

APPRAISAL REPORT



PROJECT:	King Street and Alley Abandonment
PROPERTY TYPE:	0.180 Acre Excess Right-of-way
OWNER:	City of Maricopa (assumed)
LOCATION:	Northeast corner of Garvey Road and Wilson Avenue, Maricopa, Arizona
EFFECTIVE DATE OF THE APPRAISAL:	April 11, 2017
CLIENT:	Maricopa DWID c/o Mr. William E. Collings, PE, RLS Vice President/Project Engineer DNA, Inc. 314 East 8th Street Casa Grande, Arizona 85122
APPRAISER:	Dennis L. Lopez, MAI, SRA <i>Dennis L. Lopez & Associates, LLC</i>
OUR FILE NO.:	170195



DENNIS L. LOPEZ & ASSOCIATES, LLC
REAL ESTATE APPRAISERS AND CONSULTANTS

April 19, 2017

Maricopa Domestic Water Improvement District
c/o Mr. William E. Collings, PE, RLS
Vice President/Project Engineer, DNA, Inc.
314 East 8th Street
Casa Grande, Arizona 85122

Re: Assignment: Estimate Market Value of the 0.180 Acre Street Right-of-way
Abandonment
Project: King Street and Alley Abandonment
Owner: City of Maricopa (assumed)
Address: Northeast corner of Garvey Road and Wilson Avenue, Maricopa,
Arizona
Our File No.: 170195

Dear Mr. Collings:

As you requested, I have inspected the above-referenced property for the purpose of estimating the market value of the fee simple interest in the 0.180-acre street and alley abandonment as a pro rata share of a hypothetical whole parcel which was defined as the abandonment and two parcels of adjacent land. The effective date of the appraisal (date of valuation) is April 11, 2017. The purpose of the appraisal will be for right-of-way abandonment and purchase negotiation purposes. I expect that the intended user of the appraisal will be you (the client), the Maricopa Domestic Water Improvement District and others involved with the abandonment and purchase negotiation.

The King Street and alley right-of-way, or the subject property, was acquired from adjoining land. Because of its small size and odd shape, the right-of-way cannot be independently utilized with anything but public street and alley right-of-way. Even so, such uses are valuable in support of public infrastructure. As such, the right-of-way should be worth as much as the land it was once part of and/or adjoins. To estimate the market value the right-of-way to be abandoned, I applied the Sales Comparison Approach using the "across the fence" or "ATF" method. ATF is based on the premise that the right-of-way should be worth as much as the land it was once part of. In this case, I appraised the right-of-way in conjunction with the adjoining two parcels of land.

Mr. William E. Collings, PE, RLS
April 19, 2017
Page 2

To reflect the ATF methodology, specific characteristics of the right-of-way relating to size and shape are replaced by those of the adjoining parcels. With this substitution, a "hypothetical whole parcel" becomes the basis for the ATF value of the right-of-way. Once the value of the "hypothetical whole parcel" was established, I applied the unit value (price per square foot) to the area of the right-of-way.

My opinion of market value assumed a cash transaction or one involving financing at market terms after a reasonable exposure time as of the effective date of the appraisal. The opinion expressed was subject to the underlying assumptions and limiting conditions, definitions and certification set forth in the body of the accompanying appraisal report. The appraisal and report were prepared in conformity with the Uniform Standards of Professional Appraisal Practice, 2016-2017 (USPAP).

During the course of the appraisal and analysis, I became thoroughly familiar with the hypothetical whole parcel and its location. Documented market data from the applicable market segment to which the hypothetical whole parcel belongs were analyzed and I spoke with well-informed persons familiar with current real estate values, all for the purpose of estimating the market value of this property.

Based on the information found in my investigation and by my professional analysis as presented in the accompanying appraisal report, my opinion of the market value of the proposed 0.180-acre right-of-way abandonment as a pro rata share of the whole, as of the effective date of the appraisal, April 11, 2017, was:

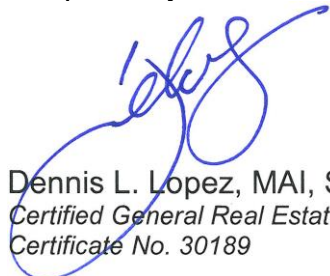
SIXTEEN THOUSAND FIVE HUNDRED TWO DOLLARS

(\$16,502 or \$2.10 per square foot)

My opinion of market value was subject to a special limiting condition stated on page 12 of the accompanying report.

The opportunity to assist you has been appreciated.

Respectfully submitted,



Dennis L. Lopez, MAI, SRA
Certified General Real Estate Appraiser - State of Arizona
Certificate No. 30189

DLL:wjg

TABLE OF CONTENTS

PART I - INTRODUCTION

Underlying Assumptions and Limiting Conditions	1
Summary of Important Facts and Opinions	7
Hypothetical Whole Parcel and Right-of-way Photographs	9
Scope of Work	11
Special Limiting Conditions	12
Property Identification	13
Legal Description	13
Ostensible Owner	14
Ownership and Marketing History	14
Owner Contact and Property Inspection	14
Leasehold Interest	14
Purpose of the Appraisal	14
Intended Use and Intended Users of the Appraisal	14
Definitions	14
Date of Inspection	15
Effective Date of the Appraisal	15
Date of the Report	15

PART II - FACTUAL DATA

Regional and Neighborhood Analysis	16
Site Analysis	32
Zoning and Legal Restrictions Analysis	39
Real Estate Tax and Assessment Analysis	45

PART III - ANALYSIS AND CONCLUSIONS

Highest and Best Use Analysis	46
Valuation Process	54
The Sales Comparison Approach	56
Vacant Land Comparables	57
Factors Affecting Marketability and Discussion of Adjustments	76
Opinion of Market Value	85
Exposure Time	85
Reconciliation and Final Opinion of Market Value	86
Value of the Area of the King Street and Alley Right-of-Way as a Pro Rata Share of the Whole	87

Certification	91
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Appendix

Title Report
Qualifications of the Appraiser

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. This report is the confidential and private property of the client and the appraiser. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI and SRA designations. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
2. Neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser. No part of this appraisal may be reproduced in any promotional materials without the permission of the appraiser.
3. The information furnished by the property owner, agent, management or the client is assumed to be correct as received.
4. The appraiser is not responsible for the accuracy of the opinions furnished by others and contained in this report, nor is he responsible for the reliability of government data utilized in the report.
5. The title to the property is assumed to be marketable and free and clear of all liens.
6. The property is appraised as if owned in fee simple title without encumbrances, unless otherwise mentioned in this report.
7. The fee simple estate in the property contains the sum of all fractional interests which may exist.
8. The legal description obtained by the appraiser was assumed correct and descriptive of the subject property. No responsibility is assumed for the legal description provided or for matters including legal or title considerations. A survey and title report should be obtained to verify its accuracy.
9. No site survey was provided to the appraiser unless otherwise noted. It is assumed that the sources for dimensions and size relied upon are correct.

10. The utilization of the land by the improvements is assumed to be within the boundaries or property lines described and that no encroachments exist unless otherwise noted in the report.
11. No hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable were assumed to exist. No responsibility is assumed for such conditions or arranging engineering studies that may be required for their discovery.
12. Subsurface rights (mineral, oil, etc.) and their potential impact upon value were not considered in this appraisal, unless stated otherwise.
13. This appraisal assumes the subject property, as vacant or as improved, has no historical or archeological significance. The value estimate is predicated on the assumption that no such condition exists. Should the client have a concern over the subject's status, he or she is urged to retain the services of a qualified independent specialist to determine the extent of either significance, if any, and the cost to study the condition or the benefit or detriment such a condition brings to the property. The cost of inspection and study must be borne by the client or owner of the property. Should the development of the property be restricted or enhanced in any way, the appraiser reserves the right to modify the opinion of value indicated by the market.
14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
15. This appraisal assumes the subject property complies with the requirements under the *ADA, Americans With Disabilities Act*. The appraisers are not qualified to detect each and every item of compliance or lack thereof. The value estimate is predicated on the assumption that there is no lack of compliance that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Should the client have a concern over the subject's state of compliance, he or she is urged to retain the services of a qualified independent ADA specialist to determine the extent of compliance and the cost to bring the property into compliance if needed. The cost of inspection, study and compliance must be borne by the client or owner of the property. The cost could be deducted from the estimate of market value of the subject property if indicated by the market.

16. The subject property is assumed not to be in violation of any government regulations or laws pertaining to the environment.

17. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances as asbestos, PCB transformers, urea-formaldehyde foam insulation, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (containing hazardous materials). Mold may be present in areas the appraiser cannot see. The value estimate is predicated on the assumption that there is no such material or growth on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

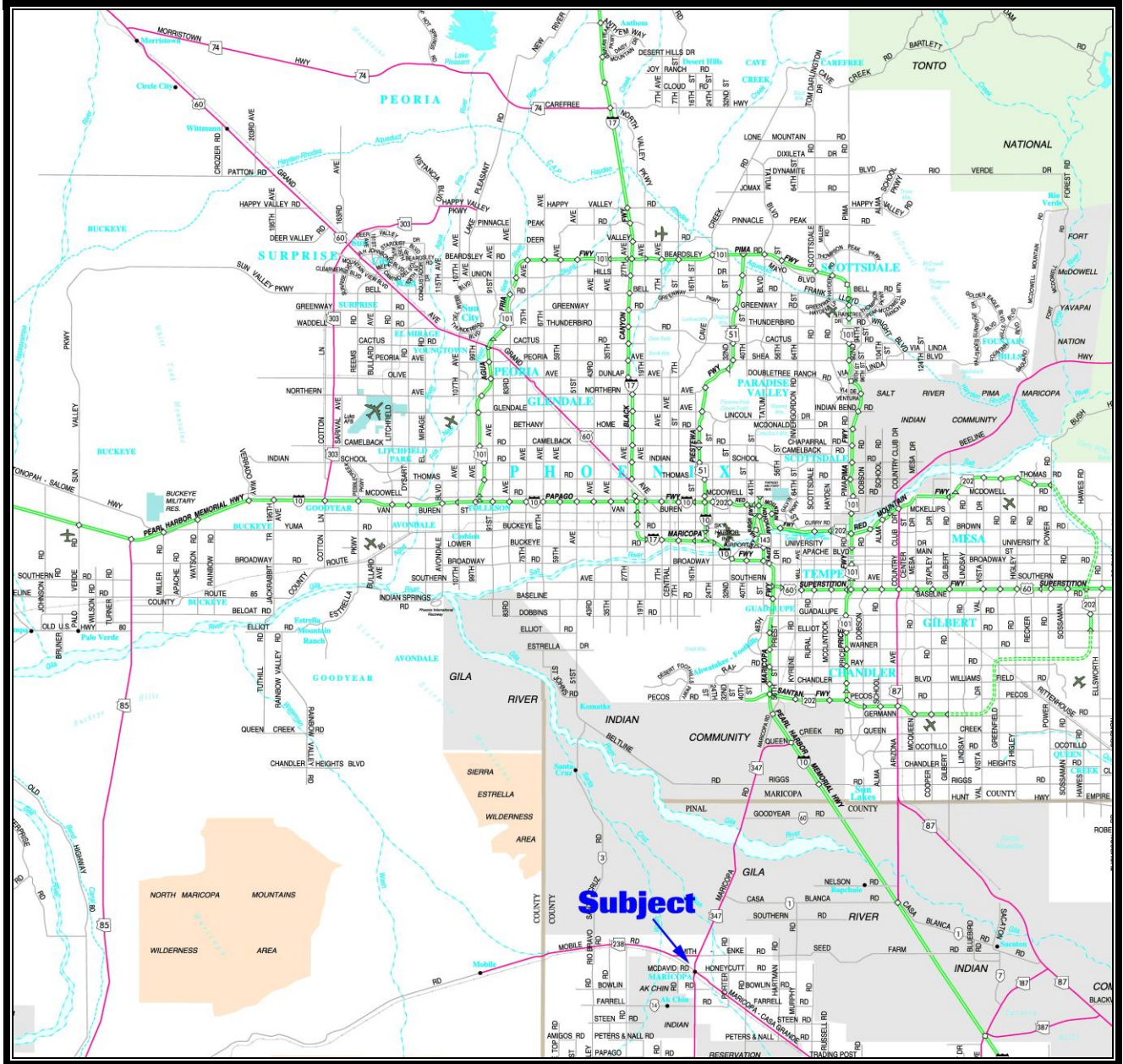
Should the client have a concern over the existence of such substances, he or she is urged to retain the services of a qualified independent environmental specialist to determine the extent of the contamination, if any, and the cost of treatment or removal. The cost of detection, treatment or removal and permanent storage must be borne by the client or owner of the property. This cost can be deducted from the estimate of market value of the subject property if requested by the client.

18. Responsible ownership and competent management is assumed to exist for the subject property.
19. The values assigned to the improvements, if shown in this report, are in proportion to the contribution they make to the value of the property as a whole. The separate estimates of value for the land and building must not be used in conjunction with any other appraisal and are invalid if so used, or if used separately.
20. All furnishings and equipment (or other personal property), except those specifically indicated and/or typically considered as a part of real property (under common accepted definitions) have been disregarded in this valuation. Only the real estate, as permanently affixed to the subject site, has been valued herein.
21. This report is not considered a legal document and the appraiser assumes no responsibility for matters of a legal nature except for his obligations under the contract to provide the appraisal and report.
22. The appraiser is not required to testify regarding this report in deposition or in court unless arrangements were previously made.
23. The appraiser cannot predict or evaluate the possible effects of future wage or price control actions of the government upon rental income or financing of the subject property; hence, it is assumed that no controls will apply which would nullify contractual agreements, thereby changing property values.

24. The appraiser did not base a conclusion or opinion of value on the following:
- a. Racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property
 - b. Racial, religious, and ethnic factors as predictors of value trends or price variance
 - c. Neighborhood trends analyzed upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

REGIONAL MAP

↑
North



ASSESSOR'S AERIAL PHOTOGRAPH



SUMMARY OF IMPORTANT FACTS AND OPINIONS

PROJECT:	King Street and Alley Abandonment
PROPERTY TYPE:	0.180 acre excess right-of-way
OWNER:	City of Maricopa (assumed)
LOCATION:	Northeast corner of Garvey Road and Wilson Avenue, Maricopa, Arizona
OWNER CONTACT AND PROPERTY INSPECTION:	As the client represents the owner, there was no need to contact the property owner for this appraisal. The property was inspected unaccompanied on April 11, 2017.
PURPOSE AND INTENDED USE AND USER:	The purpose of this appraisal was to estimate the market value of the fee simple interest of the 0.748-acre hypothetical whole parcel in order to estimate the value of the 0.180-acre street abandonment as a pro rata share of the whole. The purpose of the appraisal will be for right-of-way abandonment and purchase negotiation purposes. I expect that the intended user of the appraisal will be you (the client), the Maricopa Domestic Water Improvement District and others involved with the abandonment and purchase negotiation.
SITE AREAS:	
Subject Property	7,858 square feet
APN 510-19-079	18,773 square feet
APN 510-19-080	<u>5,965</u> square feet
Hypothetical Whole Parcel	32,596 square feet or 0.748 acre
ZONING:	GR, General Rural
HIGHEST AND BEST USE:	Hold for speculative investment

INDICATIONS OF MARKET
VALUE, FEE SIMPLE INTEREST,
HYPOTHETICAL WHOLE
PARCEL:

Cost Approach	Not applicable
Sales Comparison Approach	\$68,500 or \$2.10 per square foot
Income Approach	Not applicable

FINAL OPINION OF MARKET
VALUE, FEE SIMPLE INTEREST,
HYPOTHETICAL WHOLE
PARCEL:

\$68,500 or \$2.10 per square foot

OPINION OF MARKET VALUE,
FEE SIMPLE INTEREST,
SUBJECT PROPERTY AS A PRO
RATA SHARE OF THE
HYPOTHETICAL WHOLE
PARCEL:

\$16,502 (7,858 s.f. x \$2.10/s.f.)

My opinion of market value was subject to a special
limiting condition stated on page 12.

EXPOSURE TIME: 6 months

TYPE OF REPORT: Appraisal Report

DATE OF INSPECTION: April 11, 2017

EFFECTIVE DATE OF THE
APPRAISAL: April 11, 2017 (date of valuation)

DATE OF THE REPORT: April 19, 2017 (date of transmittal)

APPRAISER: Dennis L. Lopez, MAI, SRA
Dennis L. Lopez & Associates, LLC
8631 South Priest Drive, Suite 103
Tempe, Arizona 85284
480-838-7332
dennis@lopezappraisal.com

HYPOTHETICAL WHOLE PARCEL AND RIGHT-OF-WAY PHOTOGRAPHS

(April 11, 2017)



Hypothetical Whole Parcel Looking Northeast from Southwest Corner



Hypothetical Whole Parcel Looking North and Northwest from Southeast Corner



Garvey Road Looking East and West with Hypothetical Whole Parcel to Left and Right



Wilson Avenue Looking North and South with Hypothetical Whole Parcel to the Right and Left

INTRODUCTON

Scope of Work

Scope of work is defined by USPAP as follows:

The type and extent of research and analyses in an assignment.

This appraisal report leads the reader through the appraisal of a parcel of real property in Maricopa, Arizona. I provided an appraisal report which provides all the introduction, description, data, analysis and conclusions that the reader requires to understand the opinion of market value. The appraisal and report adheres to requirements of the Uniform Standards of Professional Appraisal Practice, 2016-2017 (USPAP). This appraisal report has an accompanying workfile. A workfile is defined by USPAP as:

Documentation necessary to support an appraiser's analyses, opinions and conclusions

The King Street and alley right-of-way, or the subject property, was acquired from adjoining land. Because of its small size and odd shape, the right-of-way cannot be independently utilized with anything but public street and alley right-of-way. Even so, such uses are valuable in support of public infrastructure. As such, the right-of-way should be worth as much as the land it was once part of and/or adjoins. To estimate the market value the right-of-way to be abandoned, I applied the Sales Comparison Approach using the "across the fence" or "ATF" method. ATF is based on the premise that the right-of-way should be worth as much as the land it was once part of. In this case, I appraised the right-of-way in conjunction with the adjoining two parcels of land.

To reflect the ATF methodology, specific characteristics of the right-of-way relating to size and shape are replaced by those of the adjoining parcels. With this substitution, a "hypothetical whole parcel" becomes the basis for the ATF value of the right-of-way. Once the value of the "hypothetical whole parcel" was established, I applied the unit value (price per square foot) to the area of the right-of-way.

Thus, where my description, data, analysis and conclusions are summarized in the report, my workfile contains supporting documentation. The scope of work included an analysis of the physical and legal characteristics of the hypothetical whole parcel, the influences of the surrounding region and neighborhood on the property, and supply and demand in the whole parcel's market segment which led to my opinion of highest and best use.

Once my opinion of highest and best use was established, I studied recent sales and current listings of comparable parcels of land and I spoke with knowledgeable market participants who are familiar with properties like the hypothetical whole parcel. How the

market viewed the hypothetical whole parcel was critical to my supported opinion of market value and a reasonable exposure time. Their comments also helped provide further support for quantitative and qualitative sales adjustments.

The appraisal documented in this report supported a final opinion of market value by the Sales Comparison Approach. Sufficient data were contained within this report for an adequate understanding of the data considered, as well as the methodology and reasoning utilized to reach my opinion of market value.

Assumptions and limiting conditions plus my certification set forth the boundaries in which my opinions of market value were contained. William J. Gasson, provided significant assistance with the appraisal by researching and confirming market data, assembling the report and assisting in the estimation of market value.

Special Limiting Conditions

Extraordinary Assumptions

According to USPAP 2016-2017, an extraordinary assumption is defined as follows:

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, 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 hypothetical whole parcel; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. My opinion of market value was not subject to any extraordinary assumptions.

Hypothetical Conditions

According to USPAP 2016-2017, a hypothetical condition is defined as follows:

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 assume conditions *contrary to known facts* about physical, legal, or economic characteristics of the hypothetical whole parcel; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. My opinion of market value was subject to the following hypothetical condition:

Hypothetical Whole Parcel – The King Street and alley right-of-way, or the subject property, was acquired from adjoining land. Because of its small size and odd shape, the right-of-way cannot be independently utilized with anything but public street and alley right-of-way. Even so, such uses are valuable in support of public infrastructure. As such, the right-of-way should be worth as much as the land it was once part of and/or adjoins. To estimate the market value the right-of-way to be abandoned, I applied the Sales Comparison Approach using the “across the fence” or “ATF” method. ATF is based on the premise that the right-of-way should be worth as much as the land it was once part of. In this case, I appraised the right-of-way in conjunction with the adjoining two parcels of land.

To reflect the ATF methodology, specific characteristics of the right-of-way relating to size and shape are replaced by those of the adjoining parcels. With this substitution, a “hypothetical whole parcel” becomes the basis for the ATF value of the right-of-way. Once the value of the “hypothetical parcel” was established, I applied the unit value (price per square foot) to the area of the right-of-way.

Property Identification

The property appraised was a 7,858 square foot street and alley right-of-way located east of the northeast corner of Garvey Road and Wilson Avenue, Maricopa, Arizona. The right-of-way is owned by the City of Maricopa.

The right-of-way was appraised as a pro rata share of a 32,596 square foot, or 0.748-acre, hypothetical whole parcel made up of the subject property and the adjoining two parcels totaling 32,596 square feet in size. Thus, the specific characteristics of the subject property relating to size and shape are replaced by those of the combination. With this substitution, a hypothetical whole parcel becomes the basis for estimating the market value of the subject property.

The right-of-way was referred to as the “subject property” and the combination of the right-of-way and adjoining land was referred to as the “hypothetical whole parcel” in the body of the report. The hypothetical whole parcel appraised was defined to be a 0.748-acre, or 83,565 square foot, parcel of vacant land located at the northeast corner of Garvey Road and Wilson Avenue, Maricopa, Arizona.

Legal Description

No legal description was provided for the proposed King Street and alley right-of-way abandonment. Legal descriptions for APNs 510-19-079, 080 were copied in the title report in the Appendix. I assumed that my general description of the subject property was sufficient for the purpose of this appraisal.

Ostensible Owner

According to the title report and Assessor's records, the right-of-way was owned by City of Maricopa.

Ownership and Marketing History

According to public records, the subject property has been under the current ownership for more than five years. The adjoining land was conveyed by a warranty deed from Pinal County to Maricopa Domestic Water District in April, 2016. No other sales or listings of the property was found in the last five years.

Owner Contact and Property Inspection

As the client represents the owner, there was no need to contact the property owner for this appraisal. The property was inspected unaccompanied on June 8, 2016, and again on April 11, 2017.

Leasehold Interest

The subject property was not leased.

Purpose of the Appraisal

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property as of the effective date of the appraisal.

Intended Use and Users of the Appraisal

The written report is the vehicle which transmits the data and reasoning to the reader in support of my opinion of market value. The intended use of the appraisal will be for the potential purchase of the property. I expect that the intended users of the appraisal will be you (the client) the Maricopa Domestic Water Improvement District and others involved with the abandonment and purchase negotiation.

Definitions

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby

1. *Buyer and seller are typically motivated;*

2. *Buyer and seller are well informed or well advised, and acting in what they consider their own best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹*

Fee Simple Interest

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.²

Exposure Time

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal (Comment: a retrospective estimate based on an analysis of past events assuming a competitive and open market.)³

Date of Inspection

April 11, 2017

Effective Date of the Appraisal

April 11, 2017 (date of valuation)

Date of the Report

April 19, 2017 (date of transmittal)

¹ Title II, FIRREA, 34.42 (f)

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, (Chicago, Illinois: Appraisal Institute, 2015), page 90.

³ Uniform Standards of Appraisal Practice 2016-2017, Appraisal Standards Board, Definitions, page 2.

REGIONAL AND NEIGHBORHOOD ANALYSIS

Forces That Affect Marketability

As real estate is fixed in location, it is important to analyze the external forces, which affect its value. This section introduces the four interrelated forces that have both a direct and indirect effect upon the marketability of real estate in the City of Maricopa and in Pinal County, Arizona. They are identified below.

- *Environmental Forces:* This category of market forces includes an analysis of topography, climate, land-use patterns, water availability, transportation and street patterns as well as constraints on future growth and development potential.
- *Economic Forces:* This category includes an analysis of population and employment trends, wage levels, local market trends (including supply/demand characteristics of major market segments), availability of financing, and the availability of goods and services.
- *Governmental Forces:* This category includes an analysis of local/regional governmental attitudes and policies regarding growth, development, provision of services, taxation, city planning and incentives to commerce, industry and real estate development.
- *Social Forces:* This category includes an analysis and discussion of the demographic composition of the population and its demand for real estate. Consideration is also given to attitudes of the population regarding education, growth, development and lifestyle options.

Environmental Forces

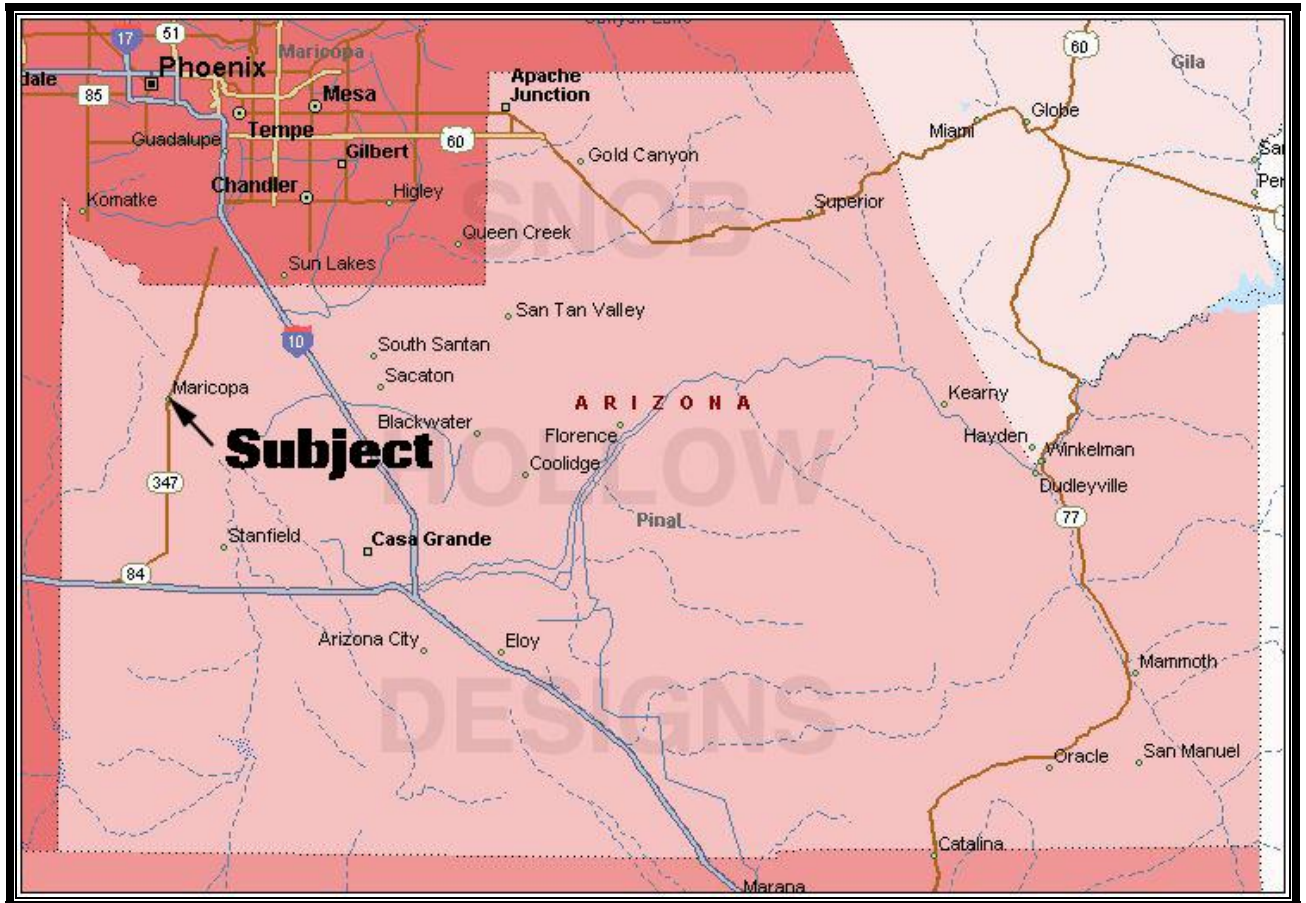
Physical factors including land area, topography, climate, availability of water, surrounding land uses have a direct impact the general desirability of a city or town.

The hypothetical whole parcel was in the western portion of Pinal County, within the City of Maricopa. Maricopa lies some 20 miles south of the City of Phoenix which lies within adjacent Maricopa County. The city is located in a valley within the desert that covers the southwest portion of the state. The incorporated area of the City of Maricopa covers about 30 square miles but serves a much larger area. The City of Casa Grande lies approximately halfway between the cities of Phoenix and Tucson. It is within the same desert valley as Maricopa. The incorporated area of the City of Casa Grande is 104 square miles.

Pinal County Overview

Pinal County was formed from portions of Maricopa and Pima Counties on February 1, 1875, in response to the petition of residents of the upper Gila River Valley, as "Act #1" of the Eighth Territorial Legislature. Florence, established in 1866, was designated and has remained as the county seat.

The county encompasses 5,374 square miles, of which 4.5 are water. In both economy and geography, Pinal County has two distinct regions. The eastern portion is characterized by mountains with elevations to 6,000 feet and copper mining. The western area is primarily low desert valleys and irrigated agriculture.



The State of Arizona is the county's largest landholder with 35 percent, followed by individuals and corporations, 22 percent; Indian reservations, 23 percent; the U.S. Forest Service and Bureau of Land Management, 14 percent, and the remaining 6 percent is other public land.

The hypothetical whole parcel is located within the City of Maricopa, Arizona. The neighborhood boundaries were defined by the Gila River Indian Community on the north, Farrell Road to the south, Anderson Road on the east and Green Road to the west. Due to its close proximity, the economy of the Phoenix metropolitan area, will continue to have a significant impact on the neighborhood.

The most recent reliable demographic statistics were from the U.S. Census Bureau. The county's population in 2016 was 418,540 with unemployment in 2017 estimated to be 5.3%. The major industries include services, trade, manufacturing and agriculture.

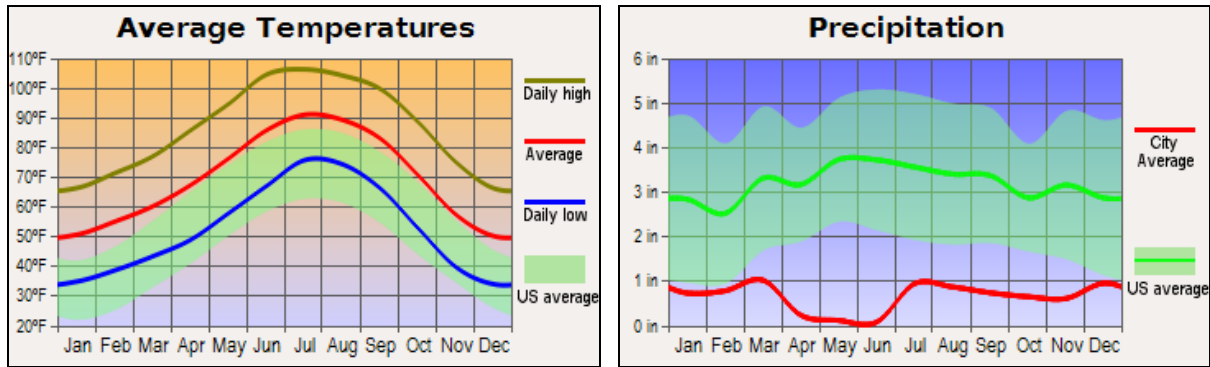
		PINAL COUNTY, ARIZONA				MARICOPA COUNTY, ARIZONA				ARIZONA															
PEOPLE																									
Population																									
Population estimates, July 1, 2016, (V2016)						418,540								4,242,997								6,931,071			
Population estimates, July 1, 2015, (V2015)						406,584								4,167,947								6,828,065			
Population estimates base, April 1, 2010, (V2016)						375,770								3,817,357								6,392,301			
Population estimates base, April 1, 2010, (V2015)						375,770								3,817,357								6,392,307			
Population, percent change - April 1, 2010 (estimates base) to July 1, 2016, (V2016)						11.4%								11.2%								8.4%			
Population, percent change - April 1, 2010 (estimates base) to July 1, 2015, (V2015)						8.2%								9.2%								6.8%			
Population, Census, April 1, 2010						375,770								3,817,117								6,392,017			
Subject		Pinal County, Arizona				Maricopa-Stanfield CCD, Pinal County, Arizona								Maricopa city, Arizona											
		Unemployment rate				Total		In labor force		Employed		Unemployment rate		Total		In labor force		Employed		Unemployment rate					
		Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error				
Population 16 years and over		12.1%	+/-0.8	37,131	+/-1,035	66.0%	+/-2.4	60.2%	+/-2.7	8.4%	+/-1.8	31,060	+/-805	68.2%	+/-2.3	62.6%	+/-2.7	7.9%	+/-1.8						
AGE																									
16 to 19 years		27.4%	+/-5.0	2,506	+/-430	27.8%	+/-9.4	19.7%	+/-8.4	29.1%	+/-15.2	1,909	+/-382	27.3%	+/-9.1	19.3%	+/-7.8	29.2%	+/-18.1						
20 to 24 years		23.5%	+/-3.9	1,976	+/-405	82.3%	+/-6.5	67.3%	+/-9.8	18.3%	+/-11.3	1,481	+/-381	81.9%	+/-7.6	71.4%	+/-8.6	12.9%	+/-8.6						
25 to 44 years		9.9%	+/-1.0	18,161	+/-828	80.6%	+/-2.3	75.0%	+/-3.0	6.3%	+/-1.8	15,681	+/-754	83.0%	+/-2.6	77.4%	+/-3.4	6.2%	+/-2.0						
45 to 54 years		11.7%	+/-1.7	5,214	+/-557	76.7%	+/-5.8	69.7%	+/-5.7	9.2%	+/-3.4	4,341	+/-453	77.7%	+/-5.3	70.5%	+/-5.3	9.3%	+/-3.8						
55 to 64 years		7.6%	+/-1.1	5,383	+/-566	54.0%	+/-6.0	50.7%	+/-5.6	6.2%	+/-3.3	4,708	+/-520	54.9%	+/-6.6	51.2%	+/-6.3	6.8%	+/-3.7						
65 to 74 years		14.0%	+/-4.4	2,748	+/-443	20.9%	+/-5.9	17.6%	+/-5.7	15.7%	+/-9.4	2,056	+/-379	22.1%	+/-6.6	18.3%	+/-6.5	17.1%	+/-11.3						
75 years and over		9.0%	+/-5.3	1,143	+/-274	4.4%	+/-2.9	4.2%	+/-2.9	4.0%	+/-10.1	884	+/-252	2.9%	+/-3.3	2.9%	+/-3.3	0.0%	+/-62.5						

Topography

The level topography in this area typically allows for typical construction without costly site preparation. With the level and relatively unobstructed terrain, street patterns have taken on a north/south, east/west grid orientation. Major arterials are generally found along section lines in a north-south or east-west alignments. These major arterials carry the bulk of everyday traffic.

Climate

Climate alone attracts thousands of people to the state annually as residents or as visitors. This in turn creates great increases in demand for goods, services and housing, thereby bolstering the local economy and contributing to the growth cycle. Located at an elevation of 1,190 feet, Maricopa enjoys a dry subtropical climate, with an average yearly precipitation of 7.98 inches, an average maximum temperature of 86.4 degrees and an average minimum temperature of 52.0 degrees. Casa Grande is very similar at an elevation of 1,397 feet. The following graphics illustrate the seasonal variations in temperature and precipitation in Maricopa and Casa Grande, Arizona.



Land Use

Bounded by the Gila River Indian Community on the north and the Ak Chin Indian Community on the west and south, the City of Maricopa still has sufficient room to grow towards Interstate-10, some twenty-two miles to the southeast. Given the large supply of undeveloped land, Maricopa is not overly restricted in terms of increasing its tax base and funding new growth. The following chart gives an indication of land use within the incorporated city limits of Maricopa

Figure 22: Existing Land Use Summary Table

Existing Land Use	Square Feet	Acres
Vacant	44,082,164	1,012.0
Agriculture	27,138,781	623.0
Right of Way	5,437,003	124.8
Schools, Churches, Institutional	2,282,650	52.4
Medium Density Residential	2,079,575	47.7
Low Density Residential	1,544,852	35.5
Governmental Facilities/Utilities	1,356,345	31.1
Retail/Office/Commercial/Medical	1,345,296	30.9
Industrial	1,056,343	24.3
Multifamily Residential	311,367	7.1
Parks & Open Space	79,784	1.8
Total	86,714,161	1,990.7

Much of the land surrounding Casa Grande consists of the Gila River Indian Community to the immediate north and the Tohono O’odham Indian Community to the south. The vast majority of land within the City limits and its planning area is vacant or in agricultural use. Other key land uses include manufacturing, residential and commercial. As the Phoenix and Tucson metropolitan areas continue to grow, Casa Grande’s desirability as an accessible location is expected to be enhanced. Opportunities exist to encourage development types and patterns that are competitive with those in the Phoenix and Tucson metropolitan areas, as well as those that offer the “small town” lifestyle treasured by Casa Grande residents.

Water Availability

Groundwater is pumped from basins located beneath the surface of Pinal County. The metropolitan area relies on groundwater for much of its supply. In response to this overdraft, the Arizona State Legislature enacted the 1980 Groundwater Management

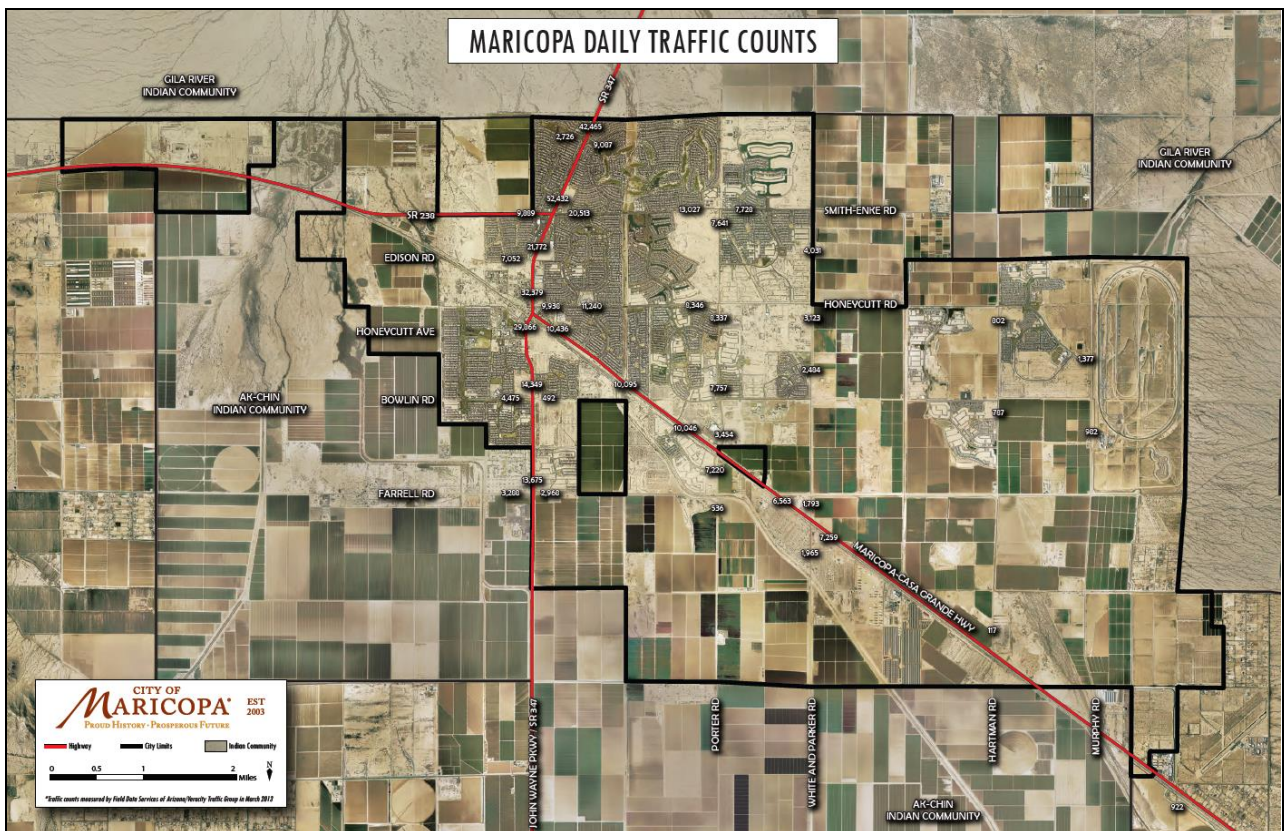
Code to safeguard water supplies. According to the code, the goal is to reach "safe yield" by the year 2025, which assumes that there will be no more groundwater withdrawn than is recharged.

Although the present water supply is adequate for the needs of the Maricopa and Casa Grande areas, water conservation and apportionment of water rights have become two major issues facing residents of the region and impacting the potential for growth.

Transportation

Both the Maricopa and Casa Grande areas are supported with typical transportation systems. The metropolitan areas are served by Interstates-10 and -8, and State Highways 84, 238 and 347. Maricopa is approximately 15 miles west of Interstate-10 and 15 miles north of Interstate-8. Casa Grande is located six miles northwest of the intersection of Interstate-8 and Interstate-10. There is no bus service serving Maricopa; instead, several taxi services provide connection to Phoenix. Casa Grande is a larger city and has scheduled bus service throughout most of the central incorporated area.

The following chart details recent traffic counts for major roadways in Maricopa followed by the 2010 traffic counts for major roadways in Casa Grande.



				24 HOUR AVG (T.W.TH)			RAW DATA									
	AREA	WY	Date	NON-DIR	K	D	DIR.	TUES	AM	PM	WED	AM	PM	THUR	AM	PM
1	SR84 E of I 10	2	2/23/2010	11213	9%	58%	East	6041	459	570						
							West	5172	426	407						
2	I 10 & SR84 NB OFF RAMP	1	2/16/2010	911	11%	100%	North	911	99	85						
							One-Way									
3	I10 & SR84 NB ON RMAP	1	2/16/2010	1681	10%	100%	North	1681	153	160						
							One-Way									
4	I10 & SR84 SB OFF RAMP	1	2/16/2010	2196	10%	100%	One-Way									
							South	2196	216	207						
5	I10 & SR84 SB ON RAMP	1	2/16/2010	851	10%	100%	One-Way									
							South	851	82	83						
7	SR84 W of Stanley K Tanger Road	2	2/17/2010	11106	8%	56%	East				5704	432	524			
							West				5402	464	411			
8	Main St. East of Trekell Rd	2	2/17/2010	10130	9%	54%	East				5006	374	402			
							West				5124	427	475			
9	Trekell Rd S of Main Street	2	2/16/2010	4805	9%	54%	North	2494	231	233						
							South	2311	150	197						
10	Trekell Rd. North of Main St.	2	2/16/2010	5779	9%	52%	North	2800	210	285						
							South	2979	224	262						
11	Main St. West of Trekell	2	2/16/2010	7452	9%	51%	East	3735	285	355						
							West	3717	252	342						
12	Florence St. North of Peters Rd.	2	3/3/2010	2455	9%	67%	North				1117	72	110			
							South				1338	148	102			
13	Florence Blvd E of I10	2	2/17/2010	20590	9%	51%	East				10616	973	938			
							West				9974	925	955			
14	I10 NB OFF RAMP @ Florence Blvd	1	2/16/2010	5179	9%	100%	North	5179	429	456						
							One-Way									
15	I10 NB On Ramp @ Florence Blvd	1	2/16/2010	3851	9%	100%	North	3851	314	349						
							One-Way									
16	I10 SB On Ramp @ Florence Blvd	1	2/16/2010	6273	9%	100%	One-Way									
							South	6273	463	544						
17	I10 SB Off Ramp @ Florence Blvd	1	2/16/2010	4915	7%	100%	One-Way									
							South	4915	368	365						
18	Florence Blvd Wof I10	2	2/18/2010	27792	8%	52%	East							14087	1151	1201
							West							13705	1037	1094
21	Florence Blvd. East of Henness	2	2/18/2010	26727	8%	50%	East							13334	1061	1117
							West							13393	984	1106
22	Florence Blvd. West of Henness	2	2/25/2010	26099	8%	50%	East							13241	1038	1094
							West							12858	1080	1074
23	Arizona Rd. South of Fotence Blvd.	2	2/18/2010	11023	10%	51%	North							5428	521	570
							South							5595	514	538
24	Arizona Rd. North of Florence Blvd.	2	2/18/2010	10907	10%	51%	North							5034	473	534

				24 HOUR AVG (T.W.TH)			RAW DATA									
	AREA	WY	Date	NON-DIR	K	D	DIR.	TUES	AM	PM	WED	AM	PM	THUR	AM	PM
25	Florence Blvd. West of Arizona	2	2/18/2010	30389	9%	51%	South							5873	511	564
							East							15315	1322	1333
							West							15074	1378	1352
26	Pearl Rd. South of Floerence Blvd.	2	2/18/2010	9674	9%	53%	North							4832	372	412
							South							4842	325	463
27	Florence Blvd. West of Pearl Rd.	2	2/18/2010	29105	9%	52%	East							14732	1234	1304
							West							14373	1177	1182
28	Florence Blvd W of Potterbaum	2	2/18/2010	28461	9%	53%	East							14696	1292	1314
							West							13765	1064	1179
29	Colorado St. South of Florence Blvd.	2	2/16/2010	1046	10%	51%	North	524	34	56						
							South	522	37	53						
30	Florence Blvd W of Colorado Street	2	2/17/2010	28109	9%	51%	East				13945	1263	1270			
							West				14164	1198	1205			
31	Trekell Rd. South of 4th St.	2	2/18/2010	7452	11%	68%	North							3598	258	387
							South							3854	558	243
32	Florence Blvd. East of Trekell Rd.	2	3/3/2010	29590	9%	55%	East				15598	1421	1212			
							West				13992	1143	1122			
33	Trekell Rd. North of Florence Blvd.	2	2/18/2010	14986	8%	51%	North							7473	580	584
							South							7513	550	597
34	Florence Blvd. @ Casa Brande Ave.	2	2/18/2010	20882	9%	52%	East							10925	972	971
							West							9957	887	882
35	Marshall St. South of Florence Blvd.	2	2/17/2010	3777	14%	52%	North				1679	132	265			
							South				2098	218	245			
36	Florence St. North of 1st st.	2	2/23/2010	3764	10%	56%	North	2085	205	191						
							South	1679	159	126						
37	2nd St. West of Florence St.	2	2/18/2010	7747	9%	52%	East							3803	254	348
							West							3944	309	377
38	Florence Blvd. East of Hwy 387/Pinal Ave.	2	2/18/2010	15990	9%	52%	East							7830	629	702
							West							8160	716	770
39	Gila Bend Hwy W of sr387/Pinal Ave.	2	2/18/2010	11134	9%	52%	East							5472	443	541
							West							5662	443	508
40	Gila Bend Hwy East of Thornton	2	2/18/2010	10701	10%	50%	East							5184	408	563
							West							5517	434	555
41	Thornton Rd. South of Gila Bend Hwy	2	3/3/2010	4335	8%	52%	North				2209	173	169			
							South				2126	152	180			
42	Thornton Rd. North of Gila Bend Hwy	2	2/18/2010	7178	10%	54%	North							3620	258	377
							South							3558	360	315
43	Gila Bend Hwy East of VIP Blvd.	2	2/18/2010	9444	9%	51%	East							4678	372	414
							West							4766	331	404
44	VIP Blvd. North of Gila Bend Hwy	2	2/16/2010	1566	14%	70%	North	836	126	110						

				24 HOUR AVG (T.W.TH)			RAW DATA									
	AREA	WY	Date	NON-DIR	K	D	DIR.	TUES	AM	PM	WED	AM	PM	THUR	AM	PM
45	Gila Bend Hwy E of Garden Ave.	2	2/18/2010	8299	9%	56%	South	730	55	109				4130	398	321
							East							4169	257	405
46	W Main Ave E of Grant Ave	2	2/16/2010	1116	11%	56%	West	554	47	68						
							West	562	54	54						
47	Thornton Rd. South of Cottonwood Lane	2	2/18/2010	8863	8%	57%	North							4572	308	398
							South							4291	403	328
48	Cottonwood Lane West of Thornton Rd.	2	2/18/2010	7716	9%	57%	East							3800	332	393
							West							3916	278	296
49	Thornton Rd. North of Cottonwood Lane	2	2/18/2010	4170	11%	59%	North							2151	138	274
							South							2019	182	191
50	Cottonwood Lane East of Thornton Rd.	2	2/18/2010	10416	9%	58%	East							5116	386	550
							West							5300	405	401
51	Hwy 387 South of Cottonwood Lane	2	2/18/2010	18714	9%	51%	North							9035	797	858
							South							9679	737	810
52	Olive Ave. North of Florence Blvd.	2	2/18/2010	2976	11%	61%	North							1383	123	123
							South							1593	162	194
53	McMurray Blvd. East of Hwy 387	2	2/18/2010	6806	11%	57%	East							3421	285	426
							West							3385	390	323
54	McMurray Blvd. West of Hwy387	2	2/17/2010	2894	13%	52%	East				1400	117	178			
							West				1494	97	191			
55	Hwy 387 South of Cottonwood Lane	2	3/4/2010	21928	9%	54%	North							11036	859	1010
							South							10892	803	868
56	Cottonwood Lane West of Hwy 387	2	3/4/2010	15309	9%	54%	East							8017	620	751
							West							7292	612	635
57	Cottonwood Lane East of Hwy 387	2	3/4/2010	15344	10%	51%	East							7899	570	739
							West							7445	554	721
58	Casa Grande Ave. South of Cottonwood La	2	3/4/2010	4772	10%	52%	North							2339	202	227
							South							2433	173	242
59	Casa Grande North of McMurray Blvd.	2	3/3/2010	5455	9%	50%	North				2778	233	254			
							South				2677	217	254			
60	Cottonwood lane West of Trekell	2	2/23/2010	16008	9%	52%	East	7923	603	712						
							West	8085	625	764						
61	McMurray Blvd. West of Trekell	2	2/23/2010	6931	10%	55%	East	3854	323	389						
							West	3077	322	322						
62	Juniper Rd./Trekell South of Cottonwood	2	2/23/2010	18733	9%	50%	North	9395	699	850						
							South	9338	722	845						
63	Trekell North of Cottonwood Lane	2	2/23/2010	22093	10%	52%	East	11243	804	1094						
							West	10850	993	1168						
64	Cottonwood Lane East of Trekell	2	2/23/2010	16530	9%	53%	East	8375	633	760						

Rail Service - The Union Pacific Railroad parallels the Maricopa-Casa Grande Highway and SR 238 from Casa Grande to Gila Bend. Currently, between 45 and 55 freight trains operate daily through Maricopa. Amtrak's Orlando-Los Angeles Sunset Limited has scheduled stops in Maricopa. The Amtrak station in Maricopa serves both communities and is located just east of the SR 347 crossing of the UPRR tracks.

Air Service - A city-owned airport feasibility and site selection study is underway. This will allow the city to plan for a major employment center with an industrial park coupled with the ability to develop the airport to the effective size that maximizes the economic benefit to the community. The nearest major airport is Sky Harbor International Airport in Phoenix, 25 miles to the north.

Economic Forces

Population and Growth Statistics - Maricopa

Strong gains in population are due to an upturn in net in-migration. Net in-migration currently accounts for two-thirds of the change in the population. Strong net in-migration is expected to continue as Arizona is an attractive destination due to climate, lifestyle and job availability. The chart below states the estimated population in the incorporated planning area of Maricopa.

Year	Estimated Population
As of December 31, 2005	15,934
*Estimated as of July 2007	33,834
December 2008	42,500
December 2010	65,000
2015	129,334

Employment

Arizona, as well as the Maricopa and Casa Grande areas, enjoyed strong economic job growth and job gains through 2007 and into 2008. The metropolitan areas possess diversified economic bases. Due largely to its geographic location near Phoenix, Maricopa has developed into a bedroom community, striving to be self-contained, but still serving the Phoenix metropolitan area. Casa Grande, more distant, is more self-sufficient. Additionally, given the favorable climate, tourism may become a significant portion of their economies.

The economic downturn has had a significant effect in the region. Unemployment in Maricopa was 4.7% and in Casa Grande was 5.1% at the end of 2007. By 2014 the unemployment rate in Maricopa was 6.5% and in Casa Grande was 7.5%. The overall unemployment rate for Pinal County in 2017 was 5.3%. In Pinal County, trade services, government and educational/health services are the top three employment categories with over 68 percent of the employable workforce.

Economy

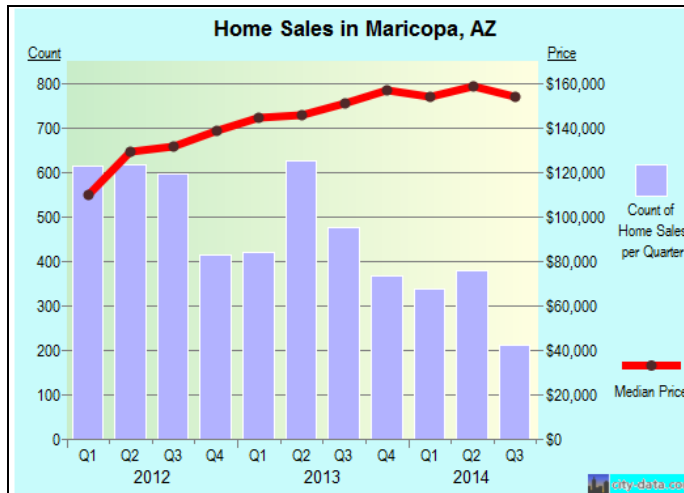
Arizona has ranked among the leading states in three important economic indices of growth for more than a decade--growth in personal income; growth in population; and growth in non-farm wage and salary employment. Construction, manufacturing, service and trade, government, and agriculture are all important factors contributing to a relatively sound economy. But with the slowdown in the construction industry, the economy has weakened.

Real Estate Development and Construction

Until the recent economic downturn, the construction industry was considered one of the primary strengths of the Maricopa, and to a lesser extent, Casa Grande economies. Construction activity in the single-family market segment had been very strong into 2006, but has since stalled.

As land prices escalated in the Phoenix metropolitan area, many builders moved south into Maricopa. Casa Grande, more distant, experienced sizable, but less significant growth. Residential development builders kept up with the area's growth by continuing to plan and build quality homes and communities for the current and future residents. In Maricopa in 2006, 59,748 new residential homes were already approved or in the planning stages, which would equate to 167,297 residents at completion. Outside of current Maricopa City limits but within the city's planning area, an additional 82,366 residential units were currently in the planning and/or proposal stages in 2007.

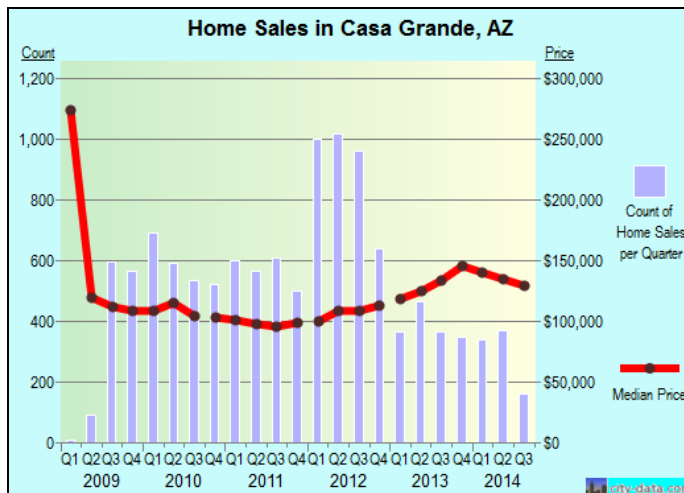
As indicated by the following graphics, home sales peaked in 2006 in both Maricopa and Casa Grande. From mid-2006 through the end of 2008, home sales increasingly slowed and many foreclosures resulted from the economic downturn, loss of jobs and inability of many to refinance. In 2012, however, the number of sales and price per residence increased in Maricopa but saw only modest improvement in Casa Grande.



In Maricopa, the number and value of single-family residential permits has fluctuated wildly over the past several years. The number of permits and housing values are improved but have not improved to peak levels. The following data was found for the City of Maricopa:

Single-family new house construction building permits:

2006: 2,446 buildings, average cost: \$245,000
 2007: 1,267 buildings, average cost: \$180,000
 2008: 910 buildings, average cost: \$148,990
 2009: 399 buildings, average cost: \$118,860
 2010: 191 buildings, average cost: \$119,025
 2011: 120 buildings, average cost: \$177,700
 2012: 283 buildings, average cost: \$180,200
 2013: 446 buildings, average cost: \$192,500
 2014: 284 buildings, average cost: \$217,700



In Casa Grande, the number and value of single-family residential permits has experienced a similar downward trend over the past several years, but has not improved to peak levels in regards to number of sales, however overall sales prices have rebounded. For Casa Grande, the following data was found:

Single-family new house construction building permits:

2006:	1397 buildings,	average cost: \$138,800
2007:	1062 buildings,	average cost: \$143,700
2008:	433 buildings,	average cost: \$133,200
2009:	202 buildings,	average cost: \$127,300
2010:	137 buildings,	average cost: \$118,200
2011:	66 buildings,	average cost \$100,800
2012:	58 buildings,	average cost \$111,600
2013:	153 buildings,	average cost: \$229,000
2014:	106 buildings,	average cost: \$225,500

Manufacturing

Manufacturing in Arizona is represented by the categories of electronics, transportation equipment, industrial machinery, scientific instruments, fabricated metals, rubber and plastics, primary metals, chemicals, paper food, and miscellaneous. In 1999 (most recent statistics), nearly one-half, or 46.7%, of the \$10.123 billion of value of exports was created by the electronic equipment category. Transportation equipment accounted for 15.1%.

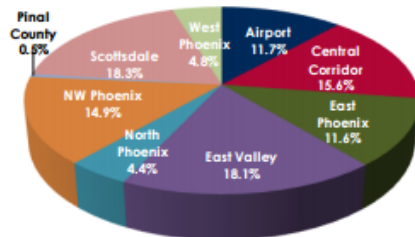
Office

Statistics for 4th Quarter 2016 from Daum Commercial are provided on the following page:

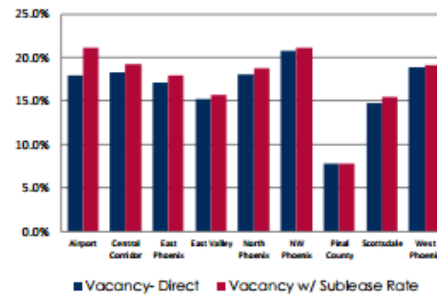
MARKET SNAPSHOT

SUBMARKETS	Total Inventory Square Footage	Direct Vacant Square Footage	Direct Vacancy Rate	Total Vacant w/ Sublet Square Footage	Total Vacant w/ Sublet Rate
Airport	14,719,324	2,638,031	17.9%	3,115,359	21.2%
Central Corridor	19,545,406	3,578,016	18.3%	3,752,309	19.2%
East Phoenix	14,526,896	2,487,375	17.1%	2,606,878	17.9%
East Valley	22,673,664	3,448,275	15.2%	3,552,063	15.7%
North Phoenix	5,551,524	999,985	18.0%	1,043,918	18.8%
NW Phoenix	18,733,205	3,899,282	20.8%	3,951,279	21.1%
Pinal County	658,111	50,903	7.7%	50,903	7.7%
Scottsdale	23,000,317	3,390,862	14.7%	3,557,905	15.5%
West Phoenix	5,965,095	1,123,356	18.8%	1,142,383	19.2%
Phoenix Totals	125,373,542	21,616,085	17.2%	22,772,997	18.2%

Office Market Inventory

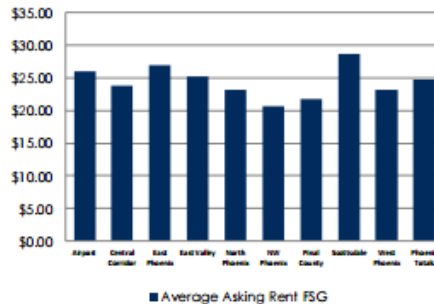


Office Vacancy Rates

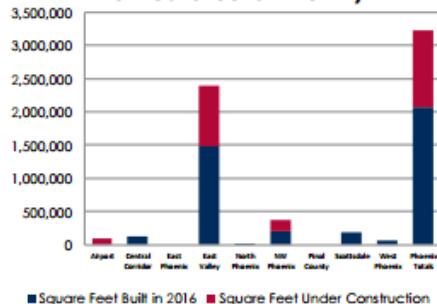


SUBMARKETS	Average Asking Rent PSF	Low-High Asking Rent Range PSF	Square Feet Built in 2016	Square Feet Under Construction	Gross Absorption Square Feet Current Quarter
Airport	\$26.03	\$12.00-\$31.00	0	89,889	266,623
Central Corridor	\$23.90	\$10.00-\$38.00	122,220	0	376,687
East Phoenix	\$26.92	\$10.00-\$40.00	0	0	367,685
East Valley	\$25.21	\$10.00-\$40.00	1,483,088	908,583	680,089
North Phoenix	\$23.23	\$11.50-\$38.00	13,600	0	160,103
NW Phoenix	\$20.75	\$10.00-\$34.00	209,209	160,500	269,686
Pinal County	\$21.75	\$16.50-\$27.00	0	0	14,531
Scottsdale	\$28.63	\$10.00-\$45.00	184,750	0	848,574
West Phoenix	\$23.14	\$13.00-\$32.00	62,000	0	181,391
Phoenix Totals	\$24.81	\$10.00-\$45.00	2,074,867	1,158,972	3,165,369

Office Rental Rates



New Construction Activity



Retail Trade, Service Sector and Tourism

The most noted Arizona tourists are winter visitors. These "snowbirds" as they are typically called, arrive in the metropolitan area during October and leave during April or May. Generally, Arizona attracts more winter visitors than any other state, except Florida.

According to the L. William Seidman Research Institute, Center for Business Research, Arizona State University and a 1995 survey by the Arizona Republic, 160,000 winter visitors were living in the numerous mobile home and RV parks and another 140,000 living in other forms of housing in Arizona in the 1999-2000 season. By 2002, the winter visitors in RV/travel trailer/mobile home households were contributing about \$1 billion to the state economy.

Agriculture

Pinal County is one of the largest agricultural counties in the State of Arizona. Major commodities produced in the county include hay, cotton, grains, vegetables and fruits. About five percent of the workforce is in agriculture and related industries.

Real Estate Value Trends

From 2001 to the end of 2005, homebuilders were experiencing tremendous demand from buyers and land in many locations was being absorbed quickly. The rapid growth and increasing land prices in the metropolitan Phoenix area generated considerable demand for new affordable homes in outlying communities like Maricopa, Casa Grande, Eloy, Coolidge and Florence. Spurred on by residential demand, raw land prices escalated significantly. But with a significant downturn in demand for new homes, tract home development has virtually ceased. As such, land was no longer in demand and land prices declined county-wide through 2008. Prices began to stabilize in 2010, and investors – primarily speculators, started to show a preference for agriculture land as it had the capacity to lessen or eliminate their holding costs. However, in more remote areas, prices of speculative residential land have continued to fall. There are many parcels of vacant land of all sizes that have been foreclosed upon and owned by financial institutions or private financiers. These entities are aggressively marketing these assets in order to get them off their books. As a result, sales are generally well below the offering prices.

Given the growth in housing and population, the multi-family residential, retail, office, and industrial markets saw noticeable growth through the same time period as the residential market. But those market segments have declined significantly and have not shown significant signs of recovery.

Financial and Lending Industry

Given the record-low level of interest rates, the large supply of lenders and the many investors seeking higher returns, acquisition, construction and permanent loan financing was plentiful and inexpensive. But with the severe crisis in the lending and mortgage markets, financing can no longer be obtained as cheaply and easily as it once was. As such, the slowdown in homebuilding has been amplified.

Governmental Forces

There are basically three levels of government servicing both Maricopa and Casa Grande: state, county and municipal (city) levels. Additionally, other special districts, such as school systems and irrigation districts, levy taxes and provide services. Primary revenue sources utilized by state government include a personal state income tax and a sales tax on retail items purchased in the state. Property taxes and a retail sales tax are the primary funding for the lower levels of government.

It appears that the factors of government and regulation do not unfairly burden real estate development. Historically, the local governments were well-staffed, organized and funded to support all community services and facilities. However, the economic downturn has forced layoffs and resulted in serious deficits.

Both cities and Pinal County are fairly liberal regarding changes in land use. The cities restricts commercial and industrial more than many other cities with strong requirements for attractive design, open space, sign size and type, parking, and compatibility with surrounding residential areas. Although this may drive up developers' costs, the end product as well as the community has proven to be more marketable.

Education/Schools

Maricopa is well served by five primary and secondary schools and one public high school and post-secondary educational opportunities. Colleges/universities with over 2000 students nearest to the City of Maricopa include:

- Chandler-Gilbert Community College (about 22 miles; Chandler, AZ; Full-time enrollment: 8,047)
- South Mountain Community College (about 23 miles; Phoenix, AZ; FT enrollment: 2,736)
- Central Arizona College (about 24 miles; Coolidge, AZ; FT enrollment: 4,893)
- University of Phoenix-Phoenix Campus (about 25 miles; Tempe, AZ; FT enrollment: 3,862)
- University of Phoenix-Online Campus (about 25 miles; Phoenix, AZ; FT enrollment: 155,655)
- Rio Salado College (about 25 miles; Tempe, AZ; FT enrollment: 14,894)
- Mesa Community College (about 26 miles; Mesa, AZ; FT enrollment: 14,726)

Casa Grande has nine public elementary schools, two private elementary schools, and a public high school facility at 2730 North Trekell Road, with a 2,800-student capacity. Central Arizona College, a two-year community college east of Casa Grande, offers a range of courses including college preparatory, liberal arts, vocational/technical, and career education. The University of Phoenix offers bachelors and master's degrees in business-related areas in conjunction with the community college.

Utilities

Almost a government within themselves, utility companies can affect the demand for and marketability of real estate in an area. The area is served by Arizona Public Service, Electric District No. 3, Global Water Company, Maricopa Domestic Water, Casa Grande, Casa Grande West Water Company, I-8 Corp Water System, and Southwest Gas as well as various telecommunications providers, waste handlers and recyclers.

Medical

Casa Grande Regional Medical Center serves the area with 201 beds and the Desert Pavilion, with 64 beds, provides long-term care. Other hospitals/medical centers near Casa Grande include Hu Hu Kam Memorial Hospital (about 16 miles; Sacaton, AZ) and Chandler Regional Hospital (about 32 miles; Chandler, AZ).

Banner Health Center, in Maricopa, is a 40,000 square foot hospital facility located at 17900 North Porter Road. Construction began in 2011 and was completed in 2013. The hospital is the result of a public/private partnership between the City of Maricopa and Banner Health. The hospital facility is to be built in phases and when completed will have a total of 80,000 square feet.

Real Estate Taxes

Another expense incurred in the operation of real estate is taxes. Commercial and industrial properties top the scale with a 25 percent assessment of current value. Residential properties are assessed at 10 percent of current value; 10 percent for residential rentals; and 16 percent for vacant land. Developers and investors indicate that this tax burden is not adverse.

Social Factors

Demographics

Labor Force – A labor force of 157,284 as of 2015 was estimated by according to the U.S. Bureau of Labor Statistics for Pinal County. The major industries include services, trade, manufacturing and agriculture.

Population – According to the U.S. Census Bureau, there were 401,918 people in Pinal County, 48,602 people in Maricopa and 51,460 people in Casa Grande in 2015.

Median Age - The median age in Maricopa was 35.2 and in Casa Grande was 39.3 years in 2014. The Arizona median was 37.4. In Maricopa 52.5% of people were married and 11.9% were divorced. In Casa Grande 47.8% of people were married and 15.3% were divorced.

Home Prices – According to Zillow, the median home price in Maricopa in 2017 was \$175,000, and \$148,400 in Casa Grande.

Income - Median household income for 2011 - 2015 in Maricopa was \$65,793 and in Casa Grande was \$44,348.

Recreation

In and around Maricopa and Casa Grande are numerous public neighborhood and community parks and three nearby regional parks. A full range of recreational amenities are available within a 30- to 60-minute drive to the north in the Phoenix metropolitan area. These include more than 100 golf courses, two water parks, and several major and minor league sports teams. Spring training is a major attraction and significant contributor to the economy.

US Airways Center (formerly America West Arena), a 19,100 seat arena, was built in June, 1992, in downtown Phoenix. It is host to the Phoenix Suns, Mercury, and Rattlers. The Phoenix Coyotes recently moved to their new facility in Glendale.

In 1994, Arizona was awarded a baseball expansion franchise. To accommodate the *Diamondbacks*, a new 48,500-seat stadium, Chase Field (formerly Bank One Ballpark), was built on a 24.84-acre site the southwest corner of Jefferson and 7th Street in March, 1998.

In January, 1996, the nation's largest sporting event, Superbowl XXX, was hosted in Tempe at Sun Devil Stadium, an open air facility. The Superbowl returned in 2008 and 2015 at the University of Phoenix Stadium, a domed stadium completed in 2006 for the Arizona Cardinals in Glendale, Arizona, next door to the Jobing.com (Coyotes) arena.

Conclusion and Outlook

Because of its outlying location, the growth of the region, especially the City of Maricopa, in many ways is dependent upon growth and development trends within the Phoenix metropolitan area. Although the economic base will justify modest growth in the future, its proximity to Phoenix and affordable pricing were the primary forces that drove the record growth from 2003 through 2005. The City of Casa Grande is larger, and more distant from the Phoenix metropolitan area. Developments that are within the cities of Maricopa and Casa Grande, or close to the city limits, are likely to benefit initially, with outlying developments only later, when demand increases. However, all are likely to be adversely impacted by the potential for increased costs of commuting given their rather remote locations relative to metropolitan Phoenix and the scarcity of linkages. Recovery has been sluggish since.

SITE ANALYSIS – HYPOTHETICAL WHOLE PARCEL

LOCATION: Northeast corner of Garvey Road and Wilson Avenue, Maricopa, Arizona

ASSESSOR'S PARCEL NOS.: 510-19-079, 080 and un-numbered King Street and alley right-of-way

SITE AREAS:

Subject Property	7,858 square feet
APN 510-19-079	18,773 square feet (per Assessor)
APN 510-19-080	<u>5,965</u> square feet (per Assessor)
Hypothetical Whole Parcel	32,596 square feet or 0.748 acre

SHAPE/DIMENSIONS: Irregular; see plat map

TOPOGRAPHY: Level

DRAINAGE: No drainage study was provided for my review. I assumed no adverse drainage conditions.

FLOOD ZONE: According to FEMA flood map number 04021C0741F effective June 14, 2014, the hypothetical whole parcel is within Flood Zone AO where flooding is expected, insurance is required by lenders for improved properties and the land requires special grading to elevate building pads out of flooding danger.

SOIL: No soil study was provided for my review. I assumed no adverse soil conditions.

CONTAMINATION: No environmental study was provided for my review. I assumed no contamination.

ARCHEOLOGICAL: No archeological study was provided for my review. I assumed no ruins, burials, or artifacts.

FRONTAGE/ACCESS: 300.00 ± feet of frontage on the north side of Garvey Road, an east/west collector; 20.00 ± feet of frontage on the east side of Wilson Avenue, a minor street

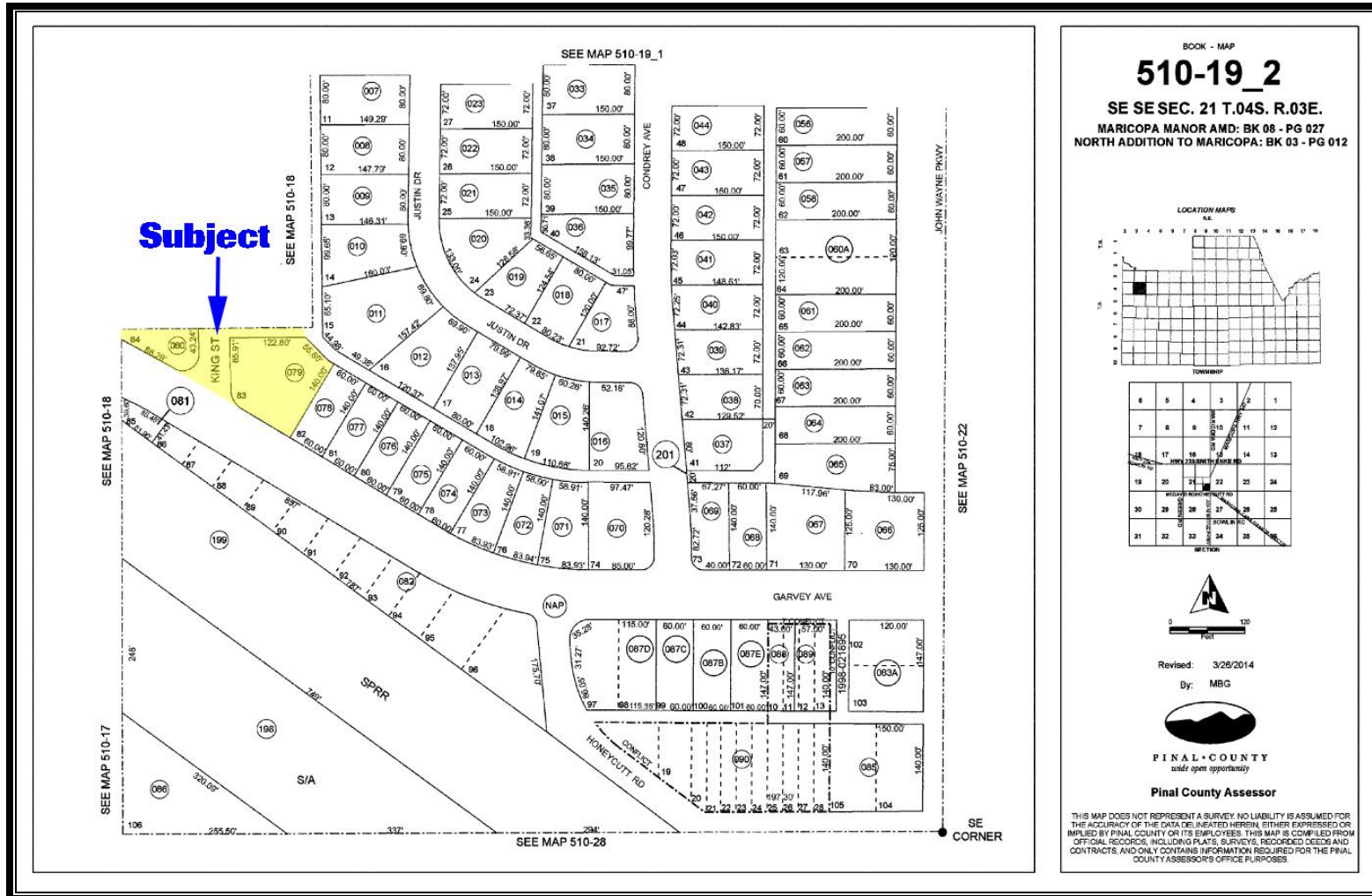
AERIAL PHOTOGRAPH

(Approximate Boundaries)

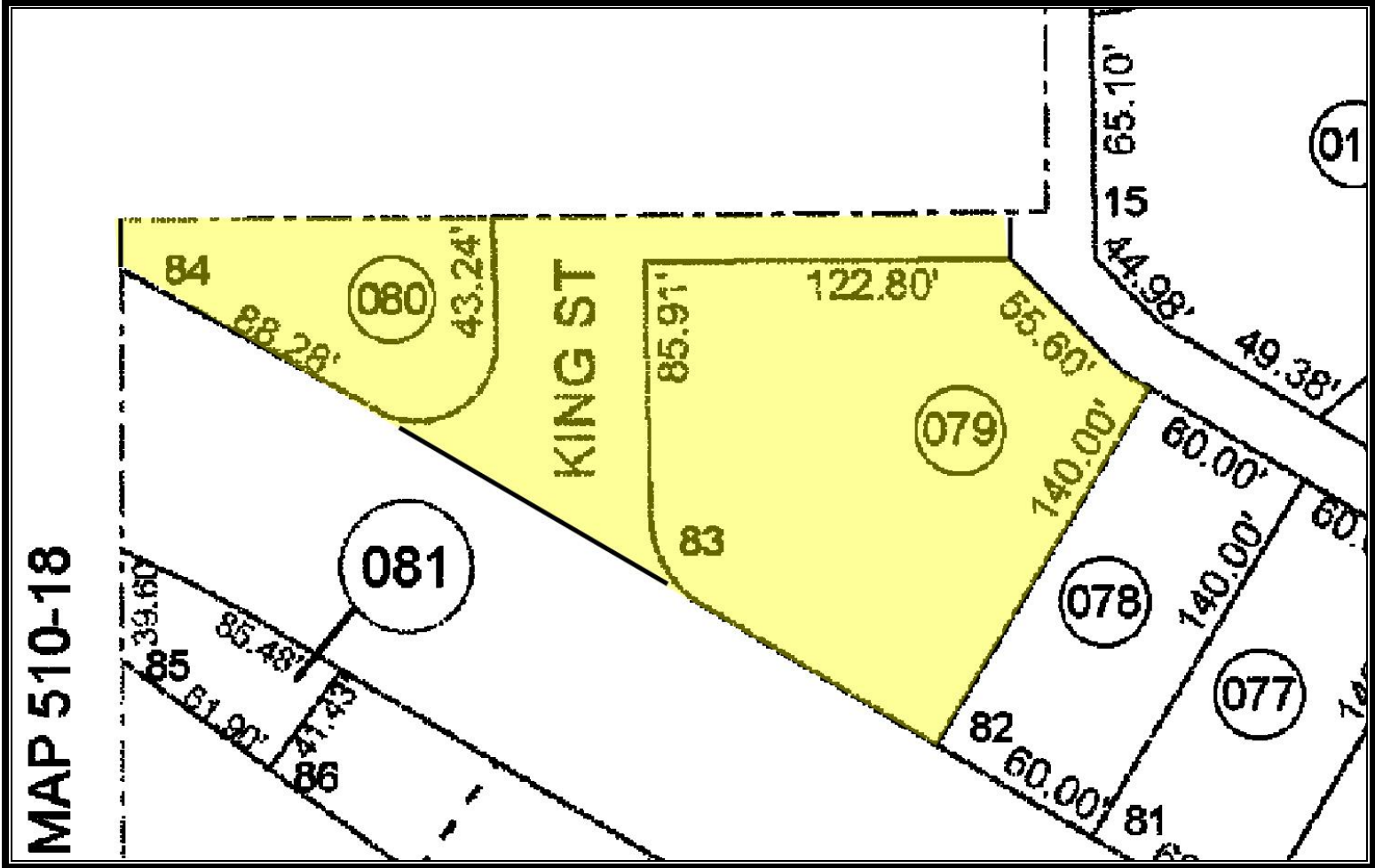
↑
North



ASSESSOR'S PLAT MAP

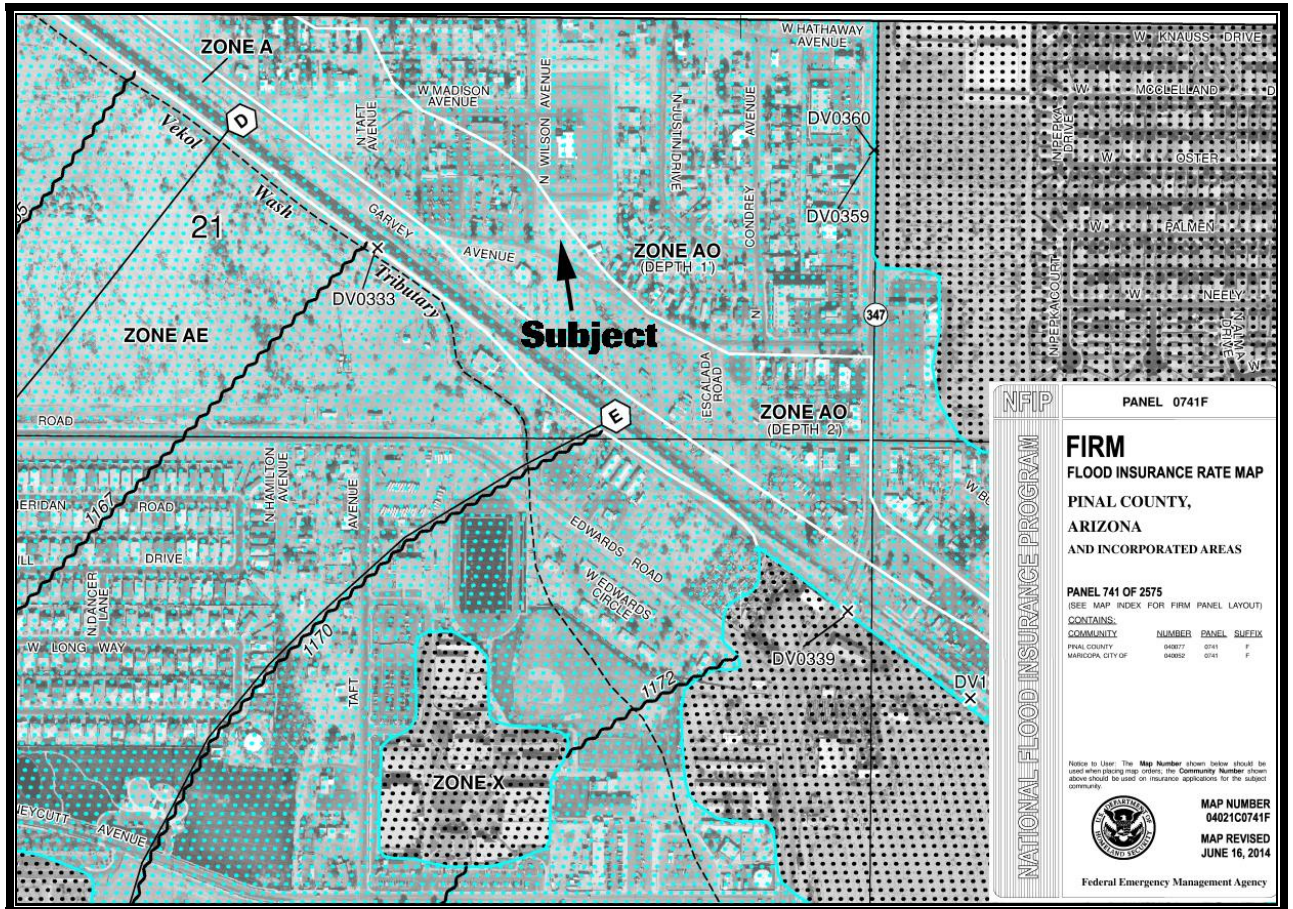


PLAT MAP DETAIL



FEMA FLOOD ZONE MAP

↑
North



The corner frontage is appealing for the visibility and access potential. But the parcel is narrow along its Wilson Avenue frontage and faces added setbacks and line-of-sight restrictions at the corner.

STREET IMPROVEMENTS:	<u>Garvey Road</u>	<u>Wilson Avenue</u>
Right-of-Way	40 ± feet to centerline	33 ± feet to centerline
Traffic Lanes	1 east/1 west	1 north/1 south
Median	Painted	Painted
Surface	Asphalt	Asphalt
Curb/gutter	None	None
Sidewalk	None	None
Streetlights	None	None
Storm Sewer	None	None
Speed Limit	25 m.p.h.	30 m.p.h.
Curbside Parking	None	None

Note: King Street and the alley are unimproved.

TRAFFIC COUNT: Garvey Road – Light, unmeasured
Wilson Avenue – Light, unmeasured

FUTURE ROW REQUIREMENTS: None anticipated

EASEMENTS:

Utility:	A shallow powerline easement may limit the use of the whole parcel but no adverse effect was assumed to unduly restrict the whole parcel's marketability.
Other	No other easements were noted that appear to be adverse or beneficial to the whole parcel's marketability.

UTILITIES:

Gas	Southwest Gas
Water	Global Water Resources
Electric	Arizona Public Service
Sanitary Sewer	Global Water Resources
Telephone	CenturyLink

ADJACENT LAND USES:

North	Vacant land
East	Single-family residential
South	Vacant land
West	Office

ENCROACHMENTS: None noted

EXTERNAL INFLUENCES: None adverse or beneficial noted

MARKETABILITY: Physical features which enhanced marketability:

- Electricity, water and sewer available
- Average visibility from its frontage
- Publicly-dedicated and -maintained frontage and access
- Level topography
- No sub-soil problems known

Physical features that limited marketability:

- 100% within FEMA Flood Zone AE
- Partial offsites

ZONING AND LEGAL RESTRICTIONS ANALYSIS

General Plan

The hypothetical whole parcel is within the City of Maricopa General Plan area. The property is designated as “Mixed Use”. The Mixed Use designation is intended to foster creative design for developments that desire to combine commercial, office and residential components. Single use projects are discouraged in the MU designation. Subject to zoning code modernization, proposed MU projects should provide a true combination of uses that inter-relate in design and function. Higher density residential products (such as apartments and condominiums), 6.0 or more dwellings per acre, are expected in Mixed Use projects.

Zoning Classification

This hypothetical whole parcel is zoned GR, General Rural. This district is intended to prevent urban residential and related uses from developing near agricultural operations, thereby infringing on the full operation of farmland. Allowable uses include environmental, habitat, water conveyance, as well as limited agriculture and livestock, and necessary supportive uses such as minor agricultural processing, but not uses that have the potential to create obnoxious noise.

Permitted Uses under GR Zoning

TABLE 201.02: LAND USE REGULATIONS - RURAL DISTRICTS			
Uses	Type		Additional Regulations
	RA	GR	
Agricultural			
Animal and Crop Production			
Large Scale	P	X	Section 401.03, Animal-Keeping
Small Scale	P	P	
Urban Agriculture	P	P	
Animal and Crop Sales	P	P	
General Agricultural	P	P	
Farmers and Animal Produce Stand	P	P	
Residential			
Single Unit			
Single Unit Detached	P	P	
Guest Quarters & Residences	P(2)	C(2)	
Family Day Care			
Small	A	A	Section 410.11, Family Day Care Facilities
Large	C	C	
Residential and Group Care Home	A	A	Section 410.24, Residential and Group Care Homes
Public and Semi-Public			
Cemetery	X	C	
Community Assembly	C	C	Section 410.07, Community Assembly
Parks and Recreation Facilities, Public	P	P	

TABLE 201.02: LAND USE REGULATIONS - RURAL DISTRICTS			
Uses	Type		Additional Regulations
	RA	GR	
Commercial			
Animal Sales, Care and Services			
Animal Sales and Grooming	P	P	Section 401.03, Animal Keeping
Kennels	C	C	
Riding Schools and Stables	P	P	
Small Animal Day Care Services	P	P	
Veterinary Services	P	P	
Commercial Entertainment and Recreation			
Club or Lodge	X	A	
Food and Beverage Sales			
Convenience Market	X	P	Section 410.03, Alcoholic Beverage Sales
Lodging			
Bed and Breakfast Inns	P	P	
Guest Ranch	P	X	
Nurseries and Garden Centers	P	P	
Outdoor, Temporary Seasonal Sales	P	P	Section 410.26, Temporary Uses
Industrial			
Storage and Warehouse			
Indoor Warehousing and Storage	A(I)	A(I)	
Outdoor Storage	P(I)	P(I)	
Transportation, Communication, Utility			
Communication Facilities			
Antennas and Transmission Towers	Subject to existing regulations, including a Conditional Use Permit if certain standards are not met or thresholds exceeded.		Article 412, Telecommunication Facilities
Utilities			
Minor	P	P	
Accessory Uses	Subject to the same permitting requirements of the principal use unless additional review is established in Section 410.01, Accessory Uses		
Temporary Uses	Require a Temporary Use Permit, unless otherwise exempt; see Section 410.26, Temporary Uses		
Nonconforming Uses	Article 406, Nonconforming Uses & Structures		
1. Agriculture-related storage only.			
2. Incidental to Farm/Agricultural operations only.			

Development Standards

TABLE 201.03: DEVELOPMENT STANDARDS - RURAL DISTRICTS

The diagram illustrates development standards for Rural Districts. It consists of two parts: a lot layout and a building footprint.

Lot Layout: A rectangular lot is shown with a dashed line representing the Property Line. A shaded area represents the Buildable Area. The setbacks are indicated by numbered circles: 1 (Front), 2 (Rear), 3 (Right Side), 4 (Rear Corner), 5 (Left Side), 6 (Front Corner), and 7 (Front Corner).

Building Footprint: A cross-section of a building is shown. The setbacks are indicated by numbered circles: 1 (Front), 2 (Rear), 3 (Right Side), 4 (Rear Corner), 5 (Left Side), 6 (Front Corner), and 7 (Front Corner).

KEY:

- Property Line
- Buildable Area
- Setback Line

Primary Street

	Type		Additional Regulations	#
	RA	GR		
Lot and Density Standards				
Minimum Lot Area (sq. ft.)	3 acres	54,450		
Minimum Lot Width (ft.)	165	145		①
Minimum Lot Depth (ft.)	200	150		②
Maximum Lot Coverage	25%	25%		
Building Form and Location				
Maximum Building Height (ft.)	35	30		③
Setbacks (ft.)				
Front	50	40	50 feet if building is used for poultry or animals	④
Interior Side	30	20		⑤
Street Side	40	30		⑥
Rear	50	40		⑦

Transitional Standards:

Where a Rural District adjoins an interior lot line in an RS District, the following standards apply: 1. The maximum height within 40 feet of an RS District is 25 feet. 2. The minimum building setback from a Residential District boundary shall be 20 feet. B.

Truck Docks, Loading, and Service Areas:

Truck docks, loading, and service areas are not permitted within 50 feet of the boundary of any Residential District. 201.04

Entitlements

The hypothetical whole parcel had no entitlements beyond zoning.

Rezoning Potential

The current zoning is popular in this neighborhood but may not allow its highest and best use. Given the General Plan and trends of development in the area, a zoning change to allow for a higher and better use is likely.

Private Restrictions

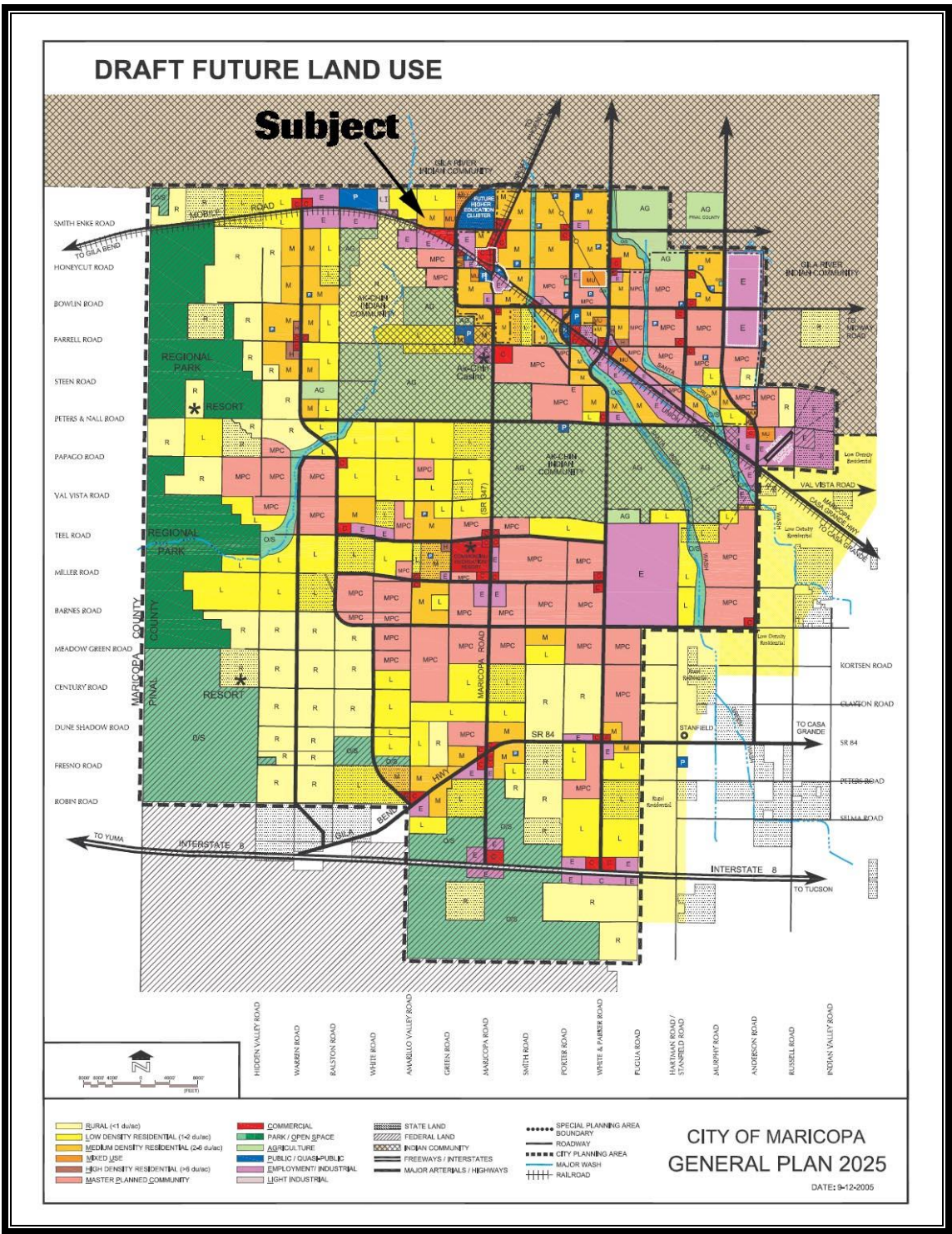
No deed or private restrictions were noted or assumed that would adversely affect the development of the property.

Off-Title Information

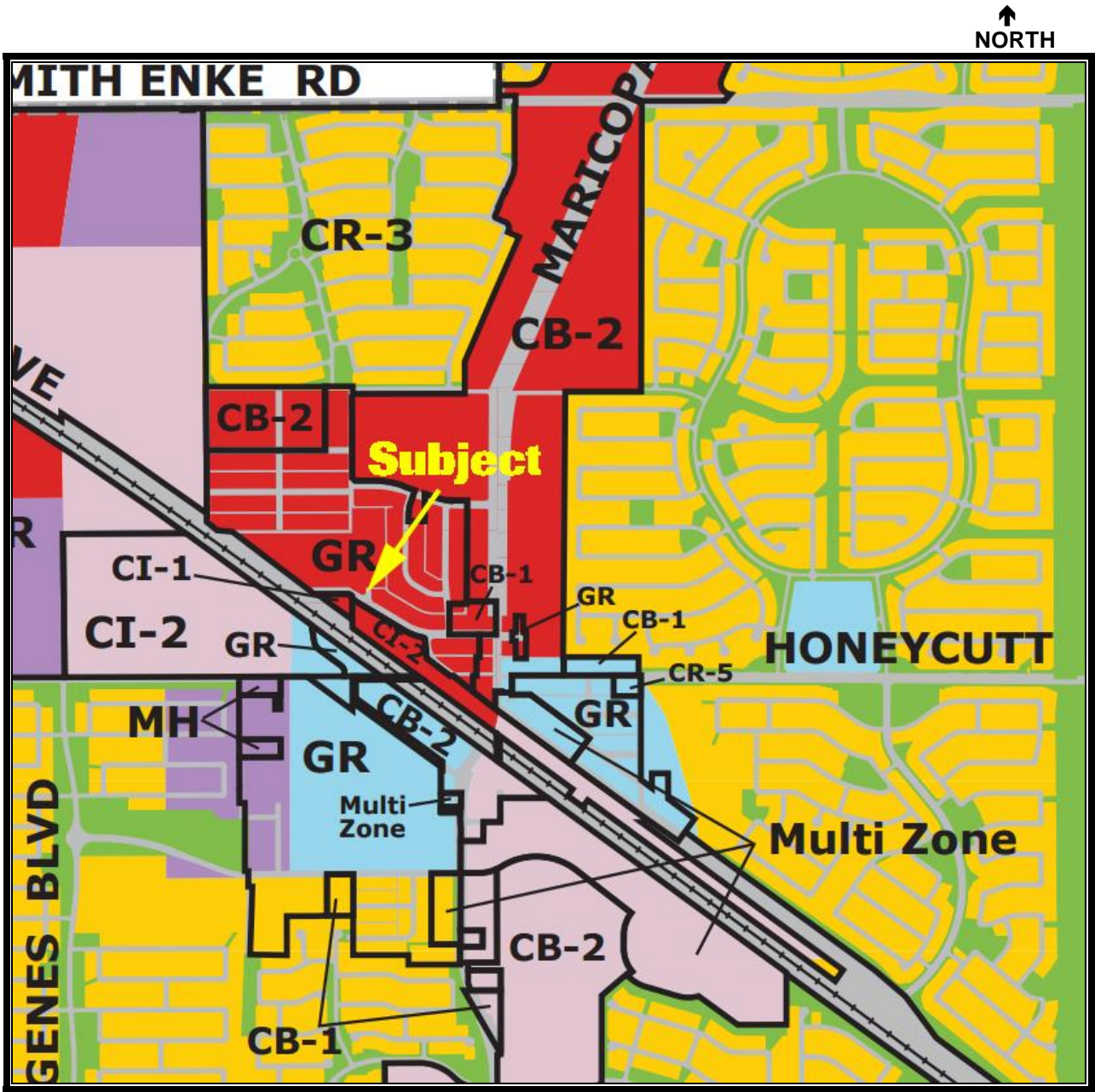
At times, a property can be restricted by agreements with adjoining property owners, by customary use or by adverse possession. None were noted.

GENERAL PLAN MAP

↑
North



ZONING MAP



REAL ESTATE TAX AND ASSESSMENT ANALYSIS

Introduction

Most real property in the county is assessed by the Assessor and the tax liability is collected by the Treasurer. Assessed values are typically established in November or December of each year, with tax rates in the following September. Taxes are paid in equal bi-annual installments, due October 1 of the current tax year and March 1 of the following year.

Assessment and Full Cash Value

The Assessor identified part of the hypothetical whole parcel with numbers 510-19-079, 080. The King Street and alley abandonment portion was not numbered by the Assessor. Parcel 510-19-079 was classified as "Rental/Leased Residential" and was assessed at a ratio of 10%. The Assessor's preliminary opinion of full cash value for 2017 was \$9,397, with \$1,191 allocated to the improvements and \$8,206, or \$0.44 per square foot, allocated to the land.

Parcel 510-19-080 was classified as "Ag/Vacant Land" and was assessed at a ratio of 16%. The Assessor's 2017 preliminary opinion of full cash value was \$2,684 or \$0.45 per square foot. The Assessor's opinion of land value was much lower than mine.

Real Estate Tax Liability

As municipally-owned property, the subject property had no tax liability. For this appraisal, I have assumed a typical tax liability.

Delinquent Tax Liability

None

Special Assessments

None were noted or reported.

HIGHEST AND BEST USE ANALYSIS

Highest and best use reflects a basic assumption about real estate market behavior--that the price a buyer will pay for a property is based on his or her conclusions about the most profitable use of the land or property. The determination of a property's highest and best use may or may not conform to the existing use. The determination of highest and best use must be based upon careful consideration of prevailing market conditions, trends affecting market participation and change, and the existing use of the hypothetical whole parcel.

Highest and best use may be defined as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.⁴

Because the use of land can be limited by the presence of improvements, highest and best use is determined separately for the land as though vacant and available to be put to its highest and best use, and then for the property as it is currently improved.

The first determination reflects the fact that land value is derived from potential land use. Land has limited value or no value unless there is a present or anticipated use for it. The amount of value depends on the nature of the land's anticipated use according to the concept of surplus productivity. Among all reasonable alternative uses, the use that yields the highest present value, after payments are made for labor, capital, and coordination, is generally regarded as the highest and best use of the land as though vacant.

The highest and best use of a property as improved refers to the optimal uses that could be made of the property including all existing structures. The implication is that the existing improvements should be retained "as is" so long as they continue to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing them and the construction of the new improvement.

The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be:

1. Physically possible,
2. Legally permissible,
3. Financially feasible, and
4. Maximally productive.

⁴

Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, (Chicago, Illinois: Appraisal Institute, 2015), page 109.

These four criteria are considered in reference to the hypothetical whole parcel in the following:

Highest and Best Use

Physically Possible

The hypothetical whole parcel was 83,565 ± square feet, or 0.748 acre, of speculative investment-oriented land located at the northeast corner of Garvey Road and Wilson Avenue, Maricopa, Arizona. Physical factors which enhanced marketability:

- Electricity, water and sewer available
- Average visibility from its frontage
- Publicly-dedicated and -maintained frontage and access
- Level topography
- No sub-soil problems known

Physical features that limited marketability:

- 100% within FEMA Flood Zone AE
- Partial offsites

The hypothetical whole parcel is located at the corner of Garvey Road, a collector street and Wilson Avenue, a minor street. The intersection does not suggest the hypothetical whole parcel has commercial/retail use given the light traffic counts, location in the interior of a quiet lightly-populated neighborhood. . The location, physical characteristics and trends of development in the area indicate that the hypothetical whole parcel has most appeal for a single-family residential use now or mixed-use development when demand warrants.

Legally Permissible

Public Restrictions – The hypothetical whole parcel is within the City of Maricopa General Plan area. The property is designated as “Mixed Use”. The Mixed Use designation is intended to foster creative design for developments that desire to combine commercial, office and residential components. Single use projects are discouraged in the MU designation. Subject to zoning code modernization, proposed MU projects should provide a true combination of uses that inter-relate in design and function. Higher density residential products (such as apartments and condominiums), 6.0 or more dwellings per acre, are expected in Mixed Use projects.

This hypothetical whole parcel is zoned GR, General Rural. This district is intended to prevent urban residential and related uses from developing near agricultural operations, thereby infringing on the full operation of farmland. Allowable uses include environmental, habitat, water conveyance, as well as limited agriculture and livestock, and necessary supportive uses such as minor agricultural processing, but not uses that have the potential to create obnoxious noise.

Entitlements – The hypothetical whole parcel had no entitlements beyond zoning.

Rezoning Potential - The current zoning is popular in this neighborhood but may not allow its highest and best use. Given trends of development in the area, a zoning change to allow for a higher and better use is likely.

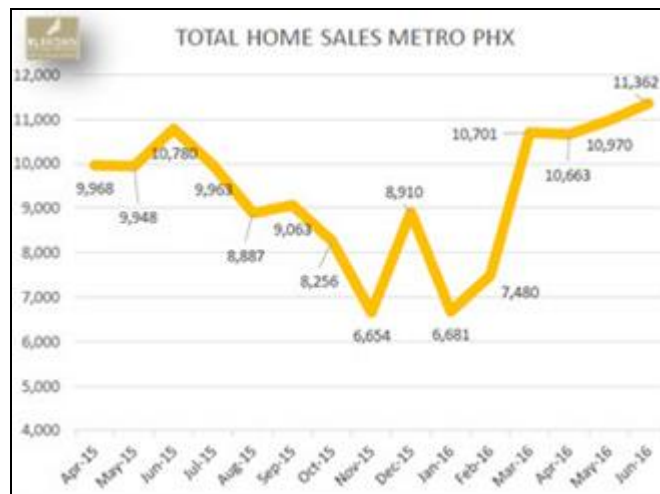
Private Restrictions – No deed or private restrictions were noted or assumed that would adversely affect the development of the property.

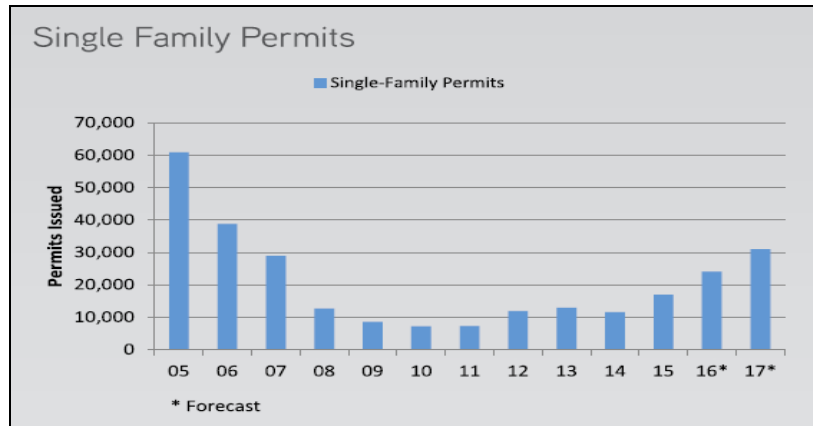
Off-title Information - At times, a property can be restricted by agreements with adjoining property owners, by customary use or by adverse possession. None were noted.

Financially Feasible

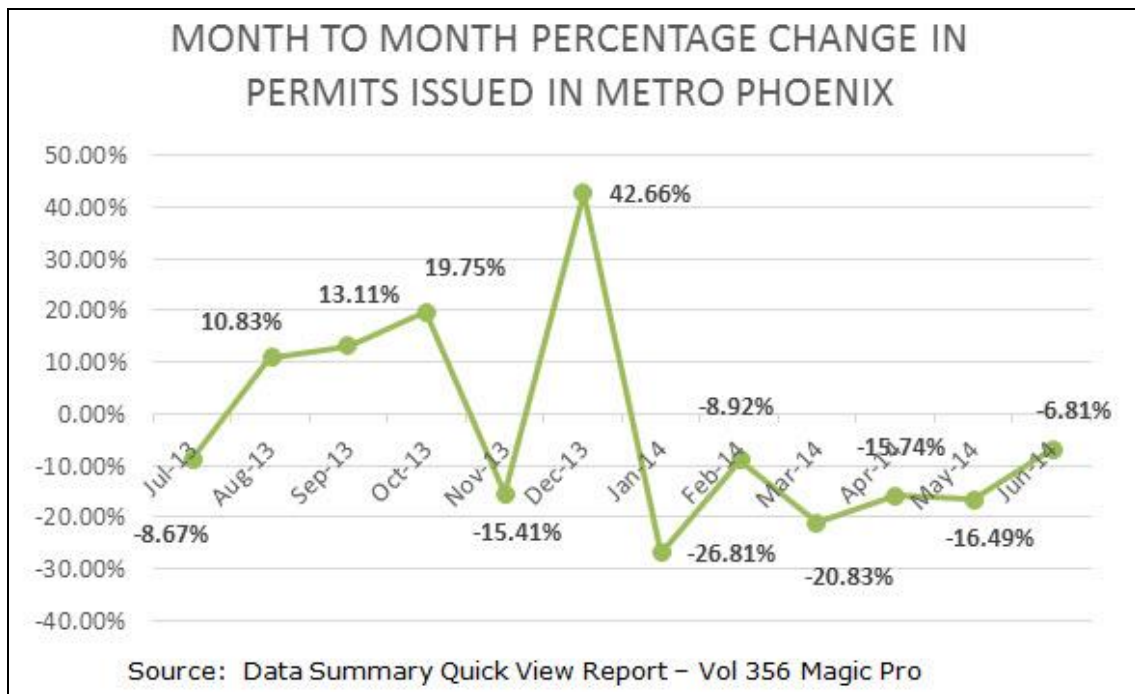
The whole parcel's location, physical characteristics, legal constraints and surrounding trends of development do not indicate a clear trend of development or a future use. No one can yet foresee the whole parcel's eventual highest and best use. As such, I have provided residential development supply and demand statistics below as residential growth must come first to the neighborhood before any other use. Then, I provide some statistics on the Pinal County office market.

Single-family Detached Residential - For the Phoenix metropolitan area, including Pinal County, housing permits, the leading gauge in home construction, dropped from 43,256 in 2006 to 21,882 in 2007, 10,348 in 2008 and then 8,027 in 2009. Single-family residential activity bottomed out in 2010 with about 7,112 building permits issued or the lowest number of permits issued in over fifteen years. Colliers.com/greaterphoenix provided the following:





For 2011, the number of permits was up slightly to 7,142. But in 2012, single-family permits were up significantly to 11,300. In the first half of 2013, the number of permits issued for single-family residential construction rose 10 percent from year-earlier levels to more than 6,900 units. There was a modest slowdown in the second half of the year with the number of single-family residential permits reaching 12,785, or 15 percent higher than 2012 levels. The last half of 2013 gave rise to optimism in the new housing community in the Phoenix metropolitan area relative to expectations for a continuing recovery of housing from the Great Recession, and then along came the first half of 2014. The graphic below shows permit activity in Metro Phoenix continued a negative trend in 2014 when measured by the percentage change in permits issued from the same month of the previous year.

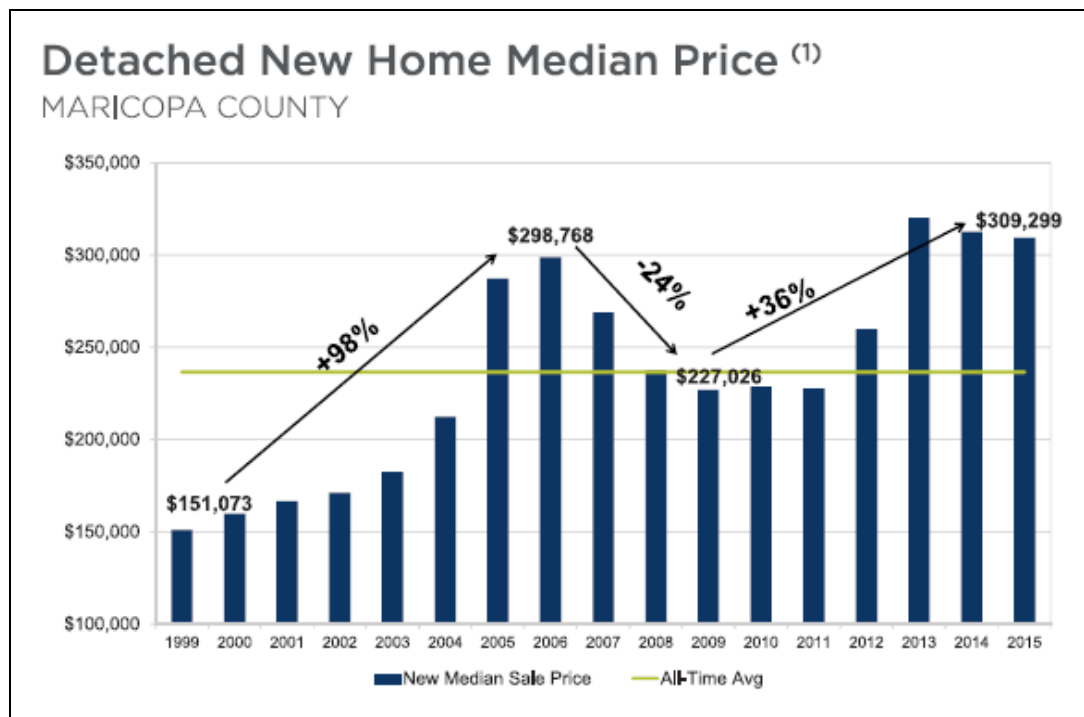


As the graphic indicates, permits were in positive territory in August, September and October, 2013. Permits then declined for the month of November and then soared in December, 2013, when 42% more permits were issued than in December, 2012. The continuing negative performances of January, February, March, April, May, and June, 2014, raised concerns that surprised most housing producers and suppliers who felt the market was well on the way to that elusive "recovery".

In hopes of a strong spring selling season builders started more homes in 4th Quarter 2013. This push resulted in a larger number of newly-built finished vacant units. The total of 2,473 homes was up 23 percent from one year ago and represented a 2.6 months of supply, according to *Metrostudy Report* (May 14, 2014).

In June, 2014, *RL Brown* counted 1,068 new-home permits in the metropolitan area (which includes Maricopa County and Pinal County) versus the 1,146 permits in June, 2013, and the 1,033 new-home permits in May, 2014. As of year's end 2014, new home permits were 11,742 permits, far less than what was forecasted.

In the fourth quarter 2015, 3,919 single-family permits were issued throughout the Metro Phoenix region, bringing the year-end total to over 16,768. This marks a 43% increase from the total permits issued in 2014.



Home prices in the Maricopa real estate market segment appear to be increasing, according to sales figures from the Multiple Listing Service, from April, 2015 through September, 2015, there were 822 single-family home sales in Maricopa, for a median price of \$155,950 with an average of 59 days on the market. The median selling price from October, 2015 through March, 2016 was \$161,377, for an increase of 3.5 percent

from 6 months prior, with 652 sales. From April, 2016 through September, 2016, there were 935 sales with a median selling price of \$167,500, a 3.8 percent increase from six months prior. From October, 2016 to March, 2017, there were 802 sales with a median selling price of \$173,375, a 3.5 percent increase, and a marketing time of 52 days.

As home prices rise, development of new product steadily becomes more feasible allowing a developer profit over and above land cost and the cost of building materials. As such, land values rise. Buyers are again purchasing lots for custom single-family home development and building new homes.

Office Overview – Statistics for 4th Quarter 2016 from Daum Commercial for the Phoenix Metropolitan area and the Pinal County office market provided a useful overview of office market conditions for the whole parcel's potential in that regard.

With vacancy estimated at 7.7 percent, the Pinal County submarket ended the quarter with the lowest vacancy of the nine submarkets within the Phoenix market. Of the nine submarkets within the Phoenix market, the Scottsdale submarket ended the quarter with the highest average asking rate of \$28.63 FSG, followed by East Phoenix (\$26.92 FSG), the Airport (\$26.03 FSG), East Valley (\$25.21 FSG), Central Corridor (\$23.90 FSG), North Phoenix (\$23.23 FSG), West Phoenix (\$23.14 FSG), Pinal County, (\$21.75 FSG) followed by NW Phoenix at \$20.75 FSG.

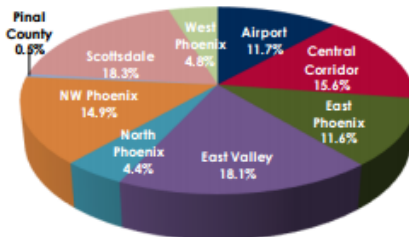
Some office development has occurred in Maricopa within the past five to ten years including the Maricopa Stanfield Justice Courthouse two parcels north; however, the prior City of Maricopa modular building offices remain vacant immediately to the west. Although, the vacancy rate was reported to be in the mid-single digits in Pinal County, an indicator of stronger demand, is the average asking lease rate, is the second lowest in the Phoenix office market.

Conclusion – Clearly, without a committed user in hand, with specific needs not filled by the ample supply of empty space, additional single-family or office construction was not feasible under current market conditions. The available market data indicates a weak market for new space at the whole parcel's location as of the effective date of the appraisal. While land prices in the neighborhood have dropped to levels that may allow a reasonable profit on the effort and cost of new construction, as of the effective date of the appraisal there had been little evidence of such activity. As such, the hypothetical whole parcel will sit vacant awaiting an improved market.

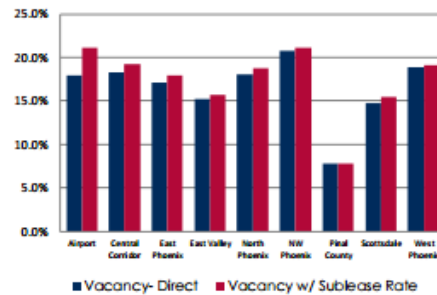
MARKET SNAPSHOT

SUBMARKETS	Total Inventory Square Footage	Direct Vacant Square Footage	Direct Vacancy Rate	Total Vacant w/ Sublet Square Footage	Total Vacant w/ Sublet Rate
Airport	14,719,324	2,638,031	17.9%	3,115,359	21.2%
Central Corridor	19,545,406	3,578,016	18.3%	3,752,309	19.2%
East Phoenix	14,526,896	2,487,375	17.1%	2,606,878	17.9%
East Valley	22,673,664	3,448,275	15.2%	3,552,063	15.7%
North Phoenix	5,551,524	999,985	18.0%	1,043,918	18.8%
NW Phoenix	18,733,205	3,899,282	20.8%	3,951,279	21.1%
Pinal County	658,111	50,903	7.7%	50,903	7.7%
Scottsdale	23,000,317	3,390,862	14.7%	3,557,905	15.5%
West Phoenix	5,965,095	1,123,356	18.8%	1,142,383	19.2%
Phoenix Totals	125,373,542	21,616,085	17.2%	22,772,997	18.2%

Office Market Inventory

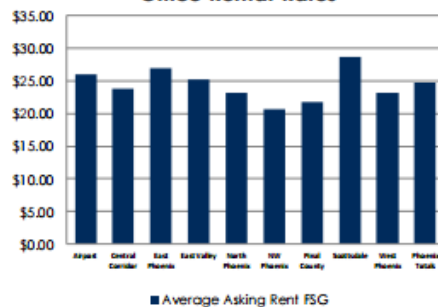


Office Vacancy Rates

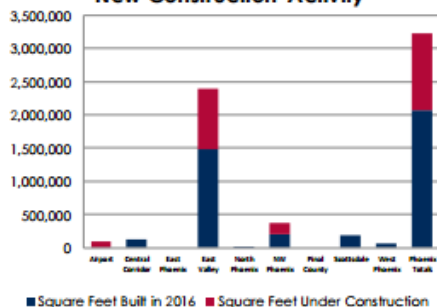


SUBMARKETS	Average Asking Rent FSG	Low-High Asking Rent Range FSG	Square Feet Built in 2016	Square Feet Under Construction	Gross Absorption Square Feet Current Quarter
Airport	\$26.03	\$12.00-\$31.00	0	89,889	266,623
Central Corridor	\$23.90	\$10.00-\$38.00	122,220	0	376,687
East Phoenix	\$26.92	\$10.00-\$40.00	0	0	367,685
East Valley	\$25.21	\$10.00-\$40.00	1,483,088	908,583	680,089
North Phoenix	\$23.23	\$11.50-\$38.00	13,600	0	160,103
NW Phoenix	\$20.75	\$10.00-\$34.00	209,209	160,500	269,686
Pinal County	\$21.75	\$16.50-\$27.00	0	0	14,531
Scottsdale	\$28.63	\$10.00-\$45.00	184,750	0	848,574
West Phoenix	\$23.14	\$13.00-\$32.00	62,000	0	181,391
Phoenix Totals	\$24.81	\$10.00-\$45.00	2,074,867	1,158,972	3,165,369

Office Rental Rates



New Construction Activity



Maximally Productive

Although development does not appear feasible at this time, the hypothetical whole parcel is considered to be attractive for the long term given its location. Thus, it has appeal to investors seeking to hold the land for future development or for profit from appreciation and resale.

Conclusion

Therefore, after considering the physical, legal and financial limitations of the hypothetical whole parcel, it was my opinion that the highest and best uses of the hypothetical whole parcel site would be for speculative investment purposes anticipating appreciation and profit upon future development or resale at a profit.

VALUATION PROCESS

The use of the Cost, Sales Comparison, and Income Approaches to Value depend on the type of property, the use of the appraisal, and the quality and quantity of data available for analysis. They are defined as follows:

Cost Approach: *A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.*⁵

Sales Comparison Approach: *The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.*⁶

Income Approach: *Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.*⁷

Reconciliation: *The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a range of value, in relation to a benchmark, or a single point estimate.*⁸

All three approaches to value are based upon the Principle of Substitution. This is a valuation principle that states a prudent purchaser would pay no more for real property than the cost of acquiring an equally desirable substitute on the open market. The principle presumes that the purchaser will consider the alternatives available to him or her, that the buyer will act rationally and prudently on the basis of the information available about these alternatives, and that time is not a significant factor. Substitution may assume the form of the purchase of an existing property with the same utility and income potential or the acquisition of vacant land and the construction of a structure upon the land having the same general utility as the hypothetical whole parcel.

5 Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, (Chicago, Illinois: Appraisal Institute, 2015), page 54.

6 Ibid., page 207.

7 Ibid., page 115.

8 Ibid., page 91

Applied Method

Because the hypothetical whole parcel was vacant land, the Cost Approach was not considered applicable. The Income Approach could not be reliably applied as the land were incapable of attracting sufficient net income, that when capitalized, would provide a reliable indication of market value for the hypothetical whole parcel. Therefore, in the following analysis, only the Sales Comparison Approach was applied in the estimation of the hypothetical whole parcel's market value.

SALES COMPARISON APPROACH

Theory

This approach calls for the typical buyer or appraiser to compare the hypothetical whole parcel with similar properties which have either recently sold or are currently listed for sale. The comparables are compared and adjusted to the hypothetical whole parcel on the basis of physical, legal, and economic factors that affect value. Superior differences in the comparables indicate downward adjustments to their sales prices. Inferior differences result in upward adjustments to their sales prices. After adjustment, the range of adjusted prices indicates a range of market value for the hypothetical whole parcel. Typically, the most important unit of measure in analyzing land in this market segment is price per square foot.

This approach gives an excellent indication of current market prices when sales data are plentiful and easily confirmed. Recent sales and listings show where the market has been and where it may be going. The data reveal the trends not only in price, but in the trends of investment and development as well as current seller and buyer behavior.

Data

My search of the market was conducted by reviewing sales compiled by the county recorder's office and obtaining sales in escrow and listings from real estate agents, brokers and other market participants. Of numerous sales and listings discovered, the following comparables were documented and discussed which represented the most current and comparable data for the estimation of market value. Other comparable sales and listings, in addition to those documented and analyzed here, were also considered and influenced my opinion of value as part of my workfile.

My data were arranged from newest to oldest to emphasize those sales which best reflect current market conditions. If listings were used, they were presented last. Please note that "Date of Sale" as shown in the documentation of the comparables on the following pages, reflects the date the price was agreed upon by buyer and seller, the contract signed and placed in escrow. Even though the sales closed later, sometimes months or even years afterward, the date of sale is important to understand market conditions and for judging and adjusting for appreciation and depreciation.

LAND COMPARABLE NO. 1

(In Escrow)

Type: Vacant Single-family Residential Lot

Location: 3 lots east of southeast corner Honeycutt Road and Gun Smoke Road, Maricopa, Arizona

Sale Data

Grantor: Town of Maricopa
Grantee: In escrow

Date of Sale: March, 2017
Recorded Date: To close June 7, 2017

Instrument: In escrow
Instrument No.: In escrow

Sales Price: \$270,000

Terms: Cash

Unit Price: **\$2.30** per square foot

Site Data

Assessor's Parcel No.: 510-71-006D

Legal Description: Part of N4 of Section 25, T-4S, R-3E, G&SRB&M, Pinal County, Arizona.

Site Area: 117,176 square feet or 2.690 net acres

Shape/Dimensions: Rectangular; 195.29' x 600.00' ±

Zoning: CB-2, General Business

Frontage/Access: 195.58 ± feet on Honeycutt Road, an east/west arterial

Offsites: Asphalt-paved for two lanes in each direction, painted median, curb, gutter and sidewalk; no streetlights

Traffic Count: 8,346 v.p.d. (2010)

Topography/Soil:	Level; typical
Utilities:	Electricity, water; sewer
Flood Zone:	X
Improvements/Other:	None

History: The property was listed for 8.3 ± months at a price of \$279,888. No other sales or listings were noted within the past five years.

Intended Use: Church

Confirmation: Public records, Marcel V. Fernandes, listing agent, Homesmart, 602-329-2415, April 10, 2017

Comments: Vacant land is located to the east and west, a single-family residence to the south, and a single-family residential subdivision to the north.

LAND COMPARABLE NO. 1



LAND COMPARABLE NO. 2

Type: Vacant Single-family Residential Lot
Location: 19966 North Condrey Avenue, Maricopa, Arizona

Sale Data

Grantor: Bill S. and Nancy J. Jones
Grantee: Gabriela N. Bandala

Date of Sale: February, 2017
Recorded Date: February 23, 2017

Instrument: Warranty Deed
Instrument No.: 17-012201

List Price: \$46,000

Terms: Cash

Unit Price: **\$3.83** per square foot

Site Data

Assessor's Parcel No.: 510-19-033
Legal Description: Lot 37, AMD MARICOPA MANOR
Site Area: 12,000 square feet or 0.275 net acre
Shape/Dimensions: Rectangular; 80.00' x 150.00'
Zoning: GR, General Rural
Density: 1.0 dwelling unit per 1.25 acres
Platting & Engineering: None
Frontage/Access: 80.00 ± feet on Condrey Avenue, a minor north/south street

Offsites:	Asphalt-paved for one lane in each direction, curb, gutter; no median, sidewalk or streetlights
Traffic Count:	Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Electricity, water; septic allowed
Flood Zone:	100% Zone AO
Improvements/Other:	1,535 s.f. gutted single-family residence, built in 1957, in fair condition with \$10,000 to \$15,000 in contributory market value according to the selling agent

History:

The property was listed for 50 days at a price of \$44,900 before the price was lowered to \$35,000. Previously, the property sold in February, 2015, for \$35,000, or \$2.92 per square foot. The difference represents an increase in price and value of 31.4 percent in 2 years. No other sales or listings were noted within the past five years.

Intended Use:

RV storage with office

Confirmation:

Public records; Julia Romero Gusse, selling agent, The Maricopa Real Estate Co., 602-810-6258, April 10, 2017

Comments:

Single-family residences are to the north, south, east and west.

LAND COMPARABLE NO. 2



LAND COMPARABLE NO. 3

Type: Vacant Single-family Residential Lot
Location: 44766 West Garvey Avenue, Maricopa, Arizona

Sale Data

Grantor: Maricopa Manor Business Center, LLC
Grantee: Mike Vigil

Date of Sale: January, 2017
Recorded Date: January 31, 2017

Instrument: Warranty Deed
Instrument No.: 17-006692

List Price: \$44,000

Terms: Cash

Unit Price: **\$2.32** per square foot

Site Data

Assessor's Parcel No.: 510-19-087D

Legal Description: Lots 97 & 98, Block 1, MARICOPA MANOR

Site Area: 18,965 square feet or 0.435 net acre

Shape/Dimensions: Irregular; see plat

Zoning: GR, General Rural

Density: 1.0 dwelling unit per 1.25 acres

Platting & Engineering: None

Frontage/Access: 115.00 ± feet on Garvey Avenue, an east/west collector; 117.32 ± feet on Escalada Road, a minor north/south street

Offsites:	Garvey Avenue – Asphalt-paved for one lane in each direction; no median, curb, gutter, sidewalk or streetlights
	Escalada Road – Asphalt-paved for one lane in each direction; no median, curb, gutter, sidewalk or streetlights
Traffic Count:	Both Streets - Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Electricity, water, sewer
Flood Zone:	100% Zone AO
Improvements/Other:	None

History: The property was listed for 9.3 months at prices from \$48,999 to \$49,900. A previous offer at \$35,000, or \$1.85 per square foot, was not accepted. No other sales or listings were noted within the past five years.

Intended Use: Office suites

Confirmation: Public records; Marc Montgomery, co-listing agent, HomeSmart Success, 602-799-7344, April 10, 2017; Adam Leach, selling agent, JK Realty, 602-430-1256, April 10, 2017

Comments: Vacant land is located to the west and south and a single-family residences to the east and north.

LAND COMPARABLE NO. 3



LAND COMPARABLE NO. 4

Type: Vacant Single-family Residential Lot
Location: 45186 West Madison Avenue, Maricopa, Arizona

Sale Data

Grantor: Roger and Delia Sar Herrera
Grantee: Leonarado Salazar Hernandez and Maria Salazar Rojas

Date of Sale: July, 2015
Recorded Date: August 20, 2015

Instrument: Warranty Deed
Instrument No.: 2015-054384

Sales Price: \$27,000

Terms: Seller-carryback with no downpayment and unspecified terms

Cash Equivalency Adj.: Even given the lack of a downpayment, the buyer paid no premium above market value when compared to the other sales comparables according to confirmation of the sale and a comparison of the price paid to the prices of sales with cash terms. Thus, no adjustment was needed.

Cash Equivalent Price: \$27,000

Unit Price: **\$1.80** per square foot

Site Data

Assessor's Parcel No.: 510-20-002A
Legal Description: Lot 5, Block 1, NORTH MARICOPA 1
Site Area: 15,000 square feet or 0.344 net acre
Shape/Dimensions: Rectangular; 100.00' x 150.00'

Zoning:	GR, General Rural
Density:	1.0 dwelling unit per 1.25 acres
Platting & Engineering:	None
Frontage/Access:	100.00 ± feet on Madison Avenue, a minor street
Offsites:	Asphalt-paved for one lane in each direction; no median, curb, gutter, sidewalk or streetlights
Traffic Count:	Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Electricity, water; septic allowed
Flood Zone:	100% Zone AO
Improvements/Other:	Vandalized 1,307 square foot manufactured home, built in 1972, and chain link fencing with no contributory market value (no discount for the cost of demolition and removal)

History: No listing of the property was found for this sale. Previously, the property was listed in October, 2012, for \$99,900 for 9.2 months before expiring. No other sales or listings were noted within the past five years.

Intended Use: Investment

Confirmation: Public records; no contact information found for the buyer and seller

Comments: The property is surrounded by single-family residences to the north, east and west. The Maricopa City Hall is located to the south.

LAND COMPARABLE NO. 4



LAND COMPARABLE NO. 5

Type: Vacant Commercial Lot
Location: 8 West Edwards Avenue, Maricopa, Arizona

Sale Data

Grantor: Nick M. Hughes
Grantee: Joshua James Bates

Date of Sale: January, 2015
Recorded Date: March 2, 2015

Instrument: Warranty Deed
Instrument No.: 2015-012490

Sales Price: \$70,000

Terms: \$17,500 (25% downpayment) seller-carryback for 3 years with annual payments

Cash Equivalency Adj.: Given the large downpayment and the short term of the carryback, the buyer did not pay a premium over market value for the terms. Thus, no adjustment was needed.

Cash Equivalency Price: \$70,000

Unit Price: **\$2.33** per square foot

Site Data

Assessor's Parcel No.: 510-28-002B
Legal Description: Lot 8, Block 4, MARICOPA CENTRAL PT
Site Area: 30,000 square feet or 0.689 net acre
Shape/Dimensions: Rectangular; 100.00' x 300.00'
Zoning: CB-2, General Business

Frontage/Access:	100.00 ± feet on Edwards Avenue, a collector street
Offsites:	Asphalt-paved for one lane in each direction; no median, curb, gutter, sidewalk or streetlights
Traffic Count:	Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Electricity, water; septic allowed
Flood Zone:	100% Zone AE
Improvements/Other:	None

History: The property was listed for 2.3 days at a price of \$80,000. After the sale, the property was relisted in January, 2016, for \$180,000, or \$261,248 per acre. No other sales or listings were noted within the past five years.

Intended Use: Landscaping and nursery business

Confirmation: Public records, Peter Meier, listing and selling agent, Realty Executives, 602-690-3361, June 10, 2016

Comments: Vacant land is located to the west, single-family residences to the south, Union Pacific railroad tracks to the north and a junk yard to the east.

LAND COMPARABLE NO. 5



LAND COMPARABLE NO. 6

Type: Vacant Single-family Residential Lot
Location: 19356 North Taft Avenue, Maricopa, Arizona

Sale Data

Grantor: Ochoa-Espericueta Services, LLC
Grantee: The Word is Wisdom Fellowship Church

Date of Sale: March, 2014
Recorded Date: April 28, 2014

Instrument: Warranty Deed
Instrument No.: 2014-024338

Sales Price: \$62,000

Terms: \$20,000 (32.3% downpayment) seller-carryback for 10 years with monthly payments at 7.0% ±

Cash Equivalency Adj.: Given the large downpayment and the market interest rate, the buyer did not pay a premium over market value for the terms. Thus, no adjustment was needed.

Cash Equivalency Price: \$62,000

Unit Price: **\$1.63** per square foot

Site Data

Assessor's Parcel No.: 510-27-007

Legal Description: Part of W2 NW NW4 of Section 28, T-4S, R-3E, G&SRB&M, Pinal County, Arizona.

Site Area: 38,000 square feet or 0.872 net acre

Shape/Dimensions: Rectangular; 107.00' x 280.00'

Zoning: GR, General Rural

Density:	1.0 dwelling unit per 1.25 acres
Platting & Engineering:	None
Frontage/Access:	100.00 ± feet on Taft Avenue, a minor street
Offsites:	Asphalt-paved for one lane in each direction; no median, curb, gutter, sidewalk or streetlights
Traffic Count:	Light, unmeasured
Topography/Soil:	Level; typical
Utilities:	Electricity, water; septic allowed
Flood Zone:	100% Zone AE
Improvements/Other:	None

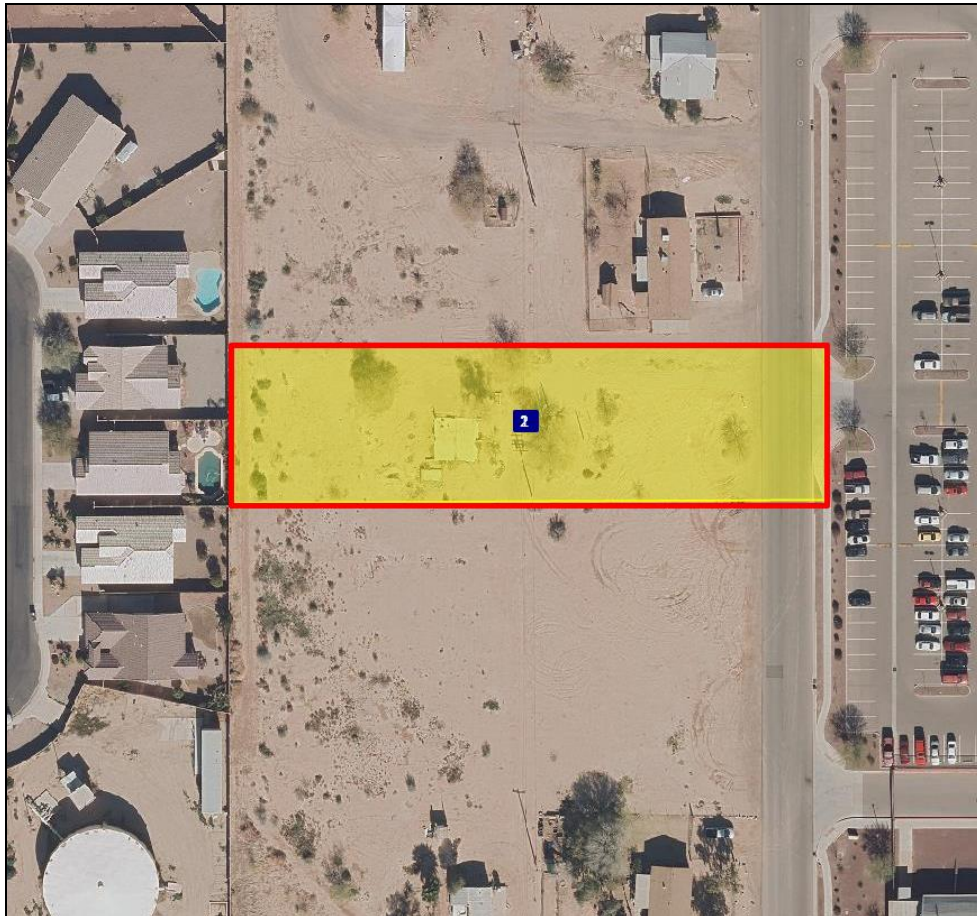
History: The property was listed for 14 ± months at prices of \$80,000 to \$68,500. No other sales or listings were noted within the past five years.

Intended Us Church

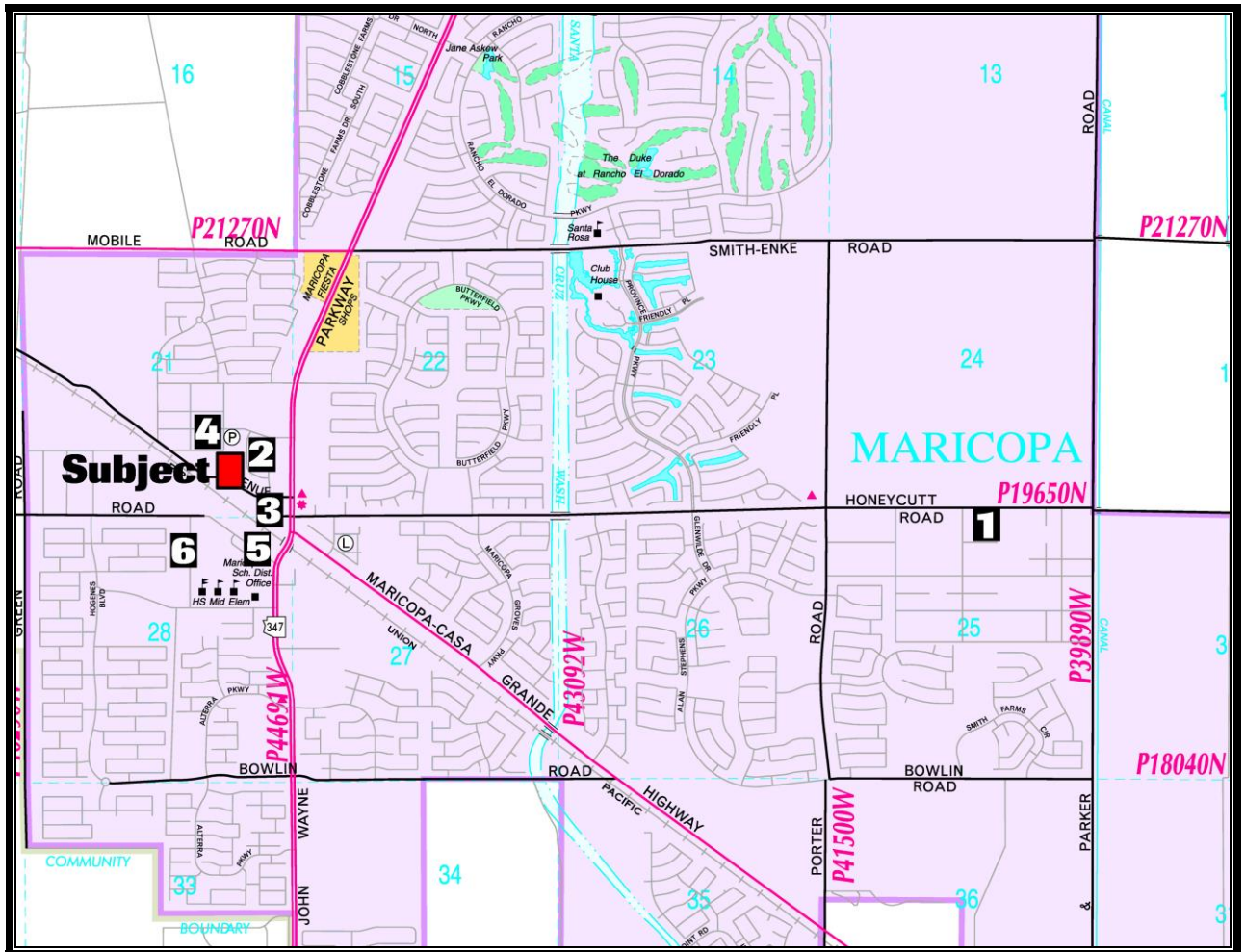
Confirmation: Public records; Tammy A. Adams, selling agent, The Maricopa Real Estate Co., 520-233-8125, June 10, 2016

Comments: Vacant land is located to the south, single-family residences to the north and west and Maricopa High School to the east.

LAND COMPARABLE NO. 6



North



Summary of Vacant Land Comparables

Sale No.	Location/Address	Date	Cash Equiv. Price	Size	Unit Price	Utilities	Zoning
1	E of SEC Honeycutt Rd. & Gun Smoke Rd., Maricopa	3-17	\$270,000	2.690 ac.	\$2.30/s.f.	Electricity, Water, Sewer	CB-2
2	19966 N. Condrey Ave., Maricopa	2-17	\$ 46,000	0.275 ac.	\$3.83/s.f.	Electricity, Water	GR
3	44766 W. Garvey Ave., Maricopa	1-17	\$ 44,000	0.435 ac.	\$2.32/s.f.	Electricity, Water, Sewer	GR
4	45186 W. Madison Ave., Maricopa	7-15	\$ 27,000	0.344 ac.	\$1.80/s.f.	Electricity, Water	GR
5	8 W. Edwards Ave., Maricopa	1-15	\$ 70,000	0.689 ac.	\$2.33/s.f.	Electricity, Water	CB-2
6	19356 N. Taft Ave., Maricopa	3-14	\$ 62,000	0.872 ac.	\$1.63/s.f.	Electricity, Water	GR
Subj.	NEC Garvey Rd. & Wilson Ave., Maricopa	4-17	---	0.748 ac.	---	Electricity, Water, Sewer.	GR

Discussion and Analysis of Vacant Land Comparables

Property Rights Conveyed

The market value of the fee simple interest was estimated for the hypothetical whole parcel. As the fee simple rights were conveyed for Comparable Nos. 1, 2, 3, 4, 5 and 6, no adjustments were indicated.

Terms of Sale

The hypothetical whole parcel was appraised assuming a cash sale or one with cash equivalent terms. Seller-carried terms generally influence the price paid as they are more generous than terms available for first or second mortgage lenders. The seller receives a premium over market value in order to counter the risk of a carryback. Since market value is estimated for the real estate only, any premium paid for generous terms must be deducted.

Comparable Nos. 1, 2 and 3 were a cash sales, no adjustments were indicated.

Comparable Nos. 4, 5 and 6 were sold with seller-carrybacks. In each case the seller financing did not result in a premium paid above market value. Thus, no cash equivalency adjustments were needed.

Conditions of Sale

The hypothetical whole parcel was appraised assuming normal conditions of sale in which a sale is arm's length, the price was not unduly influenced by distress situations or inter-related party transfers and the property had adequate exposure to the market.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 were arm's length transactions selling under normal conditions of sale, no adjustments were indicated.

Market Conditions

The hypothetical whole parcel was appraised as of the effective date of the appraisal, April 11, 2017. Given the passage of time, market prices generally change given fluctuations in supply and demand. Prices tend to move up or down in stair-step fashion, quickly changing and then stabilizing for a period of time. Thus, adjustments to older sales whether up or down, must be considered.

My sample of data sold between March, 2014, and March, 2017. Since a downturn that lasted from 2008 to 2011, the market began to improve and 2012 saw a marked increase in the number of sales. Prices appreciated. Then, prices of vacant land appeared to level off between 2013 and 2015 before increasing again.

As Comparable Nos. 1, 2 and 3 sold between January, 2017, and March, 2017, they were considered current sales. Thus, no adjustments were made.

Comparable Nos. 4, 5 and 6 sold between March, 2014, and July, 2015, when prices were lower. As such, upward adjustments were warranted.

Buyer Motivation

A number of factors may affect buyer motivation. The most important in the market segment are user v. speculator, assemblage and special factors. For the hypothetical whole parcel, I assumed that the buyer is typically motivated--whether an owner-user or speculator.

User v. Speculator - In many real estate markets, users are often willing to pay a premium over the prices that investors or speculators pay. In general, users are examining the immediate potential or value of a site for a specified use and do not anticipate the holding or marketing costs that are incurred by an investor. As noted in the Highest and Best Use Analysis, the hypothetical whole parcel has appeal to an investor at this time.

No. 4 was purchased by an investor. Nos. 1, 2, 3, 5 and 6 were purchased by users.

Given the consistent demand for use of land in the subject's market segment, prices are not two-tiered. Thus, when speculators compete with users for the same parcels, user and investor prices become synonymous. Thus, given my study of the sales and their prices, no adjustments were necessary.

Assemblage - When buyers have a need to expand an existing location or if they are assembling land for new development, they usually are forced to pay a premium over market value for their lack of substitution. The hypothetical whole parcel was not appraised assuming assemblage.

Comparable Nos. 1, 2, 3, 4, 5 and 6 were not purchased for assemblage. Thus, no adjustments were necessary.

Special Need – Buyers may have a special need that prevents them from choosing a substitute property available on the open market. As such, they may pay a premium over market value for their lack of substitution. The hypothetical whole parcel was not appraised assuming special need.

As the prices paid for Comparable Nos. 1 through 6 were not affected by special needs, no adjustments were needed.

Location

Locational factors which affect land values include general locational attributes and district or specific locational attributes such as the appeal or quality of surrounding development.

General Location – General locational factors include the market's perception of a particular neighborhood or area of the community, support facilities, growth and development potential. The hypothetical whole parcel was in an appealing Maricopa location, with a short distance from shopping, employment and other supportive community services and facilities. Thus, it had an “average” general location.

Comparable Nos. 1, 2, 3, 4, 5 and 6 are similarly located in the City of Maricopa and relatively nearby. As such, no adjustments were necessary.

Specific – Specific locational features relate to setting. If a parcel in the whole parcel's market segment is located in a masterplanned community with an appealing theme and common amenities, it may bring a premium in the marketplace. On the other hand, land that is surrounded by unattractive locational features may sell at a reduced price. The hypothetical whole parcel was an independent parcel not located in a planned community or subdivision.

Comparable Nos. 1, 2, 3, 4, 5 and 6 were independent parcels not associated with adjacent or surrounding development which enhanced or detracted from their appeal. For their similar specific locations, no adjustments were indicated.

Frontage/Access

Frontage is important to the marketability of land as it generally provides publicly-dedicated and -maintained access. Access can be judged from streets immediate to the hypothetical whole parcel or from adjacent or nearby boulevards, expressways or freeways. This grouping includes categories that are closely related but the distinction is important.

Frontage - The hypothetical whole parcel had publicly-dedicated and -maintained frontage.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 had similar frontages, no adjustments were necessary.

Access - Typically, access from a single street is adequate for most types of development. Since developers are usually required to dedicate land for rights-of-way and improve them to modern standards, too much frontage is costly. The hypothetical whole parcel had "average" access from its frontage.

Comparables Nos. 1, 2, 3, 4, 5 and 6 had similar access from their frontages. Thus, no adjustments were needed.

Traffic Influence

For mixed-use land in the whole parcel's market segment, a high traffic count is typically not a negative influence. A sizable and *accessible* traffic count make a parcel of land in this market segment more desirable for mixed uses. Such land will appeal to a wider variety of users and can also help with property identification, rental rates and occupancy. The hypothetical whole parcel had an interior location with a "light, unmeasured" count.

Comparable Nos. 2, 3, 4, 5 and 6 had "light, unmeasured" traffic counts as well. For their similarity, no adjustments were warranted.

Comparable No. 1 had a traffic count of 8,346 vehicles per day. For its superiority, a downward adjustment was made.

Size

Size usually influences the price paid for vacant land. Generally, larger parcels of land sell at a lower unit price than smaller parcels as fewer buyers compete for them and their exposure periods are longer. Typically, buyers do not adjust for every square foot or acre difference so in general, size can differ within a range and the unit price is not affected. But for substantial differences between ranges, unit prices will usually vary given the general rule. The hypothetical whole parcel was 0.748 acre in size which made it a medium-sized lot for this market segment.

Comparable Nos. 5 and 6 were 0.689 and 0.872 acre in size respectively. For their similar sizes, no adjustments were needed.

Comparable Nos. 2, 3 and 4 ranged between 0.2755 and 0.435 acre in size which made them smaller than the hypothetical whole parcel. Given their smaller sizes and the effect of size on the price paid, downward adjustments to their sales prices were necessary.

No. 1 was 2.690 acres in size which was larger than the hypothetical whole parcel. As larger parcels usually sell for a lower unit price, an upward adjustment was warranted.

Shape/Contiguity

Shape - The typical buyer prefers a square or rectangularly-shaped parcel as planning and development is made easier. The hypothetical whole parcel was irregular in shape. However, its size and broad dimensions gave it sufficient width and depth to allow typical development.

As Comparable Nos. 1 through 6 had shapes with utility similar to the hypothetical whole parcel, no adjustments were necessary.

Contiguity - Buyers generally prefer contiguous parcels of land as the parcel can be developed without interruption in ownership or use. Contiguity makes development planning easier and the finished product cohesive. The hypothetical whole parcel consists of one contiguous parcel.

Comparable Nos. 1, 2, 3, 4, 5 and 6 were all contiguous parcels of land. When compared to the hypothetical whole parcel, no adjustments were necessary for this factor.

Topography/Soil

Topography - If topography is varied and rough to develop, marketability is generally adversely affected. But in every case, land needs site work to one extent or another as part of its development. With its topography, the hypothetical whole parcel had average utility for development.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 shared similar topography when compared to the hypothetical whole parcel, no adjustments were necessary.

Soil - If soil is difficult to grade and excavate ("hard dig"), then construction costs are greater which lessens the amount that can be paid for the land. Developers in this area appear to find the soil easily developable given the numerous example of successful development in the area. As such, the hypothetical whole parcel was assumed to have typical and buildable soil.

As Comparable Nos. 1 through 6 appeared to have had typical soil, no adjustments were indicated.

Offsite Improvements

If the frontage is not widened or improved to modern standards, the county or the city may require some improvement of the frontage as part of granting development approval. Because of the added costs of development, the buyer expects and receives a discount in the price paid. The hypothetical whole parcel's offsites included asphalt-paving, but lacked curb, gutter, sidewalk and streetlights. But the lack of offsites were not a detriment to the marketability of the hypothetical whole parcel. The city will not require further right-of-way dedications and offsite improvements upon development.

Comparable Nos. 2, 3, 4, 5 and 6 were similar to the hypothetical whole parcel in regards to offsite improvements. Thus, no adjustments were necessary.

No. 1 had superior offsites including asphalt-paving, painted median, curb, gutter and sidewalk. Given its superiority, a downward adjustment was warranted.

Utilities

Without utilities extended to a property, development is made more costly given extension costs. The hypothetical whole parcel had electricity water and sewer.

Comparable Nos. 1 and 3 were served by electricity, water and sewer as well. For their similarity, no adjustments were made.

Comparable Nos. 2, 4, 5 and 6 had electricity and water. Although these sales lacked public sewer, the cost of a septic system is usually comparable to the costs of extending sewer and its monthly cost into perpetuity. Thus no adjustments were warranted.

Zoning/Entitlements

Zoning - The necessary zoning that will allow the buyer's intended use is an entitlement that has value. The entitlement can be obtained by either the buyer or seller. If the land is already entitled or if the land is entitled during the escrow period, the buyer will pay more for the land. Even if the buyer pays all the costs of entitlement, the seller has to wait for an extended period before the sale closes. Thus, the seller will receive a premium for the time value of money and the risk in the event that the buyer fails and the property has been unavailable to the market. The hypothetical whole parcel was zoned GR, General Rural, which allows for one single-family dwelling unit. Given its location and trends of development in the area, a zoning change to a higher or better use is likely.

Comparable Nos. 2, 3, 4 and 6 had zoning designations that are likely to change in the future with demand for redevelopment. For their similarity, no adjustments were necessary.

Comparable Nos. 1 and 5 were zoned CB-2, General Business. As this zoning has appeal and potential for commercial development, downward adjustments were warranted.

Entitlements - The inclusion of specific entitlements for immediate development and completed engineering can enhance the marketability of a property resulting in a higher sales price. However, this only occurs when the buyer purchases the property for the use for which it has been entitled and engineered. The hypothetical whole parcel has no entitlements other than zoning.

Like the hypothetical whole parcel, Comparable Nos. 1, 2, 3, 4, 5 and 6 had no entitlements with value other than zoning. Given their similarity to the hypothetical whole parcel, no adjustments were necessary.

Flood Hazard

Inclusion within a designated flood hazard zone can detract from the marketability of a property. Inclusion within a designated floodplain and/or floodway can severely limit the developmental potential of a property. If an owner chooses to build within a floodplain, he will generally be required to raise the level of the improvements above the designated flood elevation. Given the potential for flooding, site improvement costs are atypical and flood insurance is usually required by lenders. The FEMA flood map for the hypothetical whole parcel identified the property as being in Zone AO, where flooding is expected.

Comparable Nos. 2, 3, 4, 5 and 6 were located either within Flood Zone AO or AE. Given their similarity, no adjustments for flood zone status were necessary.

No. 1 is located in Flood Zone X, where flooding is not expected, insurance is not required by lenders for improved properties and the land requires no special grading to elevate building pads out of flooding danger. For its superiority, a downward adjustment was necessary.

Improvements/Other

Improvements - If a property is improved at the time of sale, the improvements have the potential to either enhance or detract from the price paid. If a parcel of land has improvements such as a restorable building, outbuildings, fencing, paving, landscaping, or some other usable improvement, they may contribute to the marketability of the property. But, with improvements that require demolition, the cost may factor into the price paid depending on the amount and the motivation of the seller and buyer. If the demolition cost is excessive, the price of the land is reduced. The hypothetical whole parcel was vacant land.

Comparable Nos. 1, 3, 5 and 6 were all vacant land. As such, no adjustments were needed for their good comparability.

Comparable No. 2 was improved with a gutted 1,535 s.f. single-family residence, built in 1957, in fair condition, with contributory value per selling agent as it will be partially rehabbed into an office for RV storage. For its superiority, a downward adjustment was made.

Comparable No. 4 was improved with a vandalized 1,307 square foot manufactured home, built in 1972, and chain link fencing with no contributory market value. Also, the seller did not discount the price paid for the expected cost of demolition and removal. Thus, no adjustment was made.

Other – Other influences include easements, overflights, deed and off-title restrictions, billboard and telecommunication site leases, etc. The subject had no “Other” influences on its market value.

As Comparable Nos. 1, 2, 3, 4, 5 and 6 had no "Other" factors affecting their marketability, no adjustments were necessary.

Summary of Adjustments

The adjustment grid on the following page charted the hypothetical whole parcel and the sales and the relevant information about each one. Differences between the hypothetical whole parcel and the sales were identified. The sales prices for each were adjusted in accordance with the discussion related above. The adjusted prices indicate a range of estimated market value for the hypothetical whole parcel. Following the presentation of the grid is my opinion of market value.

SALES COMPARISON APPROACH

Hypothetical Whole Parcel - King Street, Alley ROW and Adjacent Land
Effective Date of the Appraisal - April 11, 2017

File No. 170195

ADJUSTMENT GRID							
Comparable No.	Subject	1	2	3	4	5	6
Location	NEC Garvey Rd. & Wilson Ave., Maricopa	E of SEC Honeycutt Rd. & Gun Smoke Rd., Maricopa	19966 N. Condrey Ave., Maricopa	44766 W. Garvey Ave., Maricopa	45186 W. Madison Ave., Maricopa	8 W. Edwards Ave., Maricopa	19356 N. Taft Ave., Maricopa
Sales Price	NA	\$270,000	\$46,000	\$44,000	\$27,000	\$70,000	\$62,000
Unit Price (Price/SF)	NA	\$2.30	\$3.83	\$2.32	\$1.80	\$2.33	\$1.63
Property Rights Conveyed <i>Adjustment</i>	Fee Simple	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%
Terms of Sale <i>Adjustment</i>	Cash	Cash 0%	Cash 0%	Cash 0%	Seller-Carryback 0%	Seller-Carryback 0%	Seller-Carryback 0%
Conditions of Sale <i>Adjustment</i>	Normal	Normal 0%	Normal 0%	Normal 0%	Normal 0%	Normal 0%	Normal 0%
Market Conditions (Time) <i>Adjustment</i>	Apr-17	Mar-17 0%	Feb-17 0%	Jan-17 0%	Jul-15 15%	Jan-15 15%	Mar-14 15%
Buyer Motivation <i>Adjustment</i>	All Buyers	User 0%	User 0%	User 0%	Investor 0%	User 0%	User 0%
Assemblage/Special Need <i>Adjustment</i>	None/None	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%
Adjusted Price/SF		\$2.30	\$3.83	\$2.32	\$2.07	\$2.68	\$1.88
General/Specific Location <i>Adjustment</i>	Average/Average	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%
Frontage/Access <i>Adjustment</i>	Public/Average	Similar/Average 0%	Similar/Average 0%	Similar/Average 0%	Similar/Average 0%	Similar/Average 0%	Similar/Average 0%
Traffic Influence <i>Adjustment</i>	Light, unmeasured	8,346 v.p.d. -5%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Size (Acres) <i>Adjustment</i>	0.748	2.690 20%	0.2755 -15%	0.435 -10%	0.344 -10%	0.689 0%	0.872 0%
Shape/Contiguity <i>Adjustment</i>	Irregular/Contiguous	Rectangular/Contiguous 0%	Rectangular/Contiguous 0%	Similar/Contiguous 0%	Rectangular/Contiguous 0%	Rectangular/Contiguous 0%	Rectangular/Contiguous 0%
Topography/Soil <i>Adjustment</i>	Level/Adequate	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%	Similar/Similar 0%
Offsite Improvements <i>Adjustment</i>	Partial	Superior -10%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities <i>Adjustment</i>	Electricity, Water, Sewer	Electricity, Water, Sewer 0%	Electricity, Water 0%	Electricity, Water, Sewer 0%	Electricity, Water 0%	Electricity, Water 0%	Electricity, Water 0%
Zoning/Entitlements <i>Adjustment</i>	GR/None	CB-2/None -20%	GR/None 0%	GR/None 0%	GR/None 0%	CB-2/None -20%	GR/None 0%
Flood Zone <i>Adjustment</i>	Zone AO	Zone X -5%	Zone AO 0%	Zone AO 0%	Zone AO 0%	Zone AE 0%	Zone AE 0%
Improvements/Other <i>Adjustment</i>	None/None	Similar/None 0%	SFR/None -30%	Similar/None 0%	SFR, Fencing/None 0%	Similar/None 0%	Similar/None 0%
Overall Adjustment		-20%	-45%	-10%	-10%	-20%	0%
Estimated Range of Value (Price/SF)		\$1.84	\$2.11	\$2.09	\$1.86	\$2.15	\$1.88

Conclusion to the Analysis

The sales data represented a comparable and current sample of relevant sales in the hypothetical whole parcel's market segment. Unadjusted, the sales indicated a range of price from \$1.63 to \$3.83 per square foot. After adjusting each for differences in relation to the hypothetical whole parcel, the data indicated an adjusted range from \$1.84 to \$2.15 per square foot applied to the whole parcel's net site area as follows:

$$\$1.84/\text{s.f.} \times 0.748 \text{ ac. or } 32,596 \text{ s.f.} = \$59,977$$

- to -

$$\$2.15/\text{s.f.} \times 0.748 \text{ ac. or } 32,596 \text{ s.f.} = \$70,081$$

Opinion of Market Value

The data provided a close range of market value. Given the promise of appreciation in the future, a value above the middle of the range was indicated. Acknowledging that buyers and sellers negotiate to round numbers, my opinion of the market value of the fee simple interest in the hypothetical whole parcel as of the effective date of the appraisal, April 11, 2017, was **\$68,500** or **\$2.10** per square foot ($\$68,500 \div 32,596 \text{ s.f.}$). My opinion of market value was subject to a special limiting condition stated on page 12.

Exposure Time

The exposure time for the hypothetical whole parcel depends on many factors including past and current market conditions, the factors of supply and demand, pricing and professional marketing. From my study of the exposure times in the hypothetical's whole parcel market segment, my opinion of market value assumed that the hypothetical whole parcel had been exposed to the market for sale for six months, priced at no more than 10 percent above the appraised value.

RECONCILIATION AND OPINION OF MARKET VALUE

As described in the Valuation Process, there are three approaches of estimating the value of real property: the Cost Approach, the Sales Comparison Approach and the Income Approach. Only the Sales Comparison Approach was applicable for this property as the hypothetical whole parcel was vacant land.

The Sales Comparison Approach required me to make a comparison between recent vacant comparable sales and the subject property. A typical buyer would have considered them to be good substitution for the subject property given their many similarities. Even so, as each parcel of real estate is unique, some differences between the sales and the subject will exist. Trends in the market were studied as well as reliance placed on the opinions and comments of knowledgeable buyers, sellers and brokers. After comparison, analysis and adjustment, market value was estimated based upon cash or cash equivalent terms and a sale within a reasonable time.

Based on the information found in my investigation and coupled with my professional analysis, my opinion of the market value of the fee simple interest in the hypothetical whole parcel, as of the effective date of the appraisal, April 11, 2017, was:

SIXTY-EIGHT THOUSAND FIVE HUNDRED DOLLARS

(\$68,500 or \$2.10 per square foot)

My opinion of market value was subject to a special limiting condition stated on page 12.

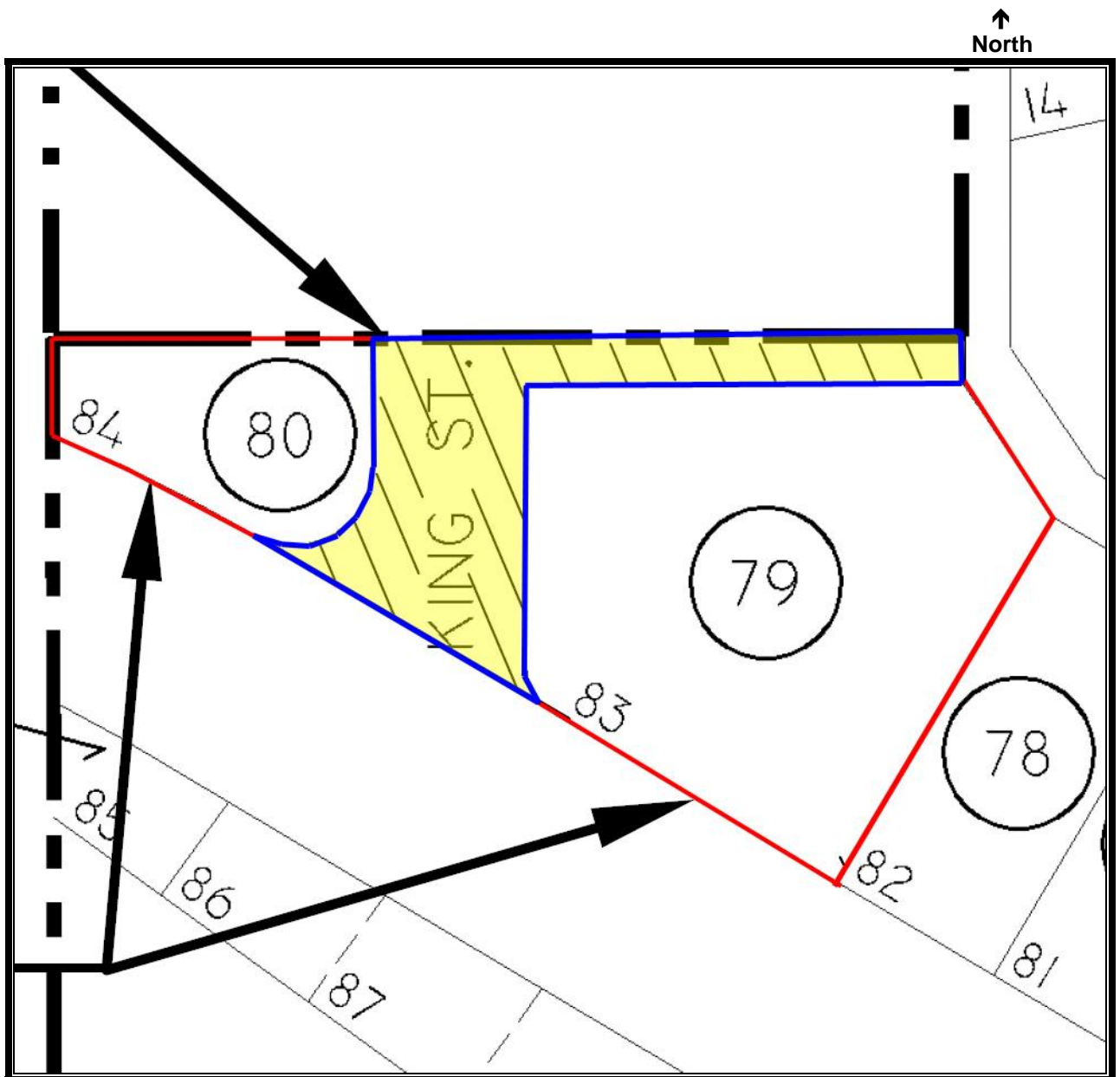
VALUE OF THE AREA OF THE KING STREET AND ALLEY RIGHT-OF-WAY
AS PRO RATA SHARE OF THE WHOLE

The Maricopa Domestic Water Improvement District is proposing to acquire 7,858 square feet, or 0.180 acre, of land within the King Street and alley right-of-way located east of the northeast corner of Garvey Road and Wilson Avenue.

Exhibits

Please see the exhibits on the following pages which illustrate and describe the right-of-way.

SKETCH OF THE STREET AND ALLEY RIGHT-OF-WAY



PHOTOGRAPHS OF THE AREA OF THE STREET AND ALLEY
RIGHT-OF-WAY



Area of the King Street and Alley ROW Looking North from Garvey Road



Area of the King Street and Alley ROW in Distance Looking East from Wilson Avenue

Value of the Subject Property (ROW) as a Part of the Hypothetical Whole Parcel

In the Reconciliation and Opinion of Market Value section of this report, the hypothetical whole parcel was estimated to have a value of \$2.10 per square foot.

The value of the right-of-way as a pro rata share of the whole was estimated as follows:

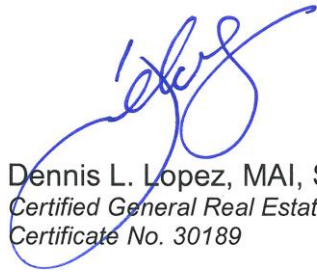
$$\text{\$2.10 per square foot} \times 7,858 \text{ square feet} = \text{\$16,502}$$

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I appraised the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report have been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. I have made a personal inspection of the property that is the subject of this report.
10. William J. Gasson provided significant professional assistance to the person signing this report with inspection, data gathering, description, analysis, and report preparation.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

My opinion of the market value of the fee simple interest in the subject property as a pro rata share of the hypothetical whole parcel was **\$16,502**, or **\$2.10** per square foot. My opinion of market value was subject to a special limiting condition stated on page 12.



Dennis L. Lopez, MAI, SRA
Certified General Real Estate Appraiser - State of Arizona
Certificate No. 30189

APPENDIX

Title Report

CONDITION OF TITLE REPORT

Issued by

Title Security Agency, LLC

SCHEDULE A

1. Effective Date: May 5, 2016 at 07:30 AM, Our No.: 600-65592-TB.

FOR THE BENEFIT AND USE OF:

Maricopa Domestic Water Improvement District
P.O. Box 209
Maricopa, AZ 85139-0204

2. The estate or interest in the land described or referred to in this Report and covered herein is:

Fee

3. Title to the estate or interest in said land is at the effective date hereof vested in:

Maricopa Domestic Water Improvement District, a political subdivision of the State of Arizona

4. The land referred to in this Report is in the State of Arizona, County of Pinal, and is described as follows:

See Exhibit "A" attached hereto and made a part hereof.

File No.: **600-65592-TB**

EXHIBIT "A"

Lots 83 and 84, of AMENDED MARICOPA MANOR, according to the plat of record in the office of the County Recorder of Pinal County, Arizona recorded in Book 8 of Maps, Page 27.

2015 Tax Parcel Nos. 510-19-079-04 and 510-19-080-01

File No.: **600-65592-TB**

SCHEDULE B

- A. The rights of parties in possession by reason of any unrecorded lease or month to month tenancies affecting any portion of the within described property.
- B. This report is for informational purposes only and is not to be considered a commitment to issue any form of title insurance. It is for the use only of the party who ordered it and liability, if any, is limited to the amount of the fee paid. Receipt and use of this report shall be evidence of the acceptance of the terms hereof.
- C. There are no other recorded matters affecting the title to the land described in this report.
- D. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:
- 2016
- E. WATER RIGHTS, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records. This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.
- F. EASEMENTS, RESTRICTIONS, RESERVATIONS, CONDITIONS AND SET-BACK LINES as set forth on the plat recorded as Book 8 of Maps, Page 27, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
- G. EASEMENT and rights incident thereto, as set forth in instrument:
- | | |
|--------------------|-----------------------------|
| Recorded in Docket | 134 |
| Page | 518 |
| Purpose | pipe line and appurtenances |
- H. EASEMENT and rights incident thereto, as set forth in instrument:
- | | |
|--------------------------|-------------|
| Recorded in Document No. | 2005-046052 |
| Purpose | pipe lines |

END OF SCHEDULE B

Qualifications of the Appraiser

QUALIFICATIONS OF DENNIS L. LOPEZ, MAI, SRA

Education

Bachelor of Science Degree, Business Administration, Arizona State University, Magna Cum Laude,
December, 1978

Real Estate Principles, Arizona State University, 1977

Real Estate Law, Arizona State University, 1977

Real Estate Management, Arizona State University, 1978

SREA 101 (Real Estate Appraisal), Arizona State University, 1978

SREA 201 (Real Estate Appraisal), Arizona State University, 1978

Real Estate Land Development, Arizona State University, 1978

Real Estate Investments, Arizona State University, 1978

Urban Planning, Arizona State University, 1978

AIREA Course VIII, "Single Family Residential Appraising," Arizona State University, 1978

SREA "Marketability and Market Analysis", 1979

SREA Seminar "Basic Money Market & Economic Analysis", 1980

SREA "Market Abstractions Seminar", 1981

AIREA "Standards of Professional Practice", 1981

AIREA "Condemnation & Litigation Valuation", 1982

IRWA "Skills of Expert Testimony", 1983

SREA FHLBB Reg. R41- (b) Seminar, 1985

AIREA "Valuation Analysis and Report Writing" (Exam 2-2), March, 1986

AIREA "Case Studies in Real Estate Valuation" (Exam 2-1), March, 1986

AIREA "Highest and Best Use Analysis", April, 1986

"Eminent Domain Valuation-Procedures and Case Studies," Robert Helmandollar, Deputy Chief
Right-of-way Agent, Arizona Department of Transportation, November, 1986

"Arizona Condemnation and Zoning", Professional Education Systems, June, 1988

SREA "Environmental Waste As It Applies To Real Estate", December, 1988

SREA "Standards of Professional Practice and Conduct", December, 1988

AIREA "Rates, Ratios and Reasonableness", August, 1989

AIREA "Uniform Standards of Professional Practice", February, 1990

SREA "Income Property Valuation for the 1990's", July, 1990

AI "Reviewing Appraisals", June, 1992

IRWA "Easement Valuation" (Course 403), March, 1993

ADOT "Impact of Highway Construction on Real Estate", April, 1993

AI "Uniform Standards of Professional Appraisal Practice, Part A & B", February, 1994

AI "Advanced Income Capitalization, Course II510, ASU, February, 1995

AI "Fair Lending", October, 1995

AI "Subdivision Analysis", March, 1996

AI "New Industrial Valuation", May, 1998

Ted Whitmer, "Attacking & Defending an Appraisal in Litigation", January, 2000

AI, "710 Condemnation Appraising – Basic Principles and Applications", May, 2000

AI, "720 Condemnation Appraising – Advanced Topics and Applications", May, 2000

AI "Uniform Standards of Professional Appraisal Practice, Part C", October, 2000

AI "Litigation Appraisal: Specialized Topics and Applications, Course 705, March, 2002

IRWA "Reviewing Appraisals in Eminent Domain", May, 2005

AI "Subdivision Analysis", October, 2007

AI "Business Practices and Ethics", May, 2008

AI "Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book")", December, 2009

AI "Fundamentals of Separating Real Property, Personal Property, Intangible Business Assets", May, 2012

AI "Business Practices and Ethics", December, 2015

AASC "2016-2017 Uniform Standards of Professional Appraisal Practice (USPAP) Update", April, 2016

Designations, Memberships, Licenses and Certifications

MAI - Member, Appraisal Institute, May, 1988, Certificate No. 7798
SRA - Senior Residential Appraiser, Appraisal Institute, August, 1980
Certified General Real Estate Appraiser, State of Arizona, Certificate No. 30189
Member, International Right of Way Association, Chapter 28, Phoenix, Arizona
Licensed Real Estate Salesperson - State of Arizona

Professional & Civic Activities

Appraisal Institute, Admissions Committee, Experience Review, 1989-1997
Appraisal Institute, Review and Counseling Committee, 1991-2005
Society of Real Estate Appraisers, Phoenix Chapter #68, Chairman, Professional Practice Committee, 1989-1990
Society of Real Estate Appraisers, Phoenix Chapter #68, Chapter President and Supervisory Officer of the Professional Practice Committee, 1987-88
College of Business Administration, Arizona State University, Guest Lecturer, Finance and Real Estate Departments, College of Business
Mesa Community College, Scottsdale Community College, Desert Vista High School, Guest Lecturer, Real Estate Appraisal
CLE International, Guest Lecturer, Eminent Domain Conference, April, 2005

Awards

Awarded the "Employer of the Year, 2004", by the Phoenix Chapter 28, International Right-of-way Association, September, 2004
Awarded the "Minority Consultant Firm of the Year", by the City of Phoenix Minority Business Enterprise Affirmative Action Program, October, 1989
Awarded the "Phoenix Board of Realtors Outstanding Real Estate Student of the Year," by the Phoenix Board of Realtors in conjunction with the College of Business Administration, Arizona State University, 1978

Experience

Independent fee appraiser and consultant since June, 1978, with varied experience in appraising and analyzing single-family residences, vacant land, multi-family residential properties, commercial, retail, industrial and special use properties; specialization in eminent domain valuation and expert witness testimony
Qualified as an expert witness in matters of real estate appraisal in Maricopa County, Pima County, Pinal County, Coconino County, Yavapai County, Yuma County, Santa Cruz, and Mohave County Superior Courts, and U.S. Bankruptcy Court
Currently self-employed with *Dennis L. Lopez & Associates, LLC*, Real Estate Appraisers and Consultants, 8631 South Priest Drive, Suite 103, Tempe, Arizona 85284-1912, 480-838-7332, dennis@lopezappraisal.com, www.lopezappraisal.com
Vice President, Commercial Team Leader and Residential Manager with Sell, Huish & Associates, Inc., Real Estate Appraisers and Consultants, Tempe, Arizona, January, 1980 to July, 1988
Independent fee appraiser with Diversified Property Services Limited, Phoenix, Arizona, June, 1978, to June, 1980
Licensed Real Estate Salesperson – State of Arizona, 1981 to present

Geographical Area

State of Arizona

STATE OF ARIZONA

**Department of Financial Institutions
Real Estate Appraisal Division**

BE IT KNOWN THAT

DENNIS L. LOPEZ

HAS MET ALL THE REQUIREMENTS AS A

Certified General Real Estate Appraiser

This certificate shall remain evidence thereof unless or until the same is suspended, revoked or expires in accordance with provisions of law.

CERTIFICATE NUMBER

30189

EXPIRATION DATE

August 31, 2018

In witness whereof the Real Estate Appraisal Division of the
Department of Financial Institutions caused to be signed by
the Division Manager on behalf of the Superintendent on the
22nd day of July, 2016.



Debra Rudd