

APPRAISAL COVER SHEET

TYPE OF REPORT: Appraisal for Market Value

ADOT PARCEL NO.: L-C-085

OWNER NAME: State of Arizona, by and through its Department of Transportation

NAME & LOCATION OF PROPERTIES: Portion of Section 19, T1N, R2E, G&SRB&M, Maricopa County, Arizona. The property is located just off the southwest corner of West Lower Buckeye Road and the South Mountain Freeway (SR 202L), Phoenix, Arizona 85043. The physical property address is 6235 West Lower Buckeye Road, Phoenix, Arizona 85043.

PROJECT: M697201X

HIGHWAY: SR 202L (South Mountain Freeway)

SECTION: Salt River – Junction I-10 Papago Segment

DATE OF APPRAISAL REPORT: May 2, 2023

EFFECTIVE DATE OF VALUE: November 4, 2022

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

AERIAL PHOTOGRAPH – PROPERTY APPRAISED



The lot boundaries in yellow are approximate



P.O. Box 16156
TUCSON, ARIZONA 85732
(520) 327-0000
FAX (520) 327-3974

LETTER OF TRANSMITTAL

May 2, 2023

Mr. Timothy F. O'Connell, Jr.
R/W Group, Appraisal Section Supervisor
Arizona Department of Transportation
205 South 17th Avenue, Mail Drop #612E
Phoenix, Arizona 85007

RE: Appraisal of ADOT Parcel L-C-085 which consists of a vacant commercial parcel of land consisting of approximately 2,627,009 square feet of site area (net of 4,500 square foot billboard site along east side of property), located just off the southwest corner of West Lower Buckeye Road and the South Mountain Freeway (SR 202L), Phoenix, Arizona 85043. The physical property address is 6235 West Lower Buckeye Road, Phoenix, Arizona 85043.
Appraiser's File No.: 22-253-L

Mr. O'Connell:

At your request, we have provided our market value opinion for the subject property referenced above. The subject consists of a vacant parcel of commercially zoned land consisting of 2,627,009 square feet located just off the southwest corner of West Lower Buckeye Road and the South Mountain Freeway (SR 202L), Phoenix, Arizona 85043. The property represents vacant land with a physical property address of 6235 West Lower Buckeye Road, Phoenix, Arizona 85043.

The purpose of this appraisal is to provide the market value opinion for the subject property as of November 4, 2022, pursuant to Arizona Revised Statute 28-7091, as follows:

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

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

Reference throughout the report is made to "We" or "Our." I have been assisted throughout by Richard Lee, a Certified General Appraiser in Arizona. Mr. Lee assisted me in the preparation of this appraisal. However, the conclusions of value are my own. Therefore, I am solely responsible for this appraisal.

This appraisal report is intended to comply with the requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; and (2) the *Uniform Standards of Professional Appraisal Practice 2020-2022* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach is utilized to support our market value opinion.

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

Based upon the data, analysis, opinion, and conclusion contained in this report, our market value opinion for the subject property, as of November 4, 2022, is as follows:

ADOT PARCEL L-C-085, MARKET VALUE OPINION\$14,500,000
This estimate of Market Value equals approximately\$5.52 Per Square Foot

An exposure time of 12 months or less is estimated for the sale of the subject property.

Extraordinary Assumption:

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

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

This appraisal report is based on the following extraordinary assumptions:

- 1) No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the subject property.*
- 2) No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the subject property.*
- 3) The property was inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption of this appraisal that there are no known environmental risks or hazardous conditions on the subject property.*
- 4) This appraisal relies on the site area obtained from the ADOT Right of Way Disposal Report dated December 27, 2021. It is an extraordinary assumption that the site area provided by ADOT is accurate.*
- 5) According to ADOT, physical and legal access to the subject property will be via one, right-in/right-out along the south side of the West Lower Buckeye Road right-of-way, approximately 387 feet west of the Lower Buckeye Road and Loop 202 intersection.*
- 6) According to ADOT, a 4,500 square foot (50' x 90') billboard site will be situated about 350 lineal feet south of Lower Buckeye Road along the east property line,*

adjacent the Loop 202 southbound on-ramp. For purposes of analysis, we have assumed the subject's site area is a net of the 4,500 square foot billboard site.

Hypothetical Condition:

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

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

None.

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

Special Note:


This property does not presently have legal access from South 63rd Avenue although physical access is available. The City of Phoenix Planning and Development Department Staff report, Z-62-13-7 restricts vehicular access to the property from 63rd Avenue. See Stipulation 10 in Addenda. According to staff at the city of Phoenix, the zoning ordinance in 2017 continues to restrict access from 63rd Avenue and along the southern property line. A modification to the zoning stipulation will be required to allow access to 63rd Avenue from the city of Phoenix Planning Office if such is desired by the ultimate developer. According to ADOT, a crash gate for secondary fire access would be allowed on 63rd Avenue.

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.

In order to guarantee the authenticity of this report, the designated appraisers have imprinted this letter of transmittal with an embossed seal. Any copy without same is not a certified copy and the appraisers assume no responsibility or liability for such a report.

Respectfully submitted,

Southwest Appraisal Associates, Inc.

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

¹ *Uniform Standards of Professional Appraisal Practice, 2020-2022 Ed.*, Appraisal Foundation

TABLE OF CONTENTS

LETTER OF TRANSMITTAL I

TABLE OF CONTENTS 1

EXECUTIVE SUMMARY 6

THE APPRAISAL PROCESS 8

PROPERTY IDENTIFICATION 9

PURPOSE OF THE APPRAISAL 14

SCOPE OF WORK..... 16

REGIONAL ANALYSIS 17

NEIGHBORHOOD ANALYSIS 27

SITE ANALYSIS 35

ASSESSED VALUATION & TAX DATA 38

ZONING & GENERAL PLAN 38

MARKET ANALYSIS - INDUSTRIAL..... 40

HIGHEST AND BEST USE..... 48

LAND VALUATION 50

LAND VALUE ANALYSIS..... 57

AUDITING BREAKDOWN..... 63

CERTIFICATION 66

ASSUMPTIONS AND LIMITING CONDITIONS

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

This report is being prepared for the 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 legal description provided is assumed to be correct. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

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

In determining an opinion of market 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 the opinion of market value, the Appraisers may consider 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 with reference to the property in question unless prior arrangements have been made and confirmed in writing.

Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used. The Appraisers 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 no such materials adversely affect the utility, usability or developability of the property to the best of their knowledge. 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 value of the property. The opinion of value 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 revalue said property, taking into account the discovery of such factor or factors and their effects on the value of the subject property.

The presence of barriers to the disabled, which may or may not be present within or on the subject property, will not be considered by me. The Appraisers assume, and the client warrants, that no such barriers adversely affect the utility, usability, or developability of the property to the best of their knowledge. The Appraisers are not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions, or for any expertise or architectural knowledge required to identify and analyze them. The client is urged to retain an expert in this field, if desired. If at a later time the presence of such barriers is surveyed by an expert, we reserve the right, for an additional agreed upon fee, to reanalyze and revalue said property, taking into account the discovery of such 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 is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraisers are affiliated.

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

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants along with available factual data. They should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized. The appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the report.

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

EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS

Extraordinary Assumption:

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

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

This appraisal report is based on the following extraordinary assumptions:

- 1) No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the subject property.*
- 2) No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the subject property.*
- 3) The property was inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption of this appraisal that there are no known environmental risks or hazardous conditions on the subject property.*
- 4) This appraisal relies on the site area obtained from the ADOT Right of Way Disposal Report dated December 27, 2021. It is an extraordinary assumption that the site area provided by ADOT is accurate.*
- 5) According to ADOT, legal and physical access to the subject property will be via one, right-in/right-out along the south side of the West Lower Buckeye Road right-of-way, approximately 387 feet west of the Lower Buckeye Road and Loop 202 intersection.*
- 6) According to ADOT, a 4,500 square foot (50' x 90') billboard site will be situated about 350 lineal feet south of Lower Buckeye Road along the east property line, adjacent the Loop 202 southbound on-ramp. For purposes of analysis, we have assumed the subject’s site area is a net of the 4,500 square foot billboard site.*

Hypothetical Condition:

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

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

None.

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

² *Uniform Standards of Professional Appraisal Practice, 2020-2022 Ed.*, Appraisal Foundation

EXECUTIVE SUMMARY

General Location:	The subject's 60.31-acre, (2,627,009 square feet), parcel is vacant commercial land. It is located just off the southwest corner of West Lower Buckeye Road and the South Mountain Freeway (SR 202L). The property address is 6235 West Lower Buckeye Road, Phoenix, Arizona 85043.
Section, Township & Range:	Portion of Section 19, Township 1 North, Range 2 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona
Assessor's Parcel Number:	The subject property represent excess land from the South Mountain Freeway project. It consists of five contiguous parcels identified as Maricopa County assessor parcel numbers 104-47-001C, 104-47-001D, 104-47-003L, 104-47-003R and 104-47-003S.
Subject Size:	Approximately 2,627,009 square feet, (60.31 acres), which represents a net of a 4,500-square foot (50 feet x 90 feet), billboard site situated about 350 lineal feet south of Lower Buckeye Road along the east property line.
Legal/Physical Access:	<p>According to ADOT, the subject property will have direct physical and legal access via one, right-in/right-out along the south side of the West Lower Buckeye Road right-of-way, approximately 387 feet west of the Lower Buckeye Road and Loop 202 intersection.</p> <p>This property does not presently have legal access from South 63rd Avenue although physical access is available. The City of Phoenix Planning and Development Department Staff report, Z-62-13-7 restricts vehicular access to the property from 63rd Avenue. See Stipulation 10 in Addenda. According to staff at the city of Phoenix, the zoning ordinance in 2017 continues to restrict access from 63rd Avenue and along the southern property line. A modification to the zoning stipulation will be required to allow access to 63rd Avenue from the city of Phoenix Planning Office if such is desired by the ultimate developer. According to ADOT, a crash gate for secondary fire access would be allowed on 63rd Avenue.</p>
Effective Date of Value:	November 4, 2022.
Interest Appraised:	Fee Simple Estate.
Intended Use of the Appraisal:	The intended user of the appraisal includes the officials and agents of the Arizona Department of Transportation. No other use or users are intended, and any unintended use may be misleading.

Intended Use of the Appraisal: The intended use of the appraisal is to utilize the market value estimate to assist in decisions regarding the disposition of the property identified herein.

Flood Insurance Zone: The subject property identified as being located in Flood Zone X (Unshaded) per FIRM Map Panel No. 04013C2190M, dated November 4, 2015. Zone X (Unshaded), which is an area defined by FEMA as being outside the 100 and 500-year flood plains.

Zoning/General Plan: The subject site currently has 3 zoning designations, which include: A-1 (Light Industrial Zone); C-2 (Intermediate Commercial); and CP/GCP (Commerce Park/General Commerce Park), City of Phoenix.

According to the City of Phoenix Zoning Ordinance, “The A-1, Light Industrial District, is a district of industrial uses designed to serve the needs of the community for industrial activity not offensive to nearby commercial or residential uses.”

“The C-2, Commercial Intermediate District, is a district of commercial uses of medium intensity designed to be compatible with each other and to provide for a wide range of types of commercial activity within the district.” “The CP/GCP district is designed to provide locations for commerce, service, and employment activities which locations and site improvements are built such that a desirable appearance is projected toward public streets and such that compatibility can be maintained with adjacent land uses.

“The General Commerce Park option provides for a broad range of manufacturing, warehousing, distribution and supportive retail sales and services. It is differentiated from the A-1 and A-2 districts, however, in that environmental and site standards ensure a high degree of compatibility with other commerce park options as well as other adjacent uses.”

According to the City of Phoenix General Plan and My Community Map, the subject property is identified as being in the primarily in the Commerce/Business Park land use designation, with a small portion at the northwest corner of the site being designated for Commercial use. The appraisers believe that the subject site is most suitable for industrial oriented development due to its access from Lower Buckeye Road and 63rd Avenue. Although it benefits from prominent frontage/exposure to the South Mountain Freeway (SR 202L), there is no direct access. Industrial-oriented uses remain in high demand and is driving the land purchases in the immediate and surrounding areas.

This property does not presently have legal access from South 63rd Avenue although physical access is

available. The City of Phoenix Planning and Development Department Staff report, Z-62-13-7 restricts vehicular access to the property from 63rd Avenue. See Stipulation 10 in Addenda. According to staff at the city of Phoenix, the zoning ordinance in 2017 continues to restrict access from 63rd Avenue and along the southern property line. A modification to the zoning stipulation will be required to allow access to 63rd Avenue from the city of Phoenix Planning Office if such is desired by the ultimate developer.

Highest and Best Use: Industrial-oriented use.

Market Value Opinion: ADOT Parcel No.: L-C-085.....\$14,500,000
This is equal to approximately \$5.52 per square foot

THE APPRAISAL PROCESS

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

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

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

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

PROPERTY IDENTIFICATION

The subject consists of a vacant parcel of commercial land consisting of 2,627,009 square feet, (60.31 acres), located at the southwest corner of West Lower Buckeye Road and the South Mountain Freeway (SR 202L), Phoenix, Arizona 85043. The subject property represents an excess parcel of vacant land. The following legal description was provided by ADOT.

That portion of the Northeast quarter (NE¼) of Section 19, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

Commencing at a 3 inch City of Phoenix brass cap in handhole marking the North quarter corner of said Section 19, being North 00°35'26" East 2636.43 feet from a ½ inch rebar with affixed washer stamped "LS 38862" marking the center quarter corner of said Section 19;

thence along the North-South mid section line of said Section 19, South 00°35'26" West 33.00 feet to the existing southerly right of way line of Lower Buckeye Road;

thence along said existing southerly right of way line of Lower Buckeye Road South 88°40'28" East 43.77 feet the POINT OF BEGINNING;

thence continuing along said existing southerly right of way line continuing South 88°40'28" East 378.57 feet;

thence continuing along said existing southerly right of way line South 87°07'51" East 472.73 feet;

thence continuing along said existing southerly right of way line South 01°19'32" West 36.45 feet;

thence continuing along said existing southerly right of way line South 87°14'25" East 112.40 feet to Point "A" for later identification;

thence continuing along said existing southerly right of way line continuing South 87°14'25" East 274.55 feet to the existing westerly right of way line of State Route 202L (SOUTH MOUNTAIN FREEWAY);

thence along said existing westerly right of way line South 43°19'41" East 65.12 feet;

thence continuing along said existing westerly right of way line South 15°08'07" West 599.71 feet to Point "B" for later identification at the northeasterly corner of a future billboard site;

thence the northerly line of said billboard site North 74°51'53" West 90.00 feet to the northwesterly corner of said billboard site;

thence along the westerly line of said billboard site South 15°08'07" West 50.00 feet to Point "C" for later identification at the southwesterly corner of said billboard site;

thence along the southerly line of said billboard site South 74°51'53" East 90.00 feet to said existing westerly right of way line of State Route 202L at the southeasterly corner of said billboard site;

thence along said existing westerly right of way line of State Route 202L South 15°08'07" West 192.54 feet;

thence continuing along said existing westerly right of way line South 14°00'57" West 349.20 feet;

thence continuing along said existing westerly right of way line of State Route 202L South 09°16'19" West 465.70 feet;

thence continuing along said existing westerly right of way line South 04°20'08" West 362.57 feet;

thence continuing along said existing westerly right of way line South 00°41'50" West 517.60 feet to the East – West mid section line of said Section 19;

thence along said East – West mid section line of Section 19 North 88°35'15" West 754.44 feet to the existing easterly right of way line of 63rd Avenue;

thence along said existing easterly right of way line of 63rd Avenue from a Local Tangent Bearing of North 01°24'09" West along a curve to the Left having a radius of 362.66 feet, a length of 225.76 feet;

thence continuing along said existing easterly right of way line of 63rd Avenue North 34°15'52" West 114.21 feet;

thence continuing along said existing easterly right of way line of 63rd Avenue along a curve to the Right having a radius of 299.66 feet, a length of 28.90 feet;

thence North 00°35'26" East 989.74 feet;

thence North 00°49'31" East 1285.18 feet to the POINT OF BEGINNING.

The parcel of land herein conveyed shall have no right or easement of access to or from said State Route 202L or to or Lower Buckeye Road, provided however, that limited access of "Right in and Right Out Only" traffic movement shall be permitted to Lower Buckeye Road westerly of the above described Point "A".

The Access Control provisions set forth above shall be a covenant running with the land and shall be binding upon, and shall inure to the benefit of the State of Arizona, the landowners and their respective successors and assigns with respect to the property. The Access Control provisions shall also remain enforceable by the State of Arizona even if all or part of any roadway is abandoned to a local jurisdiction.

TOGETHER WITH a non-exclusive Surface Use Easement described as follows and said Easement is subject to the conditions that are set forth in the attached Exhibit "B":

SURFACE USE EASEMENT

That portion of the Northwest quarter of the Northeast quarter (NW¼NE¼) of said Section 19, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at Point "B" as described above;

thence along the northerly line of said billboard site North 74°51'53" West 90.00 feet to the northwesterly corner of said billboard site;

thence along the westerly line of said billboard site South 15°08'07" West 50.00 feet to the southwesterly corner of said billboard site;

thence along the existing southerly line of said billboard site South 74°51'53" East 90.00 feet to said existing westerly right of way line of State Route 202L at the southeasterly corner of said billboard site;

thence along said westerly right of way line of State Route 202L North 15°08'07" East 50.00 feet to the POINT OF BEGINNING.

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.

ALSO RESERVING two Visibility Easements that extend northerly and southerly from the above referenced proposed billboard site along said exiting westerly right of way line of State Route 202L in said Northwest quarter of the Northeast quarter (NW¼NE¼) of Section 19, said Visibility Easements are described as follows:

VISIBILITY EASEMENT NO. 1:

BEGINNING at Point "B" as described above;

thence along the northerly line of said billboard site North 74°51'53" West 90.00 feet to the northwesterly corner of said billboard site;

thence North 23°40'12" East 606.43 feet to said existing westerly right of way line of State Route 202L;

thence along said westerly right of way line of State Route 202L South 15°08'07" West 599.71 feet to the POINT OF BEGINNING.

VISIBILITY EASEMENT NO. 2:

BEGINNING at Point "C" as described above;

thence along the southerly line of said billboard site South 74°51'53" East 90.00 feet to said existing westerly right of way line of State Route 202L at the southeasterly corner of said billboard site;

thence along said westerly right of way line of State Route 202L South 15°08'07" West 192.54 feet;

thence continuing along said westerly right of way line South 14°00'57" West 349.20 feet;

thence North 05°00'04" East 550.27 feet to the POINT OF BEGINNING.

The Grantee, its successors and assigns, shall not place any visual obstruction above the elevation 1040, per NGVD29-City of Phoenix datum, and shall not construct or allow to be constructed any improvements, nor plant or allow to be planted any trees or vegetation or obstruction above the elevation 1040 per NGVD29-City of Phoenix datum within said Visibility Easements which will prevent or impair visibility from State Route 202L of the billboards that may be constructed on the proposed billboard site.

ALSO RESERVING a Blanket Easement over the above described property to provide access to and utilities for the billboards that may be constructed upon the proposed billboard site.

PURPOSE OF THE APPRAISAL

- Purpose of the Appraisal:*** The purpose of this appraisal is to estimate the market value of the fee simple estate.
- Intended User of the Appraisal:*** The intended user of the appraisal includes the officials and agents of the Arizona Department of Transportation. No other use or users are intended, and any unintended use may be misleading.
- Intended Use of the Appraisal:*** The intended use of the appraisal is to utilize the market value estimate to assist in decisions regarding the disposition of the property identified herein.
- Date of Value Opinion:*** The effective date of the value opinion is November 4, 2022.
- Date of the Appraisal Report:*** The date of the appraisal report is May 2, 2023.

DEFINITIONS

Definition of Market Value:

Pursuant to Arizona Revised Statute 28-7091:

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

Interest To Be Appraised:

The interest to be appraised for the subject is the fee simple estate interest, defined as follows:

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.³

³ *The Dictionary of Real Estate, 6th Ed.*, Appraisal Institute, 2015, p. 90.

OWNERSHIP HISTORY AND FIVE-YEAR CHAIN OF TITLE

ADOT Parcel L-C-085:

Title to subject property is vested in the State of Arizona, by and through its Department of Transportation, by virtue of that certain Final Order of Condemnation in Civil Case No. CV2016-005205, entitled State of Arizona ex rel. John Halikowski, Director, Department of Transportation vs. Foresight Group Holdings, I, II, VI, LLC, and Newport Group 37, LLC, recorded December 4, 2018, recorded in Document Fee No. 2018-0888717.

A Right of Way Disposal Report was provided to the appraisers. Based on our review of the report, public records, and other sources, there have been no other sales, title transfers, or offers to purchase the subject for the five years prior to this appraisal. To the best of our knowledge, the subject is not currently listed for sale.

Amended Final Order of Condemnation in Civil Case No. CV2016-005205, the State of Arizona ex rel. John Halikowski, Director, Department of Transportation, as Plaintiff vs. Foresight Group Holdings, VI, LLC, et al; Foresight Group Holdings I, LLC, et al; Foresight Group Holdings II, LLC, et al; Newport Group 22, LLC, et al; and Newport Group 37, LLC, et al, as Defendants, recorded December 4, 2018 in Fee No. 2018-0888717. [Project No. 202L MA 000 H5439 01R, Parcel 7-11508; Parcel 7-11622 and Parcel 7-11948]

SCOPE OF WORK

The Scope of Work for an appraisal is the extent of the process of collecting, confirming, and reporting data, as well as the methods used in supporting the value opinion. The Sales Comparison Approach is employed to estimate the market value of the subject property. The Cost and Income Approaches are excluded since the market does not rely on these approaches when valuing vacant land.

In accordance with *Uniform Standards of Professional Appraisal Practice* (USPAP), effective January 1, 2022, the scope of work for the appraisal includes, but is not limited to, the following:

- Inspection and analysis of the subject property, market conditions, and other restrictions that affect value; and
- Research, analysis, and confirmation of comparable market data.

Research included the examination of sales and listing data published by CoStar COMPS of Arizona, ARMLS, Maricopa County records, and interviews with real estate participants and brokers. Based on our conclusion of Highest and Best Use, similar land comparables in southwest Phoenix were selected.

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

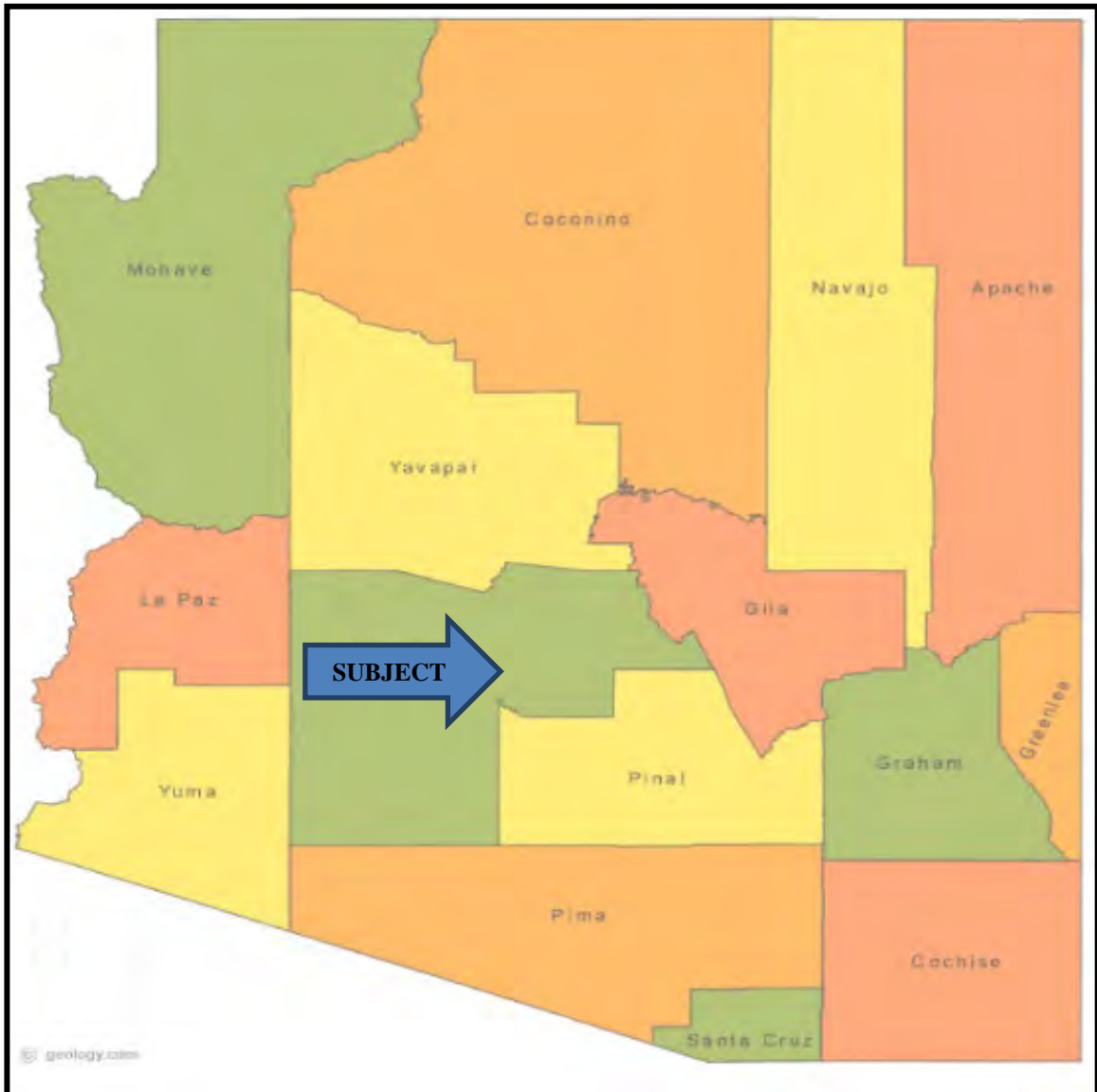
Limitation in Scope:

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

REGIONAL ANALYSIS

The subject property is located within Maricopa County within the State of Arizona. This section presents an analysis of Maricopa County's growth and economic trends. The city of Phoenix is also reviewed here. Then, we provide a conclusion relating these area trends to the valuation of the subject property.

ARIZONA COUNTY MAP



OVERVIEW – MARICOPA COUNTY

It is well known that the past few years have been volatile. Real estate market volatility has resulted from the COVID-19 pandemic as well as other events such as oil price changes and record inflation. Every day, there is greater clarity about the effects and expectations as evidenced by transaction activity, various data sources, and market participants.

Maricopa County, named after the Maricopa Tribe, was created from portions of Pima and Yavapai counties in 1871. It was the fifth county formed in Arizona, and eventually portions were used to create Gila and Pinal counties. In the late 19th century, citizens living far south of Prescott, the territorial capital and site of the Territorial Legislature, petitioned for a more local seat of government. Residents of the Salt River Valley and the Gila River area wanted a new county in their respective locations. After weighing both proposals, the legislature agreed with the Salt River Valley group and created Maricopa County. In 1889, Phoenix became the final site of the territorial capital and retains its status as Arizona's capital city.

More than half of the state's population resides in Maricopa County, which includes the cities of Phoenix, Mesa, Glendale, Scottsdale, Tempe, Chandler, Peoria and the town of Gilbert. This metropolitan area is the state's major center of political and economic activity. In addition to housing the state capital, the county is home to a growing high-tech industry; manufacturing and agricultural industries; 15 institutions of higher learning, including Arizona State University and the Thunderbird Garvin School of International Management; various cultural attractions; major league professional basketball (Phoenix Suns and Phoenix Mercury), football (Arizona Cardinals), hockey (Phoenix Coyotes) and baseball's 2001 World Champion Arizona Diamondbacks; and Phoenix Sky Harbor International Airport, fifth busiest in the world with over 1,300 daily flights.

Today Maricopa County measures 9,222 square miles, 98 square miles of which is water. Twenty-nine percent of this area is owned individually or by corporation, and 28 percent is owned by the U.S. Bureau of Land Management. The U.S. Forest Service and the State of Arizona each control 11 percent of the county; an additional 16 percent is owned by other public entities. Almost 5 percent is Indian reservation land.

POPULATION – MARICOPA COUNTY

The population for Maricopa County is detailed in the following table. The County

has had positive population growth for the past ten years, albeit growth slowed over the past few years due to the Covid-19 pandemic. The current population is 4,575,603. The five-year population growth was 8.1%.

Population Maricopa County			
<u>Year</u>	<u>Total Population</u>	<u>Numerical Increase</u>	<u>Percent Increase</u>
2012	3,884,967	Not. Appl.	Not. Appl.
2013	3,945,153	60,186	1.55%
2014	4,004,060	58,907	1.49%
2015	4,076,400	72,340	1.81%
2016	4,154,976	78,576	1.93%
2017	4,221,203	66,227	1.59%
2018	4,293,823	72,620	1.72%
2019	4,368,987	75,164	1.75%
2020	4,436,704	67,717	1.55%
2021	4,507,419	70,715	1.59%
2022	4,575,603	68,184	1.51%

Note: All estimates are as of July.

Source: State of Arizona, Office of Employment & Population Statistic

<https://population.az.gov/population-estimates>

GROSS DOMESTIC PRODUCT – PHOENIX (MSA)

The primary measure of an area’s economic activity is Gross Domestic Product (GDP). GDP figures for the Phoenix Metropolitan Statistical Area, (MSA), are provided in the following table for the past six years. The figures are in current dollars. Positive GDP growth was reported from 2015 to 2020, prior to pandemic. 2021 GDP figures have yet to be posted. Overall, recent GDP growth in the Phoenix MSA was 1.37%, a trend that will likely be higher in 2021.

Gross Domestic Product Phoenix MSA			
<u>Year</u>	<u>Total</u>	<u>Numerical Increase</u>	<u>Percent Increase</u>
2015	\$205,614,494	---	---
2016	\$212,664,524	\$7,050,030	3.43%
2017	\$220,056,085	\$7,391,561	3.48%
2018	\$229,977,451	\$9,921,366	4.51%
2019	\$237,472,532	\$7,495,081	3.26%
2020	\$240,714,251	\$3,241,719	1.37%

Note: Dollars are in millions.

Source: U.S. Bureau of Economic Analysis

https://www.bea.gov/iTable/index_regional.cfm

EMPLOYMENT AND UNEMPLOYMENT – MARICOPA COUNTY

Total employment and unemployment rates for Maricopa County are provided in the following tables for the period from 2015 through 2021. Please note that all statistics are as

of December. Maricopa County had positive employment growth in each of the years prior to 2020 and the pandemic, with an average annual employment growth of 3.22%. As of December 2021, employment growth was 1.28%, a sign of recovery after posting negative 2.75% employment growth in 2020, during the height of the pandemic. Previous employment growth was in line with the national statistics.

Employment Maricopa County			
Year	Total Employment	Numerical Increase	Percent Increase
2015	\$1,817,078	---	---
2016	\$1,871,953	54,875	3.02%
2017	\$1,927,372	55,419	2.96%
2018	\$1,993,417	66,045	3.43%
2019	\$2,062,384	68,967	3.46%
2020	\$2,005,661	(56,723)	-2.75%
2021	\$2,031,358	25,697	1.28%

Note: All figures are as of December.

Source: U.S. Bureau of Labor Statistics.

<https://www.bls.gov/regions/west/arizona.htm>

Unemployment as of year-end 2021 was 4.5%, which was in-line with pre-Covid pandemic years. Unemployment has been steadily trending downward after a rise during the height of the pandemic in 2020. This is a trend that is likely to continue through 2022.

Unemployment Rates Maricopa County	
Year	Unemployment Rate
2015	5.2%
2016	4.7%
2017	4.3%
2018	4.2%
2019	4.2%
2020	7.2%
2021	4.5%

Note: All figures are as of December.

Source: U.S. Bureau of Labor Statistics.

<https://www.bls.gov/regions/west/arizona.htm>

RECENT PERFORMANCE

Phoenix MSA remains one of the best-performing metro areas nationally, though growth has slowed over the past six months. Phoenix MSA's payrolls sit 1.3% above their pre-pandemic peak, ranking sixth among metro areas and divisions with more than 1 million residents. The metro area's core drivers are strong performers in the context of the pandemic. Finance is above its pre-pandemic peak and has made robust gains over the past six months,

while business/professional services are surging and extending their lead over the region. Meanwhile, the unemployment rate is below its pre-crisis level even while the labor force crested new heights but, shows signs of slowing the past few months. The housing market, which experienced strong year-over-year price appreciation into the first quarter of 2022, is showing signs of slowdown as lending rates continue to rise. The average sale price of a home showed an increase through the third quarter of 2022, while a slight decrease was evidenced in the median sales price. Total inventory of homes on the market showed a month-over-month increase of 3.6%, while year-over-year reflects an increase of 93.3%, further evidence the housing market is slowing.

MARKET COMPARISON

The following table illustrates key economic indicators and a comparison of the Phoenix MSA to the regional grouping as a whole. As indicated, Phoenix MSA is projected to outperform the West Region Metros in six of the eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Phoenix MSA Metro to West Region										
Indicator	Phoenix MSA			Annual Growth		West Region Metros			Annual Growth	
	2016	2021	2026	2016 - 2021	2021 - 2026	2016	2021	2026	2016 - 2021	2021 - 2026
Gross metro product (C12\$ bil)	205.4	238.8	306.8	3.1%	5.1%	4,450	5,178	6,109	3.1%	3.4%
Total employment (ths)	1,914.8	2,119.6	2,418.8	2.1%	2.7%	32,854	33,515	36,698	0.4%	1.8%
Unemployment rate (%)	5.2%	7.4%	3.5%			5.1%	6.4%	4.3%		
Personal income growth (%)	5.9%	10.1%	5.6%			4.3%	6.9%	4.9%		
Population (ths)	4,578.5	5,035.4	5,420.7	1.9%	1.5%	76,560	79,179	81,824	0.7%	0.7%
Single-family permits (#)	16,621	31,658	35,362	13.8%	2.2%	178,090	274,750	308,196	9.1%	2.3%
Multifamily permits (#)	5,781	16,561	10,479	23.4%	-8.7%	131,497	153,354	117,945	3.1%	-5.1%
FHFA house price (1995Q1=100)	221	321	412	7.8%	5.1%	487	661	734	6.3%	2.1%
Phoenix MSA outperforming West Region Metros										
Phoenix MSA underperforming West Region Metros										

Source: Moody's Analytics Precis® US Metro; Compiled by Newmark

LARGEST EMPLOYERS – PHOENIX MSA

The 20 largest employers for The Phoenix MSA, as reported by Moody's are noted in the table on the following page. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The top five largest private sector employers are Banner Health, Walmart Inc., Fry's Food Stores, Wells Fargo, and Arizona State University.

Selected Major Employers: Phoenix MSA

Rank	Employer	Employees
1	Banner Health	45,894
2	Walmart Inc.	33,619
3	Fry's Food Stores	20,165
4	Wells Fargo	16,700
5	Arizona State University	14,889
6	HonorHealth	12,163
7	Dignity Health	10,598
8	Intel Corp.	10,400
9	Bank of America	10,000
10	JP Morgan Chase & Co.	10,000
11	Freeport-McMoran Copper & Gold Inc.	9,300
12	Grand Canyon Education	8,500
13	Bashas' Family of Stores	8,299
14	American Express	7,795
15	Honeywell Aerospace	7,792
16	Mayo Clinic Hospital	7,500
17	UnitedHealthcare of Arizona Inc.	7,302
18	State Farm	7,200
19	Arizona Public Service Co.	5,866
20	Salt River Project	5,239

Source: Moody's Analytics Precis@ US Metro

Blockbuster growth in Phoenix MSA's key finance and tech drivers will keep the metro area outperforming. Moderate business and living costs, a high quality of life, a strong labor pool, and a friendly business climate make the metro area a hub for expansions and relocations of back-office banking and insurance roles. While equity prices have backslid in recent months, solid credit quality and continued credit growth will enable banks and credit card issuers to expand at a moderate pace.

Fintech firms are also migrating to the metro area in masse. A growing number of white-collar companies are taking advantage of the cost advantage between Phoenix MSA and more expensive coastal areas. This will remain an important advantage as the proliferation of remote work continues. Traditional office-using employment in Phoenix MSA is forecast to grow at double the national pace as a result.

Manufacturing has contributed less to Phoenix MSA's growth year-over-year, but the industry's prospects remain bright. A smaller initial drop in payrolls coupled with a steady recovery has the industry roughly on par with the broader labor market. The local semiconductor industry, in which Phoenix MSA specializes, will benefit most from the current macroeconomic environment. Solid demand and rising prices for chips used in automobiles and electronic devices will drive production levels. Phoenix MSA's reasonable costs, large labor pool, and abundance of available land are already enabling the area to attract a vast amount of factory investment. Semiconductor producers Intel and Taiwan

Semiconductor as well as battery cell maker KORE Power are the latest firms to choose Phoenix MSA, with plans to employ a total of 8,000 workers at new factories by 2024.

EMPLOYMENT GROWTH PROJECTIONS – MARICOPA COUNTY

The University of Arizona Eller College of Management tracks the Phoenix area economy. Employment figures were obtained from the Eller School of Management and are noted below. Employment growth is projected to continue at a more moderate pace than over the past few quarters this, as signs of an economic slowdown increase due to rising inflation. Please note that the figures exclude agricultural jobs.

Employment Projections Maricopa County			
<u>Year</u>	<u>Total Nonfarm Employment</u>	<u>Numerical Increase</u>	<u>Percent Increase</u>
Apr-22	2,218,900	---	---
May-22	2,238,400	19,500	0.88%
Jun-22	2,259,100	20,700	0.92%
Jul-22	2,290,900	31,800	1.41%
Aug-22	2,254,200	(36,700)	-1.60%
Sep-22	2,255,200	1,000	0.04%

Note: Excludes agricultural employment.

<https://www.azeeconomy.org/data/maricopa-county/>

Transportation – Phoenix MSA

Phoenix is well served by all major modes of transportation. Phoenix Sky Harbor International Airport is Arizona's largest and busiest airport, and among the largest commercial airports in the United States. The airport serves as a hub for American Airlines and a base for Southwest Airlines. In 2021, American Airlines carried approximately 43% of all Phoenix Sky Harbor passengers followed by Southwest Airlines with approximately 35%. Thus, American and Southwest are the airport's largest passenger carriers which provide domestic and international air services.

Interstate 10 connects Phoenix with California to the north and west and with Tucson and New Mexico to the south and east. Interstate 17 connects Phoenix with Flagstaff to the north. The Phoenix area is further served by a highly functional light rail system, transit system, and arterial freeways, highways and state routes.

OVERVIEW – PHOENIX

With an outstanding quality of life, affordability and steady growth in job opportunities, more than 1.63 million people call Phoenix home. Phoenix is the vibrant center of one of the fastest growing job markets and economies in the United States. As the

fifth largest city in the country, Phoenix is emerging in a new economy with strengths in high technology, manufacturing, bioscience research and advanced business services. As a top market for skilled and available workforce, companies are growing in Phoenix because it is not only a thriving business environment, but a great place to live.

Principal Economic Activities

As Arizona's capital, Phoenix is the center for commercial, cultural, entertainment and governmental activities in the state. Thirteen vibrant and distinct employment corridors span the city's 515-square mile planning area. The business sectors are supported by a new, expanding infrastructure and transportation system. Downtown Phoenix boasts the highest concentration of employment in Arizona, offering impressive urban amenities including shopping, arts and entertainment. Arizona State University (Downtown Campus), Phoenix Convention Center, Valley Metro Light Rail and the Phoenix Biomedical Campus serve as major activity centers. High tech manufacturing companies such as Honeywell, W.L Gore and ON Semiconductor have a large presence in Phoenix. Additionally, Phoenix is a key regional hub for finance, insurance and business services. American Express, Bank of America, USAA, Wells Fargo and Charles Schwab all have operations with more than 3,000 employees in Phoenix. The city is becoming widely recognized for its entrepreneurial ecosystem. The growth and success of Phoenix's own startups attract tech firms that are scaling out of cost-prohibitive markets. Corporations with headquarters in Phoenix include Freeport McMoran, Avnet, Swift, PetSmart and ON Semiconductor.

Phoenix provides unique year-round experiences thanks to a rich history, diverse culture, shopping destinations, resorts, art communities and booming live music scene. It is home to the largest art walk in the nation, drawing more than 15,000 people. From award-winning restaurants to exciting sports events and concerts, this is the epicenter of exciting things to do in Arizona. Specific highlights include the Roosevelt Row Arts District, Phoenix Art Museum, Chase Field (MLB), Talking Stick Resort Arena (NBA/WNBA), Phoenix Zoo, Phoenix Convention Center, Arizona Science Center and the Herberger and Orpheum Theaters.

More than 41,000 acres of Phoenix desert, mountain parks and preserves offer everything from busy, arduous summit climbs to secluded, meandering valley walks. Forty-one trailheads provide access to more than 200 miles of hiking and biking activities. Additionally, Camelback Mountain is regularly ranked as one of the nation's top hiking

destinations for avid hikers. The city operates 182 parks, 32 community and recreation centers, eight golf courses and 29 pools. South Mountain is the world’s largest municipal park with horseback riding, hiking and gorgeous views of the Phoenix.

POPULATION – CITY OF PHOENIX

Population information for the City of Phoenix is provided in the following table for the past 10 years. The City of Phoenix has the largest population in Maricopa County followed by the City of Mesa. The Phoenix’s current population is 1,634,061. The 11-year population growth totals 11.6%, or about 1.05% per year. The average annual growth rate is similar to the state level.

Population City of Phoenix			
Year	Total Population	Numerical Increase	Percent Increase
2011	1,452,923	Not. Appl.	Not. Appl.
2012	1,464,260	11,337	0.78%
2013	1,482,253	17,993	1.23%
2014	1,499,510	17,257	1.16%
2015	1,520,158	20,648	1.38%
2016	1,542,212	22,054	1.45%
2017	1,558,912	16,700	1.08%
2018	1,576,598	17,686	1.13%
2019	1,595,630	19,032	1.21%
2020	1,611,162	15,532	0.97%
2021	1,630,195	19,033	1.18%

Source: State of Arizona, Office of Employment & Population Statist
<https://population.az.gov/population-estimates>

Transportation – Phoenix MSA

Phoenix is well served by all major modes of transportation. Phoenix Sky Harbor International Airport is Arizona's largest and busiest airport, and among the largest commercial airports in the United States. In 2020, Phoenix Sky Harbor was the 8th-busiest airport in the U.S., and 24th-busiest in the world. The airport serves as a hub for American Airlines and a base for Southwest Airlines. In 2019, American carried nearly 46% of all Phoenix Sky Harbor passengers and employed nearly 9,500 people, making it the airport's largest carrier provides domestic and international air service.

Interstate 10 connects Phoenix with California to the north and west and with Tucson and New Mexico to the south and east. Interstate 17 connects Phoenix with Flagstaff to the north. The Phoenix area is further served by a highly functional light rail system, transit system, and arterial freeways, highways and state routes.

CONCLUSION – REGIONAL IMPACT ON VALUE

Phoenix remains one of the nation's best-performing markets for job growth. The local economy has been one of the most resilient in the U.S. during the pandemic, thanks to a diversified job market. Metro Phoenix lost about a quarter million jobs in March and April 2020. By July 2021, Phoenix fully recovered those job losses, a stark contrast to its protracted recovery from the global financial crisis. Affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. The adoption of remote work has given more people mobility and has enticed more people in California or East Coast markets to move to Phoenix. Population growth, a diversifying economy, relative affordability, and business-friendly regulation have strengthened the Phoenix value proposition. Businesses are selecting Phoenix to expand because of the extensive labor pool. Numerous employers have announced expansions and relocations since the pandemic. While labor is the primary driver behind the market's business attraction success, relative affordability helps tip the scale in favor of Phoenix when companies make their site selection decision. Longer term, the Phoenix metro area will outperform the U.S. thanks to lower living costs, solid population gains and the continued diversification of industry.

West:

Loop 101 Aqua Fria Freeway and 99th Avenue.

General Description:

The subject's surrounding area is viewed as suburban. The immediate area around the subject can be described as primarily residential, agricultural and industrial land uses. The area south of Interstate 10, from an industrial perspective, is heavily developed with distribution warehouses that cater to freeway traffic between Phoenix and the various California markets, most specifically the Los Angeles area. Notably, there is limited retail in the surrounding neighborhood, south of Interstate 10. The area is easily accessible from Interstate 10 and the Loop 202 along several main arterials.

Van Buren, Buckeye Road, Lower Buckeye Road, Broadway Road, Southern Avenue, Cesar Chavez Boulevard, Dobbins Road, and Elliot Road are the major neighborhood east/west arterials that are improved with a variety of retail and industrial service facilities, with residential subdivisions positioned off the main arterials. Surface roadway access within the neighborhood in connection with adjoining neighborhoods is good. Primary north-south roads are 35th, 43rd, 51st, 59th, 67th, and 75th avenues. Interstate 10 is the principal east/west transportation route for local residents, as well as residents living further west who use this roadway as regular commuting routes. Full diamond interchanges are currently in place along 35th, 43rd, 51st, 59th, 67th, and 75th avenues. The subject property is served and accessed via the Loop 202 South Mountain Freeway. The Loop 202 was recently completed in early 2020. This freeway alignment extends west from Interstate 10 in the southeast valley, south of Phoenix South Mountain Park (along the alignment of Pecos Road), then northwest along the Gila River Indian Reservation, and then north to Interstate 10 in the west valley between 55th and 63rd avenues.

The Black Canyon Freeway, (Interstate 17), is located about five miles north of the subject and extends north to Flagstaff and south through Phoenix to its junction with Interstate 10, which continues south through Tempe and Chandler to Tucson. Access to the freeway is provided by a full diamond interchange at its intersection with Interstate 10. The outer Loop 101 Agua Fria Freeway has been constructed along the approximate 99th Avenue alignment and connects Interstate 10 and 17. This loop freeway now forms a three-quarter circle around the MSA and has greatly improved access for the subject's

immediate area. Access to the subject property is considered to be good via transportation systems and local roadways.

Governmental Forces:

Police Protection: City of Phoenix
 Fire Protection: City of Phoenix
 Comment: The subject is located within the City of Phoenix. Most of the land in the area is for industrial use. More than 80% of industrial inventory in the immediate area was built before 2000.

Environmental Forces:

Quality of Surrounding Area: Some environmental characteristics that influence value include land use patterns, topography, building densities, property maintenance, nuisances and hazards, and the adequacy of transportation corridors. The improvements range from new to about 50 years old and are in fair to excellent condition.

Utilities: The neighborhood is served with all municipal utilities including electric from Arizona Public Service (APS), natural gas from Southwest Gas, telephone from CenturyLink or private providers. Water and sewer is provided by City of Phoenix.

The following data shows demographics within a one, three, and five-mile radius of the subject. All three demographic sets show household income and distribution to be lower than that of the Phoenix, MSA.

DEMOGRAPHICS

2022 Demographics: <i>Source: STDBOnline</i>	1-Mile Radius	3-Mile Radius	5-mile Radius
2022 Summary			
Population	10,645	60,092	274,304
Households	2,795	16,035	74,280
Families	2,326	12,958	58,029
Average Household Size	3.81	3.74	3.62
Owner Occupied Housing Units	1,795	10,662	42,137
Renter Occupied Housing Units	1,001	5,373	32,142
Median Age	27.4	28.8	28.4
Median Household Income	\$59,212	\$69,764	\$59,375
Average Household Income	\$78,499	\$88,604	\$77,110

CONCLUSION

The population within the subject neighborhood has experienced above average growth since 2010, a trend expected to continue for the next five years. The neighborhood has a middle to upper middle-income demographic profile, with a 2020 average household income of \$88,604 within a three-mile radius of the subject. Overall, the neighborhood outlook over the next several years is generally favorable, with continued growth and new development anticipated. As a result, the demand for existing developments is expected to

be positive over the long-term. Generally, the neighborhood is expected to maintain a modest and relatively stable growth pattern for the foreseeable future.

SUBJECT PHOTOGRAPHS

Photo 1: View Southwest Across the Subject from Lower Buckeye Road



Photo 2: View Northeast Across the Subject from 63rd Avenue



Photo 3: View East Across the Subject from 63rd Avenue



Photo 4: View South Across the Subject from Lower Buckeye Road



Photo 5: View East Along Lower Buckeye Road, Subject on Right



Photo 6: View North Along 63rd Avenue, Subject to Right



3D AERIAL



The lot boundaries in yellow are approximate

SITE ANALYSIS

- Location:*** The subject property is located within a portion of Section 19, Township 1 North, Range 2 East, Phoenix, Maricopa County, Arizona. The subject property has a physical address of 6235 West Lower Buckeye Road, Phoenix, Arizona 85043. The subject property is situated just west of the 202 (South Mountain Freeway), south of Lower Buckeye Road and north of Broadway Road.
- Parcel Size/Shape/Topography:*** 2,627,009-square feet, (60.31 acres), which is irregular in shape, has level topography, and is at grade with both West Lower Buckeye Road and South 63rd Avenue, while being partially at or below the street grade with the Loop 202 on-ramp.
- Ingress/Egress:*** According to ADOT, the subject property will have direct physical and legal access via one, right-in/right-out along the south side of the West Lower Buckeye Road right-of-way, approximately 387 feet west of the Lower Buckeye Road and Loop 202 intersection. For purposes of analysis, the appraisal includes a hypothetical condition.
- This property does not presently have legal access from South 63rd Avenue although physical access is available. The City of Phoenix Planning and Development Department Staff report, Z-62-13-7 restricts vehicular access to the property from 63rd Avenue. See Stipulation 10 in Addenda. According to staff at the city of Phoenix, the zoning ordinance in 2017 continues to restrict access from 63rd Avenue and along the southern property line. A modification to the zoning stipulation will be required to allow access to 63rd Avenue from the city of Phoenix Planning Office if such is desired by the ultimate developer.
- Surrounding Uses:*** ***North:*** West Lower Buckeye Road followed by vacant land.
East: Loop 202 (South Mountain Freeway)
South: Residential uses
West: Residential uses
- Utilities:***
Electric: Arizona Public Service (APS)
Telephone: Century Link and other providers
Gas: Southwest Gas Corporation
Water: City of Phoenix

Sewer: City of Phoenix

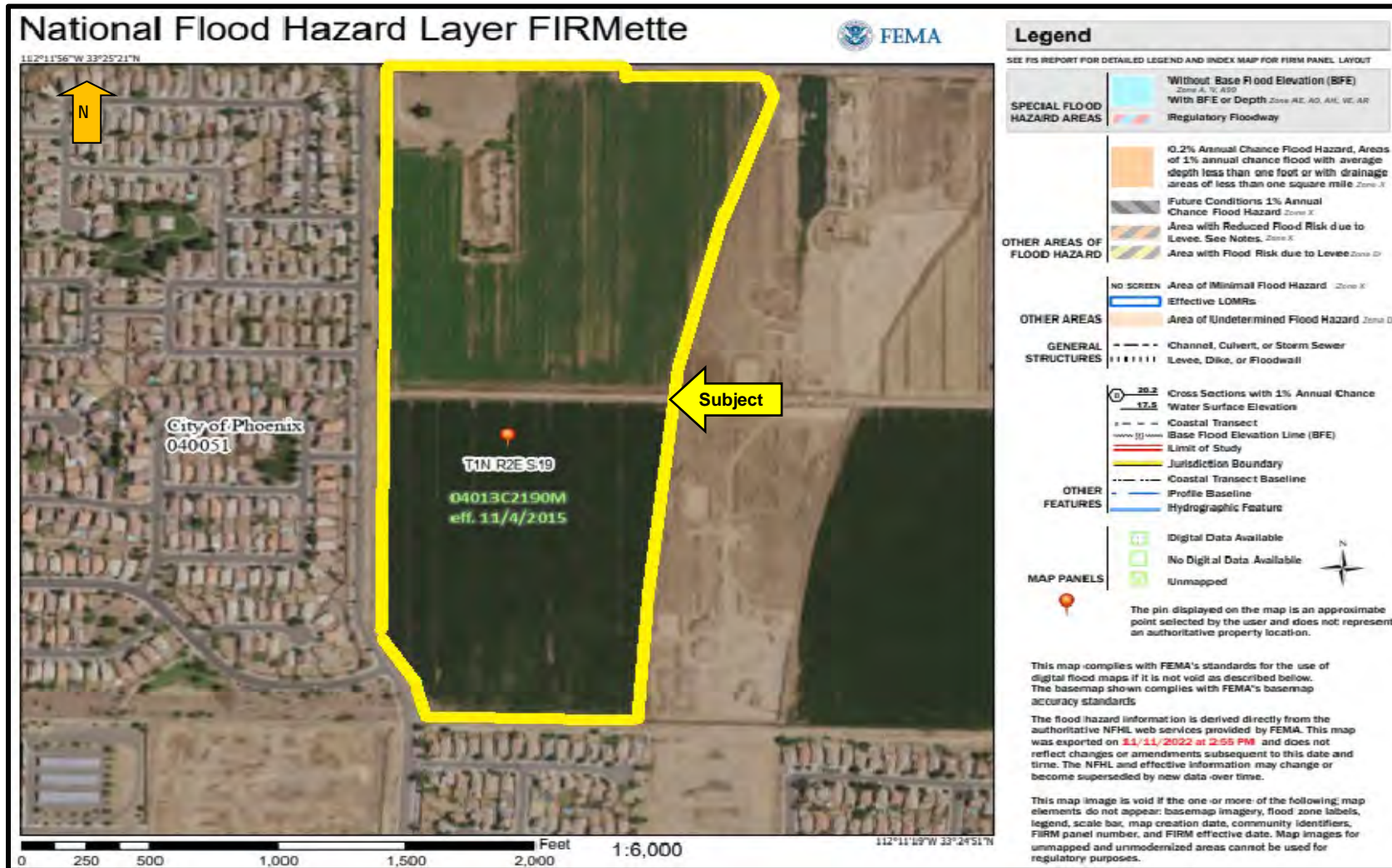
Floodplain: The subject property identified as being located in Flood Zone X (Unshaded) per FIRM Map Panel No. 04013C2190M, dated November 4, 2015. Zone X (Unshaded), which is an area defined by FEMA as being outside the 100 and 500-year flood plains.

Environmental Conditions: No environmental reports were provided for our review. Lacking environmental reports, this appraisal assumes that there are no environmental conditions on or around the property that would adversely impact its market value.

Soil & Subsoil Conditions: A soils engineering report was not provided for our review. Thus, the soil and sub-soil conditions are not known. There is no visual evidence of adverse soil conditions on the site. The surrounding improved properties indicate that subsoil conditions support development of properties of this type.

Restrictions & Easements: A Right Of Way Disposal Report was provided for our review. Based on the report reviewed, there are no adverse easements or encroachments identified or that were visually observed during the property inspection. This appraisal assumes that the subject property is encumbered by typical public utility, easements that do not adversely affect value.

FLOOD MAP

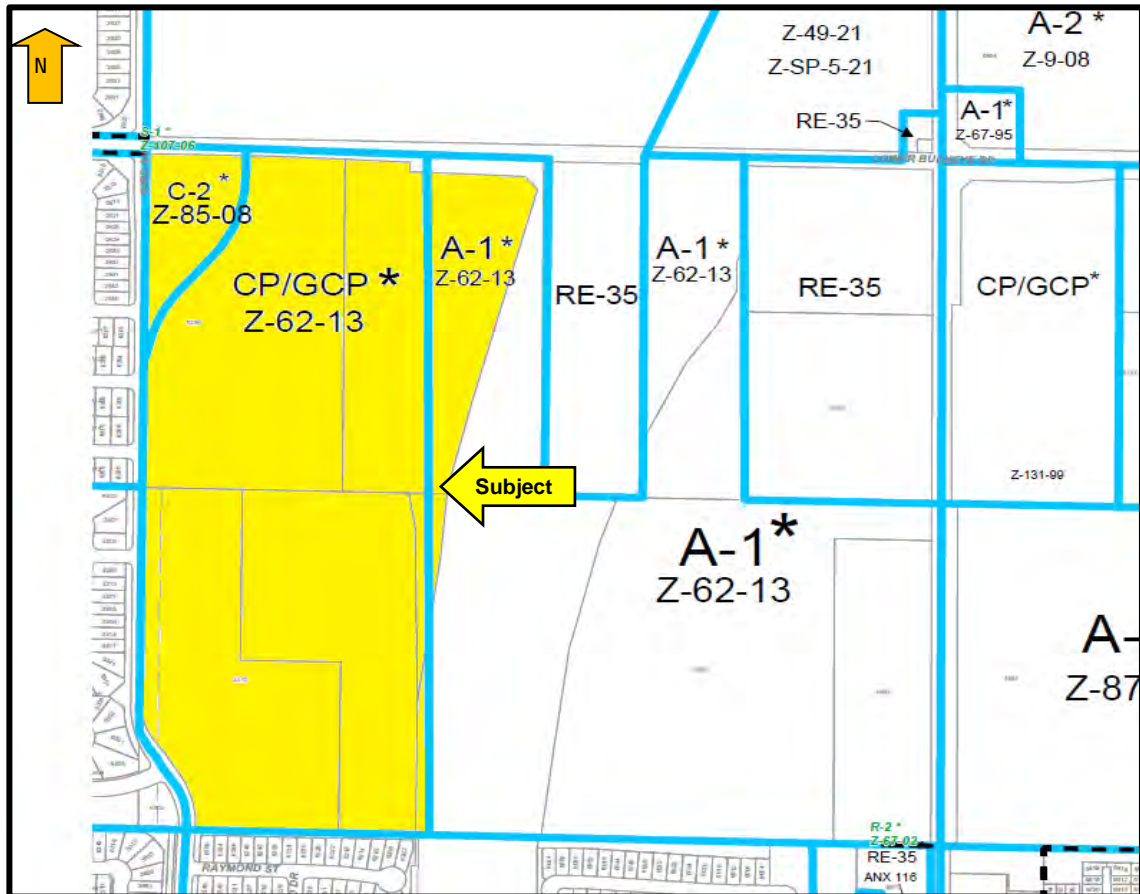


The lot boundaries in yellow are approximate

ASSESSED VALUATION & TAX DATA

The subject represents a parcel of excess land from the South Mountain Freeway/Loop 202 project. The property owner, State of Arizona, is exempt from property taxation. It is an assumption of this appraisal that taxes for a non-exempt buyer would be assessed based on tax rates consistent with other properties in the immediate area.

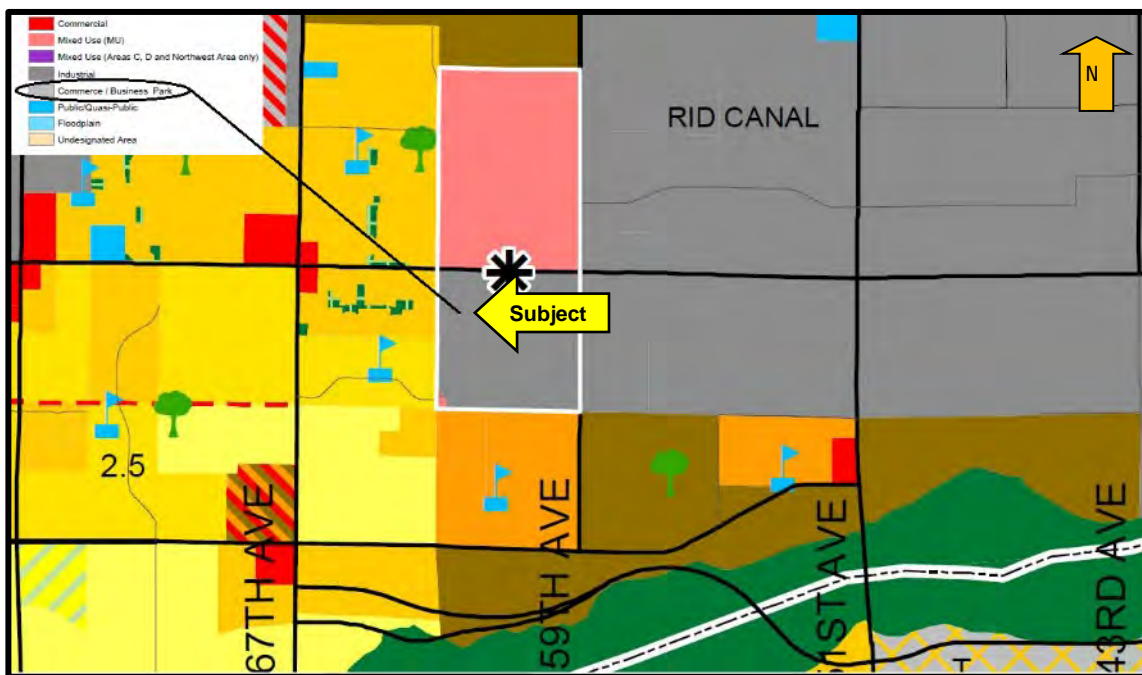
ZONING & GENERAL PLAN



The subject site currently has 3 zoning designations, which include: A-1 (Light Industrial Zone); C-2 (Intermediate Commercial); and CP/GCP (Commerce Park/General Commerce Park), City of Phoenix. According to the City of Phoenix Zoning Ordinance, “The A-1, Light Industrial District, is a district of industrial uses designed to serve the needs of the community for industrial activity not offensive to nearby commercial or residential uses.” At present there is no modification of zoning stipulations which prohibit vehicular access from 63rd Avenue. Any such change will be the responsibility of the purchaser.

“The C-2, Commercial Intermediate District, is a district of commercial uses of medium intensity designed to be compatible with each other and to provide for a wide range of types of commercial activity within the district.”

“The CP/GCP district is designed to provide locations for commerce, service, and employment activities which locations and site improvements are built such that a desirable appearance is projected toward public streets and such that compatibility can be maintained with adjacent land uses. “The General Commerce Park option provides for a broad range of manufacturing, warehousing, distribution and supportive retail sales and services. It is differentiated from the A-1 and A-2 districts, however, in that environmental and site standards ensure a high degree of compatibility with other commerce park options as well as other adjacent uses.”



According to the City of Phoenix General Plan and My Community Map, the subject property is identified as being in the Commerce/Business Park land use designation, with a small portion at the northwest corner of the site being designated for Commercial use. The appraisers believe that the subject site is most suitable for industrial oriented development due to its access from Lower Buckeye Road. Future access from 63rd Avenue may be gained but is not assured.. Although it benefits from prominent frontage/exposure to the South Mountain Freeway (SR 202L), there is no direct access. Industrial-oriented uses remain in high demand and is driving the land purchases in the immediate and surrounding areas.

MARKET ANALYSIS - INDUSTRIAL

“Market analysis is a process for the examination of the demand for, and supply of, a property type and the geographic market area for the property type.”⁴

PHOENIX EMPLOYMENT

Phoenix has maintained its place among the best performing markets for job growth. The local economy has been one of the most resilient in the U.S. during the pandemic, thanks to a diversified job market. Metro Phoenix lost about a quarter million jobs in March and April 2020. By July 2021, Phoenix fully recovered those job losses, a stark contrast to its protracted recovery from the global financial crisis.

The competitive advantage and growth drivers that have historically stimulated growth in the Valley of the Sun may be stronger than ever. Affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. The adoption of remote work has given more people mobility and has enticed more people in California or East Coast markets to move to Phoenix. Population growth, a diversifying economy, relative affordability, and business-friendly regulation have strengthened the Phoenix value proposition. These characteristics attract more than 240 people to Phoenix each day, on average.

An influx of residents and the market's large educational institutions and colleges are significant contributors to the local talent pool. Metro Phoenix is home to the country's largest public and private universities: Arizona State University (ASU) and Grand Canyon University (GCU). ASU enrollment surpassed 135,000 students in fall 2021, spread across five campuses and including online students. ASU's primary location in Tempe is the largest, with more than 55,000 students on campus. Beyond producing new graduates, the universities collaborate with local employers on research and classroom curricula.

Businesses are selecting Phoenix to expand because of the extensive labor pool. Numerous employers have announced expansions and relocations since the pandemic. Amazon recently opened 11 last-mile and fulfillment sites throughout the metro area and leased a 95,000-SF office in Tempe, which will generate thousands of new jobs. Zoom, the California-based video conferencing company, revealed plans to open a Phoenix research

⁴ *The Appraisal of Real Estate, 14th Edition*, Appraisal Institute, P 299

and development center. TSMC made headlines for its commitment to bring more than 1,600 jobs to the state with a \$12 billion semiconductor factory. Other companies that have added hundreds of new jobs over the past few years include Allstate, Deloitte, DoorDash, OpenDoor, Silicon Valley Bank, Choice Hotels, Mayo Clinic, Wells Fargo, Farmers Insurance, and USAA. Microsoft, Google, and Apple have invested in data centers throughout the Phoenix metro area. While labor is the primary driver behind the market's business attraction success, relative affordability helps tip the scale in favor of Phoenix when companies make their site selection decision.

The number of companies moving to metro Phoenix is noteworthy, but the diversity of industries has helped sustain the region's long-term stability. Phoenix was synonymous with cheap labor and land that attracted call centers and back-office operators more than a decade ago. The economy depended on industries associated with household growth, construction, lending, brokerage, tile and cabinet manufacturers, etc. Because of its past reliance on housing, Phoenix was among the hardest-hit metros during the Great Recession. The market lost more than 240,000 jobs, 25% of which were in the construction industry alone. Phoenix recovered from the Great Recession about two years after the U.S. did. The companies that Phoenix is attracting have evolved, and the market has emerged as a vibrant technology and financial hub. This variousness of industries has helped Phoenix to outperform its peers.

PHOENIX EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	144	0.7	4.62%	3.44%	2.13%	0.73%	0.76%	0.14%
Trade, Transportation and Utilities	461	1.1	3.16%	3.34%	2.72%	1.26%	0.30%	0.11%
Retail Trade	254	1.1	2.29%	2.40%	2.09%	0.65%	0.27%	0.07%
Financial Activities	219	1.6	0.05%	2.08%	3.75%	1.43%	0.80%	0.24%
Government	238	0.7	-0.14%	0.64%	0.48%	0.15%	1.01%	0.55%
Natural Resources, Mining and Construction	148	1.2	2.53%	4.20%	4.64%	2.53%	1.57%	0.39%
Education and Health Services	363	1.0	4.46%	3.32%	3.45%	1.66%	1.64%	0.68%
Professional and Business Services	388	1.1	4.18%	4.64%	3.01%	2.18%	1.37%	0.48%
Information	43	0.9	6.90%	5.58%	2.92%	1.28%	1.00%	0.40%
Leisure and Hospitality	232	1.0	5.54%	8.19%	2.34%	1.34%	1.25%	1.28%
Other Services	71	0.8	1.07%	3.38%	1.10%	0.49%	0.53%	0.49%
Total Employment	2,306	1.0	3.16%	3.63%	2.69%	1.29%	1.04%	0.49%

Source: Oxford Economics
LQ = Location Quotient

Subject Attributes

The subject property represents an excess parcel of vacant land consisting of 2,627,009 square feet, (60.31 acres), a net of a 4,500 square foot billboard site. The property

is located just off the southwest corner of West Lower Buckeye Road and the South Mountain Freeway (SR 202L) in southwest Phoenix. It is located within the SW S of Buckeye Road industrial submarket according to CoStar. According to the City of Phoenix General Plan, the subject is designated for Commerce/Business Park land use. A small portion at the northwest corner of the site is designated for Commercial use. Due to the subject's irregular shape and limited access to West Lower Buckeye Road, the surrounding uses in the immediate area, and recent land sales and development trends in the area, it is highly probable that the subject would be purchased for development of an industrial-oriented use. This represents the highest and best use of the subject property.

SW S OF BUCKEYE ROAD INDUSTRIAL SUBMARKET (MICRO)

The SW S of Buckeye Road industrial submarket has performed well throughout the pandemic. The submarket has benefited from the shift away from brick-and-mortar retail to online ordering and demand for warehouse and distribution space has remained robust. Logistics accounts for more than 80% of the submarket's inventory. Amazon continued to expand its footprint in the market, which has captured the attention of other logistics players searching for space in the market.

Strong demand for rail access and major freeways has kept vacancies well below the submarket's long-term average. Improvements to infrastructure have garnered attention from tenants searching for space in the market and from developers. The 22-mile expansion of Loop 202, which runs through the submarket, provides a convenient connection to the East and West valleys. Along the route, Trammell Crow's recently completed 554,000-SF spec project dubbed 202 West Logistics Center was pre-leased by Amazon.

Investors have been active in recent years. Sales activity has picked up since slowing during the onset of the pandemic. Although most trades are between local players for smaller properties, a handful of transactions for institutional-grade assets have also occurred.

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
546K	944K	2.0%	17.5%

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	16,249,478	1.3%	\$8.96	6.2%	153	0	762,346
Specialized Industrial	3,383,345	3.7%	\$10.94	3.5%	0	0	0
Flex	251,184	27.9%	\$14.74	52.4%	0	0	0
Submarket	19,884,007	2.0%	\$9.36	6.3%	153	0	762,346
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.1%	11.3%	4.1%	25.5%	2013 Q3	1.6%	2022 Q2
Net Absorption SF	944K	453,331	174,612	1,963,025	2020 Q4	(939,501)	2019 Q4
Deliveries SF	546K	472,405	303,479	2,432,858	2013 Q4	0	2019 Q1
Rent Growth	17.5%	3.3%	4.9%	18.3%	2022 Q3	7.7%	2009 Q4
Sales Volume	\$156M	\$62.3M	N/A	\$340.4M	2020 Q2	\$1.9M	2002 Q2

Leasing

Vacancies remain below the submarket's historical average following several years of robust demand and limited development. Over the past five years, demand outpaced new supply on an annual basis, and vacancies have tumbled. Low availability will make it challenging for tenants to find space in the submarket, which will limit net absorption in future quarters.

Submarket fundamentals have improved in the past two years as tenants moved into large spaces that were vacated from 19Q1-20Q1. During that time, Nestle vacated 394,800 SF at 43rd Avenue Logistics Center, Tesla moved out of 376,800 SF at Cactus Distribution Center, and ULTA closed its 302,000 SF distribution facility at Riverside Business Center. Vital Pharmaceuticals has helped to offset the negative impact of two of those vacancies. The manufacturer of Bang Energy drinks purchased Nestle's 395,000-SF manufacturing plant and immediately moved into the building. The manufacturer also occupied the distribution facility that ULTA shuttered in 20Q1. Steady demand has compressed vacancies from 12.5% in 19Q3 to 2.0%.

Demand is primarily driven by logistics tenants seeking proximity to I-10, I-17, railroad transportation, and the fast-growing populations throughout the Valley. Proximity to California and its major ports is another big draw, roughly 35 million consumers can be reached within a day's truck haul. The recent completion of the Loop 202 freeway that runs through the submarket and connects the West and East Valleys has increased tenant interest in the area.

Amazon has the largest footprint in the submarket, with nearly 2.2 million SF and counting. The e-commerce giant occupied 554,000 SF at the 202 West Logistics Center and 474,100-SF Prologis Park Riverside III. Within the same industrial park are some of the submarket's biggest tenants: Discount clothing merchandiser Marshalls occupies 1.2 million SF, and startup e-commerce company Stitch Fix has nearly 500,000 SF.

Rent

Similar to other submarkets in Phoenix's West Valley, average rents of \$9.40/SF are below the metro average and far less expensive than asking rents in the East Valley. Like the Phoenix metro, steady demand has translated into robust rent growth in recent years and the pace of rent growth has accelerated. Over the past 12 months, average rents increased 17.5%. Feverish demand for logistics properties is driving elevated gains. Steady rent

growth has bolstered average rents above the submarket's previous peak. According to the Base Case scenario, rent growth is anticipated to continue at a steady pace over the next several quarters.

Construction

Industrial construction ebbs and flows in this infill submarket. About 170,000 SF was delivered last year with an additional 760,000 SF currently underway. Majestic Realty recently delivered Majestic 55, a speculative industrial building near the Loop 202 extension and Buckeye Road with rents initially marketed at \$5.52/SF NNN. Construction also recently completed on Chamberlain Development's, 168,300-SF distribution building at 51st Avenue and Watkins Road, near the extension of Loop 202.

More infill sites for large-scale projects are available; however, the Salt River is a geographical barrier that will limit this type of development to the northern half of the submarket. In the West Valley, Tolleson and Goodyear provide more developable land and have been the focus of industrial builders in recent years.

Sales

The SW S of Buckeye Road Submarket is a regular target among industrial buyers searching for investment opportunities in the Phoenix metro. Transaction volume over the past year is on par with what has been seen over the past five years. Annual sales volume has averaged \$139 million over the past five years, and the 12-month high in investment volume hit \$340 million over that stretch. In the past 12 months specifically, \$142 million worth of assets sold. Deals involving logistics properties drove recent sales volume.

Market pricing, derived from the estimated price movement of all industrial properties in the submarket, sat at \$158/SF during the fourth quarter of 2022. That price has surged since last year, growing by more than 10%, and the price still comes up short of the overall average for the Phoenix area. The market cap rate has dropped since last year. It is the lowest cap rate that has been seen in five years, and it's close to the metro's average. The recent increase in interest rates by the Fedal Reserve Board, is expected to cause a slow-down in real estate generally and an increase in capitalization rates in the future industrial and commercial markets.

SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$700,000	\$6,628,667	\$3,600,000	\$44,250,000
Price/SF	\$77	\$161	\$157	\$854
Cap Rate	-	-	-	-
Time Since Sale in Months	0.0	6.1	5.8	11.5
Property Attributes	Low	Average	Median	High
Building SF	4,529	41,177	13,899	313,600
Ceiling Height	12'	20'11"	18'	32'
Docks	0	13	0	110
Vacancy Rate At Sale	0%	0.5%	0%	100%
Year Built	1958	1986	1981	2017
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Within the subject's SW S of Buckeye Road industrial submarket, CoStar statistics indicated increasing industrial sales volume and median sale price per square foot through the first half of 2022, with more modest increases indicated through the second half of 2022.

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$177.40	290	5.7%
2025	-	-	-	-	-	-	\$175.39	287	5.7%
2024	-	-	-	-	-	-	\$172.78	283	5.7%
2023	-	-	-	-	-	-	\$170.30	279	5.6%
2022	-	-	-	-	-	-	\$161.98	265	5.5%
YTD	18	\$114.8M	3.9%	\$6,380,323	\$148.70	-	\$157.94	258	5.5%
2021	26	\$129.9M	5.0%	\$5,194,610	\$152.83	-	\$135.19	221	5.6%
2020	23	\$135M	9.0%	\$7,105,525	\$104	8.2%	\$113.87	186	5.8%
2019	22	\$302.8M	24.3%	\$21,625,731	\$105.88	5.5%	\$101.09	165	6.1%
2018	22	\$74.9M	10.7%	\$5,762,041	\$105.19	7.3%	\$89.72	147	6.4%
2017	14	\$18.6M	1.4%	\$1,550,596	\$82.05	-	\$81.62	133	6.5%
2016	16	\$70.4M	6.0%	\$5,026,362	\$70.20	-	\$76.96	126	6.6%
2015	26	\$49.1M	16.1%	\$3,070,108	\$67.93	-	\$71.58	117	6.7%
2014	11	\$84M	9.3%	\$8,399,746	\$53.52	-	\$65.35	107	7.0%
2013	13	\$19.8M	1.9%	\$1,648,750	\$63	10.0%	\$59.49	97	7.3%
2012	14	\$147.9M	15.6%	\$12,322,519	\$72.93	5.8%	\$56.71	93	7.4%
2011	12	\$60.1M	10.1%	\$5,010,833	\$40.49	5.7%	\$53.92	88	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

MARKET CONDITIONS ADJUSTMENTS
Industrial Land Sales Trends

	2019	2020	2021	01/1-11/8/22
	Sold Transaction	Sold Transaction	Sold Transaction	Sold Transaction
Number of Transactions	20	16	34	15
Total Dollar Volume	\$56,317,486	\$56,555,303	\$188,535,232	\$84,638,673
Total Bldg Square Feet	0	0	0	0
Total Land in Acres	256.16	263.48	596.90	278.38
Total Land in SF	11,158,330	11,477,189	26,000,964	12,126,233
Average Price	\$2,815,874	\$3,534,706	\$5,545,154	\$5,642,578
Average Number of SF	0	0	0	0
Average Price Per Bldg SF	-	-	-	-
Median Price Per SF	-	-	-	-
Average Number of Acres	12.81	16.47	17.56	18.56
Average Number of SF(Land)	557,916	717,324	764,734	808,416
Average Price Per Unit	-	-	-	-
Median Price Per Unit	-	-	-	-
Average Number of Units	-	-	-	-
Average Price Per Acre	\$219,957	\$214,647	\$215,957	\$204,040
Average Price Per SF(Land)	\$5.05	\$4.93	\$7.25	\$6.98
Median Price Per Acre	\$234,017	\$272,073	\$307,220	\$326,699
Median Price Per SF(Land)	\$5.37	\$6.25	\$7.05	\$7.50

The appraisers used CoStar to search sales of industrial land ranging in size from 2 to 200 acres, which sold for between \$3.00 and \$12.00 per square foot of land area. The time period searched was between January 1, 2019 through November 8, 2022. CoStar reported that in January 2019, there were a total of 20 industrial land transactions totaling \$56,317,486, with an average price per square foot of \$5.05. This compares to year-to-date November 2022, in which 15 properties sold totaling \$84,638,673, with an average price per square foot of \$6.98. As of year-end 2021, the average price per square foot was \$7.25. The sales data implies industrial land values increased from January 2019 through year-end 2021 at 43.6%, or about 14.5% annually. Over the past 8 months, land values appear to have stabilized with no discernable increases or decreases. The slight decrease in the average price per square foot is a reflection of the limited number of sales in the year. This stabilization of land values coincides with the ongoing inflation and the increases in long-term lending rates. Industrial land values experienced strong year-over-year appreciation through 2021, while in 2022 appreciation has stalled due to uncertainties in the economy.

Local market participants indicated industrial land price appreciation rate over the past few years was between 3% and 7% per annum. Based on this information, the appraisers made upward adjustments to the land comparables of 3% to 6% for improving market conditions (time) through early 2022. The adjustment for market conditions is based on an annual appreciation rate of 5.0%, or 0.417% per month applied to the months of appreciation from the comparables sale date through February 2022. Land values have remained stable due to the increases in interest rates and uncertainties in the economy.

CONCLUSION

Overall, the industrial market in metro Phoenix and more specifically within the subject's SW S of Buckeye Road industrial submarket is experiencing low vacancy rates this, due to strong demand from logistics tenants. The continued strong demand for industrial space and overall market fundamentals bodes well for metro Phoenix market and the SW S of Buckeye Road industrial submarket. The industrial submarket has experienced increasing quoted rental rates through the first half of 2022. Demand for industrial space has been strongest among e-commerce and 3PLs, which have benefited from the rising dependence on e-commerce and home deliveries spurred by the pandemic. The logistics segment has a substantial footprint in the SW S of Buckeye Road industrial submarket.

HIGHEST AND BEST USE

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

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

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

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

AS VACANT

Legally Permissible

The subject is currently zoned C-2, CP-GCP, and A-1 by the City of Phoenix, which is further designated for commerce/business park including industrial uses according to the City of Phoenix General Plan. The appraisers believe that the subject site is most suitable for industrial-oriented development due to its limited access from West Lower Buckeye Road and its prominent frontage/exposure to the South Mountain Freeway (SR 202L). Currently, industrial-oriented uses are in strong demand and are the primary driver of most land purchases in the immediate and surrounding areas.

Physically Possible

The subject consists of 2,627,009 square feet (60.31 acres) and is irregular in shape, with level topography which is at street grade with both West Lower Buckeye Road and South 63rd Avenue. Additionally, the site is at or below the street grade with the Loop 202 southbound on-ramp. The subject property has legal and physical access from Lower Buckeye Road (one right in/right out). No legal access is currently available along 63rd Avenue. It may be possible to change the current zoning stipulation which currently restricts

access to the site. The site does not have legal or physical access from the Loop 202 southbound on-ramp due to the access control. Similar access control extends approximately 387 feet to the west of the Lower Buckeye Road/Loop 202 traffic interchange. The site has all utilities available to it.

The site is well situated to capture vehicular and truck traffic traveling from California into the Phoenix via Interstate 10, Interstate 17 and the Loop 202. The subject parcel is located in Zone X Unshaded, outside the 100 and 500-year flood hazard areas, with all municipal utilities available to the site. Based on the existing Phoenix zoning and general plan land use designation, the location, physical characteristics of the parcel, and surrounding improved uses, the physically possible use, as vacant, is an industrial-oriented development that conforms to the zoning, surrounding uses, and physical constraints.

Financially Feasible & Maximally Productive

The third and final test of highest and best use considers the financially feasible and maximally productive uses of the subject property. The financially feasible maximally productive use of a property is one that is legally permissible and physically possible that also creates a positive return for the investor. Given the legally permissible and physically possible uses for the subject property, the financially feasible use is determined through an analysis of the factors that affect the market. Reference is made to the Market Analysis section of the report. The market analysis is an integral component of the financially feasible test for the Highest and Best Use of the subject, as vacant. Demand factors are created by the combination of the legal, physical, and economic characteristics related to the income generated from potential uses. Due to its location at the West Lower Buckeye Road/Loop 202 traffic interchange, with prominent frontage and visibility to heavy traffic volumes, along with the land sales and development trends in the area, it is highly probable that the subject would be purchased for development of an industrial-oriented use.

Based on the information contained in this report and our interviews with market participants, the industrial land market has been experiencing strong increases in demand and price appreciation. Our interviews and research revealed that the industrial market fundamentals remain healthy despite several recent completions of large-scale spec industrial developments.

Speculative industrial development is possible and occurring in the immediate area with strong tenant demand and leasing activity. It is also possible to develop the site with build-to-suit or build-to-own development which are both financially feasible and maximally

productive uses of the subject property. The most probable buyer for the subject is an end-user/developer or land speculator.

Conclusion, Highest and Best Use, As Vacant

Given the zoning, location, physical characteristics and general market conditions, the highest and best use, as vacant, is for development of an industrial-oriented use that conform to the City of Phoenix Zoning and General Plan.

LAND VALUATION

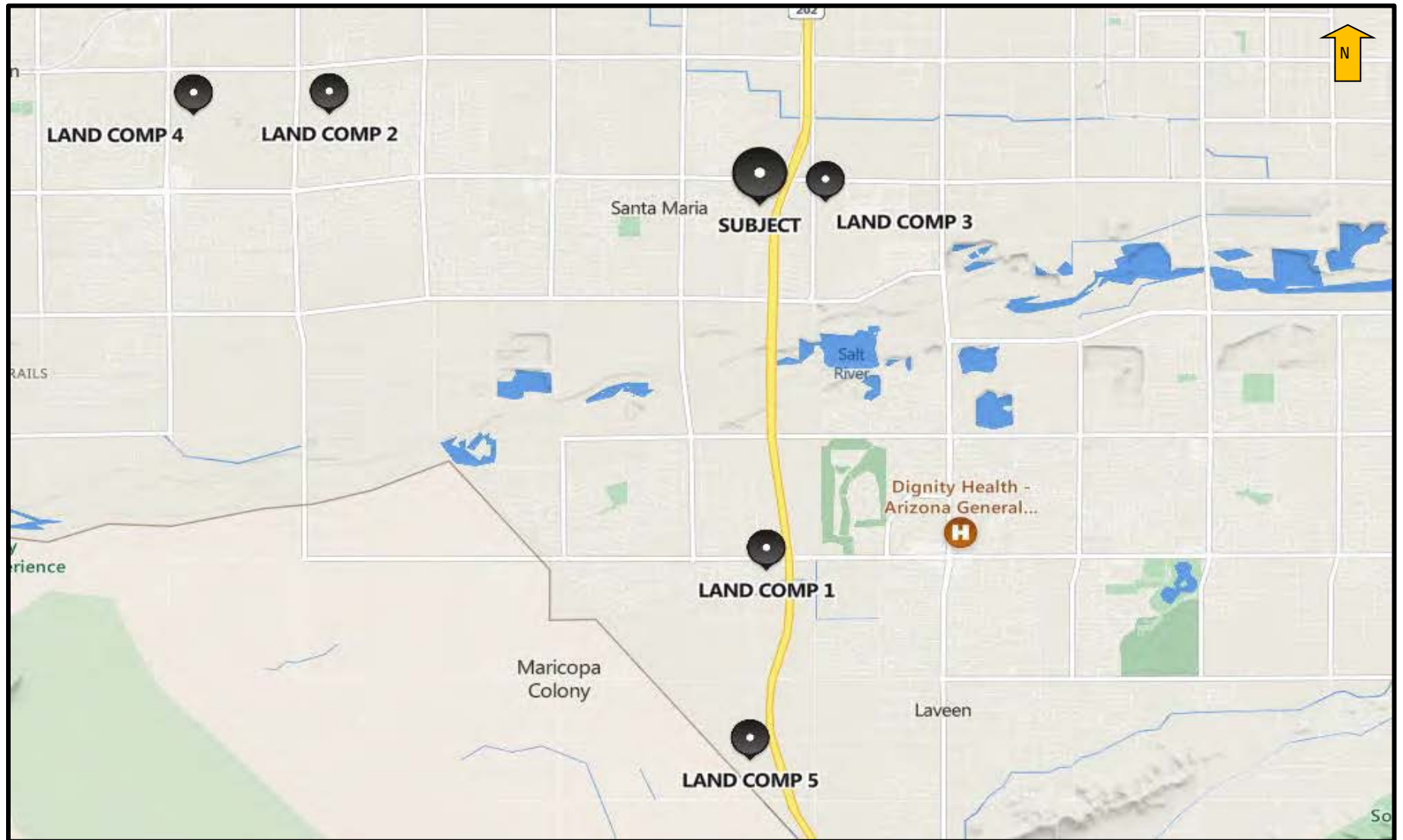
The Sales Comparison Approach is used to provide a market value opinion for the subject, as vacant land. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property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

Adjustments are made to the comparable sales based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, and zoning/planned use. The sale price per square foot of land area is the appropriate unit of comparison for this analysis. This is derived by dividing the sale price by the total square footage of the site.

Search parameters for comparable sales focused on land sales that are similar in size and potential use. The search for recent land sales included immediate and surrounding areas that have similar demographics and are planned for similar potential developments. The market data that is included in the analysis is considered to be the best available and provides a credible opinion of value.

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

LAND COMPARABLE MAP



COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 1
LOCATION:	SWC of W. Baseline Road & Loop 202, Laveen, AZ 85339
LEGAL DESCRIPTION:	A Portion of Lot 3, Laveen-59th Avenue and Baseline, As Recorded in Book 1309 of Maps, Page 41, Maricopa County, Arizona
TAX CODE NUMBER(S):	300-02-925A
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	December 21, 2020
Affidavit of Fee No:	201261555
SELLER:	Laveen Baseline, LLC
BUYER:	Banner Health
SALE PRICE:	\$6,337,273
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	1,011,859
SITE AREA IN ACRES:	23.23
SALE PRICE PER SQ. FT.:	\$6.26
PHYSICAL DESCRIPTION	
Location:	Average / SW Phoenix
Access / Visibility / Traffic:	Above Average / Good / Heavy
Site Utility:	Irregular / Average
Utilities:	All to site
Flood:	Zone X (shaded)
ZONING / GENERAL PLAN:	CP/GCP, Commerce Park / MU, Commerce-Business Park
PLANNED USE:	Medical Campus
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Not provided
CONFIRMED WITH:	Reliable Source, Public Records
DATE CONFIRMED:	7/13/2021

COMMENTS:

This comparable represents the sale of 23.23 acres, (1,011,859 SF), of vacant commercial/industrial zoned land located at the southwest corner of West Baseline Road and the Loop 202 (South Mountain Freeway) off-ramp, in Phoenix, AZ. Zoned CP/GCP, Commerce Park by the City of Phoenix the property is irregular in shape with average site utility. It sold in December 2020 for \$6,337,273, or \$6.26 PSF of land area. The buyer, purchased the site to develop a medical campus. Information regarding the list price, time on market, etc. was not available. The buyer paid cash for the site and no sale conditions were noted.

I.D. : 22-253-LC.1

COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 2
LOCATION:	NEC 91st Avenue & Durango Street, Tolleson, AZ 85353
LEGAL DESCRIPTION:	That Portion of the NW4 of Sec 15, T1N, R1E, G&SRB&M, Maricopa County, Arizona
TAX CODE NUMBER(S):	101-12-649F, -649G
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	January 26, 2021
Affidavit of Fee No:	20210088112
SELLER:	Phoenix Logistics Center, LLC
BUYER:	Kroger Fulfillment Network, LLC
SALE PRICE:	\$13,730,315
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	2,495,277
SITE AREA IN ACRES:	57.28
SALE PRICE PER SQ. FT.:	\$5.50
PHYSICAL DESCRIPTION	
Location:	Average / SW Phoenix
Access / Visibility / Traffic:	Above Average / Good / Moderate
Site Utility:	Rectangular / Good
Utilities:	All to site
Flood Plain:	Zone X (shaded)
ZONING / GENERAL PLAN:	CP/GCP, Commerce Park / Commerce-Business Park
PLANNED USE:	223,000 SF Fulfillment Center
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Not provided
CONFIRMED WITH:	Reliable Source, Public Records
DATE CONFIRMED:	11/4/2022

COMMENTS:

This comparable represents the sale of 57.28 acres, (2,495,277 SF), of vacant commercial/industrial zoned land located at the northeast corner of South 91st Avenue and Durango Street, in Tolleson, AZ a suburb of southwestern Phoenix. Zoned CP/GCP, Commerce Park by the City of Phoenix the property is rectangular in shape with above average site utility. It sold in January 2021 for \$13,730,315, or \$5.50 PSF of land area. The buyer, an end-user, purchased the site to develop a 223,000 SF state-of-the-art fulfillment center. Information regarding the list price, time on market, etc. was not available. The buyer paid cash for the site and no sale conditions were noted.

I.D. : 22-253-LC.2

COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 3
LOCATION:	E/s. of S. 59th Avenue, S/o. W. Lower Buckeye Road, Phoenix, AZ 85339
LEGAL DESCRIPTION:	Portion of the NW4, NW4 of Sec 20, T1N, R2E, G&SRB&M, Maricopa County, Arizona
TAX CODE NUMBER(S):	104-46-002J
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	April 2, 2021
Affidavit of Fee No:	210373291
SELLER:	Arizona Becknell Investors 2007, LLC
BUYER:	Apel Extrusions, Inc.
SALE PRICE:	\$8,400,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	960,423
SITE AREA IN ACRES:	22.05
SALE PRICE PER SQ. FT.:	\$8.75
PHYSICAL DESCRIPTION	
Location:	Average / SW Phoenix
Access / Visibility / Traffic:	Above Average / Good / Heavy
Site Utility:	Rectangular / Good
Utilities:	All to site
Flood Plain:	Zone X (shaded)
ZONING / GENERAL PLAN:	CP/GCP, Commerce Park & A-1, Light Industrial / Industrial
PLANNED USE:	323,782 SF HQ & Manufacturing Facility
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	24 months
CONFIRMED WITH:	Mike Gilbert, Broker (C&W), 602-468-8540
DATE CONFIRMED:	7/13/2021
COMMENTS:	

This comparable represents the sale of 22.05 acres, (960,423 SF), of vacant industrial use land located on the east side of 59th Avenue, south of Lower Buckeye Road in Phoenix, AZ. The site is situated in an industrial park area with some visibility to the Loop 202. Zoned Commerce Park with a General Plan designation of Industrial, the property is rectangular in shape with good site utility. It sold in April 2021 for \$8,400,000, or \$8.75 PSF of land area. The buyer, purchased the site in to develop a 323,782 SF headquarter and manufacturing facility. The buyer paid cash for the site and no sale conditions were noted.

I.D. : 22-253-LC.3

COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 4
LOCATION:	E/s. of S. 99th Avenue, S/o. W. Buckeye Road, Tolleson, AZ 85353
LEGAL DESCRIPTION:	Portion of NW4 of Sec 16, T1N, R1E, G&SRB&M, Maricopa County, Arizona
TAX CODE NUMBER(S):	101-14-008T
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	July 13, 2021
Affidavit of Fee No:	20210761428
SELLER:	Elizabeth O. Garretson, LLC
BUYER:	South 99th Avenue, LP
SALE PRICE:	\$23,550,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	3,388,167
SITE AREA IN ACRES:	77.78
SALE PRICE PER SQ. FT.:	\$6.95
PHYSICAL DESCRIPTION	
Location:	Average / SW Phoenix
Access / Visibility / Traffic:	Above Average / Good / Moderate
Site Utility:	Rectangular / Good
Utilities:	All to site
Flood Plain:	Zone X (shaded)
ZONING / GENERAL PLAN:	CP/GCP, Commerce Park / Commerce-Business Park
PLANNED USE:	3-Building/1.2 Million SF Business Park
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Not provided
CONFIRMED WITH:	Reliable Source, Public Records
DATE CONFIRMED:	11/4/2022
COMMENTS:	

This comparable represents the sale of 77.78 acres, (3,388,167 SF), of vacant industrial zoned land located on the east side of South 99th Avenue, south of West Buckeye Road in Tolleson, AZ a suburb of southwestern Phoenix. Zoned CP/GCP, Commerce Park by the City of Phoenix the property is rectangular in shape with above average site utility. It sold in July 2021 for \$23,550,000, or \$6.95 PSF of land area. The buyer, a developer, purchased the site to develop a three-building, 1.2 million square foot business park. Information regarding the list price, time on market, etc. was not available. The buyer paid cash for the site and no sale conditions were noted.

I.D. : 22-253-LC.4

COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 5
LOCATION:	W/s. of Loop 202, Btwn. Dobbins Road and Elliot Road, Phoenix, AZ 85339
LEGAL DESCRIPTION:	Portion of Those Parcels Described in Document No. 2018-0816318 and Situated in the E2 of Sec 7, T1N, R2E, G&SRB&M, Maricopa County, Arizona
TAX CODE NUMBER(S):	300-02-032B, -033A, -034, -035, -036, 041A, 042A & 300-03-016L
RECORDS:	
Instrument:	Special Warranty Deeds
Date Recorded:	June 17, 2022
Affidavit of Fee No:	20220511540 & 20220511541
SELLER:	202 & Dobbins REH, LLC
BUYER:	LCG2I Laveen II, LLC
SALE PRICE:	\$39,500,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	6,115,687
SITE AREA IN ACRES:	140.40
SALE PRICE PER SQ. FT.:	\$6.46
PHYSICAL DESCRIPTION	
Location:	Average / SW Phoenix
Access / Visibility / Traffic:	Above Avg. / Good / Heavy
Site Utility:	Irregular / Average
Utilities:	All to site
Flood Plain:	Zone X (shaded)
ZONING / GENERAL PLAN:	C-2, Commercial, CP/GCP, Commerce Park & R-2 PCD, Multi-Family Residential
PLANNED USE:	Mixed-Use Development
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	13 months
CONFIRMED WITH:	Larry Kush, Broker (Orion Investment RE), 480-482-1944
DATE CONFIRMED:	11/4/2022

COMMENTS:

This comparable represents the sale of a combined 140.40 acres, (6,115,687 SF), of vacant mixed-use (commercial/industrial and residential), zoned land located on the west side of the Loop 202, between Dobbins Road and Elliot Road in southwest Phoenix. The site offers good visibility to the Loop 202 and heavy traffic volumes. Zoned a mix of C-2, Commercial, CP/GCP Commercial Park and R-2 PCD, Multi-Family Residential, with a similar General Plan designation, the property consists of 8 contiguous parcels which is irregular in shape with average site utility. It closed escrow in June 2022 and was in escrow for about a year while the buyer got the property rezoned from S-1. It sold for \$39,500,000, or \$6.46 PSF of land area. The buyer, purchased the site with plans to develop a multi-phase project with a mix of commercial and industrial uses along with multi-family apartments. The property was on the market about 13 months with the buyer paying cash. No other sale conditions were noted.

I.D. : 22-253-LC.5

LAND VALUE ANALYSIS

Five land comparables are included in this analysis. The transactions occurred between December 2020 and June 2022. The land comparables were selected for their similar locations, physical characteristics, and zoning/planned use.

SUMMARY OF LAND COMPARABLES

LAND COMP	SALE DATE	PROPERTY LOCATION	ADJUSTED SALE PRICE ¹	SITE AREA (SQ. FT.)	SITE AREA (ACRES)	PRICE PER SQ. FT.	ZONING / GENERAL PLAN / PLANNED USE
1	12/21/20	SWC of W. Baseline Road & Loop 202, Laveen, AZ 85339	\$6,337,273	1,011,859	23.23	\$6.26	CP/GCP, Commerce Park / MU, Commerce-Business Park Medical Campus
2	01/26/21	NEC 91st Avenue & Durango Street, Tolleson, AZ 85353	\$13,730,315	2,495,277	57.28	\$5.50	CP/GCP, Commerce Park / Commerce-Business Park 223,000 SF Fulfillment Center
3	04/02/21	E/s. of S. 59th Avenue, S/o. W. Lower Buckeye Road, Phoenix, AZ 85339	\$8,400,000	960,423	22.05	\$8.75	CP/GCP, Commerce Park & A-1, Light Industrial / Industrial 323,782 SF HQ & Manufacturing Facility
4	07/13/21	E/s. of S. 99th Avenue, S/o. W. Buckeye Road, Tolleson, AZ 85353	\$23,550,000	3,388,167	77.78	\$6.95	CP/GCP, Commerce Park / Commerce-Business Park 3-Building/1.2 Million SF Business Park
5	06/17/22	W/s. of Loop 202, Btwn. Dobbins Road and Elliot Road, Phoenix, AZ 85339	\$39,500,000	6,115,687	140.40	\$6.46	C-2, Commercial, CP/GCP, Commerce Park & R-2 PCD, Multi-Family Residential Mixed-Use Development
¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)							
Subject	---	SWC W. Lower Buckeye Road & Loop 202, Phoenix, AZ 85043	---	2,627,009	60.31	---	C-2, Intermediate Commercial / GC/GGCP, Commerce Park Mixed-Use Development

Quantitative adjustments have been considered for elements of comparison including property rights conveyed, financing terms, conditions of sale, and date of sale, location, and physical differences. Here follows the analysis of the sales by each element of comparison. An adjustment matrix summarizing the adjustments as they apply to the comparable sales precedes the conclusion of this analysis.

Property Rights Conveyed

No price adjustments to any of the five land comparables are made for property rights conveyed. The fee simple interest was transferred for each comparable.

Financing Terms

In accordance with the definition of market value, adjustments for financing terms assume all cash or cash to the seller with the buyer obtaining new conventional financing at

prevailing interest rates. All five of the land comparables were cash equivalent. Thus, no price adjustments are unnecessary to any of the comparables for financing terms.

Conditions Of Sale

An adjustment for conditions of sale is made if the transaction was influenced by outside factors such as financial duress, lack of a sales commission, a related-party transaction, or out of the ordinary motivations of the buyer or seller. The five comparables represent arm's-length transactions with brokers involved and sales commissions being paid. Thus, no price adjustments are necessary for conditions of sale to any of the comparables.

Market Conditions (Time)

An adjustment for market conditions considers any changes that occur in the marketplace over time. These changes include fluctuations in supply and demand, inflation, or deflation. Since the subject property is appraised as of a specific date, the sales must be analyzed to determine the direction of change, if any, during the period between the sale date and the date of valuation. None of the sales included in this analysis provide sale and re-sale data within this time frame to derive a paired-sale analysis.

As discussed in the Market Analysis (Page 46), local market participants indicated industrial land price appreciation rate over the past few years was between 3% and 7% per annum. Based on this information, the appraisers made upward adjustments to the land comparables of 3% to 6% for improving market conditions (time) through early 2022. The adjustment for market conditions is based on an annual appreciation rate of 5.0%, or 0.417% per month applied to the months of appreciation from the comparables sale date through February 2022. Land values have remained stable due to the increases in interest rates and uncertainties in the economy.

Location/Access/Visibility

The subject property is located just off the southwest corner of West Lower Buckeye Road and the South Mountain Freeway (Loop 202), in southwest Phoenix. It represents an irregular shaped parcel which has level topography that is at street grade with both Lower Buckeye Road and 63rd Avenue, and at or below the street grade with the Loop 202 southbound on-ramp. The subject site has good frontage and visibility to the Loop 202 but, no direct access due to the ADOT access control. Legal and physical access to the site will be available via one, right-in/right-out along the south side of the West Lower Buckeye Road right-of-way, approximately 387 feet west of the Lower Buckeye Road and Loop 202 intersection.

The subject site does not presently have legal access via South 63rd Avenue. It is difficult to understand how the site could be developed without some access permitted from 63rd Ave. However, such access will have to be obtained by application to the city of Phoenix planning and zoning department. Because the property currently lacks such legal access at this time the site value must be discounted for the time, trouble and risk associated with changing the zoning stipulation. All the comparable sales are superior and access to the subject due to this factor. However, this price adjustment to the sale price of the comparable sales will be made under the Zoning/General Plan section of this analysis.

Due to the lack of more prominent and comprehensive street frontage/visibility and multiple points of access to and from West Lower Buckeye Road, a primary east-west arterial, it is unlikely the subject would be developed with a retail-oriented use. It would most likely be developed with a secondary use including industrial-oriented uses. This is the highest and best use of the site and comprises most of the recent land sales activity in the immediate and surrounding areas.

Land Comp One is located at the southwest corner of West Baseline Road and the Loop 202 (South Mountain Freeway) off-ramp, about 4 miles south of the subject. This is a similar location with similar street frontage/visibility and access. Thus, a price adjustment is unnecessary for location and access/visibility.

Land Comp Two is located on the east side of South 91st Avenue, south of West Buckeye Road about 4 miles to the northwest of the subject. The location is considered similar but, this property offers inferior visibility/frontage with exposure to lighter traffic volumes. Thus, an upward price adjustment is made inferior frontage/visibility and access.

Land Comp Three is located on the east side of 59th Avenue, south of Lower Buckeye Road, just off the Loop 2020 about 0.7 miles to the east of the subject. This is a similar location with similar street frontage/visibility and access. Thus, a price adjustment is unnecessary for location and access/visibility.

Land Comp Four is located on the east side of South 99th Avenue, south of West Buckeye Road about 5 miles to the northwest of the subject. The location is considered similar but, this property offers inferior visibility/frontage with exposure to lighter traffic volumes. Thus, an upward price adjustment is made inferior frontage/visibility and access.

Land Comp Five is located on the west side of the Loop 202, between Dobbins Road and Elliot Road in southwest Phoenix, about 5 miles to the south of the subject. Like Land

Comps One and Three, the location is similar with similar street frontage/visibility and access. Thus, a price adjustment is unnecessary for location and access/visibility.

Physical Characteristics

Adjustments for physical characteristics include the site size, site utility (shape/topography), zoning/planned use, availability of utilities, and floodplain issues.

Site Size

Generally, due to economies of scale, smaller parcels tend to sell at higher prices per acre than larger ones this, as there are more potential buyers competing for smaller parcels. The subject's site area is 2,627,009 square feet, (60.31 acres). The five land comparables range from 960,423 to 6,115,687 square feet, (22.05 to 140.40 acres). Downward price adjustments are made to Land Comps One and Three which are both smaller than the subject property. An upward price adjustment is made to Land Comp Five which is more than twice the size of the subject. No price adjustments are deemed necessary to Land Comps Two and Four, as they are deemed to be similar in size to the subject.

Site Utility (Shape/Topography)

The subject is irregular in shape, which is level and at street grade with both Lower Buckeye Road and 63rd Avenue, and at or below street grade with the Loop 202 on-ramp. The subject's overall site utility is considered to be average. In our opinion, two of the five land comparables offer similar irregular site shapes and utility to that of the subject. Thus, no price adjustments are made to Land Comps One and Five. Land Comps Two, Three and Four are all rectangular in shape which have higher building yields that are easier to engineer and develop. Thus, downward price adjustments are made to Land Comps Two, Three and Four for superior site utility.

Zoning & General Plan / Planned Use

Given the subject's zoning/general plan land use designations, and its location, the most likely use would be for industrial-oriented uses. Three of the five land sales were purchased and currently are or will be developed with an industrial development similar to that envisioned for the subject. Thus, no price adjustments are necessary to Land Comps Two, Three and Four for zoning/general plan and planned use. Land Comp One was purchased by an end-user for development of a medical campus. That use is deemed similar in intensity to that envisioned for the subject. Thus, no price adjustment is necessary to Land Comp One for zoning/general plan and land use. Land Comp Five was purchased with plans to develop it with a combination of industrial, retail and residential, with industrial use

making up the majority of the planned development. Thus, no price adjustment is deemed necessary to Land Comp Five for zoning/general plan and land use.

As previously stated, the subject site does not presently have legal access via South 63rd Avenue. However, such access will have to be obtained by application to the city of Phoenix planning and zoning department. Because the property currently lacks such legal access at this time the site value must be discounted for the time, trouble and risk associated with changing the zoning stipulation. All the comparable sales are superior and access to the subject due to this factor. A downward adjustment to the sale price of the comparable sales is therefore required for access.

Utilities (Offsites)

As previously described in the “Site Analysis” section, the subject currently has access to all utilities including electricity, telephone, natural gas, and municipal water and sewer either to the property line, or adjacent in the right of ways. All five land comparables have similar access to municipal utilities. Thus, no price adjustments are necessary to any of the comparables for utilities.

Floodplain

The subject property is outside the 100- and 500-year floodplain and is not required to carry flood insurance. All five land comparables have similar flood designations with no flood issues. Thus, no price adjustments are necessary to any of the five land comparables.

Here follows an Adjustment Matrix summarizing the adjustments as they apply to the five land comparables.

LAND COMPARABLE ADJUSTMENT MATRIX

ELEMENTS OF COMPARISON	SUBJECT	LAND COMP 1		LAND COMP 2		LAND COMP 3		LAND COMP 4		LAND COMP 5	
	SWC W. Lower Buckeye Road & Loop 202, Phoenix, AZ 85043	SWC of W. Baseline Road & Loop 202, Laveen, AZ 85339	Price / sq ft Adjustments	NEC 91st Avenue & Durango Street, Tolleson, AZ 85353	Price / sq ft Adjustments	E/s. of S. 59th Avenue, S/o. W. Lower Buckeye Road, Phoenix, AZ 85339	Price / sq ft Adjustments	E/s. of S. 99th Avenue, S/o. W. Buckeye Road, Tolleson, AZ 85353	Price / sq ft Adjustments	W/s. of Loop 202, Btwn. Dobbins Road and Elliot Road, Phoenix, AZ 85339	Price / sq ft Adjustments
SALE PRICE / PER SQUARE FOOT	N/A	\$6,337,273	\$6.26	\$13,730,315	\$5.50	\$8,400,000	\$8.75	\$23,550,000	\$6.95	\$39,500,000	\$6.46
PROPERTY RIGHTS CONVEYED <i>Adjustment</i>	Fee Simple	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00
FINANCING TERMS <i>Adjustment</i>	Assume cash to seller	Cash to Seller 0%	\$6.26	Cash to Seller 0%	\$5.50	Cash to Seller 0%	\$8.75	Cash to Seller 0%	\$6.95	Cash to Seller 0%	\$6.46
CONDITIONS OF SALE <i>Adjustment</i>	Assume Arm's-Length	Arm's-Length 0%	\$0.00	Arm's-Length 0%	\$0.00	Arm's-Length 0%	\$0.00	Arm's-Length 0%	\$0.00	Arm's-Length 0%	\$0.00
MARKET CONDITIONS (TIME) <i>Adjustment</i>	November 4, 2022 Date of Value	December 21, 2020 6%	\$6.26	January 26, 2021 5%	\$5.50	April 2, 2021 5%	\$8.75	July 13, 2021 3%	\$6.95	June 17, 2022 3%	\$6.46
ADJUSTED SALE PRICE PER SF			\$6.64		\$5.78		\$9.18		\$7.16		\$6.65
LOCATION General Access/Visibility/Traffic <i>Adjustment</i>	Average / SW Phoenix Average / Good / Heavy	Average / SW Phoenix Above Average / Good / Heavy 0%	\$0.00	Average / SW Phoenix Above Average / Good / Moderate 5%	\$0.29	Average / SW Phoenix Above Average / Good / Heavy 0%	\$0.00	Average / SW Phoenix Above Average / Good / Moderate 5%	\$0.36	Average / SW Phoenix Above Avg. / Good / Heavy 0%	\$0.00
PHYSICAL CHARACTERISTICS Site Size in SF Site Size in Acres <i>Adjustment</i>	2,627,009 60.31	1,011,859 23.23 -10%	(\$0.66)	2,495,277 57.28 0%	\$0.00	960,423 22.05 -10%	(\$0.92)	3,388,167 77.78 0%	\$0.00	6,115,687 140.40 10%	\$0.67
Site Utility (Shape / Topography) <i>Adjustment</i>	Irregular / Level / Average	Irregular / Average 0%	\$0.00	Rectangular / Good -10%	(\$0.58)	Rectangular / Good -10%	(\$0.92)	Rectangular / Good -10%	(\$0.72)	Irregular / Average 0%	\$0.00
Zoning / General Plan Planned Use <i>Adjustment</i>	C-2, Intermediate Commercial / GC/GGCP, Commerce Park Mixed-Use Development	CP/GCP, Commerce Park / MU, Commerce-Business Park Medical Campus -10%	(\$0.66)	CP/GCP, Commerce Park / Commerce-Business Park 223,000 SF Fulfillment Center -10%	(\$0.58)	CP/GCP, Commerce Park & A-1, Light Industrial / Industrial 323,782 SF HO & Manufacturing Facility -10%	(\$0.92)	CP/GCP, Commerce Park / Commerce-Business Park 3-Building/1.2 Million SF Business Park -10%	(\$0.72)	C-2, Commercial, GPCGP, Commerce Park & B-2 PCD, Mid-Family Residential Mixed-Use Development -10%	(\$0.67)
Utilities (Offsites) <i>Adjustment</i>	All to site	All to site 0%	\$0.00	All to site 0%	\$0.00	All to site 0%	\$0.00	All to site 0%	\$0.00	All to site 0%	\$0.00
Floodplain <i>Adjustment</i>	Zone X (Unshaded) Outside Flood	Zone X (shaded) 0%	\$0.00	Zone X (shaded) 0%	\$0.00	Zone X (shaded) 0%	\$0.00	Zone X (shaded) 0%	\$0.00	Zone X (shaded) 0%	\$0.00
NET % ADJUSTMENT / ADJUSTED SALE PRICE / SF		-15.2%	\$5.31	-10.8%	\$4.91	-26.5%	\$6.43	-12.5%	\$6.09	3.0%	\$6.65

Conclusion – ADOT Parcel L-C-085

After making adjustments for all of the appropriate elements of comparison, the adjusted price range from the comparable land sales is \$4.91 to \$6.65 per square foot, with an average of \$5.88, and a median of \$6.09. Three of the five land comparables had adjusted land values of \$4.91 To \$6.09 per square foot with an \$5.44. Thus, the appraisers put most weight on the adjusted land values of Land Comps One, Two and Four which required the least number of net adjustments.

Based on the foregoing data and analysis, it is our opinion that the market value of the subject’s 2,627,009 square foot site is approximately \$5.50 per square foot. Thus, 2,627,009 times \$5.50 per square foot = \$14,448,550, rounded to \$14,500,000.

ADOT PARCEL L-C-085, MARKET VALUE OPINION\$14,500,000
This estimate of Market Value equals approximately\$5.52 Per Square Foot

EXPOSURE TIME

Exposure time is the estimated length of time the appraised property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The marketing times from the comparable sales are analyzed to estimate the exposure time for the subject.

A review of several comparable land sales reported marketing periods of 5 months to 24 months, with an average of 13 months. Given the current market conditions, the estimated exposure time is 12 months or less if the property is priced in accordance with the appraised value.

AUDITING BREAKDOWN

The following is the Auditing Breakdown for the subject property.

ADOT PARCEL L-C-085, MARKET VALUE OPINION\$14,500,000
This estimate of Market Value equals\$5.52 Per Square Foot

PROJECT: M697201X
HIGHWAY: SR 202L (SOUTH MOUNTAIN FREEWAY)
SECTION: SALT RIVER – JUNCTION I-10 PAPAGO SEGMENT
PARCELS: L-C-085
CONTRACT: TO-23-002

I hereby certify:

That I personally inspected the property herein appraised. I did not make a personal field inspection of each the comparables relied upon in making said appraisal. The subject and the comparables relied upon in making the appraisal were as represented by the photographs, and aerials and plat maps contained in the appraisal.

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

That my analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Arizona Department of Transportation Appraisal Standard and Specifications and the Uniform Standards of Professional Appraisal Practice.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, policies, and procedures applicable to appraisal.

That I understand this appraisal may be used in connection with the potential disposal of the property by the State of Arizona.

That neither my employment nor our 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 potential disposal of the property appraised herein.

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

That my opinion of the MARKET VALUE for the subject property as of the 4th day of November, 2022, based upon my independent appraisal and the exercise of my professional judgment is as follows:

ADOT PARCEL L-C-085, MARKET VALUE OPINION\$14,500,000
This estimate of Market Value equals\$5.52 Per Square Foot



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

CERTIFICATION

THE APPRAISERS CERTIFY TO THE BEST OF THEIR KNOWLEDGE AND BELIEF:

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

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

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

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

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

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

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

Steven Cole, MAI made a personal inspection of the property that is the subject of this report.

Mr. Richard Lee, Certified General Real Estate Appraiser provided significant real property appraisal assistance to the person signing this certification. However, the conclusions of value are my own, and I am solely responsible for the entire contents of this appraisal.

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

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

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

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

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

Date: May 2, 2023



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

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

FORMAL EDUCATION:

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

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

PROFESSIONAL EDUCATION:

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

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

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

"Case Studies in Real Estate Valuation"

"Introduction to Real Estate Investments Analysis"

"Litigation Valuation"

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

"Market Analysis"

"Review Theory - General"

Attendance at Numerous Educational Seminars:

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute (MAI), Certification Number 6080. The institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. As of this date, I have completed the requirements under the continuing education program of the Appraisal Institute. I am currently certified through December 31, 2027.

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

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

EXPERIENCE:

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

ADDITIONAL EDUCATIONAL AND PROFESSIONAL ACTIVITY:

Publication of articles in Professional Journals:

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

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

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

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

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

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

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

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

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

APPROVED APPRAISER:

With most major commercial banks and mortgage companies in Arizona.

STATE CERTIFICATION:

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

Department of Insurance and Financial Institutions

State of Arizona

CGA - 30130

STEVEN R. COLE

This document is evidence that:

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

Certified General Real Estate Appraiser

has complied with the provisions of

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

Certified General Real Estate Appraiser

STEVEN R. COLE

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

Expiration Date : **August 31, 2024**

ADDENDA



P.O. Box 16156
TUCSON, ARIZONA 85732
(520) 327-0000
FAX (520) 327-3974

September 06, 2022

Mr. Timothy F. O'Connell, Jr.
R/W Project Management Section
Arizona Department of Transportation
205 South 17th Avenue, Room 306
Phoenix, Arizona 85007

Email: TOConnell@azdot.gov

REF: Appraisal Proposal for a fee simple interest appraisal of 63.4 acres, of vacant land, located at the southwest corner of Lower Buckeye Road and South Mountain Freeway in Phoenix, Maricopa County, Arizona.

At your request, I am providing a proposal for a market value opinion of vacant land referenced above. The subject properties consist of a single larger parcel consisting of five contiguous parcels. They are identified as Maricopa County Assessor Parcel Numbers 104-47-001C, 001D, 003L, 003S, and 003R. Currently, the land is owned by the Arizona Department of Transportation, (ADOT).

The purpose of the appraisal assignment is to establish an opinion of market value for the property in "as is" condition as of a current date. Pursuant to Arizona Revised Statute 28-7091, market value is defined as follows:

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

The intended users of the appraisal include Tim O'Connell and officials and agents of the Arizona Department of Transportation.

This appraisal report is intended to comply with the requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; and (2) the *Uniform Standards of Professional Appraisal Practice 2020-2022* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach will be used to support my value opinions of the land areas impacted by the new access road acquisition areas.

The fee for the appraisal will be \$5,000. The fee will be due upon completion of the report. Please make all checks payable to Southwest Appraisal Associates. Any unpaid balance of the

fee will bear an interest charge of 1.5% per month.

The above fee does not include any other services such as depositions, preparation, testimony, or meetings or conferences with the client or other users. These services may be provided at an additional fee of \$200 per hour.

The estimated date of delivery is 5 weeks from your authorization to proceed. This report will include required elements of an appraisal as indicated by *USPAP*: including a Site Analysis, Land Sales data sheets, and a land value analysis with a conclusion of market value. The appraisal will be subject to the "General Assumptions and Limiting Conditions" which follow and to any Extraordinary Assumptions and Limiting Conditions necessary to complete the assignment.


To complete the appraisal, I request the following items at this time.

- A copy of any offer, listing, or sale of the property within the last five years.
- Current ownership, a copy of a current deed title report.
- Survey, if available.
- Any other information on the property that might affect the property value.

If the above proposal correctly states our understanding, please sign below and return a copy of this letter to me along with any required documentation.

Respectfully submitted,

Southwest Appraisal Associates, Inc.

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

By _____
Tim O'Connell
ADOT Representative



PURCHASE ORDER

PHOENIX, on 10/25/2022
TO-23-002/ CTR054974/ M697201X/ L-C-038A-F, L-C-085, L-C-099A-B/ Appraisal Due 10/30/22 & 11/18, 11/28/2022-SOUTHWEST APPRAISAL ASSOCIATES INC

SUPPLIER

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

ORDER No. P00000487952

(please refer to this number on all documents)

Amendment:
Requestor: ESTHER VALENCIA
Agency: Department of Transportation
Division: Infrastructure Delivery & Operations
Division Construction
Department: Right Of Way
Site: RIGHT OF WAY
Phone: 6027128793
Email: EVALENCIA@AZDOT.GOV

DELIVER TO

(unless specified differently per item)

Address: RIGHT OF WAY
205 S 17TH AVE
MD 612E RM 331
UNITED STATES
PHOENIX, Arizona 85007-3212

Deliver To:
Requested Delivery Date:

(Unless specified differently per item in section delivery details)

BILL TO

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

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR054974-1	578846-1	TO-23-002/ CTR054974/ M697201X/ L-C-038A-F, L-C-085, L-C-099A-B/ Appraisal Due 10/30/22 & 11/18, 11/28/2022 Commentaire : M697201X	1.0000	Total Cost	12,250.0000	12,250.0000

Total before Tax	12,250.0000 USD
Non-Taxable - 0 %	0.0000 USD
Total after Tax	12,250.0000 USD





PURCHASE ORDER

DELIVERY CONDITIONS

Delivery Conditions	Date	Type	%	Amount	Item



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.

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.



City of Phoenix
PLANNING AND DEVELOPMENT DEPARTMENT

Staff Report: Z-62-13-7
March 6, 2014

Estrella Village Planning Committee Meeting Date March 18, 2014
Planning Commission Hearing Date May 13, 2014
Request From: C-2 (77.15 Acres)
 RE-35 (10.23 Acres)
 RE-35 (Approved R-2) (40.84 Acres)
Request To: A-1 (128.22 Acres)
Proposed Use Commercial and Industrial Uses
Location Approximately 700 feet west of the southwest corner of 59th Avenue and Lower Buckeye Road
Owner Newport Groups 22 and 37 LLC
Applicant/Representative Michael J. Curley, Earl, Curley and LaGarde PC
Staff Recommendation Approval, subject to stipulations

General Plan Conformity			
General Plan Land Use Designation		Mixed-Use/Estrella Village Core (Pending Industrial)	
Street Map Classification	Lower Buckeye Road	Arterial	33-foot half street
	59th Avenue	Arterial	33-foot half street
<p>NEIGHBORHOOD ELEMENT. GOAL 2. POLICY 3: CREATE NEW DEVELOPMENT THAT IS SENSITIVE TO THE SCALE AND CHARACTER OF THE SURROUNDING NEIGHBORHOODS AND INCORPORATES ADEQUATE DEVELOPMENT STANDARDS TO PREVENT NEGATIVE IMPACT(S) ON THE RESIDENTIAL PROPERTIES.</p> <p>The site is currently vacant and adjacent to an existing single-family subdivision. By complying with staff stipulations the proposed industrial development will provide appropriate landscape and building setback buffers from adjacent uses.</p>			
<p>LAND USE ELEMENT/GOAL 2, EMPLOYMENT AND POPULATION BALANCE: DEVELOPMENT OF EACH VILLAGE'S POTENTIAL SHOULD BE ENCOURAGED BY DISTRIBUTING A DIVERSITY OF EMPLOYMENT AND HOUSING IN A WAY THAT ACHIEVES A BALANCED CITYWIDE PLAN AND THAT IS CONSISTENT WITH COMMUTE TRAVEL PATTERNS AND THE CURRENT CHARACTER OF EACH DEVELOPED VILLAGE.</p> <p>The proposed commercial and industrial uses will be located south of the remaining Estrella Village Core, bisected by the future Loop 202 freeway and along two arterial streets. The location of the subject parcel will reduce the impact of commute travel between other areas of employment and residential uses.</p>			



ADOT Right Of Way <small>THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY</small>		DISPOSAL #	L-C-085	HIGHWAY NAME:		SOUTH MOUNTAIN FREEWAY
		EXHIBIT #		PROJECT NO.	202 MA 000 H5439	
		DATE	11/30/22	PROJECT NO.		202 MA 056 H8827
ROUTE NO.:	LOCATION:	SALT RIVER - I-10		FEDERAL AID NO.:	202D(200)S	
SR 202L					SHEET NO. 1 OF 1	

GROWTH ELEMENT, GOAL 1 – GROWTH: MAINTAIN A HIGH QUALITY OF LIFE AND ECONOMICALLY HEALTHY COMMUNITY.

The proposed industrial zoning request will promote an established economically healthy community along the future loop 202 corridor. The use will be supported by the surrounding residential and future industrial and commercial uses in the area. The proposed request is consistent with the existing commercial zoning designation to the north and east.

Area Plan

ESTRELLA VILLAGE PLAN

The site is located within the Estrella Village Plan. The plan recommends that infill development should be consistent with the predominant land use of the area. As the parcel will be bisected by the future Loop 202 freeway it is appropriate for the parcel to be taken out of the village core and designated industrial.

The plan also recommends that residential areas should be protected from intense land uses. Via staff stipulations the project will provide adequate landscape and building setbacks to buffer the existing single family neighborhood to the west and south. The proposed project will generate employment opportunities in close proximity to a freeway corridor. The proposal is consistent with the Estrella Village Plan.

Surrounding Land Uses/Zoning		
	Land Use	Zoning
On Site	Vacant	C-2, RE-35, RE-35 (Approved R-2)
North	Vacant	RE-35
South	Single-Family Residential	R1-6
East	Vacant, SRP Substation	A-1, CP/GCP, RE-35
West	Single-Family Residential	R1-8, R1-10

Background/Issues/Analysis

1. This is a request to rezone a 128.22-acre parcel from C-2 (Intermediate Commercial), RE-35 (Single-Family Residential), and RE-35 (Approved R-2) to A-1 (Light Industrial) for warehouse, office and industrial uses. This request is not consistent with the General Plan Land Use Map and therefore the applicant is running GPA-EST-2-13 concurrently with this request.

2. The subject parcel is located within the Estrella Village Core. The applicant is requesting to remove the parcel from the core and rezone to A-1 to allow for industrial uses. Staff is supportive of this request as the site will be bisected by the future Loop 202 Freeway and also SRP has regional power line easements that make developing the parcel at a pedestrian scale difficult. The remaining Village Core (north of Lower Buckeye Road) will have 175 +/- acres to develop. This acreage is a more appropriate size to develop a mixed-use product for area residents to enjoy. Also the Estrella Village Core Plan will still be applicable to the remaining acreage north of Lower Buckeye Road.



3. The subject site is vacant. Located to the south and west is a single-family residential subdivision. To the north is a vacant parcel located in the village core and to the east is a vacant parcel zoned Commerce Park and A-1 in addition to an SRP substation.
4. The conceptual site plan shows a large building envelop within the subject site. The development of the parcel will be governed by the perimeter building and landscape setbacks. Staff is recommending a series of stipulations that address building and landscape setbacks, screening, building height, outdoor uses and traffic that will provide adequate buffers and help mitigate the impact on the single-family neighborhood to the west and south.

Landscape Setbacks

Staff is recommending landscape setbacks of 75 feet along the west and south property lines. The additional setbacks will provide an appropriate buffer from the existing and future neighborhoods.

Screening

Staff is recommending an 8-foot high decorative screen wall be constructed and setback 75 feet from the west property line. This will allow the residents to have an unobstructed view of the staff proposed 75-foot landscape setback.

Building Setbacks

Staff is also recommending building setbacks of 75 feet along the west and east property lines and 125 feet along the south property line. The increased building and landscape setbacks will help mitigate the proposed A-1 industrial uses adjacent to the existing neighborhood.

Building Height

Staff is recommending height restrictions of 48 feet along the west and south property lines. This will also help mitigate any adverse effects from the proposed A-1 industrial uses and the single-family neighborhoods.

Outdoor Storage

The A-1 zoning district allows for outdoor storage uses. Staff is recommending prohibiting any outdoor storage within 250 feet of the north, south and west property lines. This additional setback will help mitigate any possible adverse impacts to the residents in the area and ensure appropriate streetscape along Lower Buckeye Road and the future village core.

Traffic

Staff is proposing a one-foot non-vehicular easement along the west property lines. This will ensure that all vehicular traffic to the subject site will be via Lower Buckeye Road or 59th Avenue and away from the single-family homes.

5. Development and use of the site is subject to all applicable codes and ordinances. Zoning approval does not negate other ordinance requirements. Other formal actions such as, but not limited to, zoning adjustments and abandonments may be required.

Findings

1. The proposed zoning is not consistent with the city of Phoenix General Plan Land Use Map.
2. The proposal is consistent with the Estrella Village Plan.
3. As stipulated, the project will provide adequate buffers to the single-family neighborhood to the west.

Stipulations

1. The development shall be in general conformance with the site plan and landscape plans date stamped December 16, 2013, as approved by the Planning and Development Department.
2. A minimum 75-foot landscape setback shall be provided along the west and south property lines and shall utilize the Commerce Park/General Commerce Park landscape standards for plant types, quantity and spacing, as approved by the Planning and Development Department.
3. A minimum 75-foot building setback shall be provided along the west and east property lines, as approved by the Planning and Development Department.

4. A minimum 125-foot building setback shall be provided along the south property line, as approved by the Planning and Development Department.
5. An eight-foot high decorative wall shall be constructed and set back a minimum of 75 feet from the west property line, as approved by the Planning and Development Department.
6. The perimeter walls adjacent to Lower Buckeye Road and 63rd Avenue shall include material and textural differences, such as stucco and/or split face block with a decorative element, such as tile, glass insets, or stamped designs, as approved by the Planning and Development Department.
7. Building height shall be limited to a maximum of 48 feet within 100 feet of the west property line, as approved by the Planning and Development Department.
8. Building height shall be limited to a maximum of 48 feet within 150 feet of the south property line, as approved by the Planning and Development Department.
9. Outdoor storage shall not be permitted within 250 feet of the north, south and west property lines, as approved by the Planning and Development Department.
10. A one-foot non-vehicular access easement shall be provided along the west property line, as approved by the Planning and Development Department.
11. Right-of-way totaling 55 feet shall be dedicated for the south half of Lower Buckeye Road. Provide full improvements consisting of curb, gutter, sidewalk, curb ramps, streetlights, landscaping and incidentals for the length of the project.
12. Submit amended Traffic Impact Study Analysis updated to proposed development use. Additional improvements may be stipulated based upon study findings.
13. Right-of-way totaling 55 feet shall be dedicated for the west half of 59th Avenue. Provide curb, gutter, paving, sidewalk, curb ramps, streetlights, landscaping and incidentals for the length of the project.
14. Right-of-way totaling 50 feet shall be dedicated for the existing 63rd Avenue Alignment with a minimum 25-foot pavement section to service Williams Street. Provide curb, gutter, sidewalk, paving and incidentals for the length of the project.
15. Right-of-way totaling 60 feet shall be dedicated for the proposed 63rd Avenue from Florence Avenue to Lower Buckeye Road. Provide curb, gutter, paving, sidewalk, curb ramps, streetlights, landscaping and incidentals for the length of the project.

16. Right-of-way totaling 30 feet shall be dedicated for the east half of 63rd Avenue. Provide curb, gutter, paving, sidewalk, curb ramps, streetlights, landscaping and incidentals for the length of the project.
17. Contact Bruce Littleton (602-262-4690) for potential conduit and junction boxes at Lower Buckeye Road and 63rd Avenue for future traffic signal equipment for the intersection. Submittal will be made as a separate document that shows the entire intersection with existing conduit runs and junction boxes. The Developer will submit the approved plan to the Civil Plans Coordinator as part of the civil engineering plan set. All work related to the construction or reconstruction of the signal, conduit runs and junction box installation is the responsibility of the Developer.
18. The developer shall update all existing off-site street improvements (sidewalks, curb ramps and driveways) to current ADA guidelines.
19. Complete a Red Border Letter to notify ADOT of development adjacent to its freeway corridor and submit it to Alan Hilty in the Street Transportation Department 602-262-6193, with a copy to the Traffic Engineer and Civil Plans Reviewer
20. Provide underground street light circuits, poles and fixtures on all public streets in locations approved by the Street Transportation Department. Submit one copy of the approved site plan with three copies of the streetlight plans to the 2nd floor of City Hall to be routed to Street Lighting Section reviewer, Diane Gomez 602-262-7223.
21. The developer shall construct all streets within and adjacent to the development with paving, curb, gutter, setback sidewalk, curb ramps, streetlights, landscape and other incidentals as per plans approved by the Planning and Development Department. All improvements shall comply with all ADA accessibility standards.

Writer

Marc Thornton

Team Leader

Joshua Bednarek

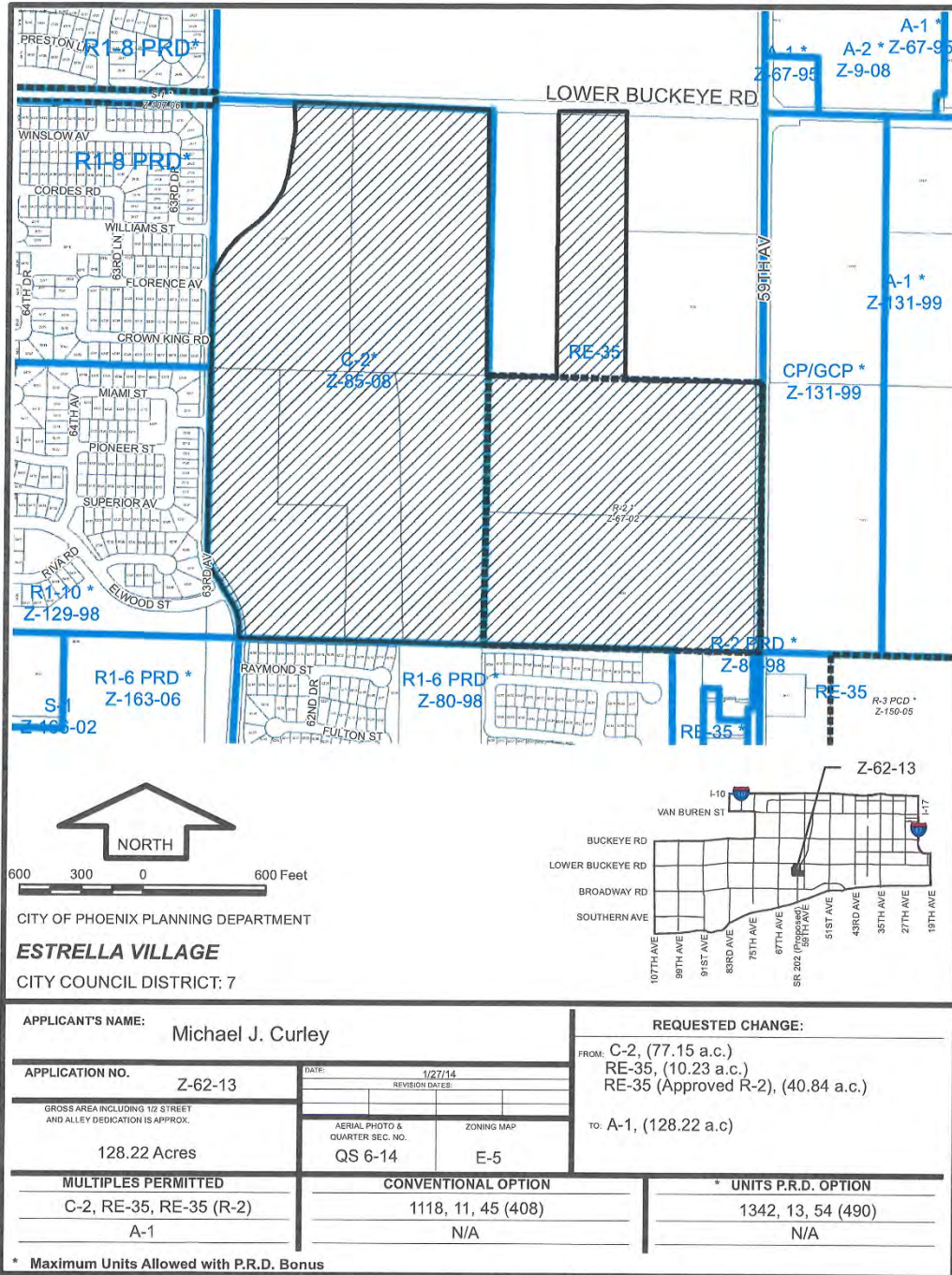
Attachments

Sketch Map

Aerial

Site Plan (date stamped December 16, 2013)

Landscape Plan (date stamped December 16, 2013)



N:\S_Team\Core_Functions\Zoning\sketch_mapsi2013\Z-62-13.mxd

CITY OF PHOENIX

DEC 16 2013

Planning & Development
Department

**(+/- 700-ft. west of the) Southwest Corner of 59th Ave. & Lower Buckeye Rd.
Proposal for A-1 zoning & Industrial land use designation**



Earl, Curley & Lagarde P.C.

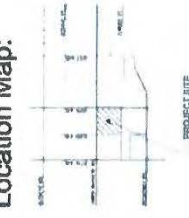
DEC 16 RECD

PLANNING DEPT.
2nd fl. RECEPTION

Plan Data:

Project Area: 125.84 Net Acres±, 128.22 Gross Acres±
 Existing Zoning: C-2
 RE-35 (R-2 Approved) 77.04 Gross Acres±, 39.00 Net Acres±
 RE-35 40.00 Gross Acres±, 10.11 Net Acres±
 RE-35 11.18 Gross Acres±, 3.73 Net Acres±
Total: 128.22 Gross Acres±, 52.84 Net Acres±
 Proposed Zoning: A-1
 125.84 Net Acres±, 128.22 Gross Acres±

Location Map:



Architect:
EKL DUBOY & LEONARD, P.C.
10000 Greenway Parkway, Suite 1000
Phoenix, Arizona 85022
Tel: 602-998-0000
www.ekl.com

Prepared for:
Newport Group

Conceptual Site Plan for:

Newport 129 Acres
Phoenix, Arizona



<p>50' Landscape Setback - 63rd Ave. (Next to R1-10 to West)</p>  <p>Street ROW 50' Landscape Setback Building Setback/ Parking</p>	<p>25' Landscape Setback - Lower Buckeye, 59th Ave., 63rd Ave. (Next to C-2 to West)</p>  <p>Street ROW 25' Landscape Setback Building Setback/ Parking</p>	<p>25' Landscape Setback - Next to R1-6 PRD to South</p>  <p>Adjacent R1-6 PRD Residential Subject Property 25' Landscape Setback</p>		
<p>Section</p>  <p>Desert Shrubs Desert Tree Decomposed Granite Surfaces</p>	<p>Section</p> 	<p>Section</p> 		
<p>Plan</p>			<p>Plan</p>	<p>Plan</p>
<p>Reviewed by Drifting Sands Design Tempe, Arizona 480-927-9208</p>			<p>Note: 1. Plant materials, sizes & spacing per City of Phoenix requirements 2. Concept Plan - Not for Construction</p>	<p>Date: December 12, 2013</p>
<p>Conceptual Landscape Setback Sections & Plans for: Newport 129 Acres Phoenix, Arizona</p>				

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

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

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

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

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

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

LEGAL DESCRIPTION

SEE SCHEDULE A-1 ATTACHED

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

Date of Search: 12/27/2021	Examiner: Sherry L Kinsella	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:

County: Maricopa	Tax Arb: 104-47-003S	Disposal: N/A
Tracts No.: 202L MA 000 H5439 / 202L MA 000 H8827	Highway: SOUTH MOUNTAIN FREEWAY	Excess Land: L-C-085
Fed. No.:	Section: Salt River - Jct I-10 Papago Segment	Parcel No.: 7-11508 7-11622 & 7-11948

**SCHEDULE A-1
LEGAL DESCRIPTION**

Portions of ADOT Parcel 7-11508, ADOT Parcel 7-11622 and ADOT Parcel 7-11948, as depicted on Exhibit "A" attached, Sheet 4 and Sheet 5 of ADOT Drawing # D-7-T-1014 the Right of Way Plans of SOUTH MOUNTAIN FREEWAY – Salt River – Jct. I-10 W – Jct. I-10S and Jct. I-10 Papago Segment, Project No. 202L MA 000 H5439 / 202L MA 056 H8827.

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

END OF SCHEDULE A-1

- 2 -

RIGHT OF WAY / VESTING

1. Amended Final Order of Condemnation in Civil Case No. CV2016-005205, the State of Arizona ex rel. John Halikowski, Director, Department of Transportation, as Plaintiff vs. Foresight Group Holdings, VI, LLC, et al; Foresight Group Holdings I, LLC, et al; Foresight Group Holdings II, LLC, et al; Newport Group 22, LLC, et al; and Newport Group 37, LLC, et al, as Defendants, recorded December 4, 2018 in Fee No. 2018-0888717. [Project No. 202L MA 000 H5439 01R, Parcel 7-11508; Parcel 7-11622 and Parcel 7-11948]

NOTE: Property acquired as fee only.

END OF RIGHT OF WAY / VESTING

REQUIREMENTS

1. Record a Partial Release and Reconveyance from First American Title Insurance Company, as Trustee; Westmount Financial Limited Partnership, a Florida limited partnership, as beneficiary, executed by Foresight Group Holdings I, LLC, an Arizona limited liability company with a maximum principle amount of \$400,000.00, dated April 17, 2000, recorded April 17, 2000 in Fee No. 2000-0287298; thereafter Assigned to Colonial Bank, an Alabama banking corporation, dated May 4, 2000, recorded July 25, 2000 in Fee No. 2000-0561663. (**NOTE:** A Certificate of Satisfaction by Colonial Bank n/k/a Branch Banking and Trust Company dated July 24, 2017, recorded August 1, 2017 in Fee No. 2017-0564596 attempts to release the Deed of Trust, but mistakenly releases the Assignment. A corrective release is required. (Affects ADOT Parcel 7-11508)
2. Record Partial Release and Reconveyance from First American Title Insurance Company, as Trustee; Westmount Financial Limited Partnership, a Nevada limited partnership, as Beneficiary, executed by The Newport Group 37, LLC, an Arizona limited liability company in the original principle amount of \$3,531,871.33 dated February 11, 2009, recorded February 11, 2009 in Fee No. 2009-0116460. (Affects ADOT Parcel 7-11622)
3. Record Partial Release and Reconveyance from First American Title Insurance Company, as Trustee; Westmount Financial Limited Partnership, a Nevada limited partnership, as Beneficiary, executed by Foresight Group Holding VI, LLC, an Arizona limited liability company in the original principle amount of \$1,395,008.65 dated February 11, 2009, recorded February 11, 2009 in Fee No. 2009-0116462. (Affects ADOT Parcel 7-11948)
4. Record Partial Release and Reconveyance from First American Title Insurance Company, as Trustee; Westmount Financial Limited Partnership, a Nevada limited partnership, as Beneficiary, executed by Foresight Group Holding I, LLC, an Arizona limited liability company in the original principle amount of \$1,395,008.65 dated February 11, 2009, recorded February 11, 2009 in Fee No. 2009-0116472. (Affects ADOT Parcel 7-11508)
5. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

NOTE: Repurchase rights **do not** apply due to property being acquired through a condemnation procedure, see Item No. 1 of Right of Way/Vestings. [Project No. 202L MA 000 H5439 01R/ Parcel 7-11508, Parcel 7-11622 and Parcel 7-11948]

END OF REQUIREMENTS

- 4 -

SCHEDULE B

1. Easement Encroachment Permit and Indemnification Agreement by and between Red River 647 Holdings, LLC, an Arizona limited liability company and Arizona Public Service Company, an Arizona corporation dated April 5, 2018, recorded April 9, 2018 in Fee No. 2018-0262792. (Affects ADOT Parcel 7-11508)
2. Aerial Easement for electrical facilities and incidentals to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona dated April 13, 2018, recorded April 18, 2018 in Fee No. 2018-0293585. (Affects ADOT Parcel 7-11948)
3. Power Transmission Easement for electrical facilities and incidentals to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona dated April 18, 2018, recorded April 25, 2018 in Fee No. 2018-0314158. (Affects ADOT Parcel 7-11622)
4. Power Transmission Easement for electrical facilities and incidentals to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona dated April 18, 2018, recorded April 25, 2018 in Fee No. 2018-0314159. (Affects ADOT Parcel 7-11948)
5. Irrigation Easement to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona dated August 31, 2018, recorded September 14, 2018 in Fee No. 2018-0695398. (Affects ADOT Parcel 7-11948)
6. Resolution of Establishment by John S. Halikowski, Director of the Arizona Department of Transportation for State Route 202 Loop dated December 21,2018, recorded January 9, 2019 in Fee No. 2019-0017443. (Affects ADOT Parcel 7-11508, ADOT Parcel 11622 and ADOT Parcel 7-11948)
7. Overhead and Underground Power Distribution Easement for electrical facilities and incidentals to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona dated January 16, 2019, recorded January 22, 2019 in Fee No. 2019-0045653. (Affects ADOT Parcel 7-11948)

END OF SCHEDULE B

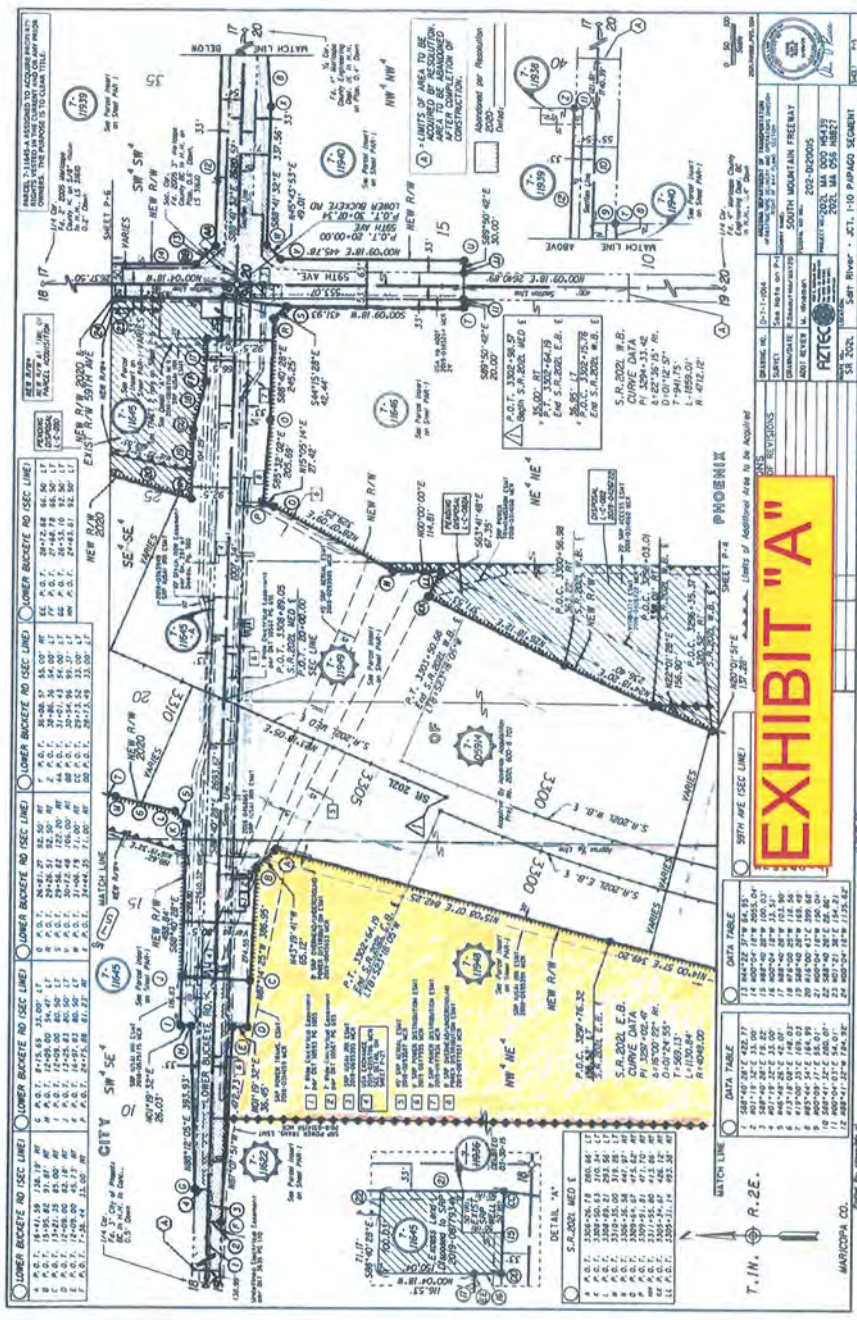


EXHIBIT "A"

11/17/2008
G.E.S. Inc. / Jtsposal

Acquired

DATA TABLE

1	14 800'00" 147° 15' 00" W	105.00'
2	14 800'00" 147° 15' 00" W	105.00'
3	14 800'00" 147° 15' 00" W	105.00'
4	14 800'00" 147° 15' 00" W	105.00'
5	14 800'00" 147° 15' 00" W	105.00'
6	14 800'00" 147° 15' 00" W	105.00'
7	14 800'00" 147° 15' 00" W	105.00'
8	14 800'00" 147° 15' 00" W	105.00'
9	14 800'00" 147° 15' 00" W	105.00'
10	14 800'00" 147° 15' 00" W	105.00'
11	14 800'00" 147° 15' 00" W	105.00'
12	14 800'00" 147° 15' 00" W	105.00'

DATA TABLE

1	14 800'00" 147° 15' 00" W	105.00'
2	14 800'00" 147° 15' 00" W	105.00'
3	14 800'00" 147° 15' 00" W	105.00'
4	14 800'00" 147° 15' 00" W	105.00'
5	14 800'00" 147° 15' 00" W	105.00'
6	14 800'00" 147° 15' 00" W	105.00'
7	14 800'00" 147° 15' 00" W	105.00'
8	14 800'00" 147° 15' 00" W	105.00'
9	14 800'00" 147° 15' 00" W	105.00'
10	14 800'00" 147° 15' 00" W	105.00'
11	14 800'00" 147° 15' 00" W	105.00'
12	14 800'00" 147° 15' 00" W	105.00'

DETAIL - "A"

1	S. 1/4 200' E	100.00'
2	S. 1/4 200' E	100.00'
3	S. 1/4 200' E	100.00'
4	S. 1/4 200' E	100.00'
5	S. 1/4 200' E	100.00'
6	S. 1/4 200' E	100.00'
7	S. 1/4 200' E	100.00'
8	S. 1/4 200' E	100.00'
9	S. 1/4 200' E	100.00'
10	S. 1/4 200' E	100.00'
11	S. 1/4 200' E	100.00'
12	S. 1/4 200' E	100.00'

MADCOPIA CO.
T. J. M. R. 2E.
PHOENIX
SOUTH AVE (SEC LINE)

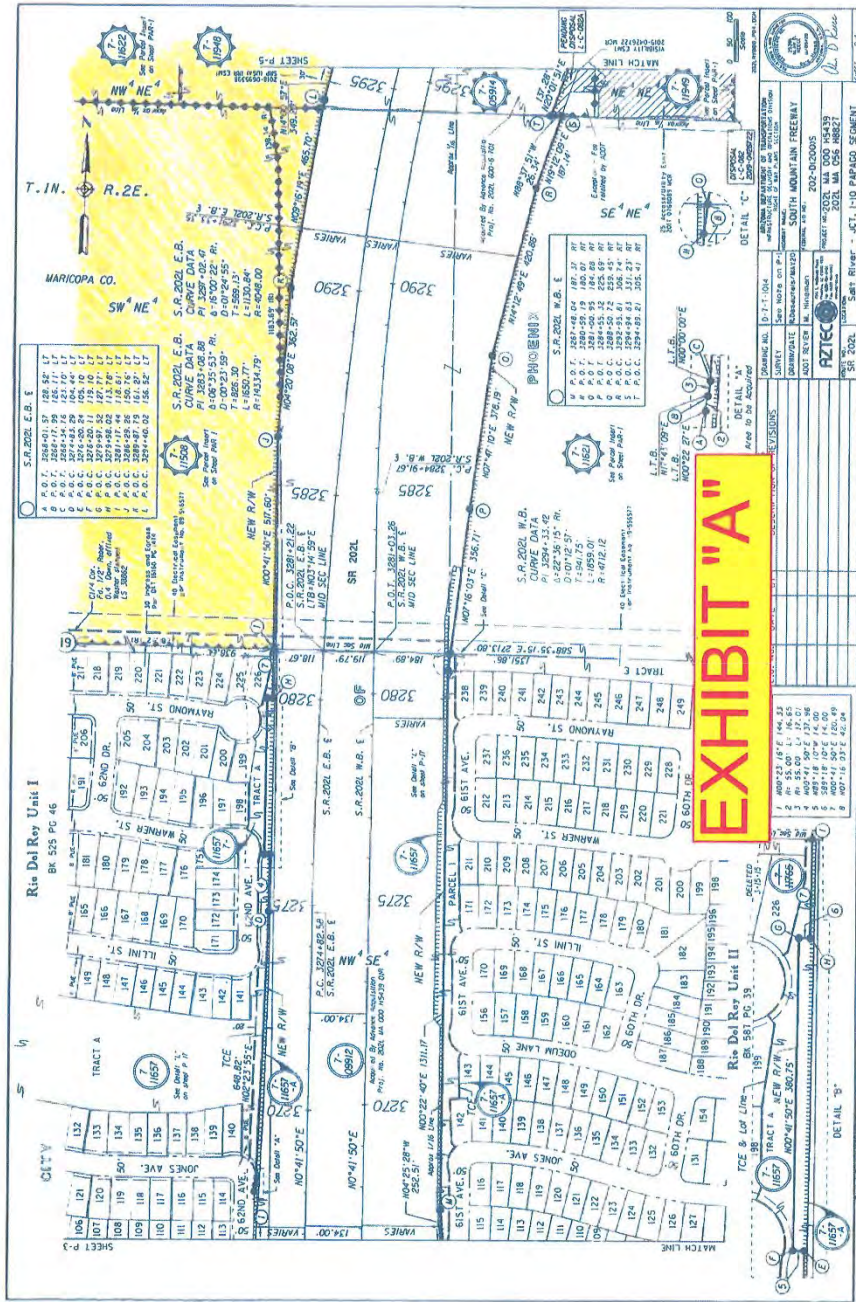


EXHIBIT "A"

11.9.2020

ACALAP