zone X on FEMA mapping.			
	<b>Vegetation:</b> Xeroriparian, desertscrub.			
<b>Remarks:</b>				

<b>A N A L Y S I S</b>	<b>Sale Allocation:</b>			
	30.00 acres	@ \$11,667/ac.		
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____



**Sale 5 Photo**



**Sale 5 Aerial**



## **Land Valuation – Sales Comparison Approach**

The highest and best use of the subject property is estimated to be speculative investment. The estimate is based on observation of market trends that are reflected by the sales in the core dataset, as well as the other data considered for this assignment.

All of the comparable sale properties differ from the subject in some respect. Yet, from an appraisal standpoint, those differences can be reconciled. And through that process, we can gain insight to market expectations for the subject in a prospective sale situation.

The elements of value are segregated into two general categories. The first includes factors related to the sale transaction. These are:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Expenditures Made Immediately After Purchase
- Market Conditions – Date of Sale

The second category includes factors related to the property. Those are:

- Location
- Physical Characteristics
- Property Size – Magnitude of the Sale
- Economic Characteristics
- Zoning and Other Restrictions
- Non-Realty Components of Value Included in the Sale

### **Unit of Comparison**

The analysis is made on the basis of price per acre. It is the most commonly used measure of value in the market for properties of this class.

### **Transactional Characteristics**

#### **Property Rights Conveyed**

The interest appraised is the fee simple estate subject to known reservations and encumbrances. There are two apparent easements that run along the west property boundary. The existing access road to the subject runs from Rifle Range Road, just east of U.S. 95, southward across Fortuna Wash before running along the west boundary of the subject. There is also an APS electric distribution line that runs north-south along the west edge of the property. Both provide infrastructure in support of future property use and, in that sense, both are viewed as beneficial to the property. No adverse impact on value is noted.

More importantly, the legal means of access to the subject property is not a viable route and there is no legally dedicated right of access along the existing route that provides physical access. A ballpark estimate of the cost to establish legal access over the existing route places that number at \$129,795. This would be an important factor in any purchase-related decision.

As stated earlier, caution must be exercised in viewing this estimate as an “end-all” in analyzing the impact of the lack of legal access. First, it is based on a marginal model that applies Arizona State Land Department methodology to land owned by the Yuma Irrigation District. Second, the road has been in place and used by the public for many years. A number of professionals that are familiar with the area were not aware that there was no dedicated right of access for it. An argument might be made that, given the history, there is a prescriptive right of access to the subject.

Given that setting, the impact of the lack of legal access on the existing and long-used route to the subject is likely not as great as indicated by the quantified estimate.

The sales were selected, in part, because of their similarity to the subject in this regard and are believed to reflect, in large part, the access uncertainties at the subject.

**Sale 1** is located at the north end of Dome Valley, on Castle Dome Wash, east of US 95. Prior to this sale it was a native desert property that was crossed at its east end by Castle Dome Wash.

At the time of the sale, there was no legal means of access to this parcel. The road into the property crosses about 500 feet of BLM administered federal land over which there is no established legal right of access. It may be possible to gain legal access from the BLM, but that had not been done at the time of this sale and that did factor into negotiations toward the sale price.

In addition, a pair of twin electric transmission lines cuts across the south-central part of the property, effectively reducing the amount of buildable area outside of Castle Dome Wash by as much as 12 to 15 acres.

While the cost to cure the shorter distance access to the sale property may be less than at the subject, the additional encumbrance of the twin transmission lines further reduces the utility of the property, bringing it to a level similar to the subject.

**Sale 2** is located primarily on the east side of Fortuna Wash. Access to the property is from Desert Foothills Estates Unit I, to the west. 40<sup>th</sup> Street effectively ends at the wash, but a dirt road continues across the wash to the southwest corner of the property. Alternatively, a better-established road leads across the desert to the east, leading about a mile from the end of 41<sup>st</sup> Lane, in the small neighborhood east of Avenue 15E. The legal status of either route is unclear; but the setting appears to approximate that of the subject.

We have not reviewed title documentation for the property, but during our site visit we observed no indication that there were any encumbrances or reservations that would significantly impact the marketability or value of the property.

**Sale 3** is located adjacent south of Sale 2. This property abuts Desert Foothills Estates Unit I in the northern portion and Foothills Mobile Estates in the southern portion. Yuma County GIS mapping indicates that the 40<sup>th</sup> Street alignment effectively ends at the northwest corner of the property, just past the end of the existing paved road. Forty-Second Street ends at the west property boundary and is barricaded at that point, indicating the end of that legally designated roadway. The southern tip of the property is just north of 44<sup>th</sup> Street and the existing access from that street crosses private land owned by another entity.

We have not reviewed title documentation for the property, but during our site visit we observed no indication that there were any encumbrances or reservations that would significantly impact the marketability or value of the property.

**Sale 4** includes the southern 15.82 acres of the Sale 3 property. Forty-Second Street, which is barricaded, ends at the northwest corner of this property. And here too, the southern tip is just north of 44<sup>th</sup> Street and is accessed via a crossing of private land owned by another entity. Access to this parcel appears to be somewhat more challenging than that at the larger parent parcel.

We have not reviewed title documentation for the property, but during our site visit we observed no indication that there were any encumbrances or reservations that would significantly impact the marketability or value of the property.

**Sale 5** is located southwest of the Interstate 8 Wellton interchange and is accessed via Avenue 29E and County 14<sup>th</sup> Street. County GIS mapping indicates that the legally designated route for County 14<sup>th</sup> Street ends at the southeast corner of the sale property. The existing route to the improved portion of the property continues on the County 14<sup>th</sup> alignment to the western part of the property and then turns northward. The legal status of that route, which appears to run at least partially within the Barry Goldwater Air Force Range, is unclear.

We have not reviewed title documentation for the property, but during our site visit we observed no indication that there were any encumbrances or reservations that would significantly impact the marketability or value of the property.

The comparable sales were selected, primarily, because of their location on and adjacent major drainages. And with that, comes an inherent lack of utility for most types of use common in the marketplace—at least without substantial investment in engineering and site work. It is that characteristic that places the sales in a category most similar to the subject. And in that regard, the lack of a legal right of access is something of a secondary concern.

It can reasonably be argued that the access situation at Sale 1 most closely reflects that of the subject. And it appears that Sale 5 can be placed in the same category. Though Sales 2, 3 and 4 face significant challenges, the access situation does not appear to be as great of a factor.

The shortcomings of the subject in terms of legal access are duly noted, and it is reasonable to expect at least some negative impact on value. One measure of that impact is provided by the ballpark estimate of the cost to cure that shortcoming. But after a review of the data, it is our opinion that adjustment of the sales with a better access setting to the degree indicated by that ballpark estimate is inappropriate. Accordingly, no quantified adjustments are developed or applied. Rather, in developing our opinion of value for the subject, emphasis is placed on the mid-to-low portion of the range supported by the comparable sales—with the ballpark estimate viewed as an important benchmark for the upper end of the potential range of impacts from this factor.



## **Financing Terms**

The definition of market value clearly states the opinion of value must reflect *the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements.*

Four of the five comparable sales—No.'s 2, 3, 4 and 5, were cash transactions and, thus, require no further consideration. Sale 1, though, included seller financing and warrants further discussion.

The total price in Sale 1 was \$150,000. The buyer made a down payment of \$50,000, or 33% of the total and the seller carried the balance at six percent annual interest rate, with a long-term amortization, but a five-year stop. The agent in the transaction indicated that the financing did not materially impact the price paid, but allowed the buyer a “buffer” so that he could proceed with his planned conversion of the property to date production. The seller, in turn, received a significant cash commitment and an attractive rate of return on the balance carried.

Based on our discussion with the sales agent, the terms of financing at Sale 1 are considered reasonably equivalent to cash.

## **Conditions of Sale**

The definition of market value also requires that the value opinion reflect a setting in which the property is *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.*

To the best of our knowledge, all of the sales were actively marketed and sold under conditions requisite to the definition of market value. No adjustments are made to any of the sales.

## **Expenditures Made Immediately After Purchase**

A prudent and knowledgeable buyer will consider any expenditures that will be necessary upon purchase to bring a property to the same standard as otherwise competitive properties in its class. Any such expenditures can be included as a component of the total price paid by the buyer for the property.

We are aware of no such expenditures among the comparable dataset. The buyer in Sale 1 purchased that property with the intent of converting it to date production, in hopes of realizing a profit through conversion to another more productive use. But the property, at the time of the sale, was in the same competitive class as the subject and other comparable sales in the core dataset.

No adjustments are developed or applied for this element of value.

## **Market Conditions – Date of Sale**

In order to fairly analyze the comparable sales, all must be considered in the context of market conditions as they were on the February 1, 2022 effective date of this appraisal. And while an effort has been made to use the most recent data relevant to this appraisal, the

market for this class of property is not deep. As a result, the comparable sales range in date from November 2017 to October 2021.

A review of Sales 2, 3 and 4 provides a good example of changes in the price structure in this market segment over the past few years. The three tax parcels included in those transactions were acquired via a tax lien by a Phoenix investor and resold, in Sales 2 and 3, in November 2017 and January 2020, respectively. Sale 4 reflects the October 2021 resale of a portion of the Sale 3 property.

The three properties are located on Fortuna Wash, east of the Desert Foothills Estates Unit I and Foothills Mobile Estates, between the 39<sup>th</sup> Street and 44<sup>th</sup> Street alignments.

Sale 2 includes 20.00 acres. Of that, a few acres of lowland area within the wash, but the majority of the property is on the desert bench to the east. That property sold on November 30, 2017, for \$87,000 or \$4,350/ac.—cash.

Sale 3 is adjacent south of Sale 2 on Fortuna Wash. It is largely within the floodway and floodplain of the wash, with only about six to eight acres at the north end being in FEMA Zone D (0.2% chance flood hazard). That 30.07-acre property sold on January 30, 2020 for \$65,000 or \$2,162/ac.—cash.

The difference in the unit prices of those two properties is due largely to the amount of “usable” land included. Sale 2 consists mostly of benchland above Fortuna Wash; Sale 3 lies mostly within the wash.

Sale 4 is the resale of the south 15.82 acres of Sale 3. And while the entire property is within the FEMA-identified Special Flood Hazard Area, the buyer is confident that, with proper engineering and site work, it can support as many as 52 single family homes. He purchased it with that in mind but is also considering potential alternatives such as a high-quality triathlon/ultramarathon training facility or glamping site.

That property sold on October 19, 2021 for \$117,500 or \$7,427/ac.—cash. This is clearly a different price level than seen in the 2017 and 2020 sales.

A comparison between the more recent Sale 4 and Sale 3, from which the Sale 4 property was severed, provides insight as to how much the pricing structure changed between early 2020 and late 2021.

Sale 4:	15.82 ac.	\$7,427/ac.	10/19/2021
Sale 3:	30.07 ac.	\$2,162/ac.	1/30/2020
Difference:		\$5,265/ac.	over 1.72 yrs. = 104.88%/year or 243.52% overall

Note that this indication may be overstated for two reasons. First, there is a significant size difference between the two sales. Second, the buyer in Sale 4 truly believed that, with proper engineering and sitework, the property was capable of supporting as many as 52 single family residences. We do not believe that was a factor in Sale 3.

A similar comparison between Sale 4 and Sale 2, which includes benchland above the wash and is arguably better suited for residential development, suggests more moderate, but nonetheless substantial, price appreciation between 2017 and 2021.

Sale 4: 15.82 ac. \$7,427/ac. 10/19/2021  
 Sale 2: 20.00 ac. \$4,350/ac. 11/30/2017  
 Difference: \$3,077/ac. over 3.89 yrs. = 14.75%/year  
 or 70.74% overall

The lower overall appreciation indicated by this pairing is significant, but more importantly, the much lower annual rate, in concert with the indication from above, suggests that most, if not all, of the appreciation occurred between 2020 and 2021.

Another comparison including a sale-resale pairing of Sales J and K in the table of sales on page 47 also supports robust appreciation between 2020 and 2021. This is a rural 45-acre holding on Avenue 30E at the County 13<sup>th</sup> Street alignment, near Wellton.

Sale J: 45.00 ac. \$35,000 1/7/2021  
 Sale K: 45.00 ac. \$15,490 2/18/2020  
 Difference: \$19,510 over 0.89 yrs. = 150.50%/year  
 or 125.95% overall

The very strong indications of appreciation supported by the first and third pairings are anchored, to a great extent, by that from the second comparison. And it is apparent from all, that the price increase took place at the end of the time frame considered.

Based on the comparisons presented here, upward adjustments of 100% are applied to Sales 1, 2, 3, and 5, which took place prior to 2021. No adjustment is applied to Sale 4, which occurred on October 19, 2021.

The adjustments are applied in the table below.

	<u>Sale Date</u>	<u>Price/ac.</u>	<u>Market Cond.</u> <u>Adjustment</u>	<u>Market Cond.</u> <u>Adj. Price/ac.</u>
Sale 1:	3/18/2019	\$2,500/ac.	\$2,500/ac.	\$5,000/ac.
Sale 2:	11/30/2017	\$4,350/ac.	\$4,350/ac.	\$8,700/ac.
Sale 3:	1/30/2020	\$2,162/ac.	\$2,162/ac.	\$4,324/ac.
Sale 4:	10/19/2021	\$7,427/ac.	\$0/ac.	\$7,427/ac.
Sale 5:	4/17/2018	\$1,000/ac.	\$1,000/ac.	\$2,000/ac.

**Property Characteristics**

The following sections of the analysis consider Property Characteristics that can have a significant impact on prices paid in the market for properties like the subject.

**Location**

The subject property is located on Fortuna Wash, east of U.S. Highway 95. It is a little less than a mile south of the intersection of the highway and Rifle Range Road. Physical access is via a well-established and often used, but rarely maintained, dirt road that originates near the Rifle Range Road crossing of Union Pacific Railroad tracks east of Highway 95. The road roughly follows the alignment of Avenue 12E southward to the subject property.

Though longstanding, that is not the legally dedicated route to the subject. The legally established access leads from U.S. Highway 95, at Fortuna Wash, southwesterly, within the wash and under a Union Pacific Railroad (UPRR) trestle to the northwest corner of the

subject. This route is impractical for use as it originates at the bridge crossing of Fortuna Wash.

The access issue is addressed, in detail, in the Property Rights Conveyed section of this analysis.

There is an electric distribution line along the west property boundary.

Lands in the immediate vicinity of the subject are generally vacant desert holdings. The property immediately west is Arizona State Trust land. The adjoining land to the south and east is federally owned and administered by the Bureau of Reclamation. The 40-acre parcel immediately north of the subject is owned by California Portland Cement. And the 85-acre property immediately north of that is owned by the Yuma Irrigation District.

Further north, along Highway 95, there is an industrially zoned area. It is there that Gowan Milling is located, along with a construction aggregate company. Lands across Highway 95, to the north and west, are, for the most part, in agricultural production.

Sale 1 is located further north on U.S. Highway 95. It is situated on the east side of the highway, separated by a narrow strip of BLM-administered federal land. The property is bisected vertically by Castle Dome Wash and horizontally by twin electric transmission lines.

Access is across BLM-administered federal lands (no legal status). Electricity is available.

Sales 2, 3 and 4 are located on Fortuna Wash, south of Interstate 8. The nearest means of access to those properties are at the 40<sup>th</sup>, 42<sup>nd</sup> and 44<sup>th</sup> Street alignments. The Desert Foothills Estates Unit I and Foothills Mobile Estates subdivisions are situated on the west side of the wash and utilities are extended to those road access points. The status of legal access and the capacity for expansion of the utilities are not known, but development to the same extent as those neighborhoods would likely require new infrastructure.

Sale 5 is located on Ligurta Wash, in southwestern Wellton. Access from the Wellton interchange is via Avenue 29E and County 14<sup>th</sup> Street, which runs along the north boundary of the Barry Goldwater Air Force Range. The legal status of County 14<sup>th</sup> appears to be marginal beyond the southeast corner of the property. There are no utilities at the property.

The comparable sales fairly bracket the subject property in terms of location.

Sales 1 and 5 are more distant from urban infrastructure and are arguably inferior to the subject in that regard. Those two sales are at time-adjusted prices of \$5,000/ac. and \$2,000/ac., respectively.

Sales 2, 3 and 4 are very near existing residential development and are arguably superior to the subject in terms of location. The time-adjusted prices of these three sales are \$8,700/ac., \$4,324/ac. and \$7,427/ac., respectively.

There is overlap between the two adjusted price ranges, so it is difficult to justify application of quantified adjustments for this factor; but is reasonable to project that, all other things being equal, the subject would fall somewhere within, or near, that \$4,324/ac. to \$5,000/ac. overlap range.

No specific location adjustments are developed or applied at this point, but this reasoning is carried forward through the analysis.

## Physical Characteristics

The most notable physical aspect of the subject property is its location within Fortuna Wash. Terrain within the wash includes hummocky desert lands and braided wash channels. Vegetation within the wash includes xeroriparian cover. This portion of the property is within Special Flood Hazard Area Zone AE, which includes lands subject to inundation by the 1% annual chance flood—base flood elevations determined. The AE lands are split between floodway and adjoining lands, with a bias toward floodway.

Roughly four or five acres at the northeast corner of the property is elevated above the floodplain. This area is identified by FEMA as being in Shaded Zone X, which is described as areas of 0.2% annual chance of flood. Desert lands in this part of the property have been altered by the storage of milled asphalt from past highway projects.

The Antho sandy loam soil at the subject is common to floodplains and terraces. It has a parent material of mixed alluvium and is rated by NRCS as Class 2. The NRCS site also rates the Antho sandy loam as not limited for construction of local roads and houses without basements. The rating is the same for septic tank absorption fields.

The ratings are misleading in that they do not account for the location of the majority of the property within Fortuna Wash. Only the four to five acres at the northeast corner are outside of the existing floodway and floodplain.

The comparable sales were selected for use in the analysis primarily because of their location on major washes.

Sale 1 is located on Castle Dome Wash, on the east side of US 95, about six and three quarters miles north of Rifle Range Road. Access from the highway is across a narrow strip of BLM-administered federal land and includes a “low-water” crossing of one of the wash’s braided channels. Another set of channels runs through the eastern part of the property. The area in between, which is also within FEMA Zone A, consisted of native desert scrub at the time of the sale and is crossed by two larger electric transmission lines. The buyer has since leveled that area for conversion to date production, but reportedly has since discovered that permanent plantings are not permitted in the transmission line right of way.

The keys to proper analysis of the sale are that, at the time of the sale, the property consisted of desert lands within the floodway and floodplain of the wash; the transmission lines further limit the functional utility; and there was no legal access to the property across the BLM-administered land.

Given those characteristics, Sale 1 is considered an important benchmark for properties in the same class as the subject, but which *might*, because of the distance from urban activity, be considered locationally inferior (see previous discussion). The 60-acre sale is at a time-adjusted unit price of \$5,000/ac.

Sales 2, 3 and 4 are located on Fortuna Wash, about three to three and a half miles upstream of the subject. They are situated south of Interstate 8 and east of the Desert Foothills Estates Unit I and Foothills Mobile Estates Subdivisions.

Sale 2 includes something on the order of three and a half acres in Fortuna Wash. The balance is in desert benchland to the west. This 20-acre property, which is arguably superior to the subject in terms of physical characteristics, is at a time-adjusted unit price of \$8,700/ac.

Sale 3 is located largely within Fortuna Wash, though there are a couple of small areas on the eastern boundary that rise above the wash. The property appears to be functionally very similar to the subject because of that location within the wash.

Sale 4 includes the south 15.82 acres of the Sale 3 property. It too is situated within Fortuna Wash, with only a small area at the northeast corner rising above. The physical characteristics would appear to place the property in the same class as Sales 1 and 3; but in this case, the buyer, who reports that they have engineering capabilities, believes that the property could be developed with as many as 52 single-family homes. Such use will require a substantial amount of engineering and site work, but a review of other development along the wash suggests this may indeed be a possibility.

In this case, the buyer was willing to pay for that potential, as the \$7,427/ac. sale price falls in the upper end of the range of the five comparable sales.

Sale 5 is a distant rural outlier, located on Ligurta Wash, in southwestern Wellton. Roughly half of this 60-acre property is within the wash and channel. The balance is in low-lying land along the wash. Interestingly, FEMA mapping shows the property as being outside of the floodplain. This sale provides an important measure of value for properties that are similar to the subject in terms of physical characteristics, but which are arguably inferior in terms of proximity to urban activity and infrastructure. Sale 5 is at a time-adjusted price of \$2,000/ac.

Here, as with the discussion on Location, the sales fairly bracket the subject in terms of physical characteristics. A case can be made that Sale 2, which includes a proportionally large amount of desert benchland, is clearly superior to the subject and other sales. And indeed, comparisons between Sale 2, at an adjusted price of \$8,700, and Sales 1, 3 and 5, whose adjusted prices range from \$2,000/ac. to \$5,000/ac., bear that out.

Sale 1: Similar to Subject	\$5,000/ac.
Sale 2: Superior to Subject	<u>\$8,700/ac.</u>
Indicated Adjustment:	(\$3,700/ac.) / \$8,700/ac. = (42.53%)

Sale 3: Similar to Subject	\$4,324/ac.
Sale 2: Superior to Subject	<u>\$8,700/ac.</u>
Indicated Adjustment:	(\$4,376/ac.) / \$8,700/ac. = (50.30%)

Sale 5: Similar to Subject	\$2,000/ac.
Sale 2: Superior to Subject	<u>\$8,700/ac.</u>
Indicated Adjustment:	(\$6,700/ac.) / \$8,700/ac. = (77.01%)

But a comparison between Sale 2 and Sale 4, which is the most recent in the dataset and which the buyer believes can be placed into fairly intensive residential use, suggests a substantially diminished advantage for the Sale 2 property.

Sale 4: Similar to Subject	\$7,427/ac.
Sale 2: Superior to Subject	<u>\$8,700/ac.</u>
Indicated Adjustment:	(\$1,273/ac.) / \$8,700/ac. = (14.63%)

Given this indication, a 45% downward adjustment, which is at the low end of the range indicated by the comparisons between Sale 2 and Sales 1, 3 and 5, is judged appropriate. The sales are adjusted, where appropriate, in the table below.

	<u>Physical Characteristics</u>	<u>Price/ac.</u>	<u>Land Adjustment</u>	<u>Time/Land Adj. Price/ac.</u>
Sale 1:	Similar	\$5,000/ac.	\$0/ac.	\$5,000/ac.
Sale 2:	Superior	\$8,700/ac.	(\$3,915/ac.)	\$4,785/ac.
Sale 3:	Similar	\$4,324/ac.	\$0/ac.	\$4,324/ac.
Sale 4:	Similar	\$7,427/ac.	\$0/ac.	\$7,427/ac.
Sale 5:	Similar	\$2,000/ac.	\$0/ac.	\$2,000/ac.

**Property Size – Magnitude of Sale**

The subject property includes 40.00 acres. The comparable sales range in size from 15.82 acres to 60.00 acres.

In a typical market setting, it is reasonable to project that smaller properties will attract higher unit prices than otherwise similar properties of a larger size. This goes beyond the common wholesale-retail concept in that there are simply more buyers for the lesser priced product than for the larger, more expensive properties. The narrowed demand side results in a lower unit price structure.

The sales are listed below by size and Time/Land adjusted unit price.

Sale 1:	60.00 ac.	\$5,000/ac.
Sale 2:	20.00 ac.	\$4,785/ac.
Sale 3:	30.07 ac.	\$4,324/ac.
Sale 4:	15.82 ac.	\$7,427/ac.
Sale 5:	60.00 ac.	\$2,000/ac.

And the chart below provides a visual representation of the data.



It is possible to visualize a fairly steep size curve within the chart; but in this case a little bit of a stand-back approach is useful. For example, while Sales 2 and 5 suggest a significant unit price difference between 20 and 60 acres, a comparison between Sale 1 and Sale 2 suggests very little sensitivity to size across the same range.

And while a comparison between Sale 2 and Sale 4 suggests a substantial price difference between a parcel containing 20.00 acres and one that includes 15.82 acres, the size



difference is small and unlikely to account for the full difference in the adjusted prices of the two sales.

Further, any direct pairings between sales of significantly different sizes are clouded by other differences for which quantified adjustments were not applied; most specifically, location and physical characteristics.

Here again, the subject is fairly bracketed by the comparable sales. And lacking clearly defined support, no adjustments are developed or applied for differences in size across the range covered by the subject and comparable sales. But it is reasonable to project that the subject property, at 40 acres, will fall in the mid-to-lower end of the range supported by the comparable sales.

### **Economic Characteristics**

Economic characteristics include all the attributes of a property that directly affect its income. This element of comparison is usually applied to income-producing properties. Since the subject property is vacant and none of the sales were leased at the time of sale, no adjustments are made.

### **Zoning/Use/Other Restrictions**

The subject site is zoned RA-10. The RA district provides for a broad range of agricultural, residential, public, quasi-public and supporting occupancies. The numerical designation specifies the minimal lot size for this location within the RA district; in this case 10 acres.

The RA-20 zoning at Sale 1 is similar to that at the subject, but with a larger minimum size. Sales 2, 3 and 4 have the same RA-10 zoning as the subject. And Sale 5, which is located within Wellton town limit, is zoned Agriculture, which has a minimum size of 40 acres. Each of the zoning districts is similar to the subject's RA-10 zoning in that they provide for the same class of use. And the potential impact of differences in the minimum lot sizes are moderated, to a great extent, by the poor locational and physical characteristics of the subject and comparable sales.

No adjustments are developed or applied for this element of comparison.

### **Non-Realty Components**

Adjustments for non-realty components are necessary when a sale includes chattel, business concerns or other items that do not constitute real property but are included in either the sale price of the comparable property or in the ownership interest of the subject property. Neither the subject nor any of the sales included non-realty components, so no adjustments are necessary.

The tables on the following page summarize the valuation analysis.

**Sale Adjustment Tables**

		SUBJECT	SALE 1		SALE 2	
PRICE/AC.		-	\$2,500		\$4,350	
SALE CHARACTERISTICS	RIGHTS CONV.	No Legal access	No Legal Access	\$0	Marginal Access	\$0
	CONDITIONS:	Arm's Length	Arm's Length	\$0	Arm's Length	\$0
	TERMS:	Cash or Equiv.	Csh Equiv.	\$0	Cash	\$0
	EXPENDIT'RS:	None	None	\$0	None	\$0
	DATE:	2/1/2022	3/18/2019	\$2,500	11/30/2017	\$4,350
ADJUSTED VALUE INDICATION PER ACRE			\$5,000		\$8,700	
SITE CHARACTERISTICS	LOCATION:	Fortuna Wash	Castle Dome Wash	±	Fortuna Wash	\$0
	PHYS. CHAR.:	Poor	Poor	\$0	Superior	(\$3,915)
	SIZE:	40.00 ac.	60.00 ac.	±	20.00 ac.	±
	ZONING:	RA-20	RA-20	\$0	RA-10	\$0
	NON-REALTY	None	None	\$0	None	\$0
ADJUSTED VALUE INDICATION PER ACRE			> \$5,000		\$4,785	

		SUBJECT	SALE 3		SALE 4	
PRICE/AC.		-	\$2,162		\$7,427	
SALE CHARACTERISTICS	RIGHTS CONV.	No Legal access	Marginal Access	\$0	Marginal Access	\$0
	CONDITIONS:	Arm's Length	Arm's Length	\$0	Arm's Length	\$0
	TERMS:	Cash or Equiv.	Cash	\$0	Cash	\$0
	EXPENDIT'RS:	None	None	\$0	None	\$0
	DATE:	2/1/2022	1/30/2020	\$2,162	10/19/2021	\$0
ADJUSTED VALUE INDICATION PER ACRE			\$4,324		\$7,427	
SITE CHARACTERISTICS	LOCATION:	Fortuna Wash	Fortuna Wash	±	Fortuna Wash	±
	PHYS. CHAR.:	Poor	Poor	\$0	Poor	\$0
	SIZE:	40.00 ac.	30.07 ac.	±	15.82 ac.	±
	ZONING:	RA-20	RA-10	\$0	RA-10	\$0
	NON-REALTY	None	None	\$0	None	\$0
ADJUSTED VALUE INDICATION PER ACRE			\$4,324		\$7,427	

		SUBJECT	SALE 5	
PRICE/AC.		-	\$1,000	
SALE CHARACTERISTICS	RIGHTS CONV.:	No Legal access	Marginal Access	\$0
	CONDITIONS:	Arm's Length	Arm's Length	\$0
	TERMS:	Cash or Equiv.	Cash	\$0
	EXPENDIT'RS:	None	None	\$0
	DATE:	2/1/2022	4/17/2018	\$1,000
ADJUSTED VALUE INDICATION PER ACRE			\$2,000	
SITE CHARACTERISTICS	LOCATION:	Fortuna Wash	Ligurta Wash	±
	PHYS. CHAR.:	Poor	Poor	\$0
	SIZE:	40.00 ac.	60.00 ac.	±
	ZONING:	RA-20	Agriculture	\$0
	NON-REALTY	None	None	\$0
ADJUSTED VALUE INDICATION PER ACRE			\$2,000	

**Correlation**

The comparable dataset includes a variety of terrain-challenged properties that fairly bracket the subject in terms of Location, Physical Characteristics and Size. Once adjusted, as indicated by the analysis, the sales provide indications of value for the subject that range from \$2,000/ac. to \$7,427/ac. In this case, a mid-range figure is judged appropriate for the subject.

**Conclusion**

It is our opinion that the market value of the subject property, as of the February 1, 2022 effective date of value, and as discussed within the body of this report, was:

40 acres x \$4,500/ac.

Or:

**\$180,000**

**Exposure Time / Marketing Time**

Exposure time is the estimated 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. Exposure time is a retrospective opinion based on an analysis of past events and assuming a competitive and open market.

The projected exposure time, at the market value reported above, is estimated to be 12 to 15 months.

Marketing time differs from exposure time. It is defined as “the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.” The projected marketing time for the subject property is the same at 12 to 15 months.

**Project Influence**

Any influence in valuation caused by a government project prior to the date of valuation is considered by the appraiser. In this case, there is no project. The subject property is surplus land owned by ADOT that has been designated for disposal.

**Auditing Breakdown**

Market Value of the Subject Property for Disposal ..... \$180,000

**Certificate of Appraiser**

Project Number: M519301X

Parcel Number: L-Y-020

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. Beverly Weissenborn made a personal field inspection of each of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making the appraisal were as represented by the photographs contained in the appraisal.

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept no liability for matters of title or survey. That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the property, was not observed by myself or acknowledged by the owner. This appraiser, however, is not qualified to detect such substances, the presence of which may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

That my analysis, opinion, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

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

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

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

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

That I have 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.


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

That I am Certified General Real Estate Appraiser #30125 in the State of Arizona and meet the requirements of A.R.S. 32-3603.

That my opinion of the MARKET VALUE of the subject property as of the 1st day of February 2022, based upon my independent appraisal and the exercise of my professional judgment is as follows:

**OPINION OF MARKET VALUE OF THE  
SUBJECT PROPERTY ..... \$180,000**

Date: 3/22/2022

Signature:   
Barry Weissenborn  
Certified General Real  
Estate Appraiser #30724

**Certificate of Appraiser**

Project Number: M519301X

Parcel Number: L-Y-020

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. Beverly Weissenborn made a personal field inspection of each of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making the appraisal were as represented by the photographs contained in the appraisal.

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept no liability for matters of title or survey. That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the property, was not observed by myself or acknowledged by the owner. This appraiser, however, is not qualified to detect such substances, the presence of which may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

That my analysis, opinion, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

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

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

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That my opinion of the MARKET VALUE of the subject property as of the 1st day of February 2022, based upon my independent appraisal and the exercise of my professional judgment is as follows:

**OPINION OF MARKET VALUE OF THE  
SUBJECT PROPERTY ..... \$180,000**

Date: 3/22/2022

Signature:   
Beverly Weissenborn, MAI  
Certified General Real  
Estate Appraiser #30125

**Certification**

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

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

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

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

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

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


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

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

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

No one provided significant professional assistance to the person(s) signing this report. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser."

I have not provided appraisal services on the subject property within three years prior to accepting this assignment.

Signature:   
Barry Weissenborn  
Certified General Real  
Estate Appraiser #30724

**Certification**

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

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

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

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

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

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

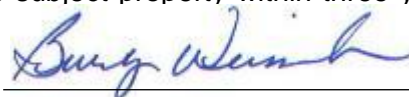
No one provided significant professional assistance to the person(s) signing this report. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser."

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

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 requirements of the continuing education program of the Appraisal Institute.

I have not provided appraisal services on the subject property within three years prior to accepting this assignment.



Beverly Weissenborn, MAI  
Certified General Real  
Estate Appraiser #30125

## **Qualifications of Barry Weissenborn**

### **Certification**

Arizona Certified General Real Estate Appraiser #30724

### **Professional Affiliations**

Associate Member American Society of Farm Managers and Rural Appraisers  
Secretary, Arizona Chapter ASFMRA: 2011-2015  
Vice President, Arizona Chapter ASFMRA: 2015-2017  
President, Arizona Chapter ASFMRA: 2017- 2019  
Ag Forum Committee: 2011-Current

### **Experience Summary**

1989-2015: Appraisal associate with Headquarters West, Ltd., Tucson, Arizona.  
2015-Present: Co-owner Weissenborn Appraisal, LLC

### **Appraisal Courses Completed**

American Society of Farm Managers and Rural Appraisers

- Fundamentals of Rural Appraisal: Course A-10, 1990
- Principles of Rural Appraisal: Course A-20, 1990
- Advanced Rural Appraisal: Course A-30, 1993
- Highest and Best Use: Course A-29, 1994
- Report Writing: Course A-15, 1994
- Uniform Standards of Professional Appraisal Practice and ASFMRA Code of Ethics: Course A-12, 1995, 1999
- 7Hr Uniform Standards of Professional Appraisal Practice Seminar, 2005, 2007, 2012, 2014, 2016, 2018, 2020
- Ranch Appraisal Seminar, 1996
- Permanent Plantings Seminar, 1996
- Lease Valuation Seminar, 1998
- Eminent Domain A-25, 1999
- Advanced Sales Confirmation Seminar, 2002
- Conservation Easement Seminar, 2001, 2004
- Valuation of Conservation Easements and Other Partial Interests in Real Property, 2009
- Requirements of UASFLA, the "Yellow Book", 2012
- Sales Comparison Approach for General Appraisers: Course A302, 2014
- UASFLA "Yellow Book" Course (ASFMRA/Appraisal Foundation), 2017
- Property Rights: Why Haven't I heard This Before, 2018
- Valuing Rural America, Complexities of Data Analysis in a Low-volume, Non-uniform World, 2018

Appraisal Institute

- Federal Land Exchange Seminar, 2001
- Scope of Work: Expanding Your Range of Services, 2008
- What Commercial Clients Would Like Appraisers to Know..., 2008
- Condemnation Appraising: Basic Principles and Applications, 2009
- 7Hr Uniform Standards of Professional Appraisal Practice Seminar, 2009
- Litigation Appraising: Specialized Topics and Applications, 2011
- Fundamentals of the Uniform Appraisal Standards for Federal Land Acquisitions, 2022

Other Organizations

- University of Arizona - Finance 465 (Based on Appraisal Institute *Capitalization Theory and Techniques*), 1992
- SACREASNAR USPAP Seminar, 2003

**Partial List of Past Clients**

- Snell and Wilmer L.L.P. – Tucson Arizona
- Farm Credit Services Southwest - Phoenix, Arizona
- Malpais Borderland Group - Arizona
- USDOJ –Appraisal and Valuation Services Office
- USDA – Forest Service, Southwest Region, Albuquerque, New Mexico
- USDOJ – US Attorney’s Office
- Arizona State Land Department - Phoenix, Arizona
- Pima County Public Works, Real Property Services – Tucson, Arizona

**Department of Insurance and Financial Institutions**  
**State of Arizona**

**CGA - 30724**

has complied with the provisions of

**BARRY N WEISSENBORN**

This document is evidence that:

Arizona Revised Statutes, relating to the establishment and operation of a:

**Certified Residential Real Estate Appraiser**

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

**Certified Residential Real Estate Appraiser**

**BARRY N WEISSENBORN**

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

Expiration Date : **January 31, 2024**

**Qualifications of Beverly Weissenborn, MAI**

**Formal Education:**

Bachelor of Science Degree in Business Administration, Northern Arizona University, 1980.  
Concentration: Finance.

**Professional Affiliations:**

Member of the Appraisal Institute, (MAI), Certification Number 8972. I have completed the requirements under the continuing education program of the Appraisal Institute. Currently certified through December 31, 2026.

Arizona Certified General Real Estate Appraiser Number 30125. Currently certified through August 31, 2022.

President, Southern Arizona Chapter of the Appraisal Institute, 2004

Member, Board of Directors, Southern Arizona Chapter of the Appraisal Institute, 2005-07 and 2021-2023

Appointment to the Arizona State Board of Equalization; March 2007 to current

Current Member of IRWA (International Right-of-Way Association), Saguaro Chapter #73

**Professional Experience:**

2014 to current: Co-Owner, Weissenborn Appraisal, LLC  
2005 – 2013: Partner, Burke Weissenborn, LLC  
1982 – 2005: Associate Appraiser with Southwest Appraisal Associates, Inc.

Experience includes valuation of most types of real property: vacant land, subdivisions, multi-family residential, commercial and industrial. Experience also includes valuation of complex properties, flood prone properties, easements, leased fee and leasehold estates. Geographical areas of experience include Southern Arizona, specifically Pima, Pinal, Santa Cruz, Cochise, Graham, Greenlee, La Paz and Yuma Counties. Areas of experience also outside of Southern Arizona include Gila County, Navajo County, Apache County, Coconino County and rural Maricopa County.

**Professional Education:**

Successful completion of all courses related to the MAI designation given by the American Institute of Real Estate Appraisers or The Appraisal Institute between 1982 and 1991. Successful completion of the Comprehensive Examination for the MAI Designation, February 1991.



Recently attended courses and seminars given by the Appraisal Institute:

Subdivision Analysis, March 1996  
Highest and Best Use Applications, June 1996  
Litigation Skills for the Appraiser: An Overview, April 1997  
Acquisitions & Appraisals of State Lands, April 1998  
Attacking & Defending an Appraisal in Litigation, January 2000  
Partial Interest Valuation – Undivided, March 2000  
Conservation Easements – June 2001  
Appraisal Consulting – October 2003  
Reappraising, Readdressing and Reassigning Appraisals – May 2005  
Scope of Work – May 2005  
Case Studies in Commercial Highest and Best – May 2007  
Condemnation Appraising: Advanced Topics & Applications - March 2008  
Appraisal Curriculum Overview - January 2009  
Litigation Appraising; Specialized Topics and Applications, April 2011  
Fundamentals of Separating Real Property, Personal Property & Intangible  
Business Assets – March 2012  
Appraising the Appraisal; Appraisal Review-General – September 2012  
Complex Litigation Appraisal Case Studies – March 2013  
Business Practices and Ethics – August 2016 and June 2020  
Advanced Land Valuation: Sound Solutions to Perplexing Problems – August 2017  
  
Uniform Standards of Professional Appraisal Practice – 15 Hours, January 2004  
Uniform Standards of Professional Appraisal Practice – 7 Hours, December 2021  
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book),  
15 hours: April 2007, May 2017

Recently attended courses and seminars:

International Right of Way Association (IRWA):  
Eminent Domain & Right-of-Way Symposium, October 2010  
Ethics and the Right-of-Way Profession, April 2011  
  
Gallagher & Kennedy / Jennings, Strouss Salmon:  
Commendation Summit XXII, October 2019  
Commendation Summit XXV, May 2018  
Condemnation Summit XXVI, October 2021  
  
American Society of Farm Managers and Rural Appraisers:  
Spring Ag Forum, annually 2010 through 2021

**Expert Witness:**

*State of Arizona v. Guwnig Investment Group Limited Partnership, Commerce Bank of Arizona, Cool Car Wash, Pima County Treasurer, Superior Court of the State of Arizona*  
Testimony in Order to Show Cause Case No. C20182502, June 2018

*United States v. 400 acres of land in Lincoln County, State of Nevada, and Jessie J. Cox, et al.*, Deposition, June 2018; Expert Witness testimony February 2020, United States District Court for the District of Nevada

*Goodeagle, et al., vs. United States of America; Bear, et al., vs. United States of America; and Quapaw Tribe of Oklahoma vs. United States of America*; Deposition, July 2016

*The Chickasaw Nation and The Choctaw Nation vs. The Department of Interior*, Deposition, April 2015

**Department of Insurance and Financial Institutions**  
**State of Arizona**

**CGA - 30125**

This document is evidence that: **Beverly Klein Weissenborn** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

**Certified General Real Estate Appraiser**

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

**Certified General Real Estate Appraiser**

**Beverly Klein Weissenborn**

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

Expiration Date : **August 31, 2022**

## ADDENDA

## Right of Way Disposal Report Pages 1-5

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

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

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

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

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

Upon compliance with REQUIREMENTS herein, satisfactory title will vest in: The City of Yuma, an Arizona municipal corporation.

### LEGAL DESCRIPTION

SEE SCHEDULE A-1 ATTACHED

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

<b>Date of Search:</b> 09/07/2016	<b>Examiner:</b> Don Greene	<b>Reviewer:</b> Byron Hopkins
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>

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

**SCHEDULE A-1  
LEGAL DESCRIPTION**

**Parcel 1:**

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

**Parcel 2:**

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

**Parcel 3:**

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

**Parcel 4:**

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

**Parcel 5:**

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

**END OF SCHEDULE A-1**



**RIGHT OF WAY / VESTING**

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

**END OF RIGHT OF WAY / VESTING**

**SCHEDULE B**

1. Reservations contained in Patents issued on said land by Patent dated 09/15/1926, recorded 09/15/1926 in Book 1 of Deeds, page 124.  
  
Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognize and acknowledged by the local customs, laws, and decisions of courts, and there is reserved from the lands hereby granted a right of way for ditches and canals constructed by the authority of the United States".  
(Parcel 1)
2. Lack of access due to the fact that easement described in Parcel 2 in Schedule A-1 herein, said Lease No. 9-1413 fails to connect to property.  
(Parcels 1 and 2)
3. Electrical facilities as disclosed by Agreement letter from Arizona Department of Transportation to Arizona Public Service Company, dated 06/30/1989, as to realignment of existing pole lines within Material Site No. 5002.  
(Parcel 4)

**TITLE NOTES:**

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

**END OF SCHEDULE B**

## **REQUIREMENTS**

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

**END OF REQUIREMENTS**



**PURCHASE ORDER**

PHOENIX, on 12/14/2021  
 CTR054976/ TO-22-025/ M697501X/ L-Y-016, L-Y-020, L-SC-006/ Appraisals due 2/28/22 \$ 3/11/22-  
 WEISSENBORN APPRAISAL LLC

**SUPPLIER**  
**WEISSENBORN APPRAISAL LLC**  
**Attn: BEVERLY WEISSENBORN**  
**Address:** Legal Address  
 326 S CONVENT AVE  
 UNITED STATES  
 TUCSON, Arizona 85701  
**Phone:** 5207928200  
**E-mail:** BEV@WEISSENBORNAPPRAISAL.COM

**ORDER No. PO000387312**  
*(please refer to this number on all documents)*  
**Amendment:**  
**Requestor:** ESTHER VALENCIA  
**Agency:** Department of Transportation  
**Division:** Infrastructure Delivery & Operations  
 Division Construction  
**Department:** Right Of Way  
**Site:** RIGHT OF WAY  
**Phone:** 6027128793  
**Email:** EVALENCIA@AZDOT.GOV

**DELIVER TO**  
*(unless specified differently per item)*  
**Address:** RIGHT OF WAY  
 205 S 17TH AVE  
 MD 612E RM 331  
 UNITED STATES  
 PHOENIX, Arizona 85007-3212  
**Deliver To:**  
**Requested Delivery Date:**  
*(Unless specified differently per item in section delivery details)*

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

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR054976	464319-1	CTR054976/ TO-22-025/ M697501X/ L-Y-016, L-Y-020, L-SC-006/ Appraisals due 2/28/22 \$ 3/11/22 Commentaire : L-Y-016, L-Y-020, L-SC-006	1.0000	Total Cost	9,000.0000	9,000.0000

**Total before Tax** 9,000.0000 USD  
 Non-Taxable - 0 % 0.0000 USD  
**Total after Tax** 9,000.0000 USD





**PURCHASE ORDER**

**DELIVERY CONDITIONS**

Delivery Conditions	Date	Type	%	Amount	Item





## PURCHASE ORDER

### PURCHASE ORDER TERMS AND CONDITIONS

Revised January 10, 2011

- 1. Modification.** No modification of the purchase order shall bind Buyer unless Buyer agrees to the modification in writing.
- 2. Packing and Shipping.** Seller shall be responsible for industry standard packing which conform to requirements of carriers' tariffs and ICC regulations. Containers must be clearly marked as to lot number, destination address and purchase order number.
- 3. Title and Risk of Loss.** The title and risk of loss of the goods shall not pass to Buyer until Buyer actually received the goods 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 goods and no payment will be made prior to receipt of goods and correct invoice. Payment due dates, including discount periods, will be computed from date of receipt of goods or date of receipt of correct invoice (whichever is later) to date Buyer's warrant is 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. The Buyer's obligation is payable solely from funds appropriated for the purpose of acquiring the goods or services referred to in this Purchase Order.
- 5. Inspection.** All goods 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 like expenses are the responsibility of the Seller.
- 6. No Replacement of Defective Tender.** Every tender of goods 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. Force Majeure.** Neither party shall be held responsible for any losses resulting if the fulfillment of any terms or conditions of the Purchase Order are delayed or prevented by any cause not within the control of the party whose performance is interfered with and which, by the exercise of reasonable diligence, that party is unable to prevent.
- 8. 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 a view toward 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 cancelled by Buyer pursuant to this provision, Buyer shall be entitled in addition to any other rights and remedies to recover or withhold from the Seller the amount of the gratuity.
- 9. Warranties.** Seller warrants that all goods delivered under this Purchase Order will conform to the requirements of this Purchase Order (including all applicable descriptions, specifications, drawings 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 goods by Buyer shall not alter or affect the obligations of Seller or the right of Buyer under the foregoing warranties.
- 10. Assignment – 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 permission of Buyer.
- 11. Interpretation – Parole Evidence.** 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 usage of the trade shall be relevant to supplement or explain any term used in this Purchase Order. Acceptance or acquiescence in a course of performance rendered under this Purchase Order shall not be relevant to determine the meaning of this Purchase Order even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. Whenever a term defined by the Uniform Commercial Code is used in the Purchase Order the definition contained in the Code is to control.
- 12. Non-Discrimination.** Seller agrees not to discriminate against any employee or applicant for employment in violation of the terms of Federal Executive Order 11246, State Executive Order No. 2009-09 and A.R.S. Section 41-1461 et seq.







## PURCHASE ORDER

**13. Indemnity.** Seller agrees to indemnify and save the 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 cost the expense any legal action or suit against the Buyer involving any such alleged patent infringement, and will pay and satisfy any and all judgments or decrees rendered in any against such legal actions or suits. Seller will indemnify Buyer against all claims for damages to person or property resulting from defects in materials or workmanship.

**14. Liens.** All goods delivered and labor performed under this Purchase Order shall be free of all liens, and if Buyer requests, a formal release of all liens will be delivered to Buyer.

**15. Contract Number.** If an Arizona contract number appears on the face of this Purchase Order, the terms of that contract are incorporated herein by this reference.

**16. Taxes.** The State of Arizona is exempt from Federal Excise Tax.

**17. Conflict of Interest.** Pursuant of A.R.S. Section 38-511 this Purchase Order is subject to cancellation by the Buyer if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state is, at any time while the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

**18. Remedies and Applicable Law.** This Purchase Order shall be governed by, and Buyer and Seller shall have all remedies afforded each by, the Uniform Commercial Code as adopted in the State of Arizona except as otherwise provided in this Purchase Order or in statutes pertaining specifically to the State. This Purchase Order shall be governed by the law of the State of Arizona, and suits pertaining to this Purchase Order may be brought only in the courts of the State of Arizona.

**19. Arbitration.** The parties must use arbitration as required by A.R.S. Section 12-1518.



**EXHIBIT "A"**

The Northwest quarter of the Northwest quarter (NW¼NW¼) of Section 33, Township 8 South, Range 21 West, Gila and Salt River Meridian, Yuma County, Arizona.

1,720,253 square feet, more or less.

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.

**PAGE 1**

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<b>PROJECT:</b> 095 YU 34.5 H0893	<b>LOCATION:</b> Fortuna Wash – Telegraph Pass	<b>PARCEL:</b> L-Y-020
I-8-1(37)12	Disposal	sw 03-28-2016

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