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City of Buckeye, Arizona

Roosevelt Street Improvement District (RSID)

ASSESSMENT METHODOLOGY REPORT

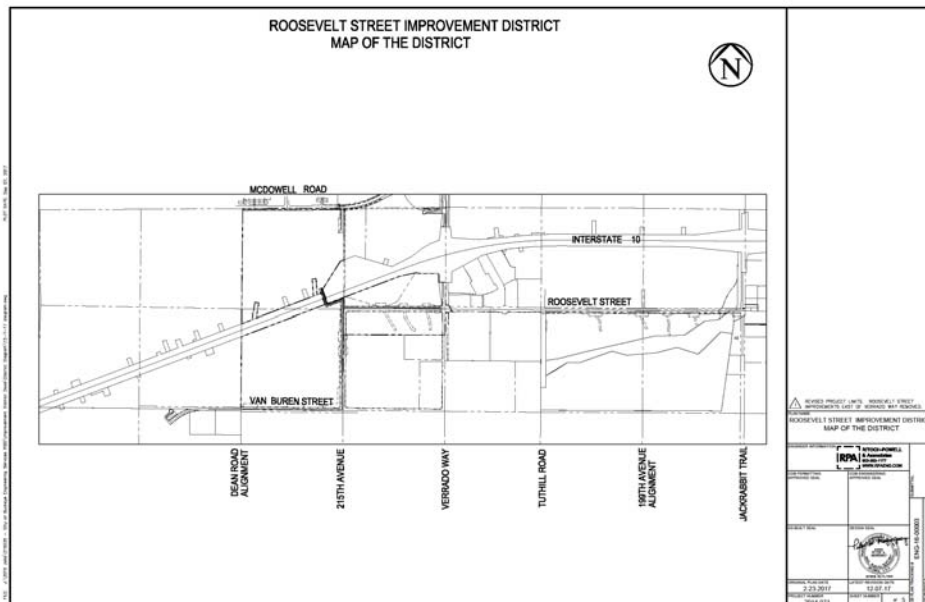
Original Date: 3-15-17

Amended Date: 4-4-18

The attached report sets forth a preliminary “Assessment Methodology” for the proposed Roosevelt Street Improvement District in the City of Buckeye.

Project Introduction

The City of Buckeye have been approached by a group of landowners considering constructing roadway improvements with associated signing, striping, traffic signals, storm drainage improvements, water improvements and sanitary sewer facilities utilizing an Improvement District (ID) to finance the construction costs together with related incidentals. Through a series of meetings with various land-owners, the City of Buckeye staff and Ritoch-Powell & Associates (RPA), discussions ensued as to the viability of constructing the proposed public improvements as outlined herein utilizing an ID. It was determined that an ID was a viable mechanism for financing the construction of the proposed public improvements and the final area for the proposed ID was developed and shown below. Please refer to Appendix C for a more detailed look at the Assessment District Diagram, which identifies the District Boundary and the parcels of land that comprise the district.



The project includes

improvements to: Van Buren from approximately 1,345 lineal feet west of Dean Road alignment east to 215th Avenue, 215th Avenue from Van Buren Street north to Roosevelt Street, 215th Avenue from approximately 600 lineal feet south of McDowell Road North to McDowell Road, Roosevelt Street from 215th Avenue east to Verrado Way. Although an ID was determined to be a viable mechanism for financing the construction of the proposed public improvements, there are factors that make this ID more difficult.

Annexation

All properties included in the improvement district are within the jurisdictional boundary of the City of Buckeye at the time of the formation.

Arizona Department of Transportation – Interstate 10

The project encompasses the design of water and sewer improvements across the interstate 10 from South to North to serve the adjacent undeveloped land directly north of the Interstate 10. Thus, this project will be required to submit engineering plans and specifications to Arizona Department of Transportation (ADOT) to obtain an encroachment permit to construct the water and sewer facilities outlined in the plans and specifications.

Rights-of-ways / Easements

Regarding rights-of-ways and/or easements, the engineering consultant will need to confirm that the required rights-of-ways and/or easements needed to construct said project improvements as outlined in the engineering plans and specifications have been established, obtained and/or dedicated with the City of Buckeye and Maricopa County prior to the Resolution of Intention (ROI). The engineer has chosen to prepare a map of dedication for this project and may additionally utilize separate metes and bounds legal descriptions with exhibits as needed.

Non-Assessable Parcels

There are several parcels that comprise this proposed improvement district that are owned by governmental agencies. These governmentally owned parcels can't be assessed.

Schedule

A tentative ID schedule, attached in Appendix B, includes the tentative design, ID formation, bidding, cash collection, financing, construction, project finalization and closeout phases of the Roosevelt Street improvement district. The ID schedule was developed and utilized the provisions of sections 48-571 to 48-622 and is pursuant to the Arizona Revised Statutes and amendments thereto. With a waiver and the consent of all property owners, a few steps outlined in the schedule may be compressed or accelerated.

Lien to Value Ratio

The City of Buckeye and their financial advisors have outlined a standard policy that requires all properties assessed within an improvement district to maintain at least a 4:1 ratio of real property value to assessment lien (VTL). This is generally a minimum requirement and may be determined to be higher. It will be necessary to consult with the City's financial advisor to determine the VTL ratio requirements for this project.

Upon initial evaluation, utilizing the assessment methodology and the projected costs to construct water, sewer and roadway improvements associated with this project, not all of the properties meet the 4:1 VTL ratio requirements when compared to the Maricopa County Assessor's office Full Cash Property Values (refer to the current property ownership information located in Appendix F).

The City of Buckeye and the property owners agreed to obtain an appraisal report for the properties that comprise the improvement district (refer to the Appraisal Report located in Appendix G). Upon further evaluation of this report, it was identified that all properties within the improvement district meet the 4:1 VTL ratio, except for the following properties: Sunbelt Land Holdings LP and the Roosevelt Street Co LP properties.

To bring the non-compliant properties into compliance with the 4:1 VTL ratio requirement for bonding purposes, the property owners, as a minimum, will be required to deposit a sum of cash as identified in the preliminary assessment calculations (refer to the preliminary assessment calculations located in Appendix D). Once the minimum amount is deposited as identified, the remainder of the assessment will be allowed to go to bond.

Purpose of Report

This report attempts to set forth the proposed method of assessment for each type of improvement, based on its location, and the benefits provided to the assessable properties.

Based on the information supplied to date in the development of this project, Ritoch-Powell & Associates (RPA) is recommending the following method of assessment, spreading the costs to each of the benefitting properties contained within the boundary of the ID.

The main concern of the property owners is how the costs of the improvements will be spread.

Engineers Estimate

An engineer's estimate setting forth the estimate of probable construction costs for the project together with a projection of the project incidentals is contained herein. An engineer's estimate is required at the time of adoption of a ROI to form the ID. This estimate is a not to exceed estimate for the project, which sets forth a cap for the total project costs including construction and anticipated incidentals. In addition, a cap for the maximum interest rate for the ID will be set with the adoption of the ROI. Currently this maximum interest rate to be established is 8%. The capitalized interest shown below is only added to an assessment, if the property owner elects to not pay the full assessment in cash during the cash collection period, and allows bonds to be issued for the full assessment or a portion thereof.

A summary of the Engineer's Estimate is shown below. A more detailed Engineer's Estimate identifying the total project cost which includes construction costs plus anticipated incidentals is attached in Appendix A.

Summary of Engineer's Estimate

| | |
|---|------------------------|
| Total Construction Costs | \$ 5,120,113.00 |
| Total Incidental Costs | <u>\$ 2,150,540.00</u> |
| Total Project Costs | \$ 7,270,653.00 |
| Less Optional City Cash Participation (if bid alternative #1 is awarded) | \$ (491,560.50) |
| Less BUHSD Cash Participation | <u>\$ (145,537.75)</u> |
| Less Roosevelt Street Co LP Cash Participation | <u>\$ (54,371.27)</u> |
| Total to be assessed | \$ 6,579,183.48 |
| Less minimum property owner cash participation (4:1 VTL compliance) | <u>\$ (21,344.49)</u> |
| Subtotal to bond | \$ 6,557,838.99 |
| Capitalized Interest | \$ 829,449.99 |
| Reserve Fund | <u>\$ 388,804.68</u> |
| Total to bond | \$ 7,776,093.66 |

Assessment Methodology

The ID has been broken down by zones for each type of improvements to be assessed. The following methodology defines the costs and area to be assessed, the various types of improvements to be assessed and the preliminary method for spreading the costs to each benefiting property from each zone.

Costs to be Assessed

The engineer's estimate, which includes construction costs plus anticipated incidentals for the proposed improvement district, will be further broken down specifying the costs associated with each type of improvement for each zone. The engineer's estimate is in Appendix A. The preliminary assessment calculations based on assessment methodology is in Appendix D.

Area to be Assessed

An Assessment District Diagram (located in Appendix C) prepared by RPA, shows the proposed ID and its boundary. This boundary delineates all properties to be included in the ID. Each property's acreage and frontage were determined and utilized in determining the costs of assessment for each type of improvement constructed within the ID.

Various Types of Improvements to be Assessed

The various proposed improvements have been separated by type of improvement for the purposes of calculating the spread of assessment based on the benefits derived by the properties.

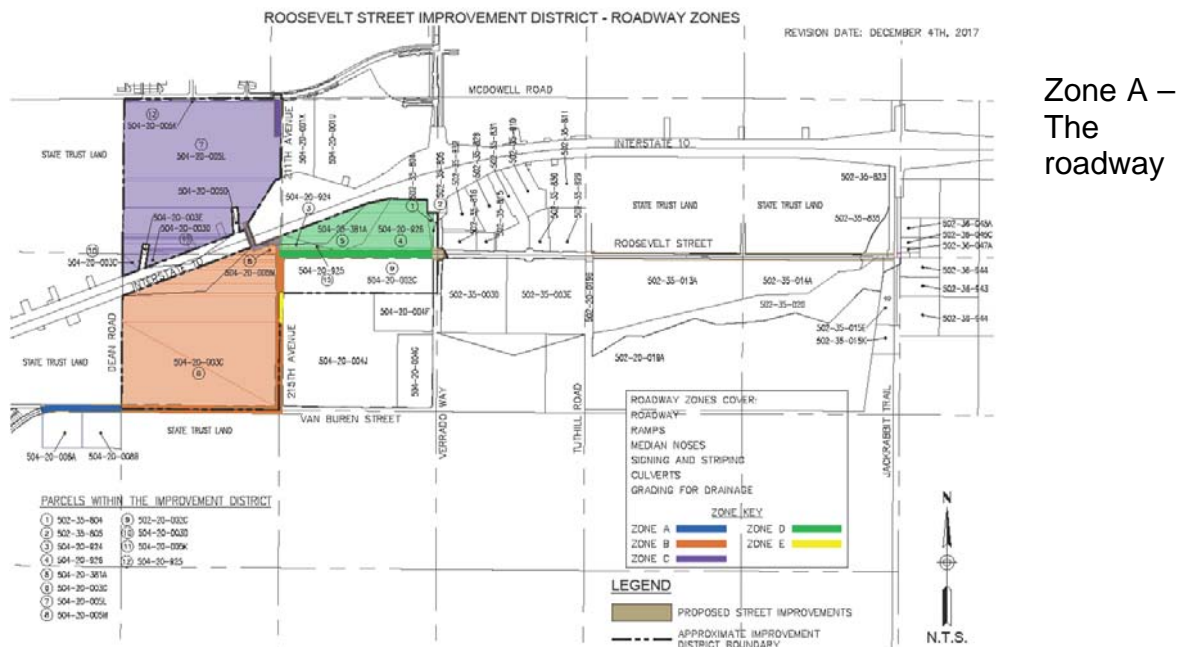
- Roadway Improvements (including: street drainage, signage, marking, landscape and irrigation)
- Intersection Signal Improvements
- Water Improvements
- Sanitary Sewer Improvements

Method of Assessment

The following sets forth the proposed method of assessment for each type of improvement identified above. The exhibits prepared by RPA delineate how each type of improvement is to be assessed and what properties benefit from the improvements within each zone. Enlarged ID Zone Exhibits can be found in Appendix E.

Roadway Improvements

It is proposed that the costs of roadway improvements be assessed directly to the adjacent property owners by zone on a frontage basis. Street drainage, signing, marking, landscape and irrigation improvements related to the roadway improvements will be assessed incidental to the roadway zones.



improvements generally consist of the north half of Van Buren from approximately 1400 west of Dean Road alignment east to Dean Road alignment. This zone is directly adjacent to State Trust Land is not assessable to a governmental agency. The cost of these improvements will be borne by The City of Buckeye for the construction and incidentals related to this zone with a cash participation.

Zone B - The roadway improvements generally consist of the north half of Van Buren Street from Dean Road alignment east to 215th Avenue. Zone B also includes the roadway improvements along the west half of 215th Avenue from Van Buren Street north to Roosevelt Street.

Zone C – The roadway improvements generally consist of the west half of 215th Avenue from McDowell Road South approximately 640 lineal feet.

Zone D – The roadway improvements generally consist of the north half of Roosevelt Street from 215th Avenue East to Verrado Way.

Zone E – The roadway improvements generally consist of the east half of 215th Avenue beginning approximately 596 LF south of Roosevelt Street extending approximately 624 LF south towards Van Buren Street along the Buckeye Union High School District (BUHSD) frontage. The cost of these improvements will be borne by the BUHSD with a cash participation.

Intersection Signal Improvements

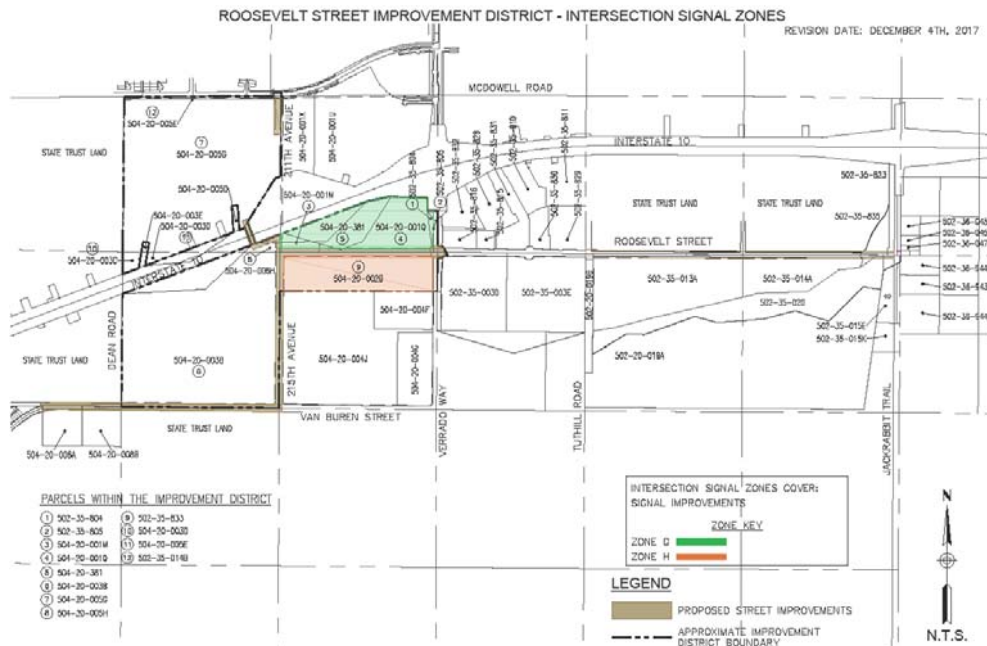
The cost of one half of the traffic signal improvements at Roosevelt Street and Verrado Way shall be assessed in two quadrants relative to Roadway Zones D.

A quarter of the costs shall be assessed to the Sunbelt Land Holdings LP properties adjacent to Roadway Zone D, identified as Intersection Signal Zone G and spread on an acreage basis.

A quarter of the costs shall be assessed to the Geddes Capital Resources LLC properties adjacent to Roadway Zone D, identified as Intersection Signal Zone H spread on an acreage basis.

The Roosevelt Street Co LP properties located along Roosevelt Street between Verrado Way and Jackrabbit Trail will be responsible for a quarter of the intersection signal improvements in cash.

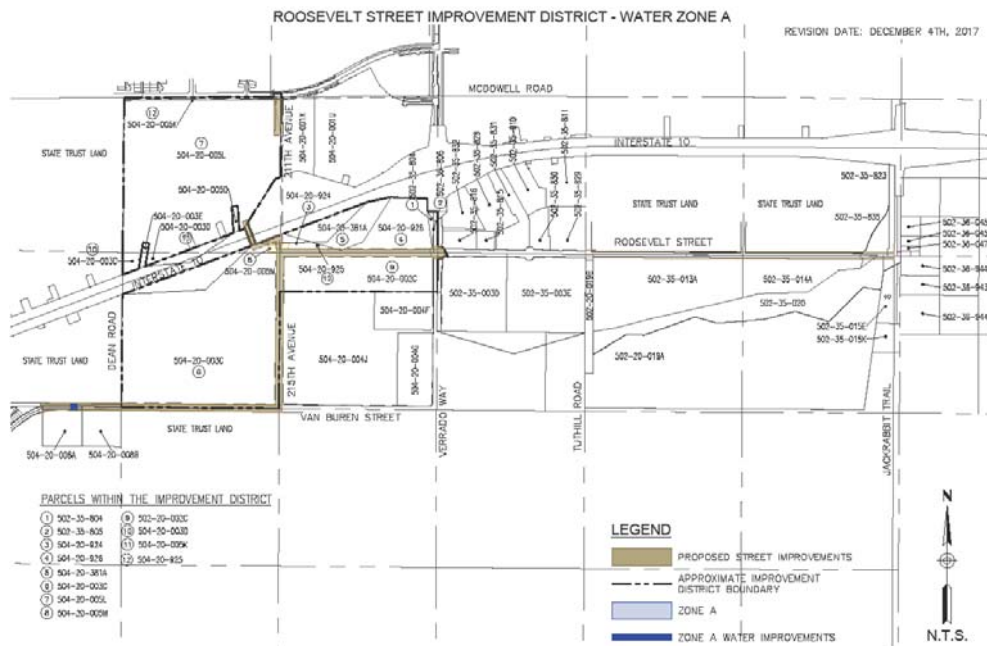
If bid alternative #1 is awarded, the City of Buckeye agrees to participate in cash for a quarter of the signalization improvement costs with a cash participation. The City can recover these costs when parcels 502-35-003D and E develop.



Water Improvements

The water improvement costs are included in the estimates by zone and are proposed to be assessed on a frontage basis. Where the water improvements leave the roadway right-of-way at the intersection of 215th Avenue and Roosevelt Street in a dedicated easement northwesterly to serve the property North of I-10 (Zone C), the cost of these improvements shall be directly assessed to the properties for which the water improvements serve north of the I-10, spread on an acreage basis.

Zone A – the water improvements along Van Buren Street from approximately 1400 feet west of Dean Road Alignment east to the Dean Road alignment. These improvements are generally located in the north half of Van Buren Street, are directly adjacent to State Land property, and provide fire protection to the area. As previously stated, governmental agencies are not able to be assessed. If bid alternative #1 is awarded, the City of Buckeye agrees to pay for the construction and incidentals related to this zone with a cash participation.



[illegible]

ROOSEVELT STREET IMPROVEMENT DISTRICT - WATER ZONE C

REVISION DATE: DECEMBER 4TH, 2017

STATE TRUST LAND

11TH AVENUE

MCDOWELL ROAD

INTERSTATE 10

STATE TRUST LAND

STATE TRUST LAND

ROOSEVELT STREET

STATE TRUST LAND

DEAN ROAD

21ST AVENUE

VAN BUREN STREET

VERDUGO WAY

TUFTELL ROAD

JACKRABBIT TRAIL

PARCELS WITHIN THE IMPROVEMENT DISTRICT

- ① 502-35-004
- ② 502-35-005
- ③ 502-35-006
- ④ 502-35-007
- ⑤ 502-35-008
- ⑥ 502-35-009
- ⑦ 502-35-010
- ⑧ 502-35-011
- ⑨ 502-35-012
- ⑩ 502-35-013
- ⑪ 502-35-014
- ⑫ 502-35-015
- ⑬ 502-35-016
- ⑭ 502-35-017
- ⑮ 502-35-018
- ⑯ 502-35-019
- ⑰ 502-35-020
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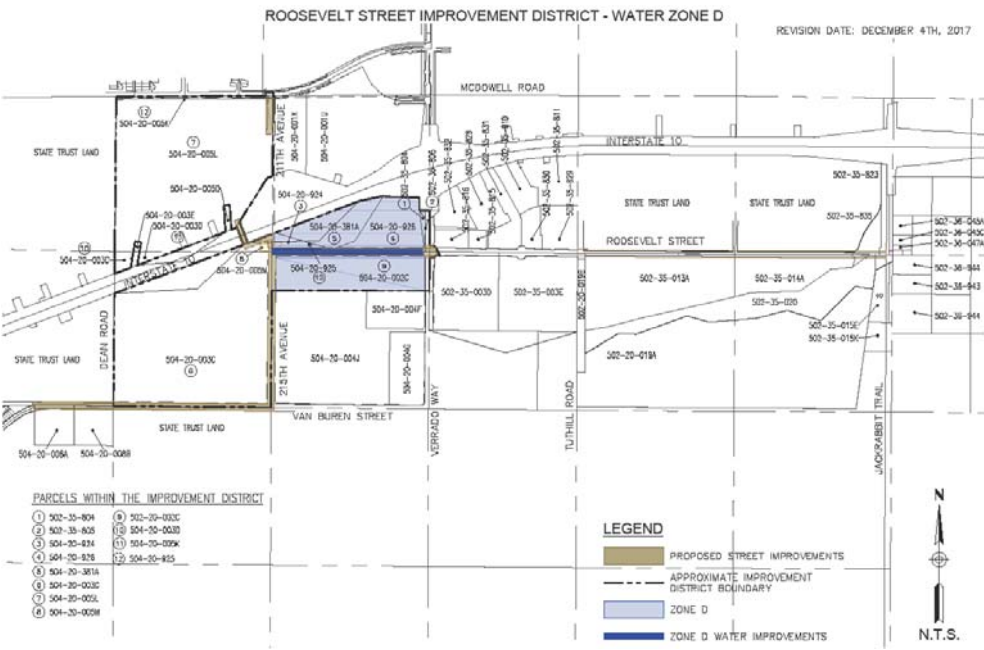
LEGEND

- PROPOSED STREET IMPROVEMENTS
- APPROXIMATE IMPROVEMENT DISTRICT BOUNDARY
- ZONE C
- ZONE C WATER IMPROVEMENTS

N

N.T.S.

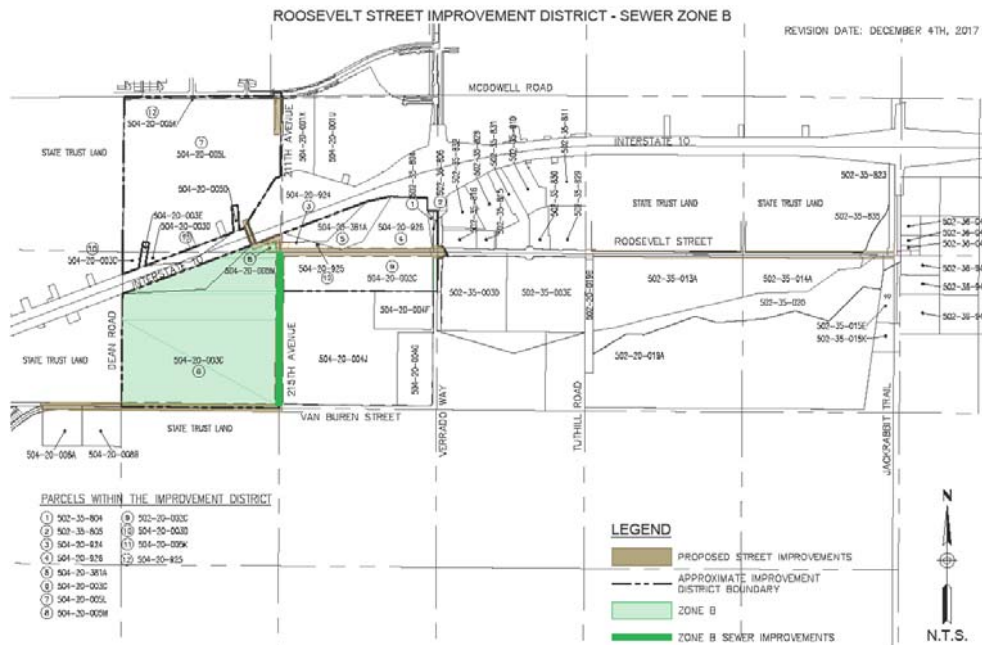
Zone D – the water improvements along Roosevelt Street from 215th Avenue East to Verrado Way.



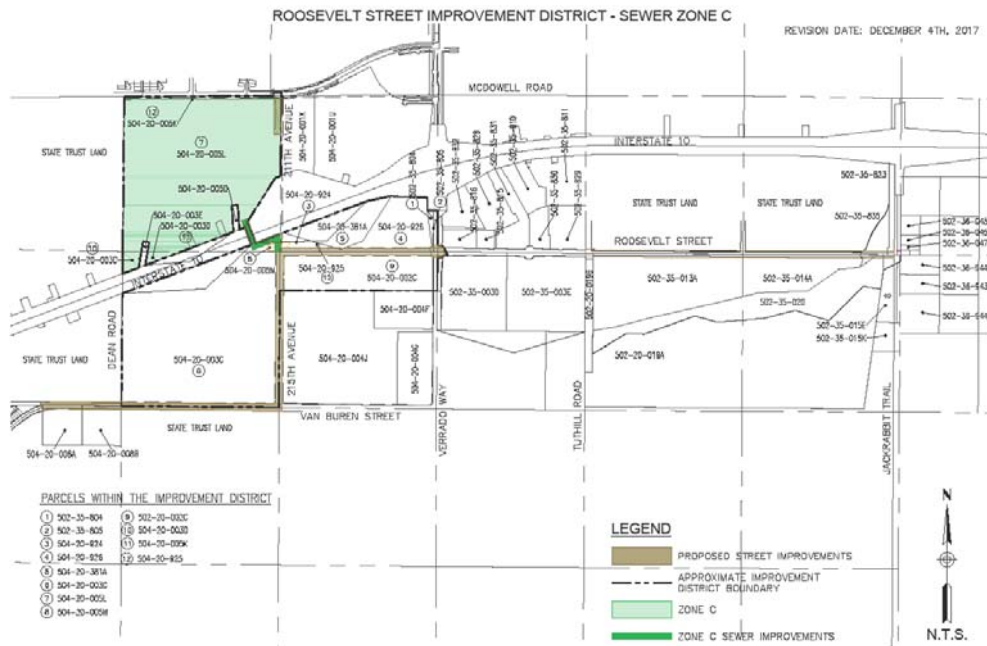
Sanitary Sewer Improvements

The sewer improvements shall be broken down into Zones to determine which properties benefit from the proposed improvements and should participate in the cost of that zone based on the property's acreage.

Zone B – the sewer improvements located along 215th Avenue from Van Buren Street to Roosevelt Street.



Zone C – the sewer improvements from the intersection of 215th Avenue and Roosevelt Street northwesterly across the I-10 Freeway to the property located north of the I-10 Freeway. The costs of the sewer where it leaves the intersection of 215th Avenue and Roosevelt Street and crosses the I-10 freeway, shall be assessed directly to the property north of the I-10 Freeway and spread on an acreage basis.



Zone D – the sewer improvements located in Roosevelt Street beginning approximately 1200 lineal feet west of Verrado Way east to Verrado Way.



APPENDIX A - ENGINEERS' ESTIMATE

**See Estimate of Probable Construction Cost
Along with
Anticipated Project Incidentals**

**CITY OF BUCKEYE, ARIZONA
ROOSEVELT STREET
IMPROVEMENT DISTRICT NO.**

PURSUANT TO THE PROVISIONS OF SECTION 48-571 TO 48-619, ARIZONA
REVISED STATUTES AND AMENDMENTS THERETO, I HEREBY ESTIMATE
THE COST AND EXPENSES OF THE ROOSEVELT STREET
IMPROVEMENT DISTRICT TO BE AS FOLLOWS:

| | | |
|---|-----------------|-----------------------|
| | bid results | Original ID formation |
| CONSTRUCTION COSTS | \$ 5,120,113.00 | \$ 10,955,858.41 |
| TOTAL CONSTRUCTION COSTS | \$ 5,120,113.00 | \$ 10,955,858.41 |
| (Detailed Construction Estimate Attached) | | |
| INCIDENTALS | Per ROI | Per ROI |
| Design | \$ 907,250 | \$ 907,250 |
| Construction Admin "Consultant" | \$ 275,000 | \$ 275,000 |
| Construction Management & Inspection | \$ 550,000 | \$ 550,000 |
| I.D. Administration | \$ 74,940 | \$ 74,940 |
| ID Printing & Publishing | \$ 5,000 | \$ 5,000 |
| Bond Counsel | \$ 77,750 | \$ 77,750 |
| Underwriter Counsel | \$ 35,000 | \$ 35,000 |
| Financial Advisor Fee | \$ 50,000 | \$ 50,000 |
| Bond Registrar and Paying Agent | \$ 5,000 | \$ 5,000 |
| Bond Credit Rating Fee (Moody's) | \$ 20,000 | \$ 20,000 |
| Standard & Poor's Rating Fee | \$ 20,000 | \$ 20,000 |
| Publication of Official Statement | \$ 5,000 | \$ 5,000 |
| Bond Issue Expense Contingency | \$ 10,000 | \$ 10,000 |
| Underwriter | \$ 95,600 | \$ 95,600 |
| Other | \$ 20,000 | \$ 20,000 |
| TOTAL INCIDENTALS | \$ 2,150,540.00 | \$ 2,150,540.00 |
| TOTAL PROJECT COSTS | \$ 7,270,653.00 | \$13,106,398.41 |
| Less Optional City Cash Participation (if bid alternative #1 is awarded) | -\$491,560.50 | -\$491,560.50 |
| Less Buckeye Union High School District #201 Cash Participation | -\$145,537.75 | -\$306,749.38 |
| Less Roosevelt Street Co LP Cash Participation | -\$54,371.27 | |
| TOTAL TO BE ASSESSED | \$6,579,183.48 | \$12,308,088.52 |
| LESS DEVELOPER CASH PARTICIPATION | -\$21,344.49 | -\$3,491,462.07 |
| SUBTOTAL TO BOND | \$6,557,838.99 | \$8,816,626.45 |
| CAPITALIZED INTEREST (estimated at 8% at 16 months) | \$829,449.99 | \$1,115,146.43 |
| RESERVE FUND (5%) | \$388,804.68 | \$522,724.89 |
| TOTAL ASSESSED WITH CAPITALIZED INTEREST | \$7,776,093.66 | \$10,454,497.77 |

District Engineer

APPENDIX B – Tentative ID Schedule

Prepared by RPA

ROOSEVELT STREET IMPROVEMENT DISTRICT TENTATIVE I.D. SCHEDULE

Assumptions:

- ***30 day min. bid period***
- ***4 week finance phase***
- ***180 day construction period***
- ***City Council meets 1st and 3rd Tuesday of each month***
- ***Schedule assumes no special meetings***

Formation of District

| | |
|---|---------|
| Map of Dedication recorded | 12/6/16 |
| *Adopt Resolution of Intention | 4/4/17 |
| *Adopt Resolution Approving Assessment District Diagram | 4/4/17 |
| *Adopt Resolution Ordering Work | 4/4/17 |

Bidding of Project (I.D.)

| | |
|---|-----------------|
| Final Plans & Specifications complete (100%) | 1/18/18 |
| City approves 100% design | 1/18/18 |
| Notice to Contractors (Post) | 1/18/18 |
| Notice to Contractors (Advertise)(2x daily newspaper) | 1/18/18-1/19/18 |
| Affidavit of Posting Notice | 1/22/18 |
| Open Bids | 2/22/18 |
| *Award Contract | 3/6/18 |
| Notice of Award (Advertise)(1xdaily newspaper) | 3/12/18 |
| Protest Period on Award (15 Days) | 3/13/18-3/27/18 |
| Contract Letters | 4/2/18 |
| Execute Contract | 4/30/18-5/4/18 |

Cash Collection Period

| | |
|--|----------------|
| Record Assessment | 5/7/18 |
| ***Cash Collection Period (Typically 30days)(7 days by waiver) | 5/8/18-5/14/18 |
| Mail Assessment Notices (Demand for Cash Payment) | 5/8/18 |
| Affidavit of Mailing Notices | 5/8/18 |
| Notice of Recording Assessment | 5/9/18 |
| Receive Return | 5/18/18 |
| Certificate of Unpaid Assessments | 5/21/18 |

Financing of Project

| | |
|--|-----|
| Call for Bids on Bonds | TBD |
| Notice to Bidders of Bonds (Final Bond Amount) | TBD |
| Open Bids on Bonds | TBD |
| Negotiated Sale | TBD |
| *Resolution Authorizing Issuance of Bonds (typically same day as bid opening if publically bid) | TBD |
| Issue Bonds (usually 3-4 weeks) | TBD |

Construction of Project

| | |
|--|----------------|
| Notice to Proceed (Not issued til money in hand) | 7/5/18 |
| Begin Construction Period (<u>270</u> days) | 7/5/18-3/31/19 |

Project Finalization

| | |
|---|-----------------|
| Project Construction Completion | 3/31/19 |
| Superintendent's Certificate of Substantial Completion | 4/11/19 |
| *Set hearing on assessments (must not be less than 20 days later) | 4/16/19 |
| Publish notice of hearing (advertise) (5xdaily newspaper) | 4/22/19-4/26/19 |
| Notice of Hearing of Assessments (Mail and Post) | 4/22/19 |
| Recapitulation of Assessments | 4/16/19-4/26/19 |
| Affidavit of Mailing Notice of Hearing | 4/29/19 |
| *Hearing on Assessments | 5/7/19 |
| *Resolution Approving Assessments | 5/7/19 |
| Mail Assessment Rebates (For any cash payments) | 5/13/19 |
| Final Assessment Roll to Finance Department | 5/13/19 |

*****ASSUMES 7 DAY CASH COLLECTION PERIOD BY WAIVER**

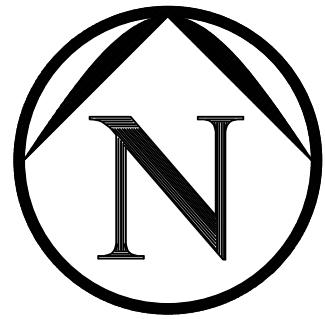
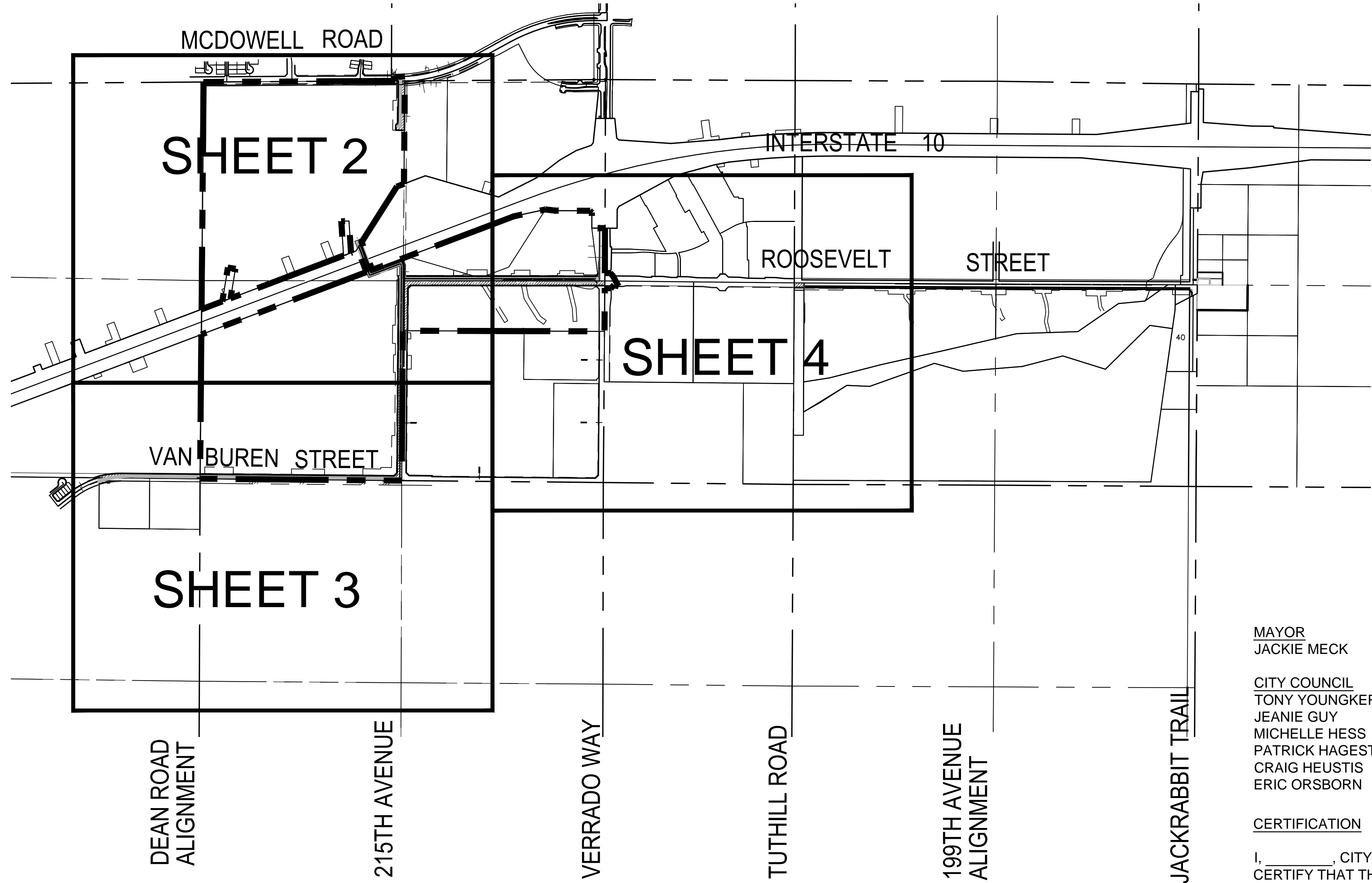
APPENDIX C –

Assessment District Diagram

Prepared by RPA

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ROOSEVELT STREET IMPROVEMENT DISTRICT ASSESSMENT DISTRICT DIAGRAM



MAYOR
JACKIE MECK

CITY COUNCIL
TONY YOUNGKER
JEANIE GUY
MICHELLE HESS
PATRICK HAGESTAD
CRAIG HEUSTIS
ERIC ORSBORN

CERTIFICATION

I, _____, CITY CLERK OF THE CITY OF BUCKEYE, ARIZONA, DO HEREBY CERTIFY THAT THIS IS THE ASSESSMENT DIAGRAM OF THE ROOSEVELT STREET IMPROVEMENT DISTRICT, APPROVED BY THE CITY OF BUCKEYE COUNCIL AT A MEETING ON THE _____ DAY OF _____, 2018, AND THAT A QUORUM WAS PRESENT.

BY _____ FILED BY _____
CITY CLERK SUPERINTENDENT OF STREETS

ASSESSMENT DIAGRAM SUBMITTED THIS ____ DAY OF , 2018.

SUBMITTED BY _____
SUPERINTENDENT OF STREETS

APPROVAL

APPROVED BY RESOLUTION NO. _____ AT A MEETING OF THE CITY OF BUCKEYE COUNCIL, BUCKEYE, ARIZONA, HELD THIS _____ DAY OF _____, 2018.

BY: _____
CITY MANAGER

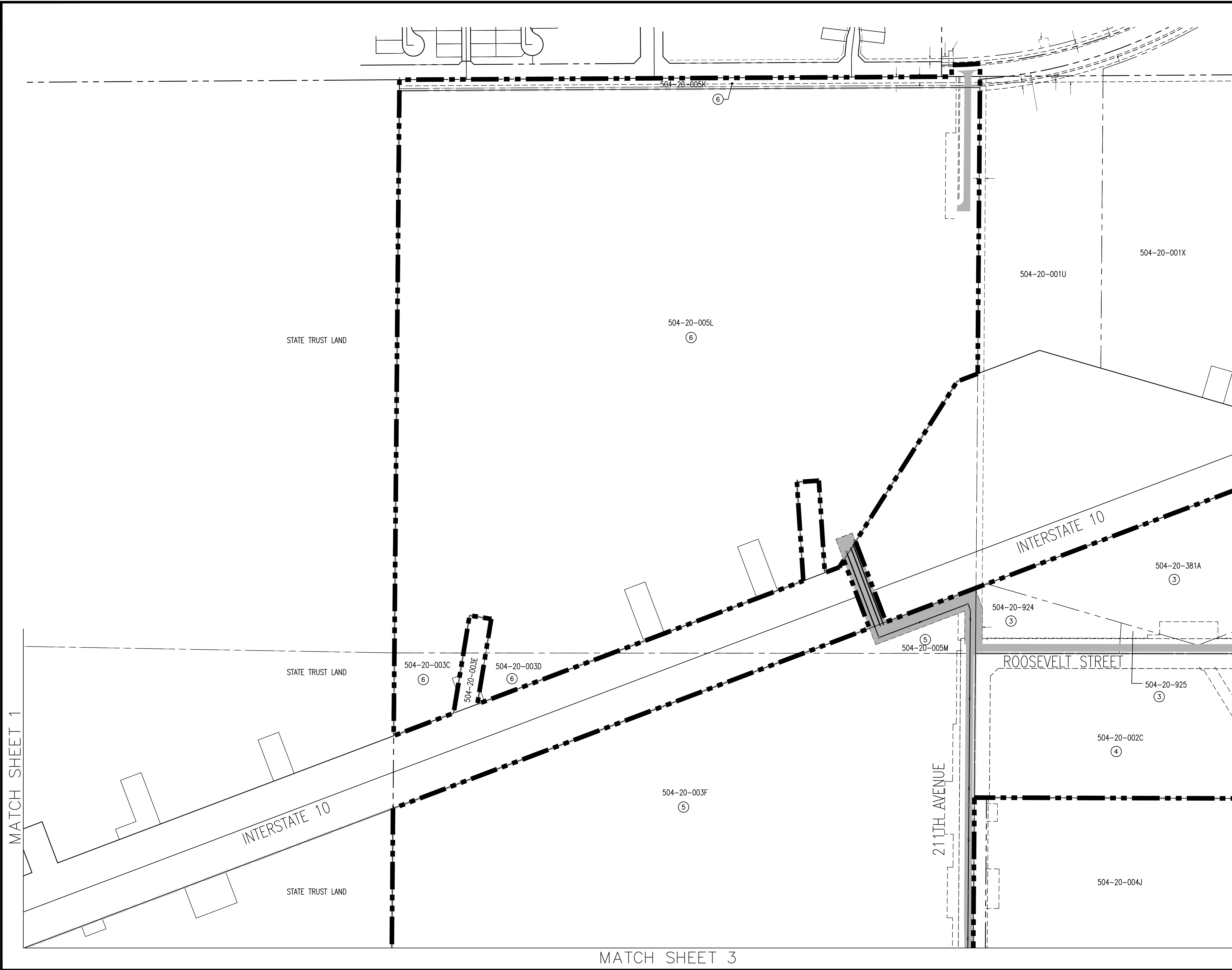
ATTEST _____
CITY CLERK

1 REVISED PROJECT LIMITS 4-4-18. ROOSEVELT STREET IMPROVEMENTS EAST OF VERRADO WAY REMOVED.

PLAN NAME
ROOSEVELT STREET IMPROVEMENT DISTRICT
ASSESSMENT DISTRICT DIAGRAM

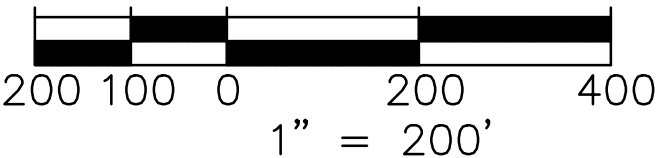
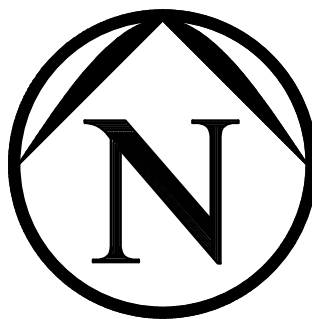
| | | | | | | |
|---------------------------------|----------------------------------|---|--|------------|--------------|--------------|
| ENGINEER INFORMATION | | <div><div><div></div><div>RPA</div><div></div></div><div>RITOCH-POWELL & Associates 602-263-1177 WWW.RPAENG.COM</div></div> | | SUBMITTAL: | ENG-16-00003 | COB PERMIT # |
| COB PERMITTING APPROVED SEAL | COB ENGINEERING APPROVED SEAL | | | | | |
| AS-BUILT SEAL | DESIGN SEAL | | | | | |
| ORIGINAL PLAN DATE 3-15-17 | LATEST REVISION DATE 4-4-18 | | | | | |
| PROJECT NUMBER 2014-071 | SHEET NUMBER 1 of 5 | | | | | |

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LEGEND

- ① ASSESSMENT NUMBER
- XXX-XX-XXX ASSESSOR PARCEL NUMBER
- ASSESSMENT DISTRICT BOUNDARY
- AREA OF IMPROVEMENTS



1 REVISED PROJECT LIMITS 4-4-18. ROOSEVELT STREET IMPROVEMENTS EAST OF VERRADO WAY REMOVED.

PLAN NAME
ROOSEVELT STREET IMPROVEMENT DISTRICT
ASSESSMENT DISTRICT DIAGRAM

| | | | | | |
|---------------------------------|----------------------------------|--|---------------------|--------------|--------------|
| ENGINEER INFORMATION | | <div><div><div></div><div>RPA</div><div></div></div><div>RITTOCH-POWELL & Associates 602-263-1177 WWW.RPAENG.COM</div></div> | | SUBMITTAL: | ENG-16-00003 |
| COB PERMITTING APPROVED SEAL | COB ENGINEERING APPROVED SEAL | | | | |
| AS-BUILT SEAL | DESIGN SEAL | | | | |
| ORIGINAL PLAN DATE 3-15-17 | LATEST REVISION DATE 4-4-18 | | | | |
| PROJECT NUMBER 2014-071 | SHEET NUMBER | 2 of 5 | COB PLAN TRACKING # | COB PERMIT # | |

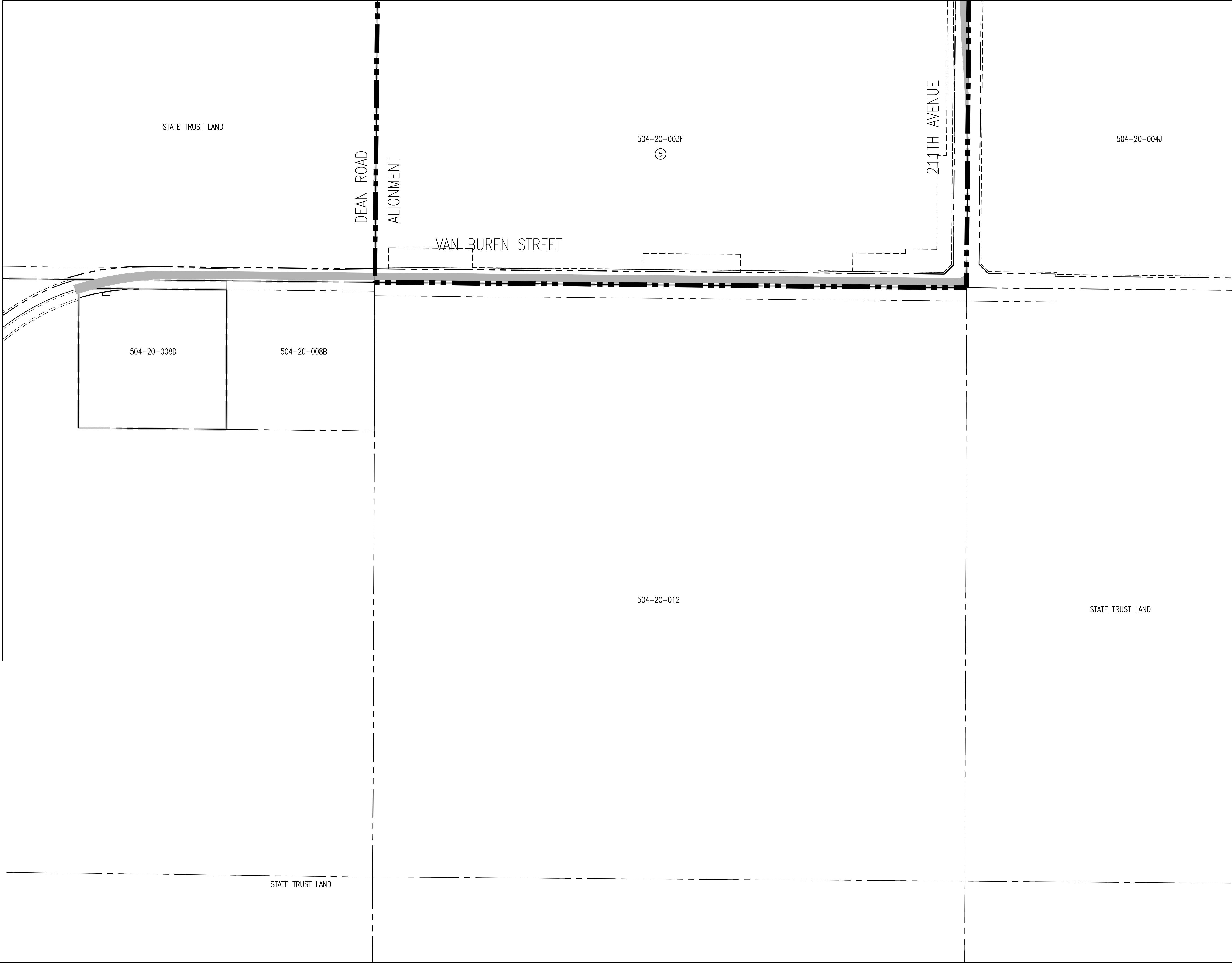
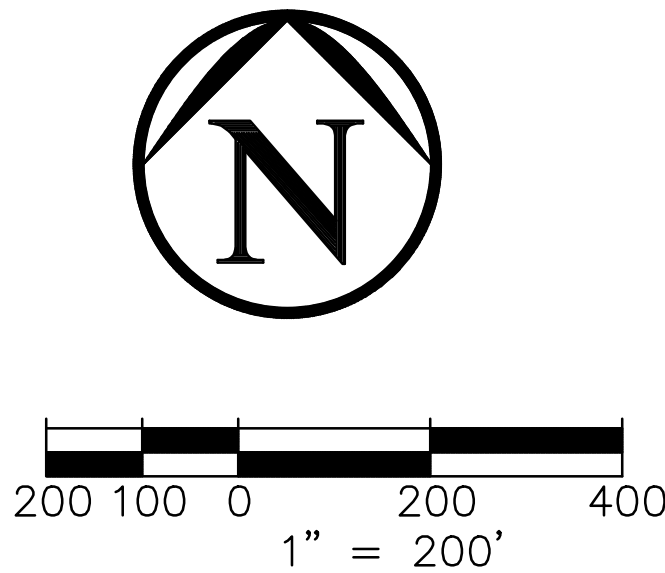
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MATCH SHEET 1

MATCH SHEET 2

MATCH SHEET 4

- LEGEND
- ① ASSESSMENT NUMBER
 - XXX-XX-XXX ASSESSOR PARCEL NUMBER
 - ASSESSMENT DISTRICT BOUNDARY
 - AREA OF IMPROVEMENTS



1 REVISED PROJECT LIMITS 4-4-18. ROOSEVELT STREET IMPROVEMENTS EAST OF VERRADO WAY REMOVED.

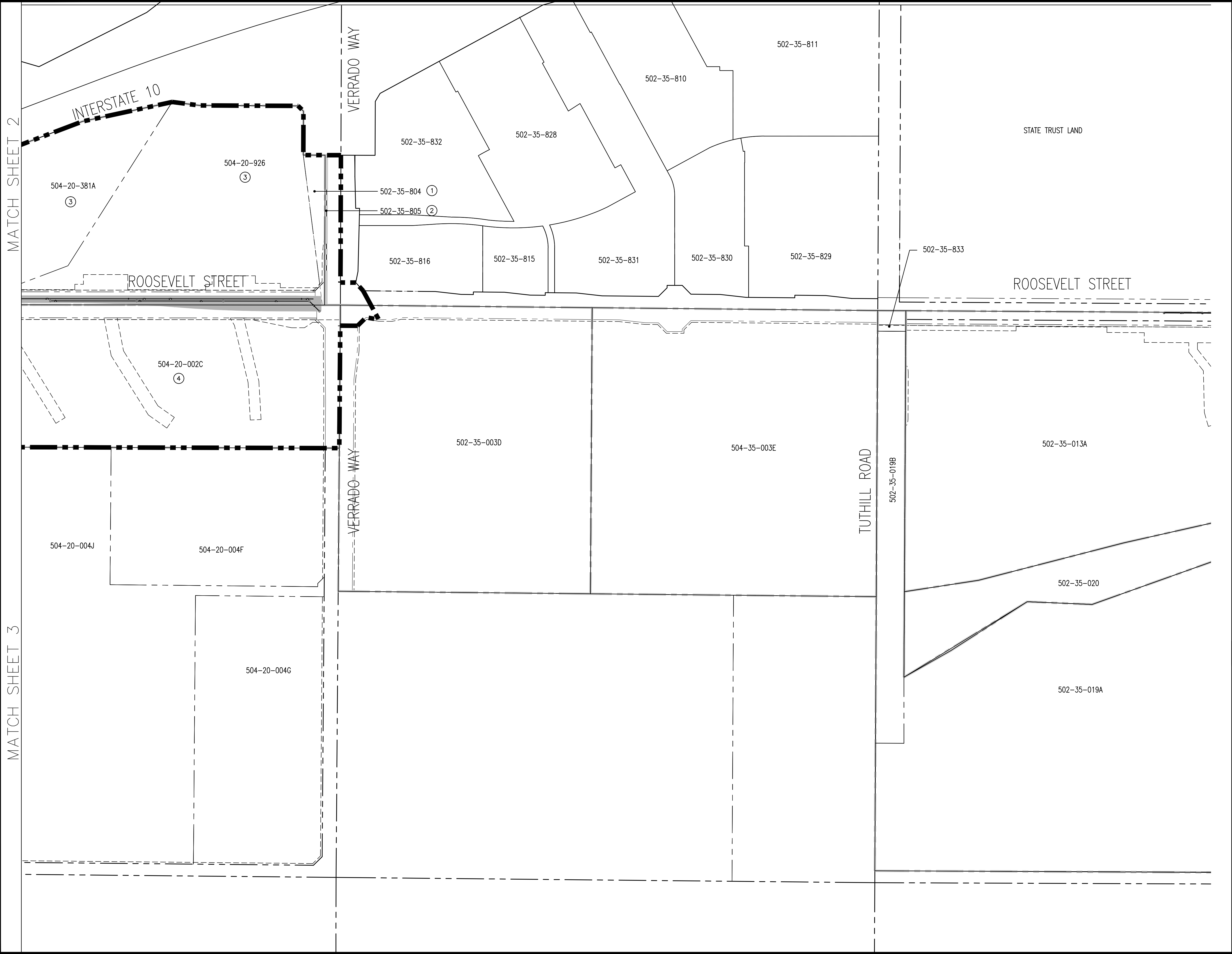
PLAN NAME
ROOSEVELT STREET IMPROVEMENT DISTRICT
ASSESSMENT DISTRICT DIAGRAM

| | | | | |
|---------------------------------|----------------------------------|---|--------------|------------|
| ENGINEER INFORMATION | | <div><div><div></div><div>RPA</div><div></div></div><div>RITOCH-POWELL & Associates 602-263-1177 WWW.RPAENG.COM</div></div> | | SUBMITTAL: |
| COB PERMITTING APPROVED SEAL | COB ENGINEERING APPROVED SEAL | | | |
| AS-BUILT SEAL | DESIGN SEAL | COB PLAN TRACKING # ENG-16-00003 | COB PERMIT # | |
| ORIGINAL PLAN DATE 3-15-17 | LATEST REVISION DATE 4-4-18 | | | |
| PROJECT NUMBER 2014-071 | SHEET NUMBER 3 | OF | 5 | |

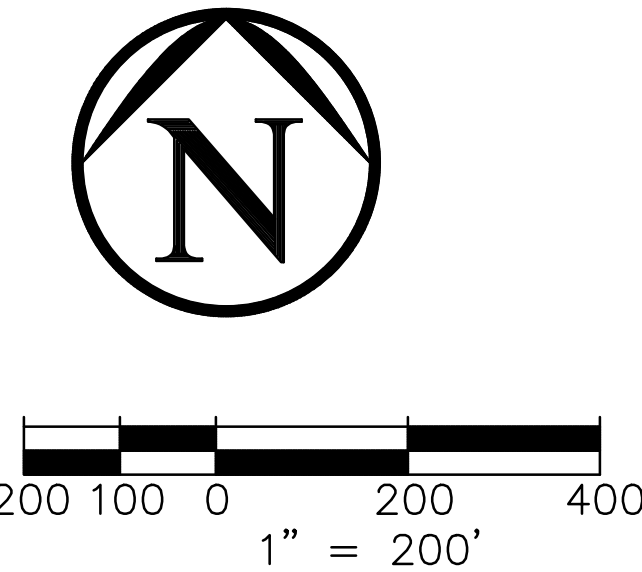
FILE: J:\2017 Jobs\217120 - Roosevelt Street Improvement District Repackaging\Improvement District Docs\Assessment Methodology Report\1-19-18 CITY SIGNAL REPORT\W00210.dwg 2019-04-18 diagram.dwg

MATCH SHEET 2

MATCH SHEET 3



- LEGEND
- ① ASSESSMENT NUMBER
 - XXX-XX-XXX ASSESSOR PARCEL NUMBER
 - ASSESSMENT DISTRICT BOUNDARY
 - AREA OF IMPROVEMENTS




1 REVISED PROJECT LIMITS 4-4-18. ROOSEVELT STREET IMPROVEMENTS EAST OF VERRADO WAY REMOVED.


PLAN NAME
ROOSEVELT STREET IMPROVEMENT DISTRICT
ASSESSMENT DISTRICT DIAGRAM

| | | | | | | |
|---------------------------------|----------------------------------|--|--|------------|--------------|--------------|
| ENGINEER INFORMATION | | <div><div><div></div><div>RPA</div><div></div></div><div>RITTOCH-POWELL & Associates 602-263-1177 WWW.RPAENG.COM</div></div> | | SUBMITTAL: | ENG-16-00003 | COB PERMIT # |
| COB PERMITTING APPROVED SEAL | COB ENGINEERING APPROVED SEAL | | | | | |
| AS-BUILT SEAL | DESIGN SEAL | | | | | |
| ORIGINAL PLAN DATE 3-15-17 | LATEST REVISION DATE 4-4-18 | | | | | |
| PROJECT NUMBER 2014-071 | SHEET NUMBER 4 of 5 | | | | | |

| ASSESSMENT NUMBER | ASSESSOR PARCEL NUMBER | ASSESSMENT AMOUNT |
|----------------------|--|----------------------|
| 1 | 502-35-804 | \$1,862.39 |
| 2 | 502-35-805 | — |
| 3 | 504-20-924 504-20-925 504-20-926 504-20-381A | \$1,701,686.16 |
| 4 | 504-20-002C | \$553,693.15 |
| 5 | 504-20-003F 504-20-005M | \$2,252,831.39 |
| 6 | 504-20-003C 504-20-003D 504-20-005K 504-20-005L | \$2,069,110.39 |

 REVISED PROJECT LIMITS 4-4-18. ROOSEVELT STREET IMPROVEMENTS EAST OF VERRADO WAY REMOVED.

PLAN NAME
ROOSEVELT STREET IMPROVEMENT DISTRICT ASSESSMENT DISTRICT DIAGRAM

| | | | | | |
|-------------------------------|--|---|--|--------------------------------|--------------|
| ENGINEER INFORMATION | |  RITOCH-POWELL & Associates 602-263-1177 WWW.RPAENG.COM | | SUBMITTAL: ENG-16-00003 | COB PERMIT # |
| COB PERMITTING APPROVED SEAL | | COB ENGINEERING APPROVED SEAL | | | |
| AS-BUILT SEAL | | DESIGN SEAL | | | |
| ORIGINAL PLAN DATE 3-15-17 | | LATEST REVISION DATE 4-4-18 | | | |
| PROJECT NUMBER 2014-071 | | SHEET NUMBER 5 of 5 | | | |

**APPENDIX D –
PRELIMINARY
ASSESSMENT
CALCULATIONS
BASED
ON
ASSESSMENT
METHODOLOGY**

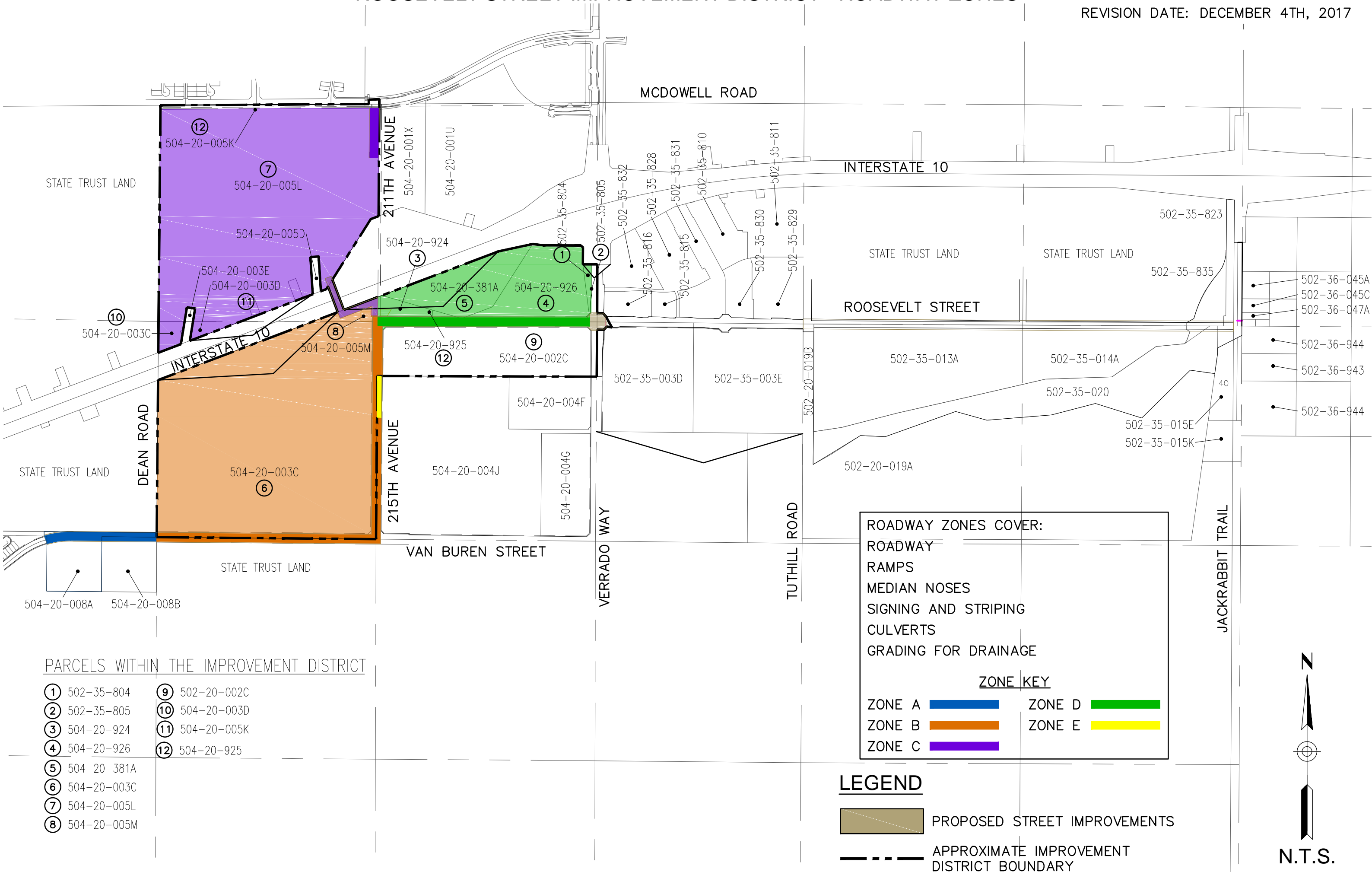
Prepared by RPA

APPENDIX E – ENLARGED ID ZONE EXHIBITS

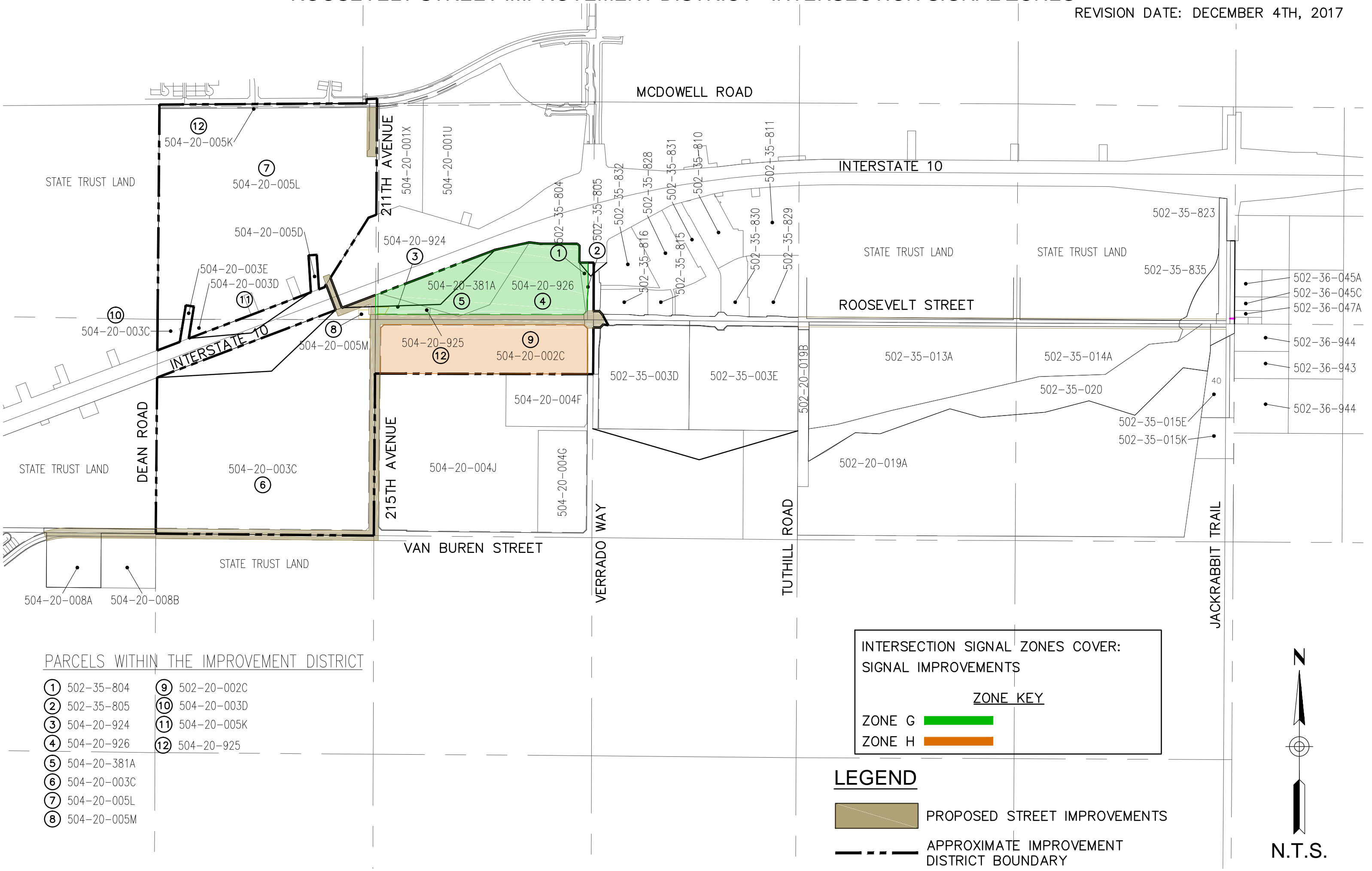
Prepared by RPA

ROOSEVELT STREET IMPROVEMENT DISTRICT - ROADWAY ZONES

REVISION DATE: DECEMBER 4TH, 2017

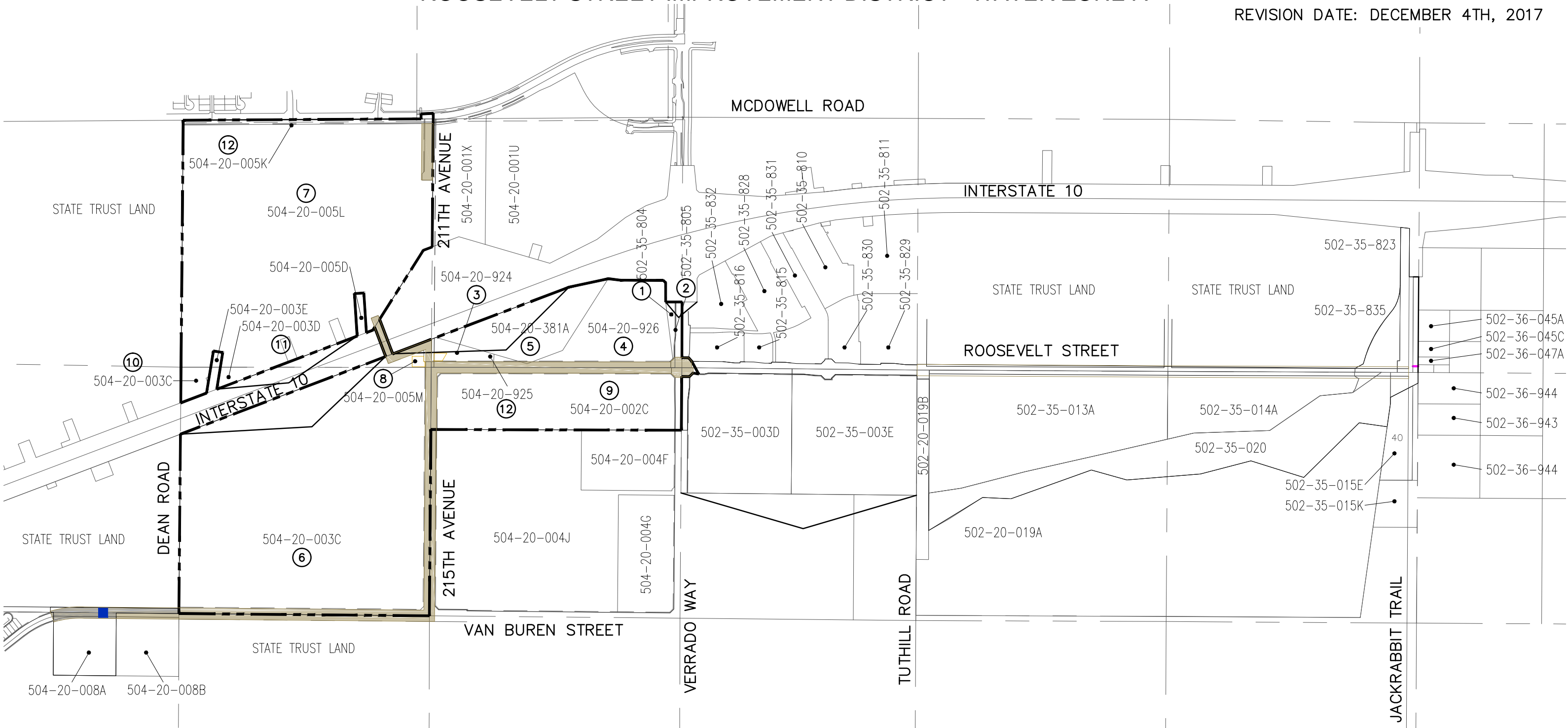


REVISION DATE: DECEMBER 4TH, 2017



ROOSEVELT STREET IMPROVEMENT DISTRICT - WATER ZONE A





REVISION DATE: DECEMBER 4TH, 2017

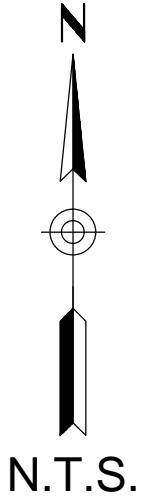


PARCELS WITHIN THE IMPROVEMENT DISTRICT

- | | |
|---------------|---------------|
| ① 502-35-804 | ⑨ 502-20-002C |
| ② 502-35-805 | ⑩ 504-20-003D |
| ③ 504-20-924 | ⑪ 504-20-005K |
| ④ 504-20-926 | ⑫ 504-20-925 |
| ⑤ 504-20-381A | |
| ⑥ 504-20-003C | |
| ⑦ 504-20-005L | |
| ⑧ 504-20-005M | |

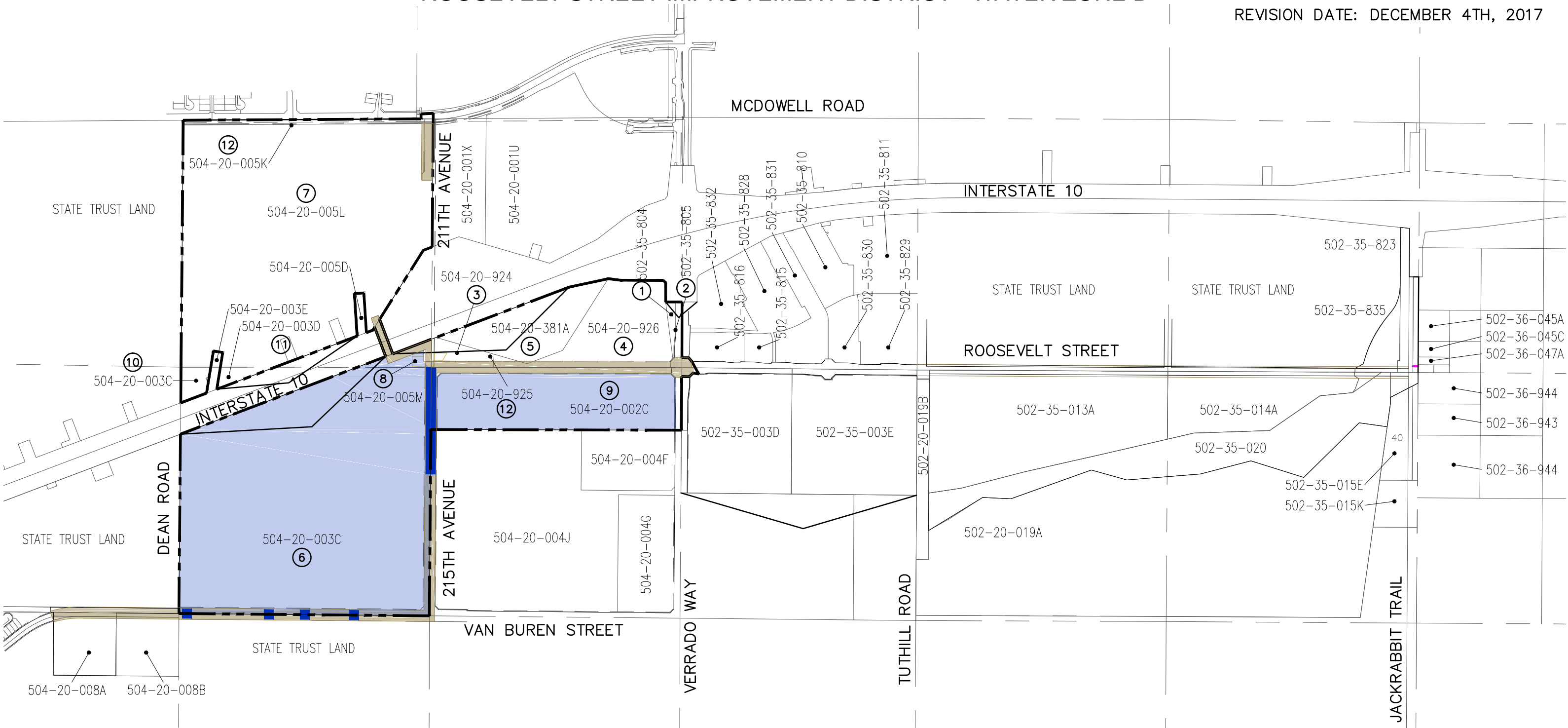
LEGEND

-  PROPOSED STREET IMPROVEMENTS
-  APPROXIMATE IMPROVEMENT DISTRICT BOUNDARY
-  ZONE A
-  ZONE A WATER IMPROVEMENTS



ROOSEVELT STREET IMPROVEMENT DISTRICT - WATER ZONE B

REVISION DATE: DECEMBER 4TH, 2017

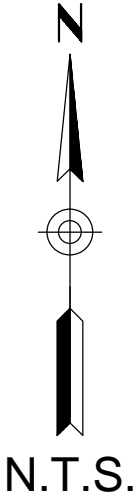


PARCELS WITHIN THE IMPROVEMENT DISTRICT

- | | |
|---------------|---------------|
| ① 502-35-804 | ⑨ 502-20-002C |
| ② 502-35-805 | ⑩ 504-20-003D |
| ③ 504-20-924 | ⑪ 504-20-005K |
| ④ 504-20-926 | ⑫ 504-20-925 |
| ⑤ 504-20-381A | |
| ⑥ 504-20-003C | |
| ⑦ 504-20-005L | |
| ⑧ 504-20-005M | |

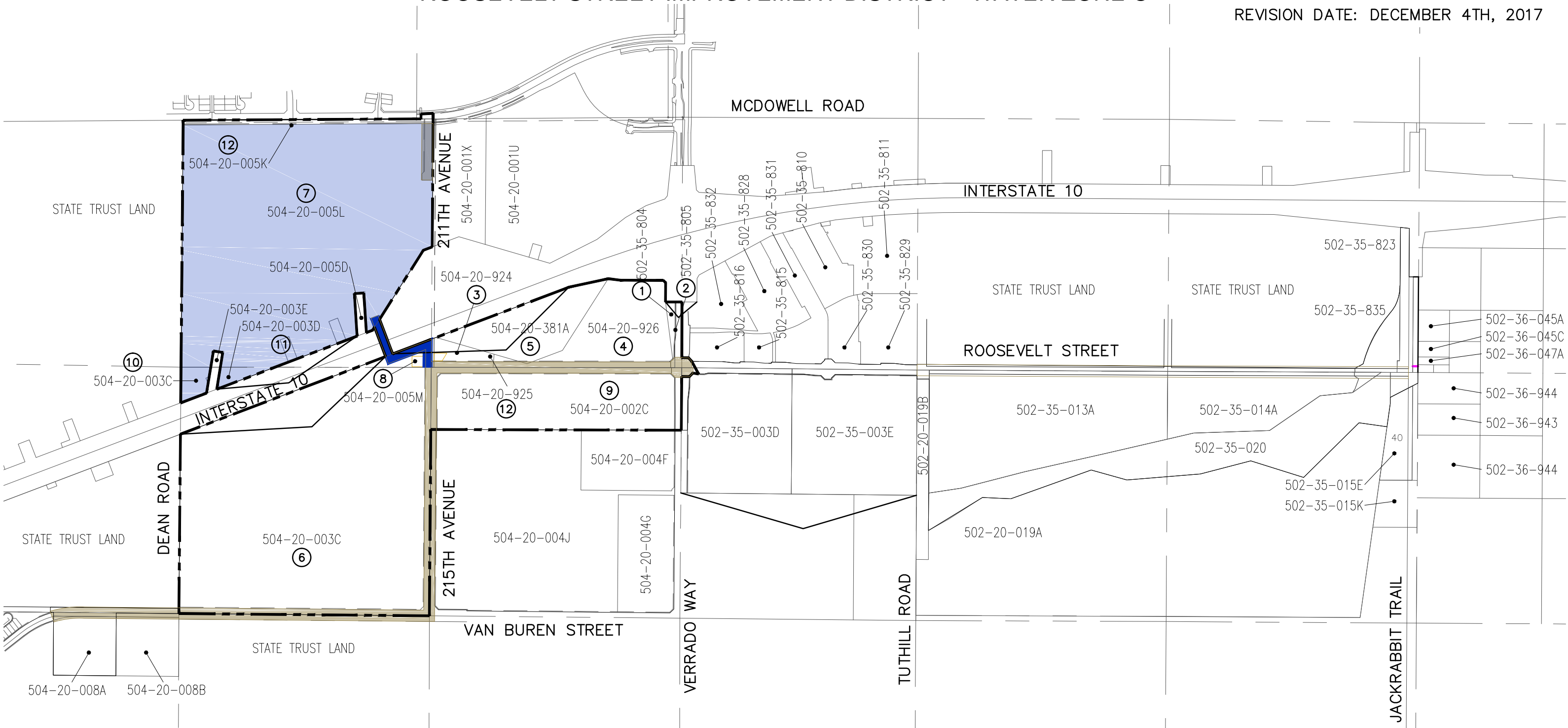
LEGEND

- PROPOSED STREET IMPROVEMENTS
- APPROXIMATE IMPROVEMENT DISTRICT BOUNDARY
- ZONE B
- ZONE B WATER IMPROVEMENTS



ROOSEVELT STREET IMPROVEMENT DISTRICT - WATER ZONE C

REVISION DATE: DECEMBER 4TH, 2017

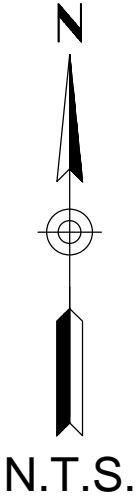


PARCELS WITHIN THE IMPROVEMENT DISTRICT

- | | |
|---------------|---------------|
| ① 502-35-804 | ⑨ 502-20-002C |
| ② 502-35-805 | ⑩ 504-20-003D |
| ③ 504-20-924 | ⑪ 504-20-005K |
| ④ 504-20-926 | ⑫ 504-20-925 |
| ⑤ 504-20-381A | |
| ⑥ 504-20-003C | |
| ⑦ 504-20-005L | |
| ⑧ 504-20-005M | |

LEGEND

- PROPOSED STREET IMPROVEMENTS
- APPROXIMATE IMPROVEMENT DISTRICT BOUNDARY
- ZONE C
- ZONE C WATER IMPROVEMENTS



REVISION DATE: DECEMBER 4TH, 2017



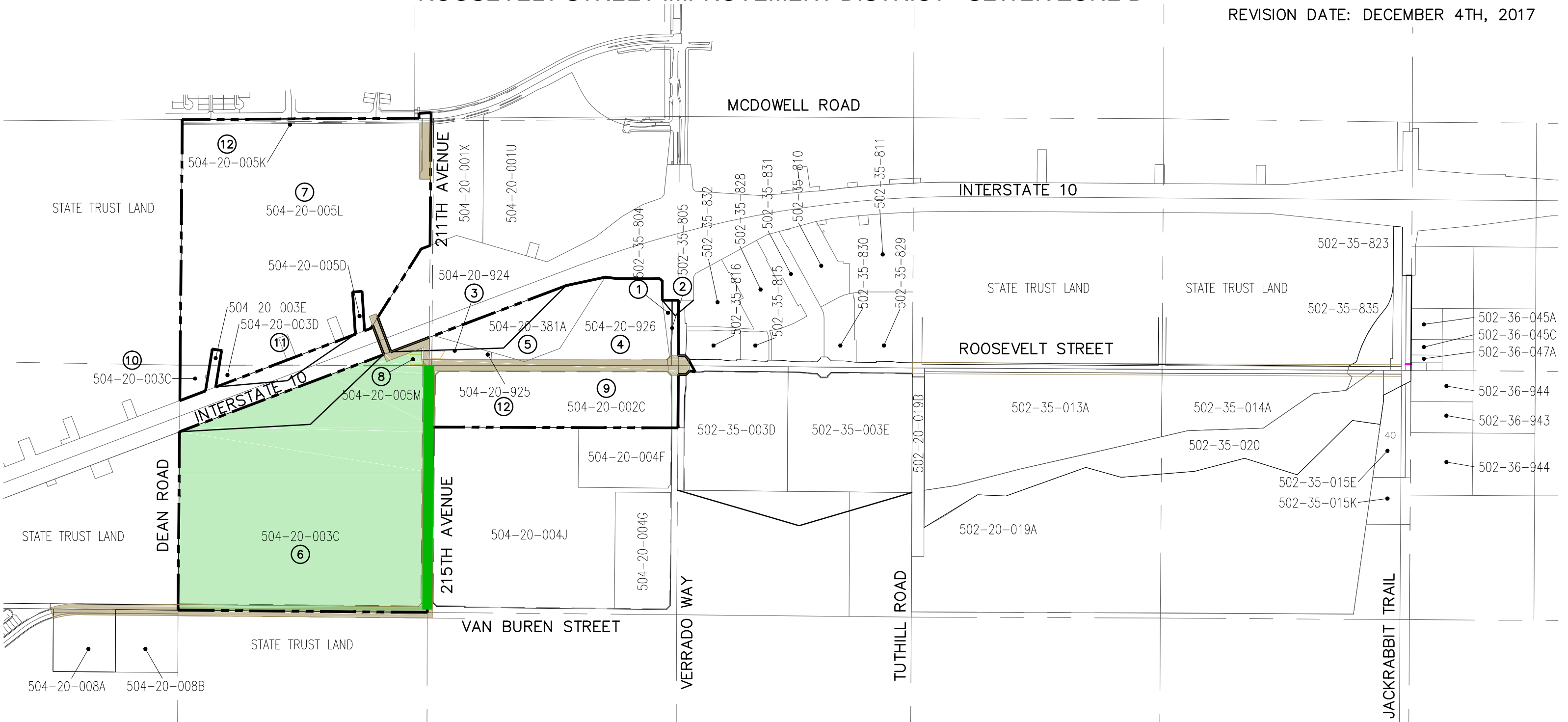
- ## LEGEND

-

N.T.S.

ROOSEVELT STREET IMPROVEMENT DISTRICT - SEWER ZONE B





REVISION DATE: DECEMBER 4TH, 2017

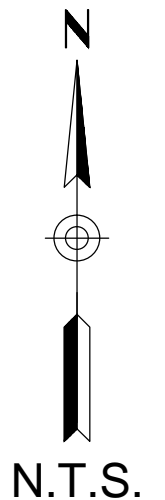


PARCELS WITHIN THE IMPROVEMENT DISTRICT

- | | |
|---------------|---------------|
| ① 502-35-804 | ⑨ 502-20-002C |
| ② 502-35-805 | ⑩ 504-20-003D |
| ③ 504-20-924 | ⑪ 504-20-005K |
| ④ 504-20-926 | ⑫ 504-20-925 |
| ⑤ 504-20-381A | |
| ⑥ 504-20-003C | |
| ⑦ 504-20-005L | |
| ⑧ 504-20-005M | |

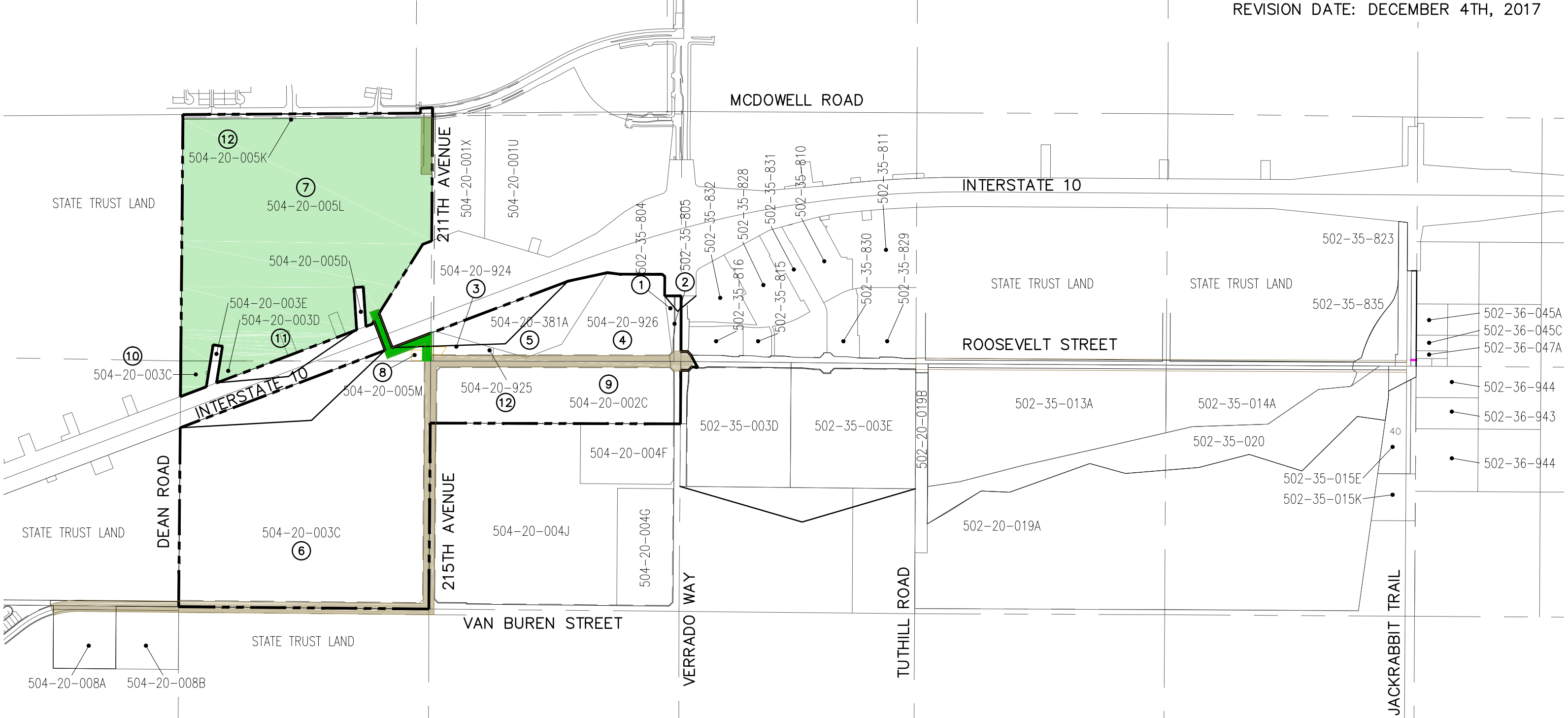
LEGEND

-  PROPOSED STREET IMPROVEMENTS
-  APPROXIMATE IMPROVEMENT DISTRICT BOUNDARY
-  ZONE B
-  ZONE B SEWER IMPROVEMENTS



ROOSEVELT STREET IMPROVEMENT DISTRICT - SEWER ZONE C

REVISION DATE: DECEMBER 4TH, 2017

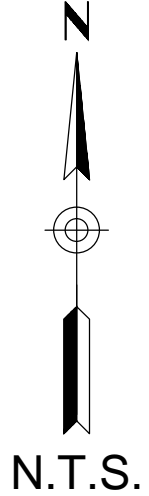


PARCELS WITHIN THE IMPROVEMENT DISTRICT

- | | |
|---------------|---------------|
| ① 502-35-804 | ⑨ 502-20-002C |
| ② 502-35-805 | ⑩ 504-20-003D |
| ③ 504-20-924 | ⑪ 504-20-005K |
| ④ 504-20-926 | ⑫ 504-20-925 |
| ⑤ 504-20-381A | |
| ⑥ 504-20-003C | |
| ⑦ 504-20-005L | |
| ⑧ 504-20-005M | |

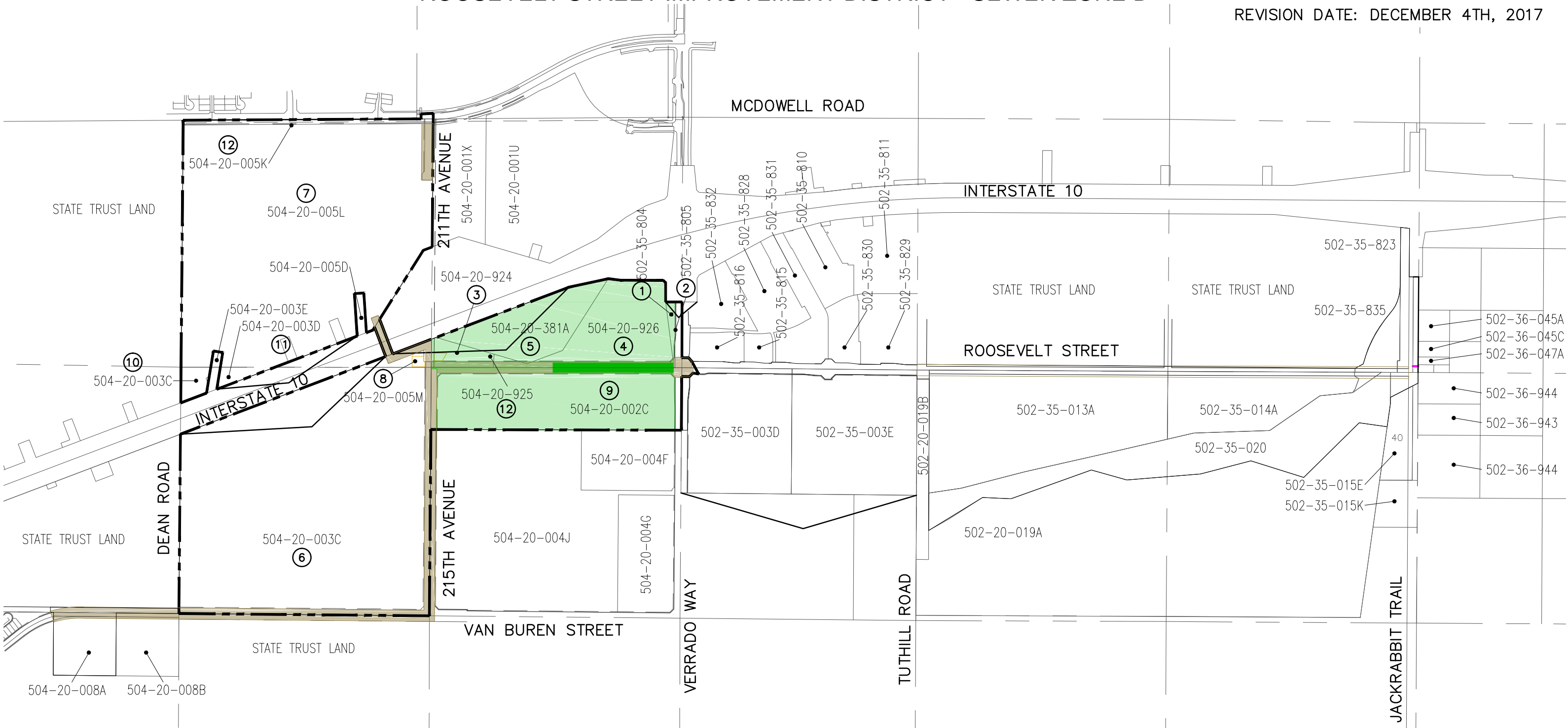
LEGEND

- PROPOSED STREET IMPROVEMENTS
- APPROXIMATE IMPROVEMENT DISTRICT BOUNDARY
- ZONE C
- ZONE C SEWER IMPROVEMENTS



ROOSEVELT STREET IMPROVEMENT DISTRICT - SEWER ZONE D





REVISION DATE: DECEMBER 4TH, 2017

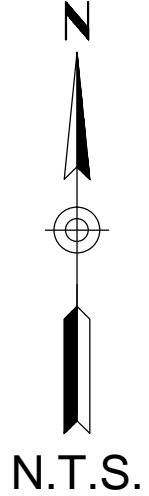


PARCELS WITHIN THE IMPROVEMENT DISTRICT

- | | |
|---------------|---------------|
| ① 502-35-804 | ⑨ 502-20-002C |
| ② 502-35-805 | ⑩ 504-20-003D |
| ③ 504-20-924 | ⑪ 504-20-005K |
| ④ 504-20-926 | ⑫ 504-20-925 |
| ⑤ 504-20-381A | |
| ⑥ 504-20-003C | |
| ⑦ 504-20-005L | |
| ⑧ 504-20-005M | |

LEGEND

-  PROPOSED STREET IMPROVEMENTS
-  APPROXIMATE IMPROVEMENT DISTRICT BOUNDARY
-  ZONE D
-  ZONE D SEWER IMPROVEMENTS



APPENDIX F – PARCEL OWNERSHIP

Prepared by RPA

502-35-804 Land Parcel

This is a land parcel and the current owner is SUNBELT LAND HOLDINGS LP. It is located in the Verrado Way Mod subdivision and MCR 79824. Its current year full cash value is \$19,035.

Property Information

| | |
|----------------------------|------------------------------------|
| MCR # | 79824 |
| Description: | VERRADO WAY MOD MCR 798-24 |
| Lat/Long | |
| Lot Size | 38,607 sq ft. |
| Zoning | PC |
| Lot # | |
| High School District | BUCKEYE UNION #201 |
| Elementary School District | LIBERTY ELEMENTARY SCHOOL DISTRICT |
| Local Jurisdiction | BUCKEYE |
| S/T/R | 1 1N 3W |
| Market Area/Neighborhood | 25/004 |
| Subdivision (2 Parcels) | VERRADO WAY MOD |

Owner Information

[SUNBELT LAND HOLDINGS LP](#)

| | |
|-----------------|--|
| Mailing Address | 8095 OTHELLO AVE , SAN DIEGO, CA 92121 |
| Deed Number | 140078165 |
| Last Deed Date | 02/05/2014 |
| Sale Date | n/a |
| Sale Price | n/a |

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

| Tax Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Full Cash Value | \$19,035 | \$17,055 | \$45,478 | \$45,478 | \$47,834 |
| Limited Property Value | \$17,908 | \$17,055 | \$45,478 | \$45,478 | \$47,834 |
| Legal Class | 2 | 2 | 2 | 2 | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | 15% | 16% | 16% | 16% |
| Assessed FCV | n/a | n/a | n/a | \$7,276 | \$7,653 |
| Assessed LPV | \$2,686 | \$2,558 | \$7,276 | \$7,276 | \$7,653 |
| Property Use Code | 8806 | 8806 | 8806 | 8806 | 8806 |
| PU Description | Limited Use | Limited Use | Limited Use | Limited Use | Limited Use |
| Tax Area Code | 250202 | 250202 | 250202 | 250202 | 250202 |
| Valuation Source | Notice | Notice | Notice | Notice | Resolution |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

502-35-805 Land Parcel

This is a land parcel and the current owner is BRIDGEWATER PROPERTIES CO LP. It is located in the Verrado Way Mod subdivision and MCR 79824. Its current year full cash value is \$2,925.

Property Information

| | |
|----------------------------|------------------------------------|
| MCR # | 79824 |
| Description: | VERRADO WAY MOD MCR 798-24 |
| Lat/Long | |
| Lot Size | 5,539 sq ft. |
| Zoning | PC |
| Lot # | |
| High School District | BUCKEYE UNION #201 |
| Elementary School District | LIBERTY ELEMENTARY SCHOOL DISTRICT |
| Local Jurisdiction | BUCKEYE |
| S/T/R | 1 1N 3W |
| Market Area/Neighborhood | 25/004 |
| Subdivision (2 Parcels) | VERRADO WAY MOD |

Owner Information

[BRIDGEWATER PROPERTIES CO LP](#)

| | |
|-----------------|--|
| Mailing Address | 8095 OTHELLO AVE , SAN DIEGO, CA 92121 |
| Deed Number | 060945529 |
| Last Deed Date | 07/14/2006 |
| Sale Date | n/a |
| Sale Price | n/a |

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

| Tax Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Full Cash Value | \$2,925 | \$2,970 | \$9,522 | \$9,522 | \$6,862 |
| Limited Property Value | \$2,925 | \$2,970 | \$7,925 | \$7,548 | \$6,862 |
| Legal Class | 2 | 2 | 2 | 2 | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | 15% | 16% | 16% | 16% |
| Assessed FCV | n/a | n/a | n/a | \$1,524 | \$1,098 |
| Assessed LPV | \$439 | \$446 | \$1,268 | \$1,208 | \$1,098 |
| Property Use Code | 8806 | 8806 | 8806 | 8806 | 8806 |
| PU Description | Limited Use | Limited Use | Limited Use | Limited Use | Limited Use |
| Tax Area Code | 250202 | 250202 | 250202 | 250202 | 250202 |
| Valuation Source | Notice | Notice | Notice | Resolution | Resolution |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-002C Agriculture Parcel

This is a agriculture parcel and the current owner is GEDDES CAPITAL RESOURCES LLC. Its current year full cash value is \$1,727.

Property Information

MCR #

Description: N2 N2 SE4 SEC 1 EX RD DAF BEG E4 COR SD SEC 1 TH S 661.22F TH W 65F TH N 216.36F TH N 219.80F TH N 119.91F TH N 44D W 56.38F TH N 65F TH E 109.44F TO POB P/F 08-0610083 & EX ANY POR LY WI/IN MOD 1300/29 & EX ANY POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size 1,504,825 sq ft.

Zoning SF-43

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[GEDDES CAPITAL RESOURCES LLC](#)

Mailing Address 3020 E CAMELBACK RD - SUITE 350, PHOENIX, AZ 85016

Deed Number [061640263](#)

Last Deed Date 12/15/2006

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$1,727 | | \$2,335 |
| Limited Property Value | \$1,071 | | \$2,335 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | | 15% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$161 | | \$350 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250200 | | 250200 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-003C Agriculture Parcel

This is a agriculture parcel and the current owner is BT AIRPORT ROAD LLC. Its current year full cash value is \$124.

Property Information

MCR #

Description: PT SW4 LYING N OF R/W CONVEYED TO STATE OF ARIZ P /D 9745/149 & LYING W OF TH PT DEEDED TO STATE OF ARIZ P/D 11150/484

Lat/Long

Lot Size 107,946 sq ft.

Zoning PC

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[BT AIRPORT ROAD LLC](#)

Mailing Address 200 WITMER RD STE 200, HORSHAM, PA 19044

In Care Of BET INVESTMENTS INC

Deed Number [051368929](#)

Last Deed Date 09/16/2005

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Full Cash Value | \$124 | \$149 | \$173 | \$173 | \$198 |
| Limited Property Value | \$124 | \$149 | \$173 | \$173 | \$198 |
| Legal Class | 2 | 2 | 2 | 2 | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15.3% | 14.8% | 15% | 16.2% | 16.2% |
| Assessed FCV | n/a | n/a | n/a | n/a | \$32 |
| Assessed LPV | \$19 | \$22 | \$26 | \$28 | \$32 |
| Property Use Code | 4710 | 4710 | 4710 | 4710 | 4710 |
| PU Description | AGRICULTURAL | AGRICULTURAL | AGRICULTURAL | AGRICULTURAL | AGRICULTURAL |
| Tax Area Code | 250200 | 250200 | 250200 | 250200 | 250200 |
| Valuation Source | Notice | Notice | Notice | Notice | Decision |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-003D Agriculture Parcel

This is a agriculture parcel and the current owner is BT AIRPORT ROAD LLC. Its current year full cash value is \$154.

Property Information

MCR #

Description: PT SW4 LYING N OF EHRENBURG PHX H/W & LYING ELY O F THE FOL DESC
PROP PT OF W2 OF SEC 1 DAF BEG AT W4 COR TH S 542.05F TO C/L OF H/W TH N
68D 57M E 350.97F TH N 21D 02M W 154F TO A PT WH IS N R/W L I OF SD H/W TH
N 8D 57M E 450F TH S 81D 02M E 100 F TH S 8D 57M W 392.27F TO N LI OF H/W TH
W TO PO B

Lat/Long

Lot Size 134,280 sq ft.

Zoning PC

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (
Parcels)

Owner Information

[BT AIRPORT ROAD LLC](#)

Mailing Address 200 WITMER RD STE 200, HORSHAM, PA 19044

In Care Of BET INVESTMENTS INC

Deed Number [051368929](#)

Last Deed Date 09/16/2005

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Full Cash Value | \$154 | \$185 | \$216 | \$216 | \$247 |
| Limited Property Value | \$154 | \$185 | \$216 | \$216 | \$247 |
| Legal Class | 2 | 2 | 2 | 2 | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 14.9% | 15.1% | 14.8% | 16.2% | 16.2% |
| Assessed FCV | n/a | n/a | n/a | n/a | \$40 |
| Assessed LPV | \$23 | \$28 | \$32 | \$35 | \$40 |
| Property Use Code | 4710 | 4710 | 4710 | 4710 | 4710 |
| PU Description | AGRICULTURAL | AGRICULTURAL | AGRICULTURAL | AGRICULTURAL | AGRICULTURAL |
| Tax Area Code | 250200 | 250200 | 250200 | 250200 | 250200 |
| Valuation Source | Notice | Notice | Notice | Notice | Decision |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-003F Agriculture Parcel

This is a agriculture parcel and the current owner is BT AIRPORT ROAD LLC. Its current year full cash value is \$6,805.

Property Information

MCR #

Description: THAT PT OF SW4 SEC 1 LYING S OF R/W DEEDED TO STATE OF ARIZONA P/D 9745/149 & EX S 40F & EX ANY POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size 5,928,592 sq ft.

Zoning PC

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[BT AIRPORT ROAD LLC](#)

Mailing Address 200 WITMER RD STE 200, HORSHAM, PA 19044

In Care Of BET INVESTMENTS INC

Deed Number [051368929](#)

Last Deed Date 09/16/2005

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$6,805 | | \$8,464 |
| Limited Property Value | \$4,219 | | \$8,464 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | | 15% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$633 | | \$1,270 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250200 | | 250200 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-005K Agriculture Parcel

This is a agriculture parcel and the current owner is BT AIRPORT ROAD LLC. Its current year full cash value is \$100.

Property Information

MCR #

Description: S 10 OF N 50F OF NW4 SEC 1 EX ANY POR LY WI/IN & ELY R/W PER MOD
1300/29

Lat/Long

Lot Size 25,111 sq ft.

Zoning PC

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[BT AIRPORT ROAD LLC](#)

Mailing Address 200 WITMER RD STE 200, HORSHAM, PA 19044

In Care Of BET INVESTMENTS INC

Deed Number [051368929](#)

Last Deed Date 09/16/2005

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$100 | | \$50 |
| Limited Property Value | \$62 | | \$35 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | | 16% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$9 | | \$6 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250200 | | 250200 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-005L Agriculture Parcel

This is a agriculture parcel and the current owner is BT AIRPORT ROAD LLC. Its current year full cash value is \$6,784.

Property Information

MCR #

Description: NW4 SEC 1 EX N 50F & EX PROP CONV TO STATE P/D 11150/484 & EX P/D 10131/480 & EX P/D 10131/437 & PT S2 NW4 SEC 1 LY S OF EHRENBERG/PHOENIX HWY & EX ANY POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size 5,910,041 sq ft.

Zoning PC

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[BT AIRPORT ROAD LLC](#)

Mailing Address 200 WITMER RD STE 200, HORSHAM, PA 19044

In Care Of BET INVESTMENTS INC

Deed Number [051368929](#)

Last Deed Date 09/16/2005

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$6,784 | | \$8,463 |
| Limited Property Value | \$4,206 | | \$8,463 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | | 15% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$631 | | \$1,269 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250200 | | 250200 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-005M Agriculture Parcel

This is a agriculture parcel and the current owner is BT AIRPORT ROAD LLC. Its current year full cash value is \$130.

Property Information

MCR #

Description: PT S2 NW4 SEC 1 LY S OF EHRENBURG/PHOENIX HWY P/F 10131/437 & EX ANY
POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size 112,848 sq ft.

Zoning PC

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (
Parcels)

Owner Information

BT AIRPORT ROAD LLC

Mailing Address 200 WITMER RD STE 200, HORSHAM, PA 19044

In Care Of BET INVESTMENTS INC

Deed Number [051368929](#)

Last Deed Date 09/16/2005

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$130 | | \$100 |
| Limited Property Value | \$81 | | \$100 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15.4% | | 15% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$12 | | \$15 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250200 | | 250200 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-381A Agriculture Parcel

This is a agriculture parcel and the current owner is SUNBELT LAND HOLDINGS LP. Its current year full cash value is \$807.

Property Information

MCR #

Description: PT NE4 SEC 1 DAF COM CEN SD SEC TH N 297.70F TH N 69D 16M E 51.76F TO TPOB TH S 73D 50M E 1000F TH N 69D 16M E 400F TH N 32D 28M E 896.89F TH S 77D 48M W 422.80F TH S 69D 16M W 1500F TO TPOB P/F 02-0888324 EX ANY POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size 703,427 sq ft.

Zoning C-3

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[SUNBELT LAND HOLDINGS LP](#)

Mailing Address 8095 OTHELLO AVE, SAN DIEGO, CA 92111

Deed Number [140078165](#)

Last Deed Date 02/05/2014

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$807 | | \$971 |
| Limited Property Value | \$500 | | \$971 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | | 15% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$75 | | \$146 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250200 | | 250200 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-924 Agriculture Parcel

This is a agriculture parcel and the current owner is SUNBELT LAND HOLDINGS LP. Its current year full cash value is \$132.

Property Information

MCR #

Description: W2 W2 NE4 SEC 21 LY S OF LAND CONVEYED TO STATE OF ARIZ P/D 11015/374 & P/D 11052/724 EX ANY POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size 114,628 sq ft.

Zoning C-3

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[SUNBELT LAND HOLDINGS LP](#)

Mailing Address 8095 OTHELLO AVE, SAN DIEGO, CA 92111

Deed Number [140078165](#)

Last Deed Date 02/05/2014

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$132 | | \$183 |
| Limited Property Value | \$82 | | \$183 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15.2% | | 14.8% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$12 | | \$27 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250202 | | 250202 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-925 Agriculture Parcel

This is a agriculture parcel and the current owner is SUNBELT LAND HOLDINGS LP. Its current year full cash value is \$100.

Property Information

MCR #

Description:

PAR LD LY WI/IN W2 E2 W2 NE4 SEC 1 OF FOL DESC PAR COM CTR SD SEC TH N 297.68 TH N 68D 55M E 1551.60F TH N 77D 27M E 422.90F TH S 83D 12M E 127.73F TH E 455.90F TH S 45D 55M E 34.89F TH S 202.75F TH E 109F TH S 692.38F TH W 2580.26F TO POB P/F 14-0078165 EX ANY POR LY WI/IN W2 W2 NE4 SD SEC & EX COM CEN SD SEC TH N 297.70F TH N 69D 16M E 51.76F TO TPOB TH S 73D 50M E 1000F N 69D 16M E 400F N 32D 28M E 896.89F S 77D 48M W 422.80F S 69D 16M W 1500F TO TPOB P/F 02-0888324 & EX ANY POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size 10,922 sq ft.

Zoning C-3

Lot #

High School District BUCKEYE UNION #201

Elementary School District LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction BUCKEYE

S/T/R 1 1N 3W

Market Area/Neighborhood 25/004

Subdivision (Parcels)

Owner Information

[SUNBELT LAND HOLDINGS LP](#)

Mailing Address 8095 OTHELLO AVE, SAN DIEGO, CA 92111

Deed Number [140078165](#)

Last Deed Date 02/05/2014

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | | 2018 | 2017 |
|------------------------|-----------------------------------|------|-----------------------------------|
| Full Cash Value | \$100 | | \$100 |
| Limited Property Value | \$62 | | \$100 |
| Legal Class | 2 | | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | | 15% |
| Assessed FCV | n/a | | n/a |
| Assessed LPV | \$9 | | \$15 |
| Property Use Code | 4710 | | 4710 |
| PU Description | AGRICULTURAL | | AGRICULTURAL |
| Tax Area Code | 250202 | | 250202 |
| Valuation Source | Notice | | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

504-20-926 Agriculture Parcel

This is a agriculture parcel and the current owner is SUNBELT LAND HOLDINGS LP. Its current year full cash value is \$929.

Property Information

MCR #

Description:

PAR LD LY WI/IN E2 E2 W2 NE4 & E2 NE4 SEC 1 OF FOL DESC PAR COM CTR SD SEC TH N 297.68 TH N 68D 55M E 1551.60F TH N 77D 27M E 422.90F TH S 83D 12M E 127.73F TH E 455.90F TH S 45D 55M E 34.89F TH S 202.75F TH E 109F TH S 692.38F TH W 2580.26F TO POB P/F 14-0078165 EX ANY POR LY WI/IN W2 W2 NE4 SD SEC & EX COM CEN SD SEC TH N 297.70F TH N 69D 16M E 51.76F TO TPOB TH S 73D 50M E 1000F N 69D 16M E 400F N 32D 28M E 896.89F S 77D 48M W 422.80F S 69D 16M W 1500F TO TPOB P/F 02-0888324 & EX ANY PT LY WI-IN VERRADO WAY MOD MCR 798-24 & EX ANY POR LY WI/IN MOD 1300/29

Lat/Long

Lot Size

809,623 sq ft.

Zoning

C-3

Lot #

High School
District

BUCKEYE UNION #201

Elementary School
District

LIBERTY ELEMENTARY SCHOOL DISTRICT

Local Jurisdiction

BUCKEYE

S/T/R

1 1N 3W

Market

Area/Neighborhood

25/004

Subdivision (
Parcels)

Owner Information

SUNBELT LAND HOLDINGS LP

Mailing Address 8095 OTHELLO AVE, SAN DIEGO, CA 92111

Deed Number [140078165](#)

Last Deed Date 02/05/2014

Sale Date n/a

Sale Price n/a

Valuation Information

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our [data sales](#).

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. [CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL](#)

| Tax Year | 2018 | 2017 |
|------------------------|-----------------------------------|-----------------------------------|
| Full Cash Value | \$929 | \$1,183 |
| Limited Property Value | \$576 | \$1,183 |
| Legal Class | 2 | 2 |
| Description | AG / VACANT LAND / NON-PROFIT R/P | AG / VACANT LAND / NON-PROFIT R/P |
| Assessment Ratio | 15% | 15% |
| Assessed FCV | n/a | n/a |
| Assessed LPV | \$86 | \$177 |
| Property Use Code | 4710 | 4710 |
| PU Description | AGRICULTURAL | AGRICULTURAL |
| Tax Area Code | 250202 | 250202 |
| Valuation Source | Notice | Notice |

Similar Parcels

Parcels that are similar to this one (known as the reference parcel) are displayed below.

APN Address Sale Info FCV Size Livable Sq Ft Year Built Pool Foreclosed

No similar parcels found.

APPENDIX G – APPRAISAL



APPRAISAL REPORT

**Five Vacant Land Parcels Totaling 448 Acres
Buckeye, AZ**

Prepared for:
Mr. Jeffrey M. Blilie
Beus Gilbert PLLC

Prepared by:
Finney Valuation Services, LLC
File No: 16-1055

Date of Value:
October 17, 2016

Date of Report:
December 12, 2016

TODD H. FINNEY, MAI

8141 E. Indian Bend Rd.
Suite 101
Scottsdale, AZ 85250
Tel: 480.429.3670
Fax: 480.429.3656

December 12, 2016

Mr. Jeffrey M. Blilie
Beus Gilbert PLLC
701 N. 44th St.
Phoenix, AZ 85008

RE: Appraisal of Five Vacant Land Parcels Totaling ± 448 acres
Buckeye, AZ
FVS File No. 16-1055

Dear Mr. Blilie:

At your request and authorization, Finney Valuation Services, LLC has prepared an appraisal of the referenced properties and presented our analysis in the following report. The purpose of this appraisal is to estimate the "as is" disposition value of each parcel, as well as the hypothetical "as complete" disposition value assuming the proposed improvement district is complete. Both scenarios assume a 6-month marketing period. The intended use of the appraisal report is to assist with decisions regarding the proposed Roosevelt Improvement District. The client and intended user is Beus Gilbert PLLC. Other intended users may include the City of Buckeye and underwriters of the bonds issued to fund the project.

The subject of this appraisal involves five parcels of vacant land totaling ± 448 acres located in the I-10 corridor of Buckeye. The parcels vary in their zoning classifications, improvement status and highest and best use. The disposition value conclusions are summarized as follows:

| Disposition Value Conclusions | | | | |
|-------------------------------|--------------------------------|--------------------|-------------------------|------------------|
| Premise/Parcel | Parcel Nos. | Interest Appraised | Effective Date of Value | Value Conclusion |
| As Is | | | | |
| Parcel 1 | 502-35-013A & 014A | Fee Simple | October 17, 2016 | \$ 3,850,000 |
| Parcel 2 | 504-20-001M, 001Q & 381 | Fee Simple | October 17, 2016 | \$ 5,570,000 |
| Parcel 3 | 504-20-002B | Fee Simple | October 17, 2016 | \$ 3,050,000 |
| Parcel 4 | 504-20-003B & 005H | Fee Simple | October 17, 2016 | \$ 11,190,000 |
| Parcel 5 | 504-20-003C, 003D, 005E & 005G | Fee Simple | October 17, 2016 | \$ 12,990,000 |
| As Complete (Hypothetical) | | | | |
| Parcel 1 | 502-35-013A & 014A | Fee Simple | October 17, 2016 | \$ 6,160,000 |
| Parcel 2 | 504-20-001M, 001Q & 381 | Fee Simple | October 17, 2016 | \$ 7,970,000 |
| Parcel 3 | 504-20-002B | Fee Simple | October 17, 2016 | \$ 3,820,000 |
| Parcel 4 | 504-20-003B & 005H | Fee Simple | October 17, 2016 | \$ 13,990,000 |
| Parcel 5 | 504-20-003C, 003D, 005E & 005G | Fee Simple | October 17, 2016 | \$ 14,430,000 |

The value conclusions are based on all underlying assumptions and limiting conditions contained herein, including an exposure time and marketing time of six months each. Hypothetical conditions and extraordinary assumptions are identified on pages 5 and 6 herein.

This report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Thank you for this opportunity to provide our services. Please contact me with any questions.

Respectfully submitted,



Todd H. Finney, MAI
AZ Certified General Real Estate Appraiser No. 30091

CERTIFICATION OF THE APPRAISAL

I certify 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 have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment is not contingent upon developing or reporting predetermined results.
6. 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* of The Appraisal Foundation and the requirements of the *Code of Ethics and the Standards of Professional Appraisal Practice* of the Appraisal Institute, as well as the requirements of the State of Arizona relating to review by its duly authorized representatives. This report also conforms to the requirements of the Financial Institutions Reform, recovery, and Enforcement Act of 1989 (FIRREA).
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. Todd H. Finney, MAI has made a personal inspection of the property that is the subject of this report.
11. No one provided significant real property appraisal assistance to the person signing this report.
12. Todd H. Finney, MAI has extensive experience in the appraisal/review of similar property types.
13. Todd H. Finney, MAI is currently certified in the state where the subject is located.
14. As of the date of this report, Designated Member Todd H. Finney has completed the continuing education program for Designated Members of the Appraisal Institute.
15. Todd H. Finney, MAI has not performed a prior appraisal of the subject property within the three-year period immediately preceding acceptance of this appraisal assignment.



Todd H. Finney, MAI
AZ Certified General Real Estate Appraiser No. 30091

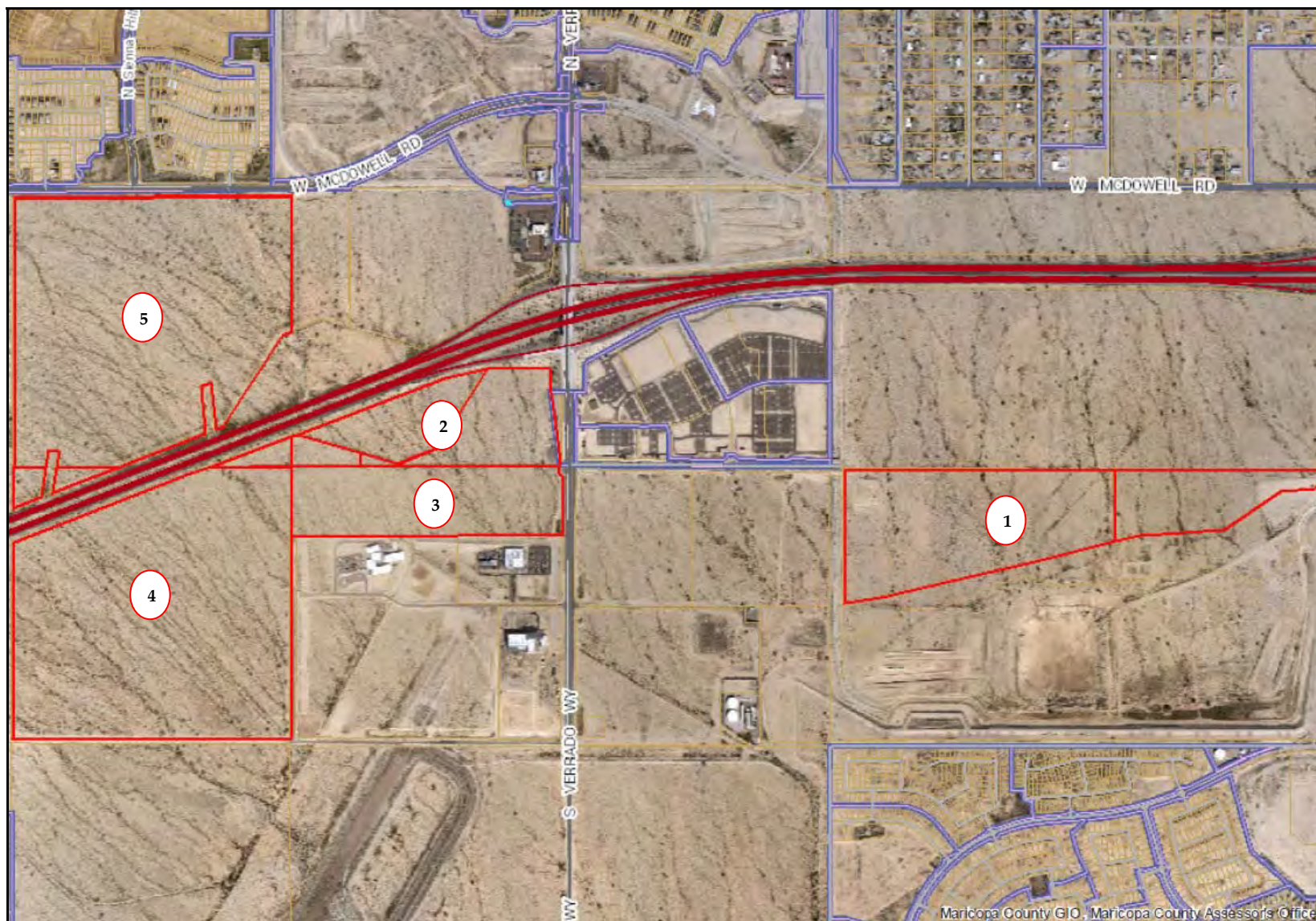
EXECUTIVE SUMMARY

| | | |
|-----------------------------------|---|-----------------------------------|
| Property Type: | Vacant Land | |
| Location: | I-10 Corridor, extending from Jackrabbit Trail to Dean Road City of Buckeye, Maricopa County, AZ | |
| Purpose: | Disposition Value - 6 month marketing time | |
| Premise: | As Is and As Complete (hypothetical) | |
| Intended Use: | Decisions regarding proposed Roosevelt Improvement District | |
| Intended User: | Beus Gilbert PLLC, City of Buckeye, Bond Underwriters | |
| Client: | Beus Gilbert PLLC | |
| Date of Inspection: | October 17, 2016 | |
| Effective Date of Value: | October 17, 2016 | |
| Interest Appraised: | Fee Simple | |
| Assessor's Parcel Numbers: | See Table on page 1 | |
| Parcel Sizes and Zoning: | <u>Acres</u> | <u>Zoning</u> |
| Parcel 1 | 78.56 | I-1, Light Industrial |
| Parcel 2 | 40.62 | C-3, Regional Commercial |
| Parcel 3 | 38.92 | SF-43, SF Rural Residential |
| Parcel 4 | 142.73 | PC, Planned Community |
| Parcel 5 | 147.22 | PC, Planned Community |
| General Plan & Highest & Best Use | <u>General Plan</u> | <u>Highest & Best Use</u> |
| Parcel 1 | Business Park | Future business park |
| Parcel 2 | Regional Comm. | Future retail/commercial |
| Parcel 3 | Prof. Office | Future office park |
| Parcel 4 | Business Park | Future business park |
| Parcel 5 | Mixed use | Future mixed-use |
| Hypothetical Conditions | As Complete assumes proposed improvements complete | |
| Extraordinary Assumptions | 1) Land areas from Assessor's records are accurate 2) No more than one parcel is marketed at the same time | |
| Disposition Value Conclusions | <u>As Is</u> | <u>As Complete (hypothetical)</u> |
| Parcel 1 | \$3,850,000 | \$6,160,000 |
| Parcel 2 | \$5,570,000 | \$7,970,000 |
| Parcel 3 | \$3,050,000 | \$3,820,000 |
| Parcel 4 | \$11,190,000 | \$13,990,000 |
| Parcel 5 | \$12,990,000 | \$14,430,000 |

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AERIAL- SUBJECT PARCELS



INTRODUCTION

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the “as is” disposition value of each of five parcels totaling ±448 acres of vacant land, as well as the hypothetical "as complete" disposition value of each parcel that assumes the improvement district is completed. The client has requested that the disposition values assume a six-month marketing period.

PROPERTY IDENTIFICATION

The subject of this appraisal involves five primary parcels comprised of twelve tax parcels totaling 448.04 acres. The parcels are summarized as follows:

| Subject Parcels | | | | |
|-----------------|------------------------|---------------|-----------------------------|---------------------|
| Parcel | Assessor's Parcel Nos. | Size Acres | Zoning | General Plan |
| 1 | 502-35-013A | 56.740 | I-1, Light Industrial | Business Park |
| | 502-35-014C | 21.820 | I-1, Light Industrial | Business Park |
| | Total | 78.560 | | |
| 2 | 504-20-381 | 16.181 | C-3, Regional Commercial | Regional Commercial |
| | 504-20-001M | 3.052 | C-3, Regional Commercial | Regional Commercial |
| | 504-20-001Q | 21.385 | C-3, Regional Commercial | Regional Commercial |
| | Total | 40.618 | | |
| 3 | 504-20-002B | 38.924 | SF-43, SF Rural Residential | Professional Office |
| 4 | 504-20-003B | 141.072 | PC, Planned Community | Business Park |
| | 504-20-005H | 1.653 | PC, Planned Community | Business Park |
| | Total | 142.725 | | |
| 5 | 504-20-003C | 2.478 | PC, Planned Community | Mixed Use |
| | 504-20-003D | 3.083 | PC, Planned Community | Mixed Use |
| | 504-20-005E | 0.606 | PC, Planned Community | Mixed Use |
| | 504-20-005G | 141.048 | PC, Planned Community | Mixed Use |
| | Total | 147.215 | | |

The locations of the parcels are shown on the aerial photograph on page 1. All five are located in the City of Buckeye.

No Title Reports, ALTA Surveys or legal descriptions were provided for the parcels. Therefore, the parcels are legally identified herein by their Maricopa County Assessor's parcel numbers.

The subject parcels are projected to be located within the Roosevelt Improvement District in the City of Buckeye. The improvement district extends from Jackrabbit Trail (195th Avenue) on the east to Dean Road on the west, affecting parcels on both the north and south sides of Interstate 10.

OWNERSHIP

Maricopa County records indicate the following ownerships:

| Subject Ownerships | |
|---------------------------|------------------------------|
| Parcel | Ownership |
| 1 | Roosevelt Street Co LP |
| 2 | Sunbelt Land Holdings LP |
| 3 | Geddes Capital Resources LLC |
| 4 | BT Airport Road LLC |
| 5 | BT Airport Road LLC |

PROPERTY HISTORY

Parcel 2 was transferred from Bridgewater Properties Co. LP to Sunbelt Land Holdings LP via Quit Claim Deed in February 2014 (Document 2014-0078165). There have been no other transfers of the subject parcels in the last three years. Parcel 2 is currently listed for sale; the listing is unpriced and no offers are reported.

RELEVANT DATES

The date of inspection and date of value are concurrent, October 17, 2016. The date of the report is indicated on the letter of transmittal.

MARKET VALUE DEFINITION

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. both parties are well informed or well advised, and acting in what they consider their best interest;
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.

This definition is from the *Uniform Standards of Professional Appraisal Practice*, and is compatible with the definition of market value cited in the 5th edition of *The Dictionary of Real Estate Appraisal*.

DISPOSITION VALUE DEFINITION

The *Dictionary of Real Estate Appraisal* (5th Edition) defines disposition value as the most probable price that a specified interest in real property should bring under the following conditions:

1. consummation of a sale within a future exposure time specified by the client (180 days in this instance);
2. the property is subject to market conditions prevailing as of the date of valuation;
3. both the buyer and seller are acting prudently and knowledgeably;
4. the seller is under compulsion to sell;
5. the buyer is typically motivated;
6. both parties are acting in what they consider to be their best interests;
7. an adequate marketing effort will be made during the exposure time specified by the client;
8. payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto;
9. 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.

INTENDED USE AND USER OF REPORT

The intended use of the appraisal report is to assist with decisions regarding the proposed Roosevelt Improvement District and, if issued, the sale of district assessment bonds by the City of Buckeye. The client and intended user is Beus Gilbert PLLC. Other intended users may include the City of Buckeye and underwriters of the bonds issued to fund the project.

SCOPE OF WORK

The scope of work for this assignment included the following:

1. The subject property and surrounding environs were inspected on October 17, 2016.
2. Subject property information provided by the client consisted of a site plan and previous appraisal. Subject data was also obtained from the City of Buckeye and from Maricopa County Assessor's records.
3. The appraiser researched comparable land sales in the local market by contacting market participants who are familiar with the subject property type. In addition, data was obtained from the appraiser's files, Maricopa County records and CoStar. Market data was examined to determine existing and proposed inventory, demand and marketability.
4. The sales comparison approach was applied in the valuation of the subject property.
5. All information was analyzed in order to conclude a market value estimate as of the effective date(s) of value. This appraisal has been presented in the form of a self-contained appraisal report, which is intended to comply with the reporting requirements set forth under USPAP.

DEFINITIONS

The following definitions are from *The Dictionary of Real Estate Appraisal*, 5th edition, Appraisal Institute, (Chicago, Illinois: 2010).

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

Value as is: The value of a specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical conditions or possible rezoning.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined in the *Uniform Standards of Professional Appraisal Practice* as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;

- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.”

The value conclusions herein are based on the following extraordinary assumptions:

- The land sizes indicated by the Assessor's records are accurate.
- No more than one subject parcel is marketed at the same time.

A change in any of these extraordinary assumptions could affect the results of this appraisal.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined in the *Uniform Standards of Professional Appraisal Practice* as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of a reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition resulted in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.”

The "As Complete" Disposition Values are based on the hypothetical condition that the site improvements associated with the Improvement District were completed as of the effective date. It is noted that the terms "As Complete" and "As Improved" are used interchangeably in this report.

EXPOSURE/MARKETING TIME

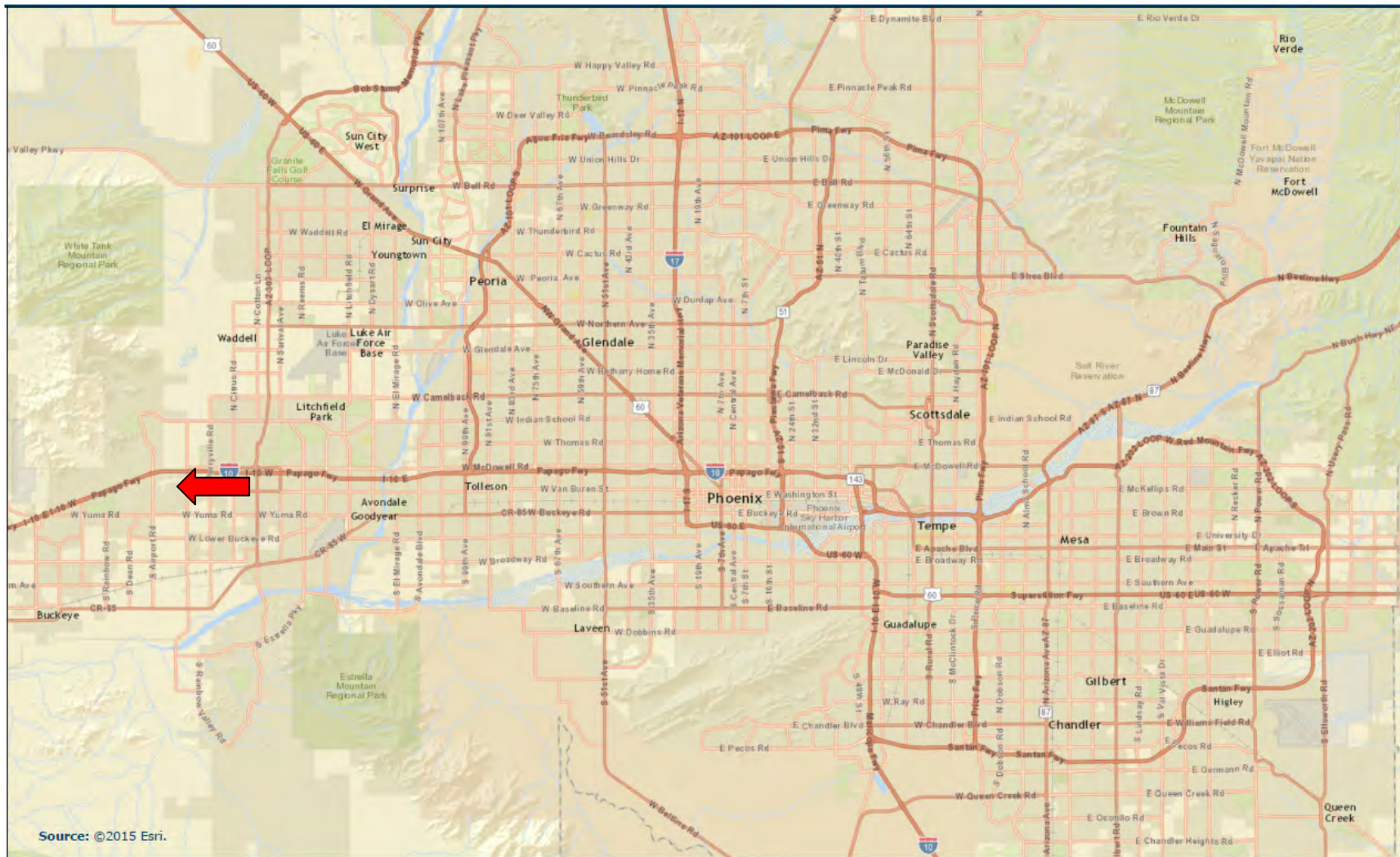
Exposure time is defined in *The Dictionary of Real Estate Appraisal*, 5th edition, as: “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of value; a retrospective estimate based on an analysis of past events assuming a competitive and open market.”

Marketing time is defined as: "...an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal..."

We have estimated an exposure time of twelve months for the subject property. In our opinion, the subject could be sold within twelve months from the effective date of this report at a price consistent with our value estimate. Our marketing time estimate is also twelve months. These estimates of exposure time and marketing time are for the market value estimate herein, which is concluded prior to the estimate of disposition value. A six-month marketing period is used for disposition value.



Metro Phoenix



AREA ANALYSIS

Economic Indicators - Arizona and Phoenix-Mesa MSA (Q4 2015)

| | Arizona | | Phoenix-Mesa MSA | |
|-------------------------------|-----------|---------------|------------------|---------------|
| | Total | Annual Change | Total | Annual Change |
| Population | 6,757,000 | 1.4% | 4,476,300 | 1.6% |
| Employment (non-agricultural) | 2,626,200 | 2.2% | 1,906,900 | 2.8% |
| Unemployment | 6.0% | -9.1% | 5.0% | -10.7% |
| Residential Permits | 31,306 | 16.0% | 23,316 | 14.6% |
| Consumer Confidence Index | 84.3 | 17.7% | 93.9 | 20.2% |
| Retail Sales (\$mill) | \$93,164 | 5.3% | \$65,542 | 5.8% |

Source: Eller College of Management, University of Arizona, Economics & Business Research Center

ARIZONA STATE ECONOMY

Arizona's economic growth continued to expand at a moderate pace in 2015. The forecast calls for state growth to pick up speed during the 2016-2017 period, with gains across most indicators exceeding national results.

Approximately 60,000 jobs were added in the state in 2015, which indicates growth of 2.2%. Arizona has continued to attract new businesses because of its skilled workforce, available real estate and diversified economy. Eller projects a total employment increase of 2.4% in 2016 and 2.6% in 2017.

Residential building permits in Arizona have continued to increase, but at a slower pace than projected by most. Data for 2015 shows a total of 31,306 permits, a 16% increase over 2014. Eller projects total residential permits to average over 40,700 per year between 2016 and 2018.

Consumer spending, as measured by aggregate retail sales, increased by 5.3% in 2015, as spending reflected increases in impulse-driven discretionary buying. Eller projects increases in retail sales of 5.1% in 2016 and 5.0% in 2017.

The July 2015 population of Arizona is estimated at 6.76 million, representing growth of 1.4% over the previous 12 months. Total growth of 1.7% per year is projected for 2016 through 2018.

In sum, Eller reports that Arizona is on track to generate accelerated growth in 2016 as population growth and the housing market gain momentum.

PHOENIX MSA

Population

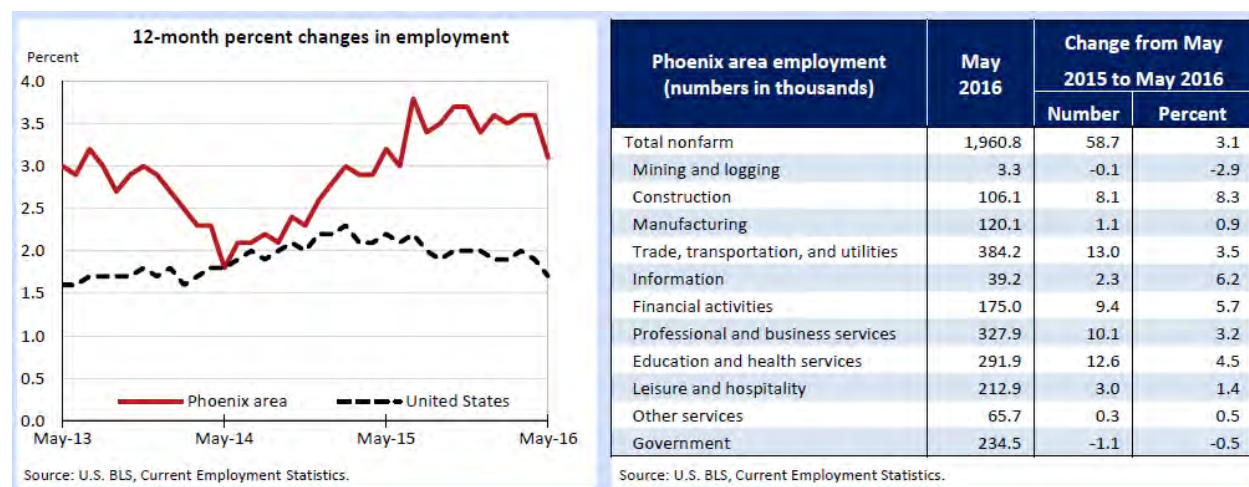
The 2015 MSA population is estimated at 4.47 million, representing one year growth of 1.6%. Eller has forecast population growth of 1.8% in 2016 and 2.0% in 2017. Phoenix is the 6th largest city in America with 1,537,058 residents.

Employment

Total non-farm employment of 1.9 million is up 2.8% over the level of one year ago, reflecting the addition of 52,500 jobs. Therefore, Phoenix had stronger job growth than both the state and the nation. Metropolitan Phoenix is projected to lead all metropolitan areas in job growth over the next two years. Moody's is projecting Phoenix job growth of 4.1% in 2016 and 2.8% in 2017, which exceeds the US Average of 2.3% and 1.6%.

The unemployment rate in Phoenix was 4.7% as of May 2016, which is 30 basis points lower than one year ago. Current employment growth in phoenix is being driven predominantly by finance, professional and business services, whereas previous periods of growth in metro Phoenix during prior business cycles was driven by the construction industry.

Metro Phoenix employment statistics from the BLS are summarized as follows:



The top 10 employers in metro Phoenix are summarized as follows:

Top Employers - Metro Phoenix

| | |
|-----------------------|--------|
| Banner Health | 26,472 |
| Wal-Mart Stores Inc. | 15,437 |
| Wells Fargo | 13,287 |
| Fry's Food | 12,510 |
| Intel Corp. | 11,760 |
| Bank of America | 9,809 |
| Honeywell | 9,680 |
| JP Morgan Chase & Co. | 8,335 |
| McDonald's | 6,652 |
| Bashas' | 6,153 |

Source: Greater Phoenix Economic Council

Housing

The metro Phoenix economy has been positively impacted by increases in residential construction and improvement in the single-family market. Total residential permits (single family and multi-family) for 2015 are estimated at 23,316, up 14.6% from 2014. Permits are projected by Eller to increase by 11.4% in 2016 and 28.0% in 2017. The S&P Case-Shiller house price index shows an increase in Phoenix MSA home prices of 5.7% in the last year, slightly above the 20-city U.S. composite of 5.2%.

Commercial Real Estate

Various sectors of the Phoenix commercial real estate market are summarized as follows.

Commercial Real Estate Indicators - Metro Phoenix

| | Vacancy (%) | | Year-to-Date Net Absorption (SF) | |
|------------|-------------|----------|-------------------------------------|--------|
| | Annual | | YTD | Annual |
| | Q4 2015 | Change | Q4 2015 | Change |
| Apartments | 5.7% | -10 bps | 6,140 | 5.4% |
| Industrial | 10.7% | -100 bps | 7,037,746 | -7.0% |
| Retail | 9.3% | -60 bps | 1,790,702 | -12.9% |
| Office | 16.3% | -90 bps | 3,822,670 | 34.7% |

Source: Costar; Real Data

- **Apartment** vacancy was 5.7% at the end of 2015, down 10 basis points in the last year. Net absorption in 2015 was 6,140 units, which is up 5.4% over 2014. Apartment rents have shown improvement in some submarkets. At the end of 2015, 4,039 units were under construction, and 11,230 units were listed as planned. Job creation and

improvement in the single-family housing market is projected to result in continued improvement in the multi-family market. (Data from Real Data Inc.).

- The *industrial market* in Phoenix experienced positive net absorption of 7.04 million SF in 2015, which was slightly behind 2014 when annual absorption totaled nearly 7.4 million SF. A total of 5.38 million SF were delivered in 2015, which is about 25% less than 2014 when a total of 7.2 million SF were delivered. A total of 3.76 million SF were under construction at the end of 2015. Vacancy was 10.7% at the end of 2015, which was 100 basis points lower than one year ago. Most projections indicate strong net absorption for 2016 based on tenants in the market. Rents are projected to increase 3% to 5%, and speculative construction will increase. (Data from CoStar).
- The metro Phoenix *retail market* experienced net absorption of 1.79 million SF in 2015, which is 12.9% less than 2014. Deliveries totaled 1.12 million SF in 2015, compared to 947,430 SF in 2014 and 1.36 million SF in 2013. Vacancy at the end of 2015 was 9.3%, an improvement of 60 basis points in the last year. A total of 904,560 SF were under construction at the end of 2015. Average asking rents have stabilized, and some submarkets show rent increases. Based on minimal new speculative construction and increased tenant activity, projections are for continued improvement in vacancy and rents. (Data from CoStar).
- The Phoenix *office market* experienced the delivery of 2.95 million SF in 2015, well ahead of 2014 when total annual deliveries were 1.4 million SF. Net absorption in 2015 was 3.8 million SF, which significantly exceeds the level of 2014 when a total of 2.9 million SF were absorbed. The vacancy rate was 16.3% at the end of 2015, which is an improvement of 90 basis points in the last year. There were 2.68 million SF of new office inventory under construction at the end of 2015; however, the majority of this involves pre-committed space for the Farmers Insurance Headquarters. Job growth is projected to result in improvement in the local office market. It appears that rents have bottomed, and increases have been evident in some select submarkets. (Data from Costar).

In sum, the most recent data indicate that the local economy has been showing continued improvement in employment along with increases in consumer spending, population growth and increased momentum in the housing market.

CITY OF BUCKEYE

Buckeye is a predominantly agricultural community located about 40 minutes from downtown Phoenix in the Southwest Valley. The City grew from 4,850 residents in 1995 to 50,876 in 2010. With a planning area of more than 600 square miles, Buckeye has initiated a unique and progressive Community Master Plan approach to community planning and business site planning.

Buckeye is a rapidly growing community in transition from agricultural to suburban uses. The northern portion of Buckeye comprises large tracts of annexed desert land, whereas the southern portion exhibits agricultural uses. Overall, the majority of land area is either in use or designated for residential related purposes. The most dominant characteristic of this portion of the Valley has been the emergence of master planned communities. Although less intensive, commercial zones designed to meet the needs of the neighborhood's growing residential base will also be developed.

Buckeye is the westernmost community of metro Phoenix. There are currently 30+ proposed master planned communities ranging in size up to 36,000 acres, and the city has approved more than 315,000 entitlements for homes. As the economy continues to rebound, new single-family construction is projected to be robust in Buckeye.

Demographic data for the City of Buckeye is summarized as follows:



Market Profile

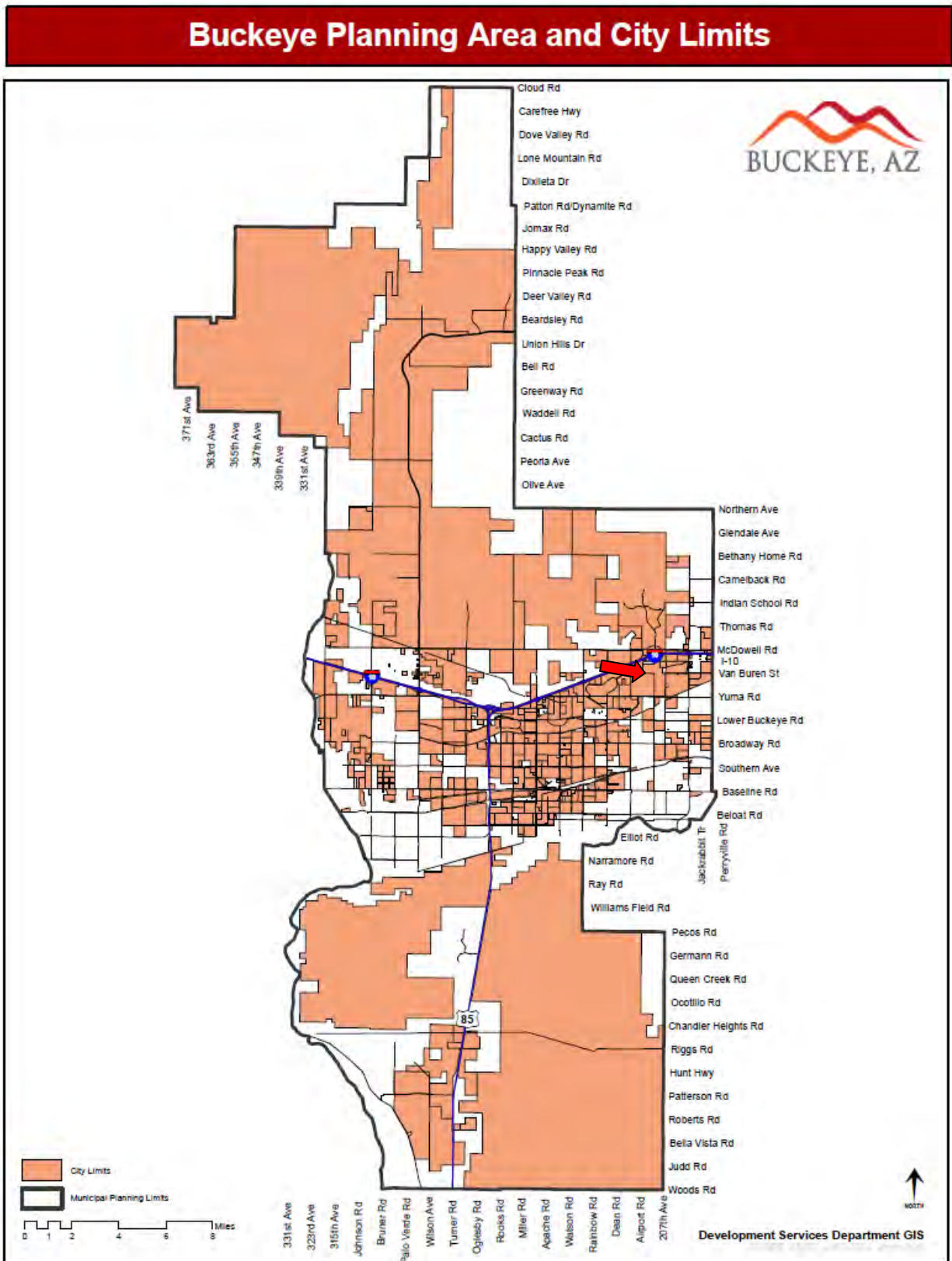
Buckeye Town, AZ
Geography: Place

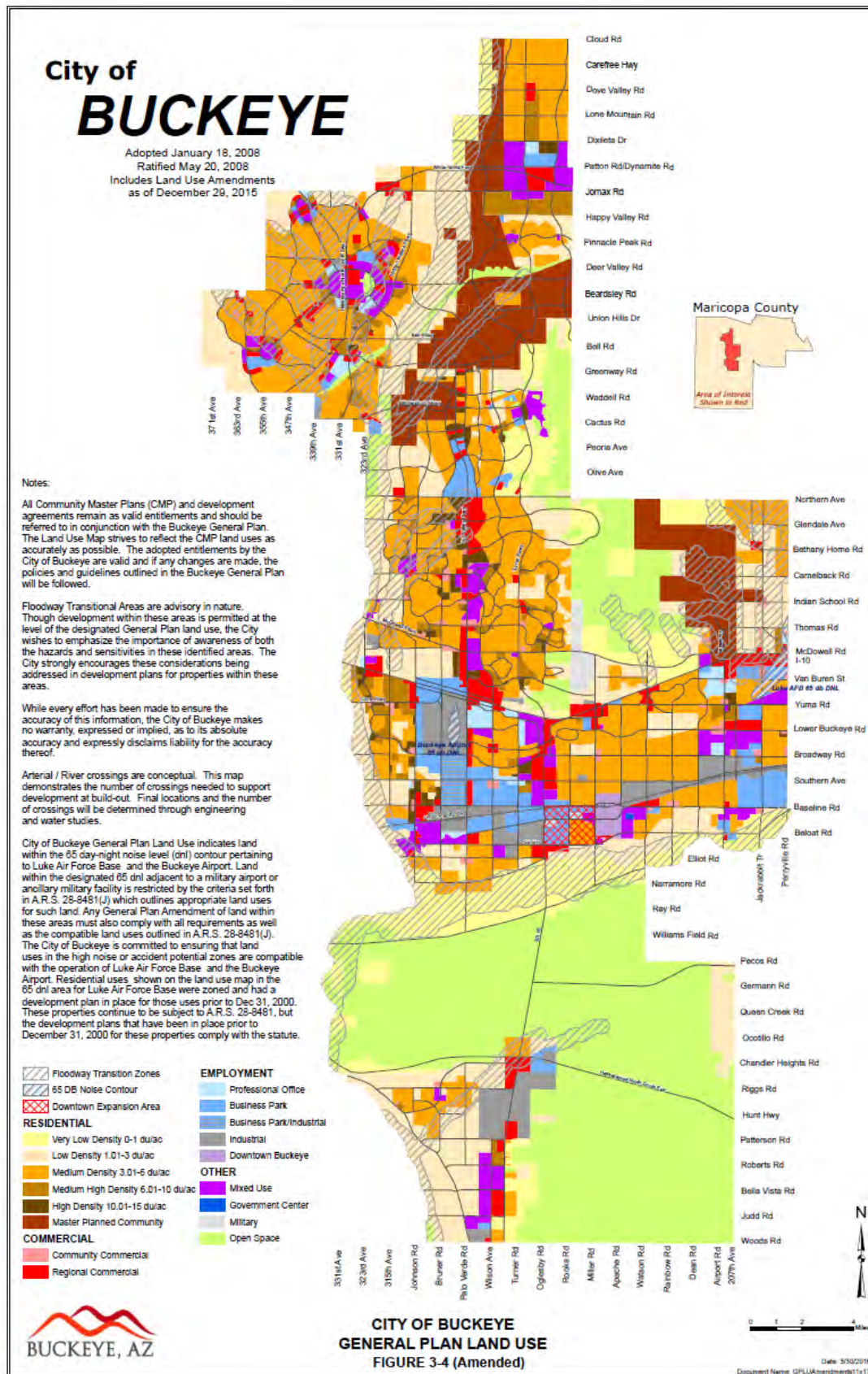
Prepared by Esri

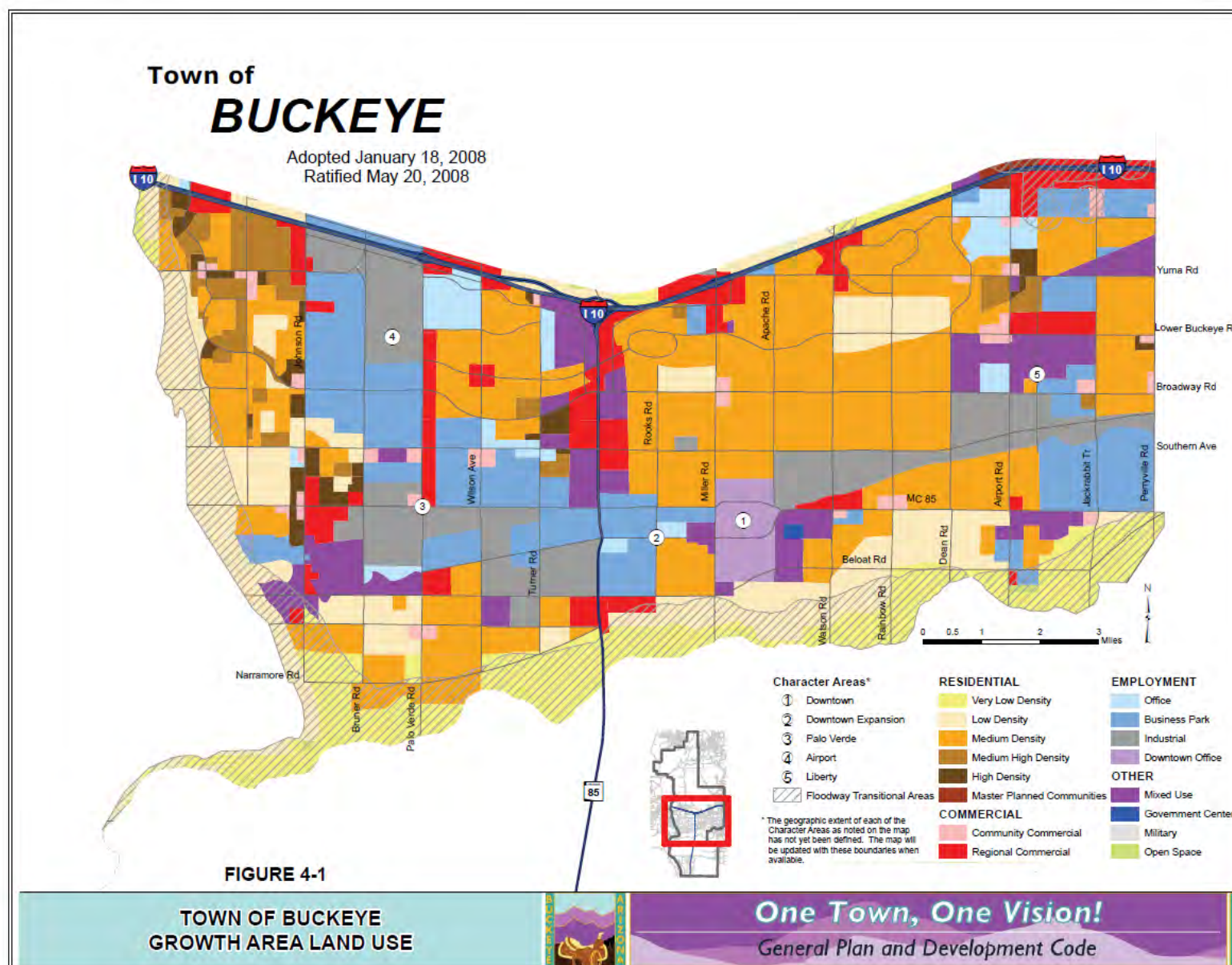
| | |
|--------------------------------|-----------|
| Population Summary | |
| 2000 Total Population | 10,369 |
| 2010 Total Population | 51,032 |
| 2016 Total Population | 62,268 |
| 2016 Group Quarters | 5,464 |
| 2021 Total Population | 70,707 |
| 2016-2021 Annual Rate | 2.57% |
| Household Summary | |
| 2000 Households | 2,936 |
| 2000 Average Household Size | 3.13 |
| 2010 Households | 14,472 |
| 2010 Average Household Size | 3.17 |
| 2016 Households | 17,740 |
| 2016 Average Household Size | 3.20 |
| 2021 Households | 20,355 |
| 2021 Average Household Size | 3.21 |
| 2016-2021 Annual Rate | 2.79% |
| 2010 Families | 11,536 |
| 2010 Average Family Size | 3.52 |
| 2016 Families | 14,070 |
| 2016 Average Family Size | 3.56 |
| 2021 Families | 16,094 |
| 2021 Average Family Size | 3.56 |
| 2016-2021 Annual Rate | 2.72% |
| Housing Unit Summary | |
| 2000 Housing Units | 3,202 |
| Owner Occupied Housing Units | 62.7% |
| Renter Occupied Housing Units | 29.0% |
| Vacant Housing Units | 8.3% |
| 2010 Housing Units | 18,278 |
| Owner Occupied Housing Units | 59.9% |
| Renter Occupied Housing Units | 19.3% |
| Vacant Housing Units | 20.8% |
| 2016 Housing Units | 22,015 |
| Owner Occupied Housing Units | 59.3% |
| Renter Occupied Housing Units | 21.3% |
| Vacant Housing Units | 19.4% |
| 2021 Housing Units | 24,769 |
| Owner Occupied Housing Units | 61.1% |
| Renter Occupied Housing Units | 21.1% |
| Vacant Housing Units | 17.8% |
| Median Household Income | |
| 2016 | \$61,204 |
| 2021 | \$68,698 |
| Median Home Value | |
| 2016 | \$170,851 |
| 2021 | \$208,645 |
| Per Capita Income | |
| 2016 | \$22,994 |
| 2021 | \$25,377 |
| Median Age | |
| 2010 | 30.8 |
| 2016 | 32.4 |
| 2021 | 31.9 |

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

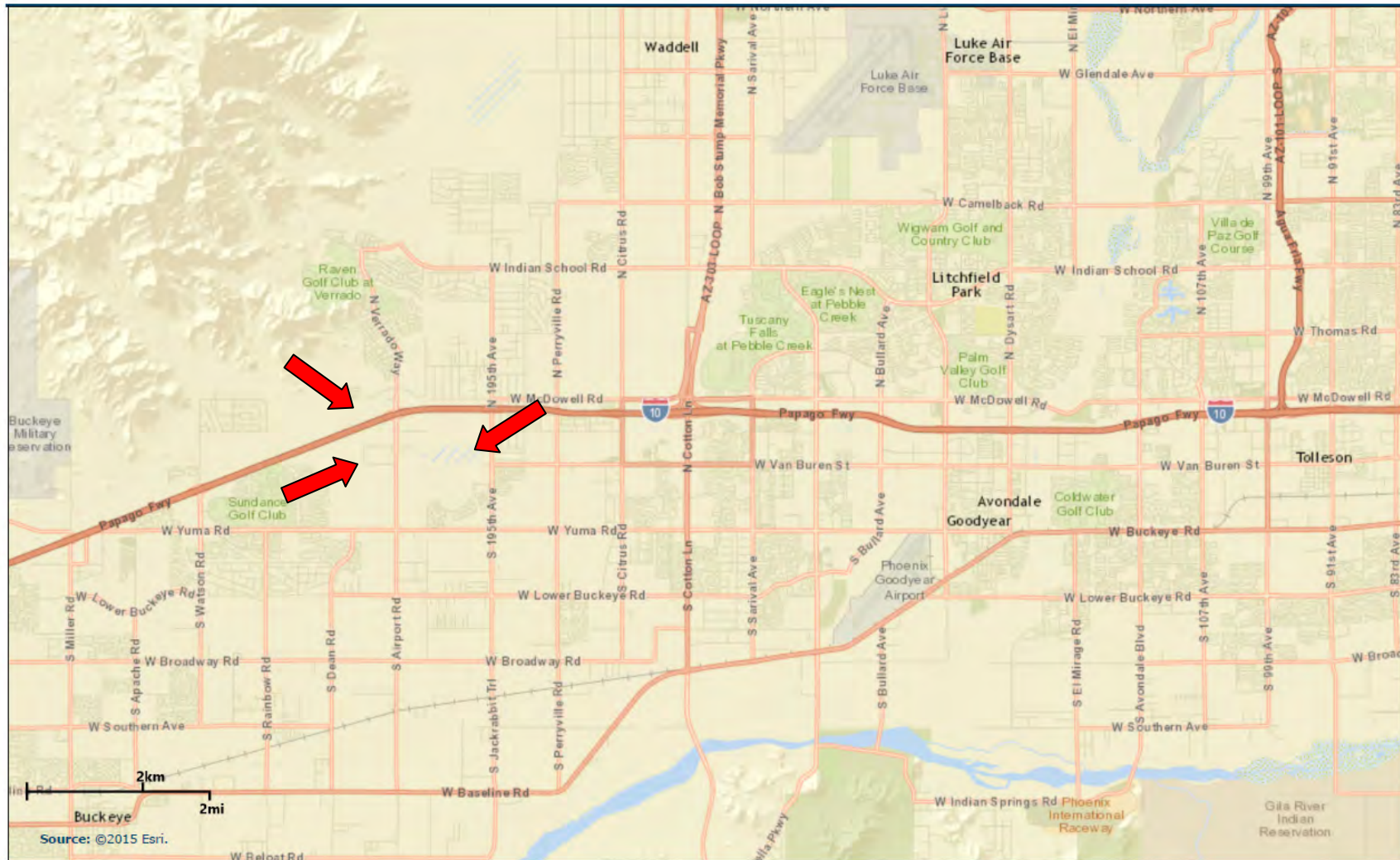








Neighborhood Map



NEIGHBORHOOD ANALYSIS

| Neighborhood Summary | |
|---------------------------|---|
| Location | Buckeye |
| Population - 5 mi. radius | 51,877 |
| Households - 5 mi. radius | 14,764 |
| Freeways | Interstate 10; Loop 303 |
| Major Retail Projects | Sundance Towne Center Canyon Trails Towne Center |
| Major Developments | Verrado |
| Major Employers | Walmart Distribution Center |
| Neighborhood Status | Growing |

LOCATION

The subject parcels are located in the I-10 corridor of Buckeye, between Jackrabbit Trail on the east and Dean Road on the west.

BOUNDARIES

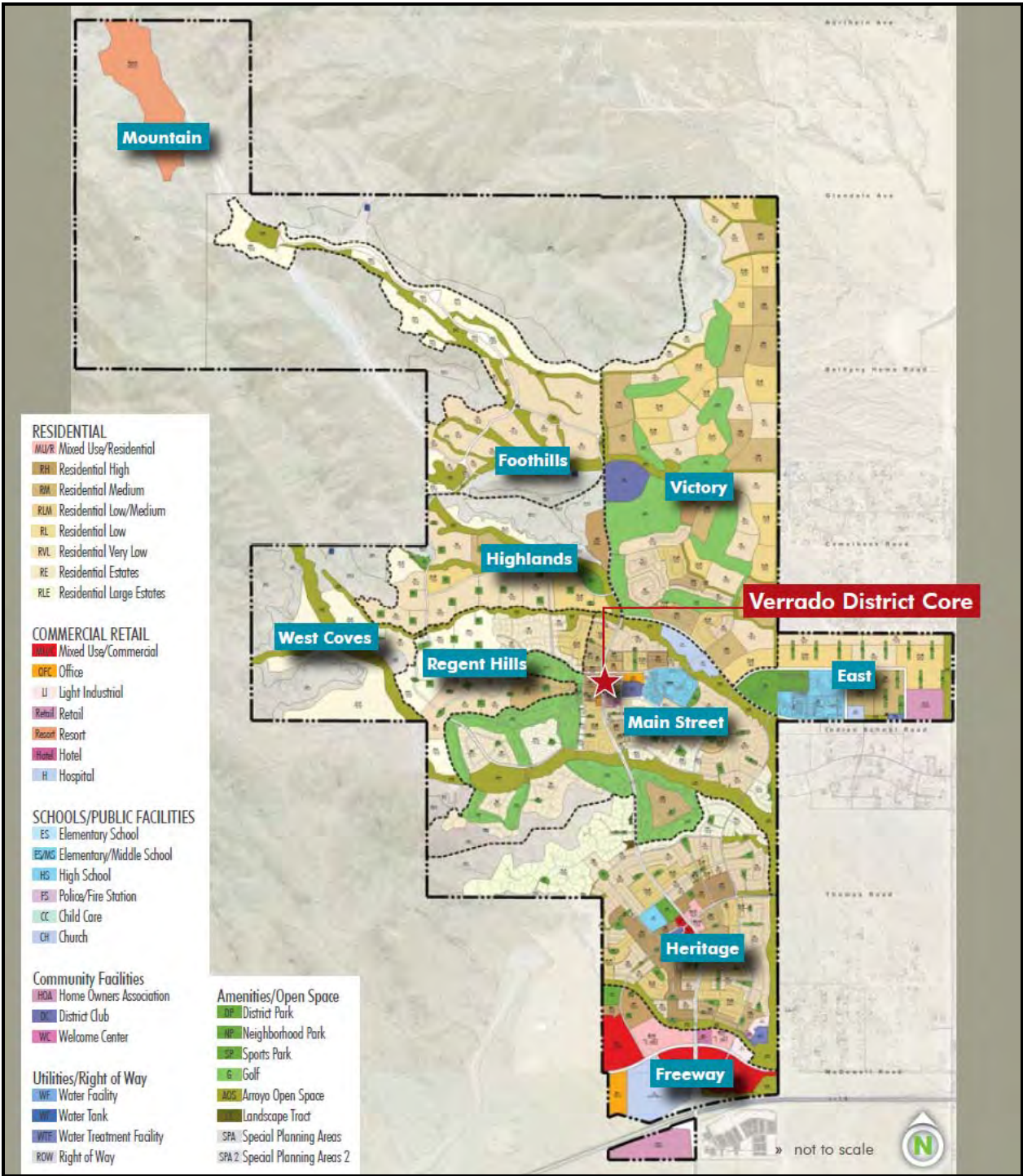
The boundaries of the City of Buckeye previously identified. The boundaries of Verrado on shown on the exhibit on the following page.

VERRADO

Most of the subject parcels are proximate the Verrado, a master-planned community located in Buckeye in the foothills of the White Tank mountains. Verrado is being developed by DMB Associates and is an example of New Urbanism, a style of urban planning featuring pedestrian friendly Main Street, intimate neighborhoods with tree-shaded sidewalks, numerous neighborhood parks, and recreational amenities. Verrado is 8,800 acres and is approved for up to 14,080 homes and four million square feet of commercial space.

Verrado, which opened in January 2004, offers a wide range of housing opportunities, including detached and attached single-family production homes, custom homes and rental lofts. Home designs are generally based on Spanish and Ranch Hacienda architectural styles. Home builders in Verrado include Frank Residential, Maracay Homes, Meritage Homes, Lennar, Shea Homes, K Hovnanian Homes and Toll Brothers. Home prices generally start from the mid \$100,000s and extend to over \$500,000. There are currently approximately 4,300 homes in Verrado, and the estimated population exceeds 12,000.

VERRADO MASTERPLAN



Verrado features a pedestrian-oriented Main Street with several merchants occupying 40,000 SF of retail, including a Bashas' supermarket, CVS pharmacy, bank and restaurants. Located on the second and third floors above the retail districts are the 45-unit Main Street Lofts apartments. Adjacent to the Main Street District are the Verrado Sport and Health Club and the Raven Golf Club.

Verrado is home to Verrado Middle School (part of Litchfield Elementary School District), Verrado High School (part of Agua Fria High School District) and Verrado Elementary. The community also includes Goddard School for Early Childhood Development.

Verrado Marketside is part of the Marketside District, a 60-acre commercial district located on both the east and west sides of Verrado Way between McDowell Road and Interstate 10. Plans call for retail anchors and shop space available for sale or lease. Existing development includes Banner Health Center, Verrado Coffee Company, CST convenience store/fuel station and Culver's. Planned near-term development includes the subject, hotels, restaurants and self-storage.

An adult community (55 and older) named Victory is currently under construction in Verrado. The community is planned for 3,500 homes on 1,200 acres in the foothills along the eastern border. The community will include a new golf course and clubhouse. Phase I consists of 417 lots.

OTHER AREA DEVELOPMENT

Sundance is a 2,000 acre master-planned development located south of Interstate 10 at Watson Road. The development includes a 45+ adult community of 1,100 homes with 15,000 SF clubhouse, and an 18-hole golf course. Sundance also includes a 600,000 SF retail power center built in 2007 at the SWC of Watson Road and I-10. Sundance Towne Center includes a Walmart Supercenter, Lowe's Home Improvement, Bealls, and Petsmart.

Canyon Trails is a master planned community about four miles east of subject within the city limits of Goodyear. The community features the 400,000 SF Canyon Trails Towne Center, a power center at the intersection of Yuma Road and Cotton Lane. The center is anchored by Target and also includes Petsmart, Ross, Dollar Tree and Cost Plus. The center has over 20 acres of vacant land for future development.

ACCESS

Buckeye has excellent access to several important commercial roadways, including six interchanges with I-10. Arizona State Route 85 (A.K.A., Oglesby Road) links I-10 and I-8 and was recently upgraded to four-lanes as part of the international Can-Mex Highway.

The Loop 303 Highway, which links the Phoenix metro area to Highway 93 and the Las Vegas market, is a ±15-minute drive from downtown Buckeye. The Loop 101 Freeway, which provides easy access to the north and east sectors of metropolitan Phoenix and I-17 north to Flagstaff, is a ±20-minute drive from downtown Buckeye. Travel time estimates assume non-peak versus peak traffic periods which have increased congestion commensurate with the southwest sector's sprawling growth.

The Phoenix-Goodyear Airport is located ±10 minutes from downtown Buckeye. The Buckeye Municipal Airport is a smaller facility located ±1 mile south of I-10 at the Palo Verde interchange. This airport is equipped with a 5,500 ft north/south aligned runway designed for use by small, general aviation aircraft. Its size (800 acres) and location allow potential for future use as a commercial airpark. This airport currently serves as the home of the Groen Brothers Aviation Company flight testing operation.

EMPLOYMENT

The largest local major employers in the area include the Palo Verde Nuclear Generating Station, Arizona State Prison Complex on State Highway 85, Walmart Distribution Center, the Buckeye Elementary School District, and the City of Buckeye.

DEMOGRAPHICS

According to data from esri, there are approximately 25,957 persons living within a three-mile radius of the intersection of I-10 and Verrado Way, and 51,877 within a five-mile radius. The population within the subject neighborhood has shown significant growth, with a population increase of 548% between 2000 and 2016 in the 3-mile radius and 459% in the 5-mile radius. The neighborhood currently has an above average income demographic profile with a 2016 average household income of \$85,315 and a median household income of \$68,931 in a five-mile radius. Generally, the neighborhood is expected to maintain a relatively stable growth pattern in the foreseeable future.

PUBLIC SERVICES

Most of the neighborhood is within the city limits of Buckeye. All necessary community facilities are provided, including public transportation, schools, fire and police protection. Water is supplied by Arizona Water Company, EPCOR and the City of Buckeye. Other suppliers of public services include electric power from the Arizona Public Service and telephone/cable service from Century Link and Cox.

CONCLUSION AND RELEVANCE TO THE SUBJECT PROPERTY

In summary, the subject neighborhood is characterized as adjacent to a high-end master-planned community in the fast growing western sector of metro Phoenix. The neighborhood contains a complimentary mix of high-quality housing, retail, and office developments. The appraised property is considered to be positively impacted by its location within this area.

 **esri**

3, 5, 7-Mile Radii





Market Profile

I-10 & Verrado Way, Buckeye, Arizona, 85326
Rings: 3, 5, 7 mile radii

Prepared by Esri
Latitude: 33.46141
Longitude: -112.50443

| | 3 miles | 5 miles | 7 miles |
|--------------------------------|-----------|-----------|-----------|
| Population Summary | | | |
| 2000 Total Population | 4,003 | 9,280 | 18,987 |
| 2010 Total Population | 20,078 | 40,389 | 80,892 |
| 2016 Total Population | 25,957 | 51,877 | 100,909 |
| 2016 Group Quarters | 15 | 3,877 | 4,055 |
| 2021 Total Population | 30,667 | 62,271 | 118,048 |
| 2016-2021 Annual Rate | 3.39% | 3.72% | 3.19% |
| Household Summary | | | |
| 2000 Households | 1,068 | 2,346 | 5,580 |
| 2000 Average Household Size | 3.21 | 3.04 | 2.98 |
| 2010 Households | 6,111 | 11,374 | 24,942 |
| 2010 Average Household Size | 3.28 | 3.24 | 3.10 |
| 2016 Households | 7,886 | 14,764 | 31,221 |
| 2016 Average Household Size | 3.29 | 3.25 | 3.10 |
| 2021 Households | 9,320 | 18,018 | 36,707 |
| 2021 Average Household Size | 3.29 | 3.24 | 3.11 |
| 2016-2021 Annual Rate | 3.40% | 4.06% | 3.29% |
| 2010 Families | 5,057 | 9,343 | 20,152 |
| 2010 Average Family Size | 3.57 | 3.54 | 3.40 |
| 2016 Families | 6,485 | 12,061 | 25,067 |
| 2016 Average Family Size | 3.59 | 3.55 | 3.42 |
| 2021 Families | 7,645 | 14,681 | 29,388 |
| 2021 Average Family Size | 3.59 | 3.55 | 3.42 |
| 2016-2021 Annual Rate | 3.35% | 4.01% | 3.23% |
| Housing Unit Summary | | | |
| 2000 Housing Units | 1,116 | 2,536 | 5,976 |
| Owner Occupied Housing Units | 86.6% | 81.5% | 83.0% |
| Renter Occupied Housing Units | 9.1% | 11.0% | 10.4% |
| Vacant Housing Units | 4.3% | 7.5% | 6.6% |
| 2010 Housing Units | 7,375 | 13,699 | 29,492 |
| Owner Occupied Housing Units | 65.1% | 66.3% | 67.6% |
| Renter Occupied Housing Units | 17.7% | 16.8% | 17.0% |
| Vacant Housing Units | 17.1% | 17.0% | 15.4% |
| 2016 Housing Units | 9,211 | 17,257 | 36,110 |
| Owner Occupied Housing Units | 64.1% | 65.9% | 66.9% |
| Renter Occupied Housing Units | 21.5% | 19.7% | 19.6% |
| Vacant Housing Units | 14.4% | 14.4% | 13.5% |
| 2021 Housing Units | 10,464 | 20,374 | 41,329 |
| Owner Occupied Housing Units | 67.2% | 68.9% | 69.3% |
| Renter Occupied Housing Units | 21.8% | 19.6% | 19.6% |
| Vacant Housing Units | 10.9% | 11.6% | 11.2% |
| Median Household Income | | | |
| 2016 | \$69,704 | \$68,931 | \$70,468 |
| 2021 | \$78,044 | \$76,161 | \$78,520 |
| Median Home Value | | | |
| 2016 | \$201,779 | \$202,441 | \$213,094 |
| 2021 | \$262,119 | \$257,065 | \$261,787 |
| Per Capita Income | | | |
| 2016 | \$26,050 | \$24,441 | \$26,371 |
| 2021 | \$28,781 | \$27,145 | \$29,297 |
| Median Age | | | |
| 2010 | 31.1 | 31.0 | 32.1 |
| 2016 | 32.5 | 32.4 | 33.6 |
| 2021 | 31.9 | 32.4 | 33.3 |

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.



Market Profile

I-10 & Verrado Way, Buckeye, Arizona, 85326
Rings: 3, 5, 7 mile radii

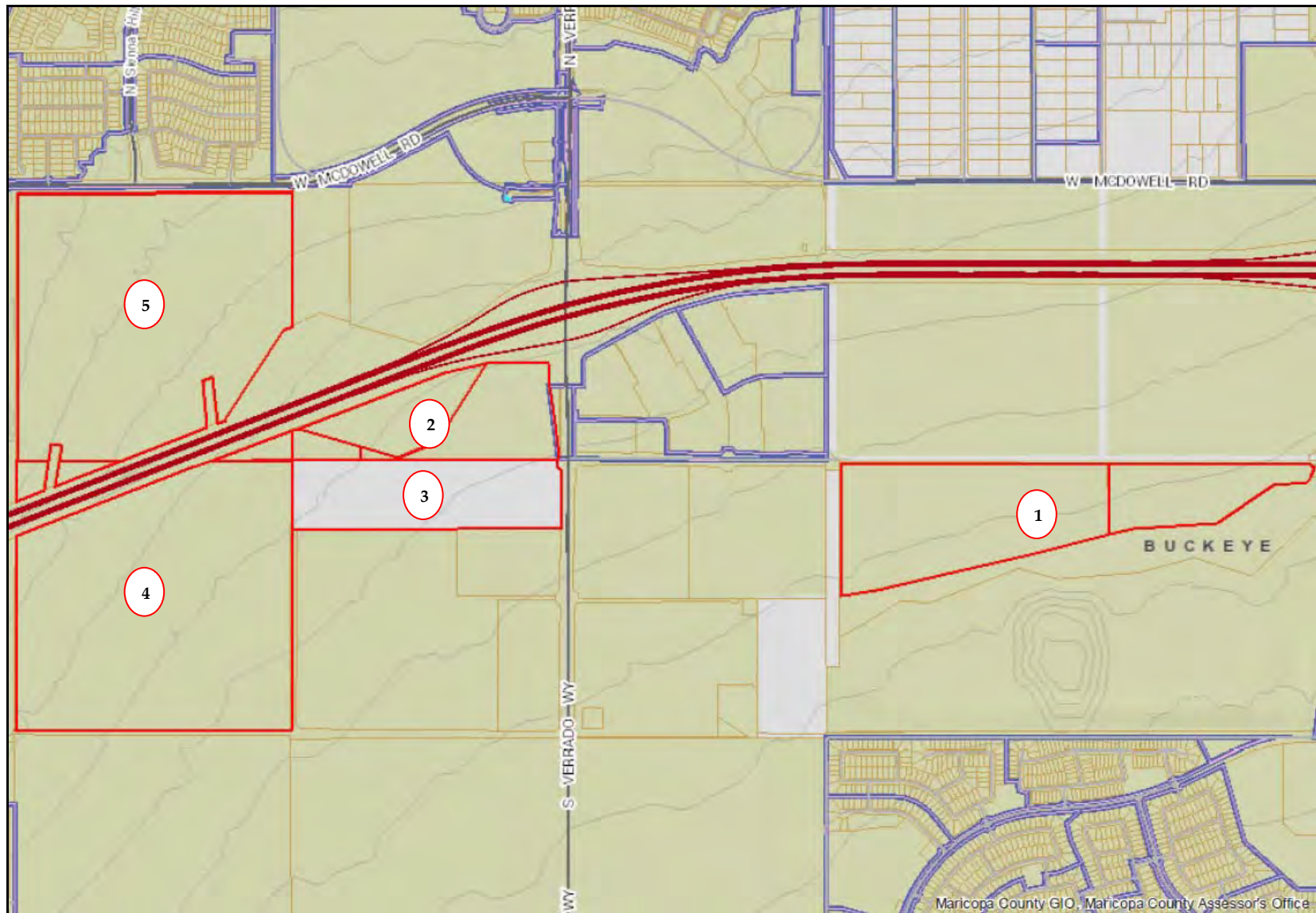
Prepared by Esri
Latitude: 33.46141
Longitude: -112.50443

| | 3 miles | 5 miles | 7 miles |
|---|-----------|-----------|-----------|
| 2016 Households by Income | | | |
| Household Income Base | 7,886 | 14,764 | 31,221 |
| <\$15,000 | 7.6% | 6.4% | 6.1% |
| \$15,000 - \$24,999 | 5.6% | 6.6% | 5.7% |
| \$25,000 - \$34,999 | 9.4% | 8.4% | 7.5% |
| \$35,000 - \$49,999 | 11.5% | 11.4% | 12.6% |
| \$50,000 - \$74,999 | 19.0% | 21.0% | 20.8% |
| \$75,000 - \$99,999 | 17.5% | 16.8% | 18.1% |
| \$100,000 - \$149,999 | 16.6% | 18.0% | 18.6% |
| \$150,000 - \$199,999 | 7.4% | 6.1% | 6.0% |
| \$200,000+ | 5.6% | 5.4% | 4.5% |
| Average Household Income | \$85,969 | \$85,315 | \$84,633 |
| 2021 Households by Income | | | |
| Household Income Base | 9,320 | 18,018 | 36,707 |
| <\$15,000 | 7.1% | 6.3% | 5.9% |
| \$15,000 - \$24,999 | 5.2% | 6.1% | 5.2% |
| \$25,000 - \$34,999 | 8.8% | 8.0% | 7.4% |
| \$35,000 - \$49,999 | 7.5% | 7.1% | 7.3% |
| \$50,000 - \$74,999 | 18.3% | 21.4% | 20.5% |
| \$75,000 - \$99,999 | 18.4% | 17.0% | 18.8% |
| \$100,000 - \$149,999 | 19.5% | 20.6% | 21.9% |
| \$150,000 - \$199,999 | 8.8% | 7.4% | 7.6% |
| \$200,000+ | 6.4% | 6.0% | 5.2% |
| Average Household Income | \$95,037 | \$93,364 | \$93,688 |
| 2016 Owner Occupied Housing Units by Value | | | |
| Total | 5,908 | 11,364 | 24,158 |
| <\$50,000 | 1.4% | 2.8% | 2.5% |
| \$50,000 - \$99,999 | 11.5% | 11.8% | 11.2% |
| \$100,000 - \$149,999 | 18.4% | 17.6% | 16.9% |
| \$150,000 - \$199,999 | 18.2% | 17.2% | 16.1% |
| \$200,000 - \$249,999 | 12.6% | 13.3% | 12.8% |
| \$250,000 - \$299,999 | 8.0% | 9.0% | 8.8% |
| \$300,000 - \$399,999 | 12.1% | 12.8% | 14.5% |
| \$400,000 - \$499,999 | 7.6% | 6.9% | 8.8% |
| \$500,000 - \$749,999 | 5.6% | 5.1% | 5.7% |
| \$750,000 - \$999,999 | 2.9% | 2.5% | 1.9% |
| \$1,000,000 + | 1.6% | 1.1% | 0.8% |
| Average Home Value | \$271,455 | \$259,453 | \$264,160 |
| 2021 Owner Occupied Housing Units by Value | | | |
| Total | 7,034 | 14,030 | 28,624 |
| <\$50,000 | 0.8% | 1.9% | 1.6% |
| \$50,000 - \$99,999 | 6.3% | 7.1% | 7.3% |
| \$100,000 - \$149,999 | 11.0% | 10.4% | 10.9% |
| \$150,000 - \$199,999 | 17.7% | 15.2% | 13.8% |
| \$200,000 - \$249,999 | 12.0% | 13.8% | 13.8% |
| \$250,000 - \$299,999 | 9.3% | 11.0% | 11.4% |
| \$300,000 - \$399,999 | 19.5% | 20.5% | 21.1% |
| \$400,000 - \$499,999 | 10.7% | 9.3% | 10.4% |
| \$500,000 - \$749,999 | 7.1% | 6.3% | 6.6% |
| \$750,000 - \$999,999 | 3.7% | 3.2% | 2.4% |
| \$1,000,000 + | 1.9% | 1.2% | 0.9% |
| Average Home Value | \$319,299 | \$302,849 | \$299,055 |

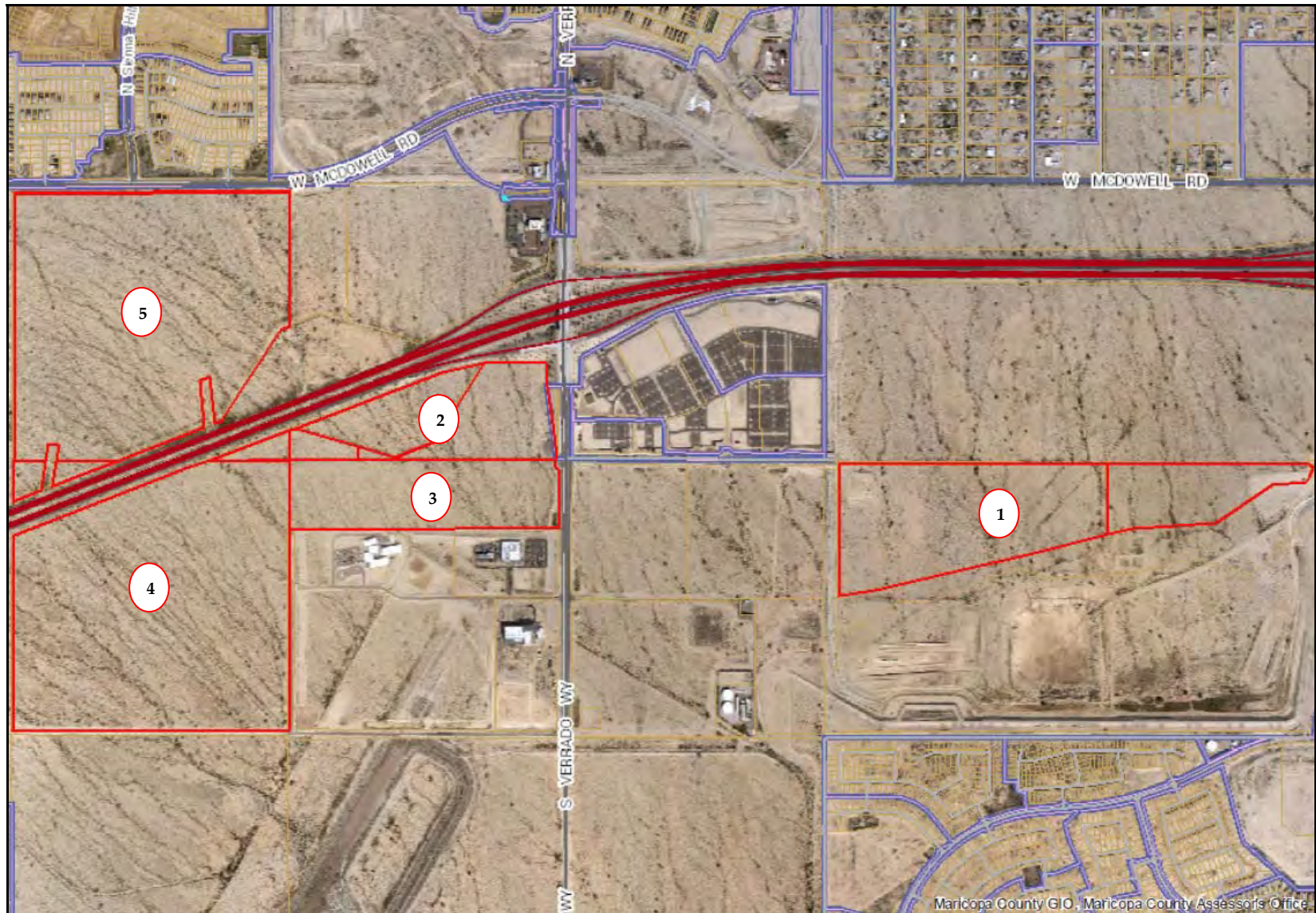
Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021 Esri converted Census 2000 data into 2010 geography.

ASSESSOR'S PLAT



ASSESSOR'S AERIAL



SITE ANALYSIS - PARCEL 1

| | |
|--------------------------------|--|
| Location: | West of the SWC of Jackrabbit Trail (195th Avenue) and Roosevelt Street alignment, Buckeye, AZ |
| Assessor's Parcel Nos: | 502-35-013A and 014C |
| Land Area: | 3,422,207 SF, or 78.56 acres, per Assessor |
| Shape & Frontage: | Irregular, approximately 4,776' along north border and 1,262' deep along west border. |
| Existing Use (Primary): | Vacant |
| Site Improvements: | None |
| Zoning: | I-1, Light Industrial, with a Planned Area Development (PAD) overlay; allows for business park, light industrial and some commercial uses; rezoned from PR in 2015 |
| General Plan: | The City of Buckeye General Plan designates the site for business park use. |
| Flood | FEMA maps indicate the site is in Zone X (shaded). This is not a flood hazard area. This is an "area of 0.2% annual chance flood; areas of 1% annual change flood with average depths of less than 1 foot or with drainage areas of less than one mile; and areas protected by levees from 1% annual chance flood." The subject is in flood panel 04013C2130L, dated October 16, 2013. |
| Streets & Access: | The property has no current paved access. Roosevelt Street extends east of Jackrabbit Trail and west of Tuthill Road. The right-of-way for the south half of Roosevelt Street extends along the north border of the subject. The west border of the property fronts the Tuthill Road alignment; however, the Tuthill Road right-of-way is designated as floodway and will likely not be developed as a street. Tuthill Road is developed south of Van Buren Street, south of the flood control berm. |
| Utilities: | Public utilities are available to the property from Roosevelt Street at the Tuthill Road alignment. The City of Buckeye provides municipal sewer, and water is provided by Arizona Water Company. Electricity is provided by Arizona Public Service, and telephone and cable are by Century Link and Cox. |
| Easements: | A recent title commitment for the site was not provided for review. It is specifically assumed that any easements, restrictions or encroachments that might appear against the title would have no |

adverse impact on marketability or value.

Topography:

The site is generally level with minimal slope to the south. The cover is native Sonoran desert.

Drainage:

During the inspection of the property, no drainage problems were observed and none are assumed to exist. The off-site infrastructure includes drainage floodway/culverts.

Soils:

A recent Geotechnical Investigation report was not provided for review. The site's soils are assumed adequate for the highest and best use.

Environmental Issues:

A recent Phase I Environmental Site Assessment was not provided for review. No adverse environmental conditions are assumed to exist.

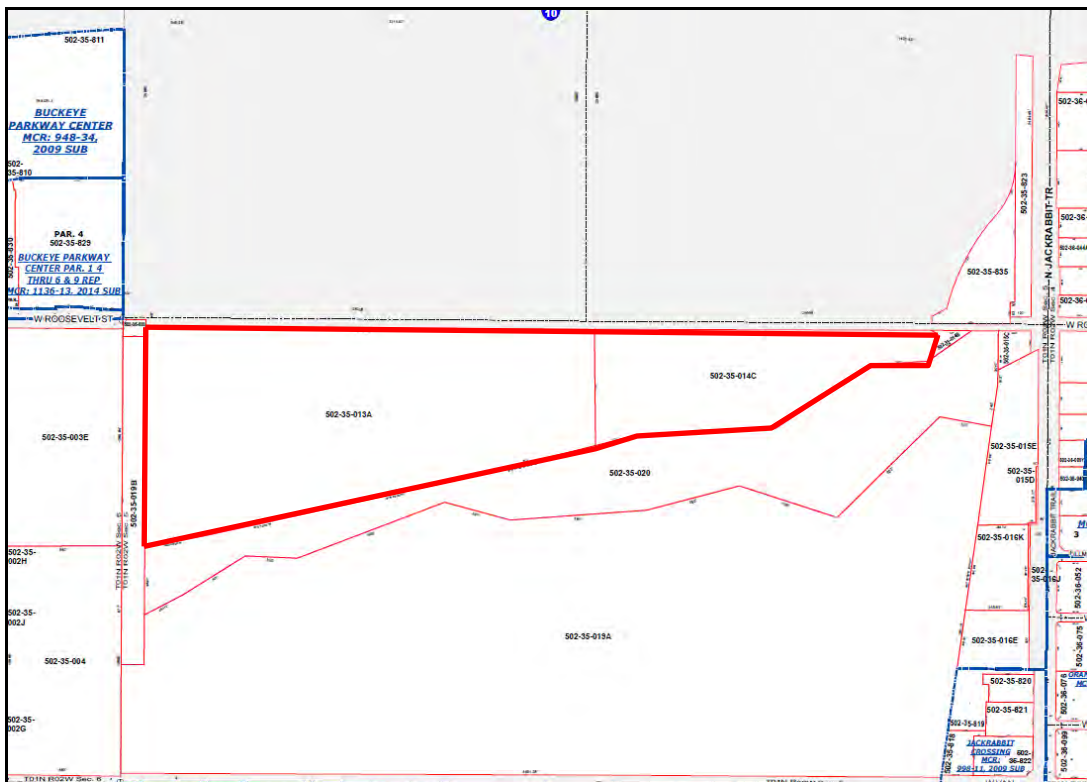
Earthquake:

The area is not noted for seismic activity.

Surrounding Properties:

The property is surrounded by vacant land to the north, south and west. The 64-acre parcel at the NWC of Tuthill and Roosevelt was fully improved for construction of a shopping center in 2006-07; however, the center was never constructed and the site remains vacant. The flood control channel is to the southeast and east. The east side of Jackrabbit Trail includes some commercial and residential uses.

PARCEL 1



SITE ANALYSIS - PARCEL 2

| | |
|--------------------------------|---|
| Location: | Southwest corner of I-10 and Verrado Way |
| Assessor's Parcel Nos: | 504-20-001M, 001Q and 381 |
| Land Area: | 1,769,292 SF, or 40.617 acres, per Assessor |
| Shape & Frontage: | Irregular, approximately 2,585' of frontage along I-10, as well as frontage along Verrado Way |
| Existing Use (Primary): | Vacant |
| Site Improvements: | None |
| Zoning: | C-3, Regional Commercial (rezoned from PC in 2015). Allows for large-scale commercial or retail uses. Parcel 2 is no longer part of Verrado CMP. |
| General Plan: | The City of Buckeye General Plan designates the site for retail commercial use. |
| Flood | <p>FEMA maps indicate the almost all of the site is in Zone X (shaded). This is not a flood hazard area. This is an "area of 0.2% annual chance flood; areas of 1% annual change flood with average depths of less than 1 foot or with drainage areas of less than one mile; and areas protected by levees from 1% annual chance flood."</p> <p>It appears that a very small portion of western boundary of the site is in Zone A due to the elevation of the freeway. Zone A is a special flood hazard area subject to inundation by the 1% annual change flood.</p> <p>The subject is in flood panel 04013C2110L, dated October 16, 2013.</p> |
| Streets & Access: | The property has current paved access from Verrado Way, which is three lanes in each direction. The alignment of Roosevelt Street extends along the south boundary of the property. Roosevelt Street is currently paved east of Verrado Way with two lanes in each direction separated by a raised landscaped median. There are sidewalks, streetlights, bicycle lanes and turning lanes along Roosevelt Street. The intersection of Roosevelt Street and Verrado Way is signal controlled. Access to I-10 is via an interchange at Verrado Way. |
| Utilities: | Public utilities are available to the property from Verrado Way. The City of Buckeye provides municipal sewer, and water is provided by the City of Buckeye. Electricity is provided by Arizona Public |

Service, and telephone and cable are by Century Link and Cox.

Easements:

A recent title commitment for the site was not provided for review. It is specifically assumed that any easements, restrictions or encroachments that might appear against the title would have no adverse impact on marketability or value.

Topography:

The site is generally level with minimal slope to the south. The cover is native Sonoran desert.

Drainage:

During the inspection of the property, no drainage problems were observed and none are assumed to exist. The off-site infrastructure includes drainage floodway/culverts.

Soils:

A recent Geotechnical Investigation report was not provided for review. The site's soils are assumed adequate for the highest and best use.

Environmental Issues:

A recent Phase I Environmental Site Assessment was not provided for review. No adverse environmental conditions are assumed to exist.

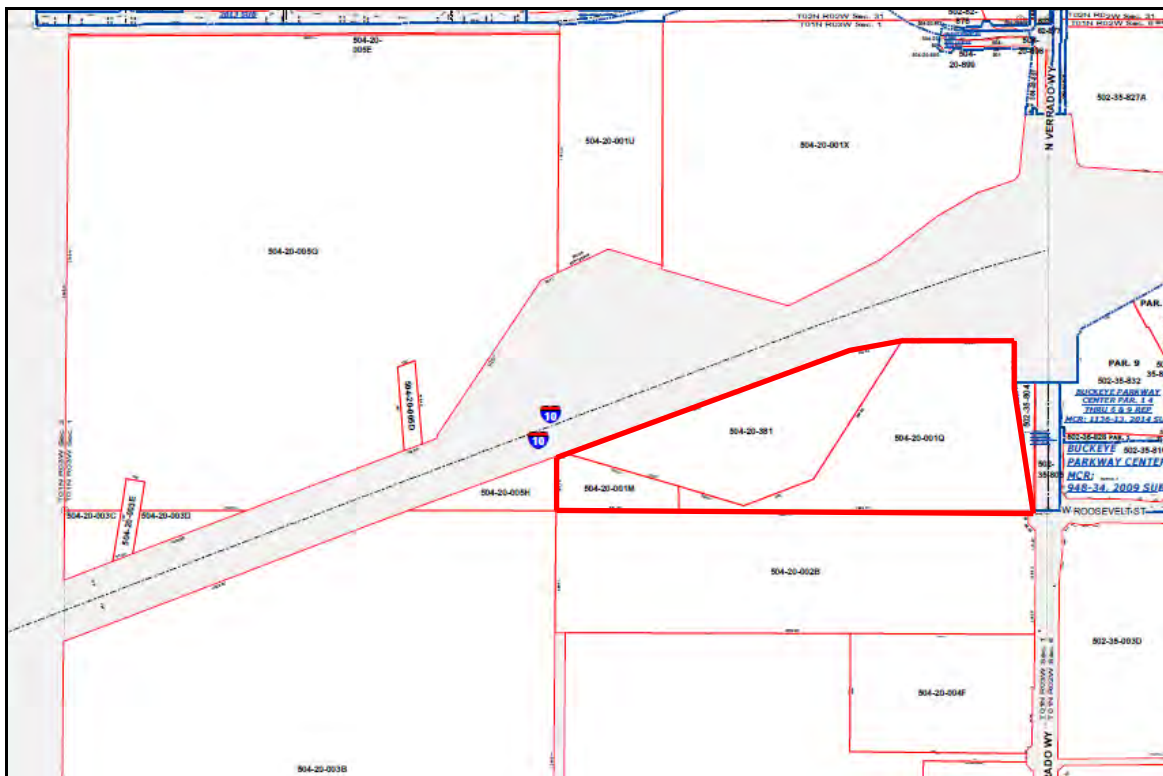
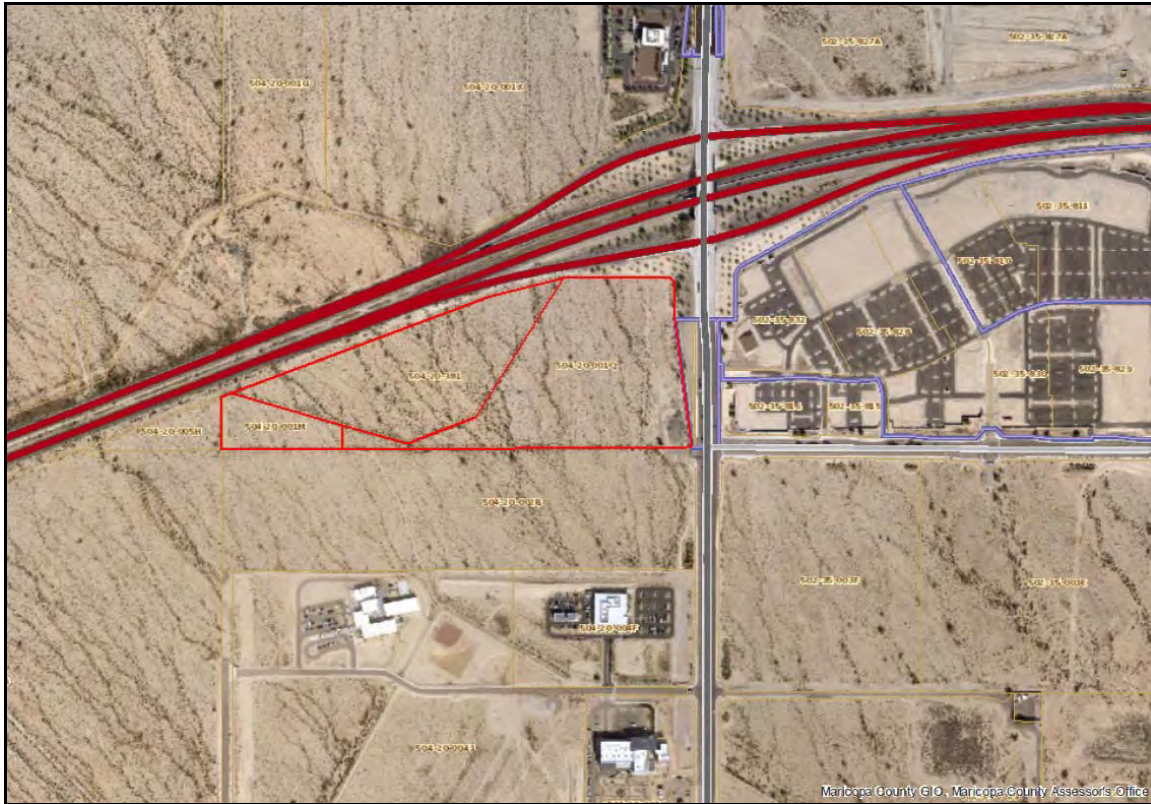
Earthquake:

The area is not noted for seismic activity.

Surrounding Properties:

The property is surrounded by vacant land to the north, south and west. The 64-acre parcel at the NEC of Verrado Way and Roosevelt was fully improved for construction of a shopping center in 2006-07; however, the center was never constructed and the site remains vacant.

PARCEL 2



SITE ANALYSIS - PARCEL 3

| | |
|--------------------------------|--|
| Location: | Southwest corner of Verrado Way and alignment of Roosevelt Street |
| Assessor's Parcel Nos: | 504-20-002B |
| Land Area: | 1,695,540 SF, or 38.924 acres, per Assessor |
| Shape & Frontage: | Generally rectangular shape; approximately 660' of frontage along Verrado Way and length of 2,535' |
| Existing Use (Primary): | Vacant |
| Site Improvements: | None |
| Zoning: | The site was annexed into Buckeye in 2016 and is zoned SF-43, Single-Family and Rural Residential. This is a default zoning in future growth areas. Near term rezoning is likely (see below). |
| General Plan: | The City of Buckeye General Plan designates the site for professional office use. A zoning change would be required before business park use would be required. The likely zoning for this use is PO, Office and/or BP, Business Park. |
| Flood | <p>FEMA maps indicate the site is in Zone X (shaded). This is not a flood hazard area. This is an "area of 0.2% annual chance flood; areas of 1% annual change flood with average depths of less than 1 foot or with drainage areas of less than one mile; and areas protected by levees from 1% annual chance flood."</p> <p>It appears that a very small portion of the site at the NWC is in Zone A due to the elevation of the freeway. Zone A is a special flood hazard area subject to inundation by the 1% annual change flood.</p> <p>The subject is in flood panel 04013C2110L, dated October 16, 2013.</p> |
| Streets & Access: | The property has current paved access from Verrado Way, which is three lanes in each direction. The alignment of Roosevelt Street extends along the north boundary of the property. Roosevelt Street is currently paved east of Verrado Way with two lanes in each direction separated by a raised landscaped median. There are sidewalks, streetlights, bicycle lanes and turning lanes along Roosevelt Street. The intersection of Roosevelt Street and Verrado Way is signal controlled. Access to I-10 is via an interchange at Verrado Way. |
| Utilities: | Public utilities are available to the property from Verrado Way. The City of Buckeye provides municipal sewer, and water is provided by the City of Buckeye. Electricity is provided by Arizona Public |

Service, and telephone and cable are by Century Link and Cox.

Easements:

A recent title commitment for the site was not provided for review. It is specifically assumed that any easements, restrictions or encroachments that might appear against the title would have no adverse impact on marketability or value.

Topography:

The site is generally level with minimal slope to the south. The cover is native Sonoran desert.

Drainage:

During the inspection of the property, no drainage problems were observed and none are assumed to exist. The off-site infrastructure includes drainage floodway/culverts.

Soils:

A recent Geotechnical Investigation report was not provided for review. The site's soils are assumed adequate for the highest and best use.

Environmental Issues:

A recent Phase I Environmental Site Assessment was not provided for review. No adverse environmental conditions are assumed to exist.

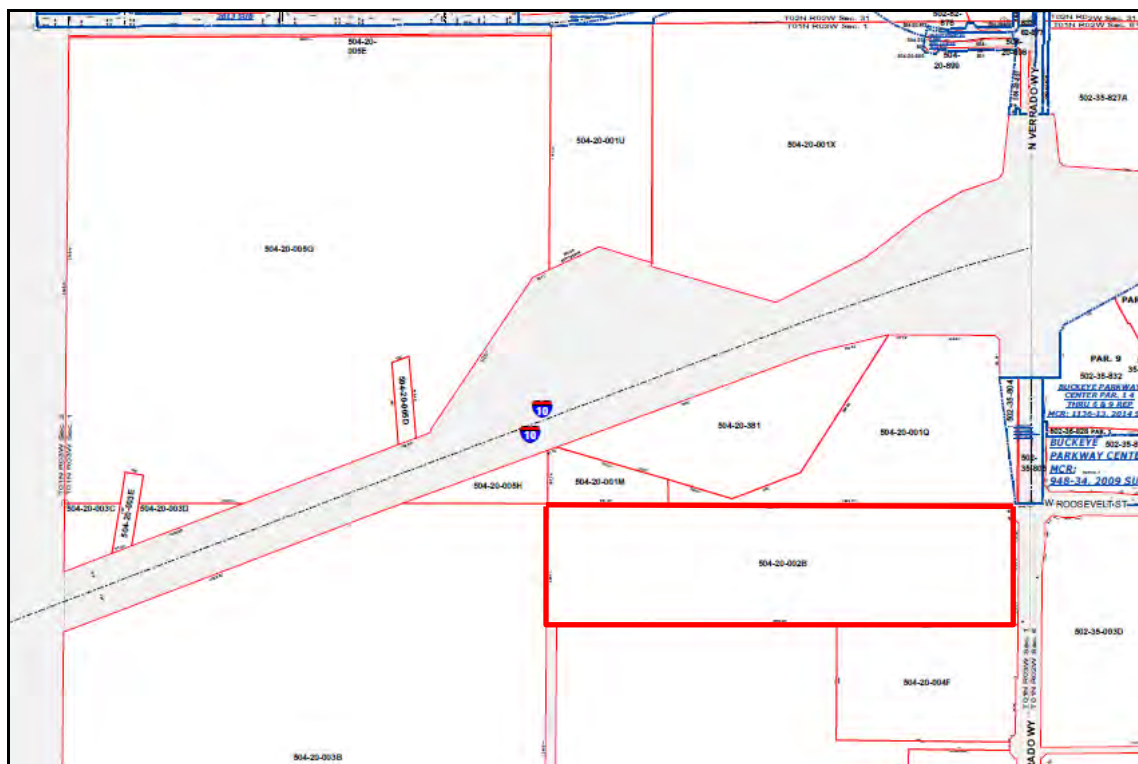
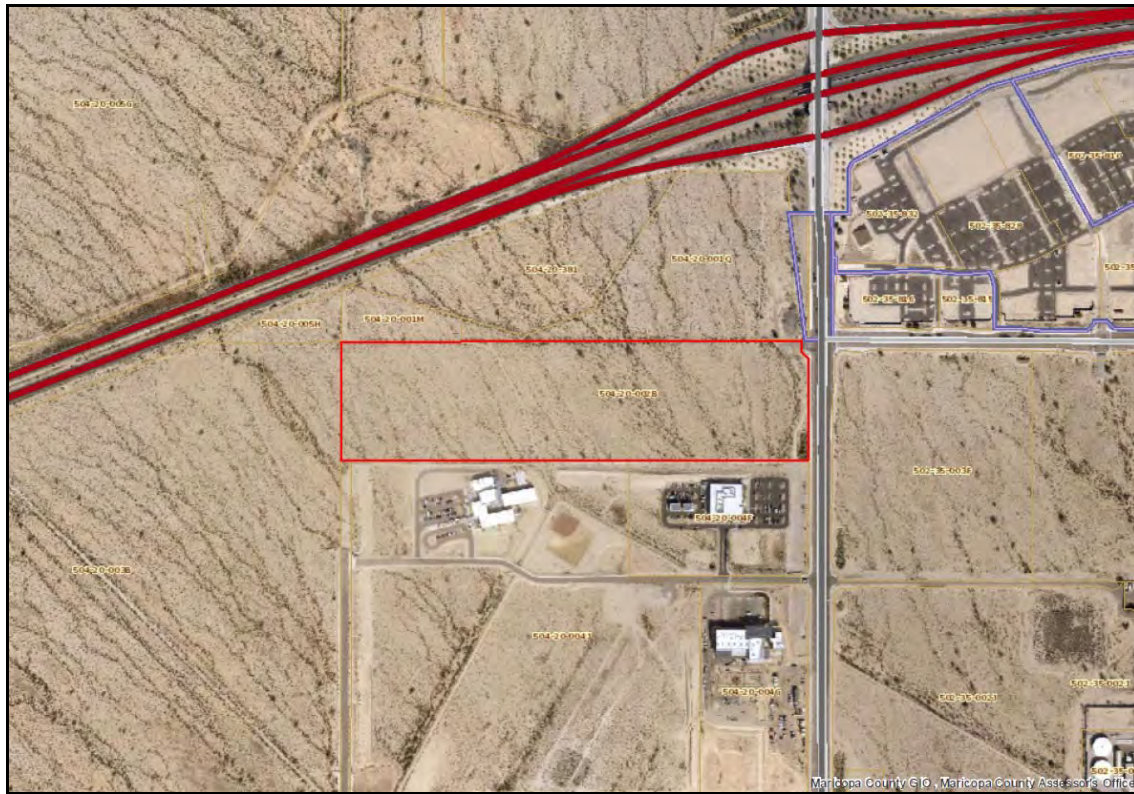
Earthquake:

The area is not noted for seismic activity.

Surrounding Properties:

The property is surrounded by vacant land to the north and west. The 64-acre parcel at the NEC of Verrado Way and Roosevelt was fully improved for construction of a shopping center in 2006-07; however, the center was never constructed and the site remains vacant. To the south is the West-MEC campus, the Buckeye Unified School District (BUHSD) Learning Center, and the Palo Verde Energy Education Center.

PARCEL 3



SITE ANALYSIS - PARCEL 4

| | |
|--------------------------------|---|
| Location: | Northwest corner of Van Buren Street and alignment of Dean Road |
| Assessor's Parcel Nos: | 504-20-003B and 005H |
| Land Area: | 6,217,114 SF, or 142.725 acres, per Assessor |
| Shape & Frontage: | Irregular, approximately 2,840' along I-10, 2,660' along alignment of Van Buren Street, 1,850' along alignment of Dean Road. |
| Existing Use (Primary): | Vacant |
| Site Improvements: | None |
| Zoning: | PC, Planned Community; this district is designed to accommodate all land uses approved as part of a Community Master Plan, where specific uses, public services, densities, and design criteria have been identified and adopted. |
| General Plan: | The City of Buckeye General Plan designates the site for business park use along the northern portion and professional office along the southern portion. |
| Flood | <p>FEMA maps indicate that most of the site is in Zone X (shaded). This is not a flood hazard area. This is an "area of 0.2% annual chance flood; areas of 1% annual change flood with average depths of less than 1 foot or with drainage areas of less than one mile; and areas protected by levees from 1% annual chance flood."</p> <p>It appears that a very small portion of the site at the NEC is in Zone A due to the elevation of the freeway. Zone A is a special flood hazard area subject to inundation by the 1% annual change flood.</p> <p>The subject is in flood panel 04013C2110L, dated October 16, 2013.</p> |
| Streets & Access: | The property currently has paved access at the southeast corner where Van Buren Street dead-ends, as well as from Dean Road which is improved with a half street on the adjacent parcel to the east. |
| Utilities: | Public utilities are available to the property from Van Buren Street. The City of Buckeye provides municipal sewer, and water is provided by the City of Buckeye. Electricity is provided by Arizona Public Service, and telephone and cable are by Century Link and Cox. |
| Easements: | A recent title commitment for the site was not provided for review. It is specifically assumed that any easements, restrictions or |

encroachments that might appear against the title would have no adverse impact on marketability or value.

Topography:

The site is generally level with minimal slope to the south. The cover is native Sonoran desert.

Drainage:

During the inspection of the property, no drainage problems were observed and none are assumed to exist. The off-site infrastructure includes drainage floodway/culverts.

Soils:

A recent Geotechnical Investigation report was not provided for review. The site's soils are assumed adequate for the highest and best use.

Environmental Issues:

A recent Phase I Environmental Site Assessment was not provided for review. No adverse environmental conditions are assumed to exist.

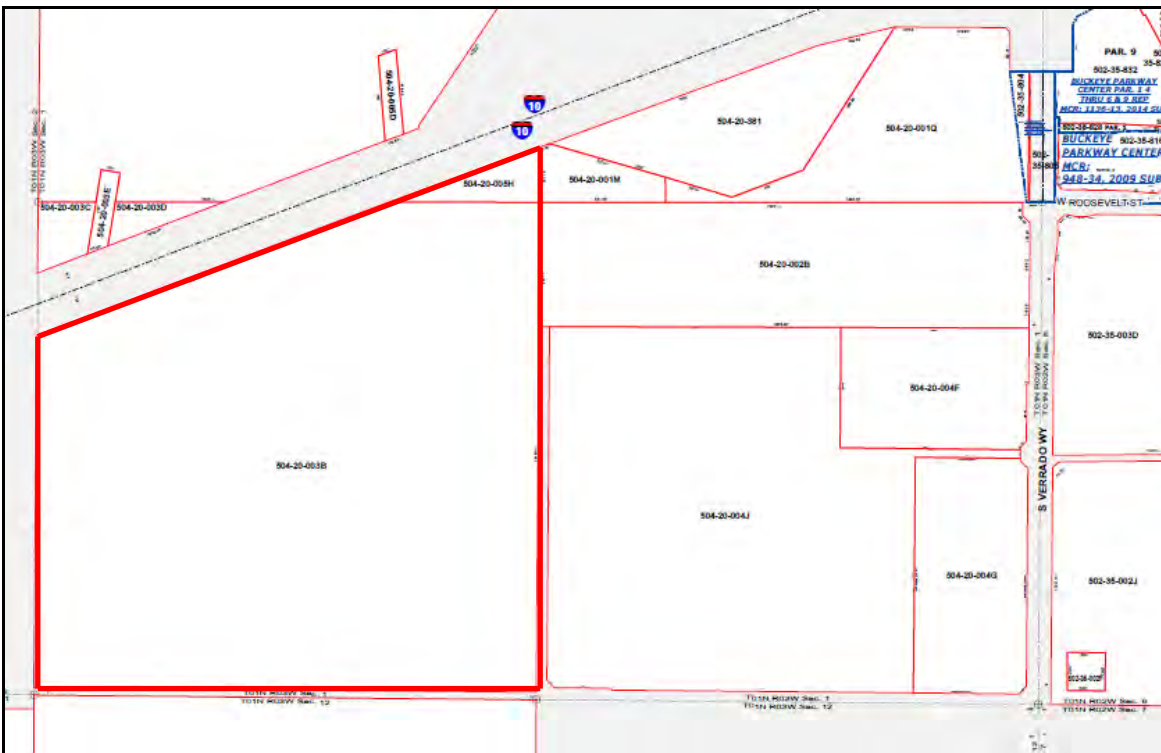
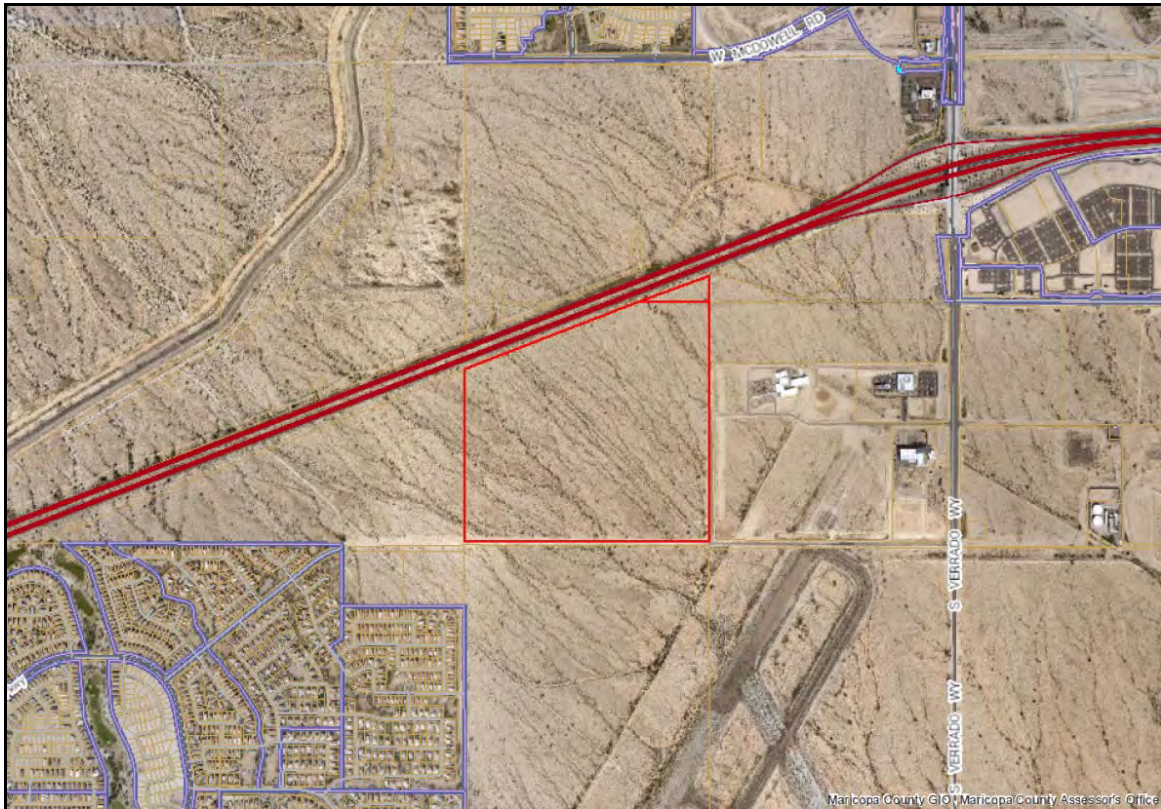
Earthquake:

The area is not noted for seismic activity.

Surrounding Properties:

The property is surrounded by vacant land to the south, west and east (portions). Also located east are the BUHSD Learning Center, West MEC and Palo Verde Energy Education Center. I-10 is to the north.

PARCEL 4

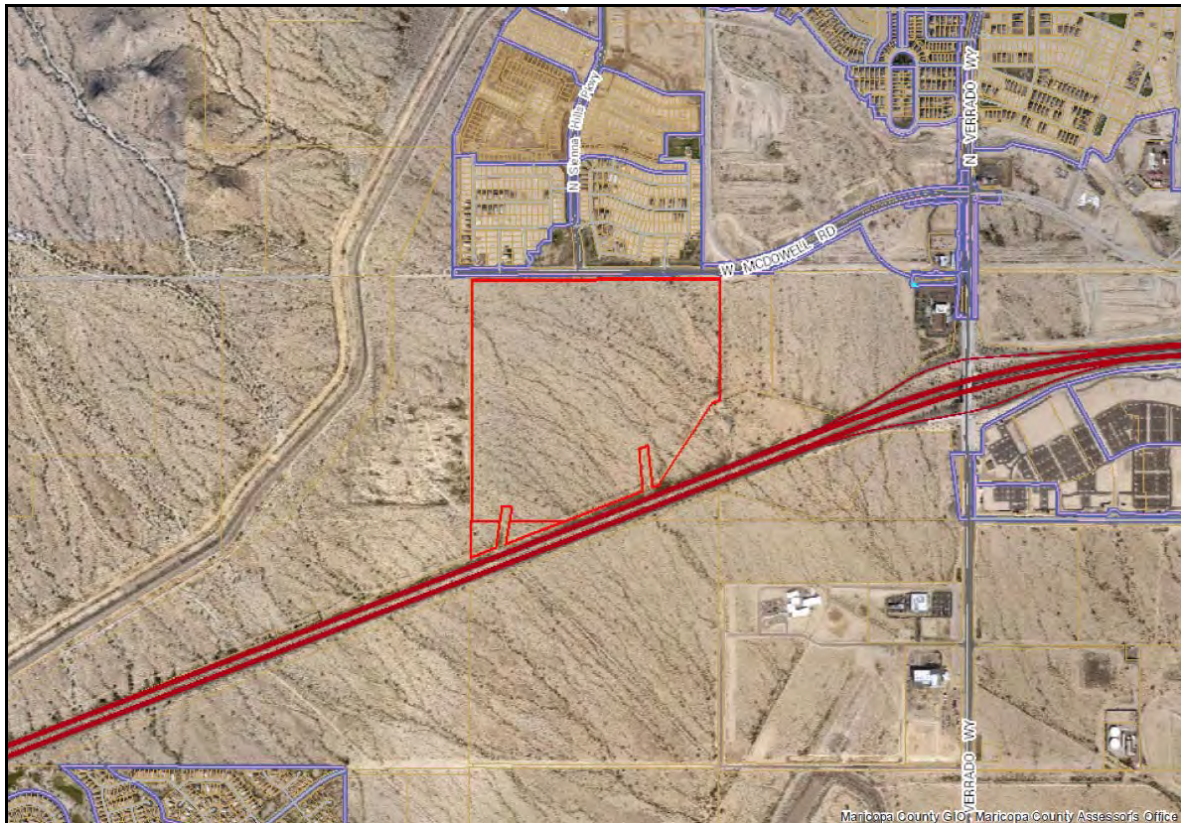


SITE ANALYSIS - PARCEL 5

| | |
|--------------------------------|--|
| Location: | South side of McDowell Road, beginning approximately 2,500 feet west of Verrado Way |
| Assessor's Parcel Nos: | 504-20-003C, 003D, 005E and 005G |
| Land Area: | 6,412,674 SF, or 147.215 acres, per Assessor |
| Shape & Frontage: | Irregular, approximately 2,130 feet along I-10 and 2,640 feet along McDowell Road |
| Existing Use (Primary): | Vacant |
| Site Improvements: | None |
| Zoning: | PC, Planned Community; this district is designed to accommodate all land uses approved as part of a Community Master Plan, where specific uses, public services, densities, and design criteria have been identified and adopted. |
| General Plan: | The City of Buckeye General Plan designates the site for mixed-use development. This will allow retail, commercial, hospitality, office and light industrial uses. |
| Flood | <p>FEMA maps indicate that most of the site is in Zone X (shaded). This is not a flood hazard area. This is an "area of 0.2% annual chance flood; areas of 1% annual change flood with average depths of less than 1 foot or with drainage areas of less than one mile; and areas protected by levees from 1% annual chance flood."</p> <p>It appears that a small portion of the site along the south boundary is in Zone A due to the elevation of the freeway. Zone A is a special flood hazard area subject to inundation by the 1% annual change flood.</p> <p>The subject is in flood panel 04013C2110L, dated October 16, 2013.</p> |
| Streets & Access: | The property has paved access from McDowell Road along its north border. McDowell Road extends west from Verrado Way and terminates near the west end of the subject. At the subject, McDowell Road is currently paved for one lane in each direction. The north side of McDowell Road includes sidewalks and street lights. |
| Utilities: | Public utilities are available to the property from McDowell Road. The City of Buckeye provides municipal sewer, and water is provided by EPCOR. Electricity is provided by Arizona Public Service, and telephone and cable are by Century Link and Cox. |

| | |
|---------------------------------------|---|
| <i>Easements:</i> | A recent title commitment for the site was not provided for review. It is specifically assumed that any easements, restrictions or encroachments that might appear against the title would have no adverse impact on marketability or value. |
| <i>Topography:</i> | The site is generally level with minimal slope to the south. The cover is native Sonoran desert. |
| <i>Drainage:</i> | During the inspection of the property, no drainage problems were observed and none are assumed to exist. The off-site infrastructure includes drainage floodway/culverts. |
| <i>Soils:</i> | A recent Geotechnical Investigation report was not provided for review. The site's soils are assumed adequate for the highest and best use. |
| <i>Environmental Issues:</i> | A recent Phase I Environmental Site Assessment was not provided for review. No adverse environmental conditions are assumed to exist. |
| <i>Earthquake:</i> | The area is not noted for seismic activity. |
| <i>Surrounding Properties:</i> | The Sienna Hills residential subdivision is on the north side of McDowell Road. The property is surrounded by vacant land to the south, east and west. The Verrado Marketside District is a 60-acre commercial subdivision located on both the east and west sides of Verrado Way between McDowell Road and Interstate 10. Existing development includes Banner Health Center, Verrado Coffee Company, CST Convenience store/fuel station and Culvers. Planned near-term development includes medical office, hotels, restaurants and self-storage. |

PARCEL 5



IMPROVEMENT DISTRICT

The benefits of the improvement district will include completion of key pieces of infrastructure, preparation of the area for development, and support of economic development in the eastern portion of Buckeye. Key components include the connection of Van Buren Street in Sundance to Verrado Way, and the connection of Roosevelt Street from Jackrabbit Trail to 211th Avenue.

Roosevelt Street

Roosevelt Street will be extended from Jackrabbit Trail (195th Avenue) on the east across the entire length of Parcel 1, joining the developed portion of Roosevelt Street west of Tuthill. At Parcel 1, Roosevelt Street will be a 55-foot wide half street right-of-way, part of which is already dedicated. The street will be 28-feet wide. A 15-inch sewer line will also be constructed.

Roosevelt Street will be extended west of Verrado Way to 211th Avenue. The roadway will include a 110-foot right-of-way that will be split evenly between Parcels 2 and 3. The street will be 28-feet wide. Improvements will also include a 15-inch sewer line and 12-inch water line within the right-of-way.

211th Avenue

211th Avenue will be constructed south from Roosevelt Street to the current improved portion. The 110' right-of-way for this northerly segment will be split between Parcels 3 and 4. The street will be 28' wide and a 12" water line will be constructed. The south segment of 211th Avenue is already completed to Van Buren Street. A 12" sewer line will be constructed along this segment.

Van Buren Street

Van Buren Street is currently improved from Verrado Way to 211th Avenue. Van Buren will be extended west from 211th Avenue. The north half will be constructed, consisting of a 55-foot right-of-way along the south border of Parcel 4. Improvements will include a 28-foot paved street and a 15-inch sewer line.

Van Buren Street will also be constructed west of Parcel 4 for a distance of approximately one-quarter mile, connecting to the improved segment of Van Buren Street that extends from the Windmill Village subdivision on the west. This portion will have an 84-foot right-of-way and 28' wide paved street.

Other

North of I-10, a collector street will be constructed south of McDowell Road along the east border of Parcel 5 for a distance of approximately 1,300 feet. This will involve a 40-foot ROW and a 28-foot wide road.

There are also plans to extend water and sewer lines under I-10, extending from the SEC of Parcel 5 to the NEC of Parcel 4, and south along the east border of Parcel 4 to the intersection of Roosevelt Street and 211th Avenue where it will connect with water and sewer lines that will be constructed.

It is noted that all planned street improvements described herein will not include curbs, gutters, sidewalks, lighting or landscaping. These improvements will be required to be installed when the sites are developed. Shoulders will be graded dirt.

Impact of Improvements on Subject Parcels

Parcel 1 - The Roosevelt Street improvements will result in access to Parcel 1 from Jackrabbit Trail across the flood control channel to the east. The parcel will have access to water and sewer along its north boundary. Therefore, this parcel is transformed from a landlocked parcel with no access or utilities to a parcel that could accommodate development.

Parcel 2 - This parcel will be enhanced by the development of Roosevelt Street along its south boundary, as well as the addition of water and sewer lines along its west border. Utility lines already exist along its east border. The new street and utility improvements, coupled with the parcel's freeway frontage, will improve the time horizon for future commercial development on this parcel.

Parcel 3 - The construction of Roosevelt Street along the north border and 211th Avenue along the west border, coupled with the new sewer line on the west, will enhance the development potential of this parcel. However, the parcel will require rezoning prior to its development. Future office park development appears the most likely use.

Parcel 4 - This parcel will benefit from the construction of Van Buren Street along its south border and 211th Avenue along the east. The parcel will also have improved access to water and sewer lines. Therefore, this parcel will have desirable arterial frontage and good accessibility.

Parcel 5 - This parcel already has arterial frontage and availability of utilities on the north. However, the improvements will consist of a new collector street along its east border, as well as new water and sewer stubs at the southeast corner of the property.

It is noted that development of any of these parcels will require the owner/developer to complete the street frontage, including curbs, gutters, sidewalks, landscaping and lighting.

| Parcel Improvements | | | |
|---------------------|-------------------------|---------------------------------------|--------------------------|
| | <u>Paved Access</u> | <u>Street Frontage</u> | <u>Utility Lines</u> |
| Parcel 1 | | | |
| Before | None | None | E (Tuthill) |
| After | N & E | Roosevelt | E & N |
| Parcel 2 | | | |
| Before | E | Verrado Way | E |
| After | E & S | Roosevelt | E, S, W |
| Parcel 3 | | | |
| Before | E | Verrado Way | E |
| After | E & S | Verrado Way Roosevelt 211th Ave | N, W, E |
| Parcel 4 | | | |
| Before | E (minimal) | 211th Ave (sliver) | corner |
| After | E & S | 211th Ave Van Buren | S & E |
| Parcel 5 | | | |
| Before | N | McDowell | N |
| After | N & E | McDowell Collector St | N & S |

TAX AND ASSESSMENT DATA

The Arizona Property Tax Assessed Valuation Amendment, also known as Proposition 117, was approved in November 2012. This amendment endeavors to provide simplification to the state's property tax system. The new method of calculating assessed values went into effect on January 1, 2014 when the 2015 values were made public. Beginning with the 2015 taxes, the Limited Property Value (LPV) was the single valuation used for property tax purposes. ARS section 42-11001(7) defines Limited Property Value (LPV) as the value determined pursuant to ARS section 42-13301. Proposition 117 caps the annual increase in LPV to 5%. Both millage rates apply to the LPV, and Full Cash Value is no longer be used for calculating the tax bill.

The following table summarizes tax data for 2015 through 2017. Although the 2017 values are published, the related tax rates will not be established until the end of third quarter of 2017.

| Ad Valorem Tax Summary | | | | | | | | | | | | | | | | |
|------------------------|---------|-----------|-------|--------|----|---------|-----------|--------|----|--------|---------|-----------|----|--------|----|---------|
| | 2015 | | | | | 2016 | | | | | 2017 | | | | | |
| | Limited | Full Cash | Taxes | | | Limited | Full Cash | Taxes | | | Limited | Full Cash | | | | |
| Parcel 1 | | | | | | | | | | | | | | | | |
| 502-35-013A | \$ | 3,972 | \$ | 3,972 | \$ | 5,426 | \$ | 3,972 | \$ | 3,972 | \$ | 4,318 | \$ | 3,404 | \$ | 3,404 |
| 502-35-014C | \$ | 1,534 | \$ | 1,534 | \$ | 2,070 | \$ | 1,434 | \$ | 1,434 | \$ | 28 | \$ | 1,215 | \$ | 1,215 |
| Total | \$ | 5,506 | \$ | 5,506 | \$ | 7,496 | \$ | 5,406 | \$ | 5,406 | \$ | 4,346 | \$ | 4,619 | \$ | 4,619 |
| Parcel 2 | | | | | | | | | | | | | | | | |
| 504-20-001M | \$ | 214 | \$ | 214 | \$ | 6 | \$ | 214 | \$ | 214 | \$ | 5 | \$ | 183 | \$ | 183 |
| 504-20-001Q | \$ | 1,497 | \$ | 1,497 | \$ | 42 | \$ | 1,497 | \$ | 1,497 | \$ | 38 | \$ | 1,283 | \$ | 1,283 |
| 504-20-381 | \$ | 1,133 | \$ | 1,133 | \$ | 24 | \$ | 1,133 | \$ | 1,133 | \$ | 22 | \$ | 971 | \$ | 971 |
| Total | \$ | 2,844 | \$ | 2,844 | \$ | 72 | \$ | 2,844 | \$ | 2,844 | \$ | 65 | \$ | 2,437 | \$ | 2,437 |
| Parcel 3 | | | | | | | | | | | | | | | | |
| 504-20-002B | \$ | 2,725 | \$ | 2,725 | \$ | 51 | \$ | 2,725 | \$ | 2,725 | \$ | 46 | \$ | 2,335 | \$ | 2,335 |
| Parcel 4 | | | | | | | | | | | | | | | | |
| 504-20-003B | \$ | 9,875 | \$ | 9,875 | \$ | 214 | \$ | 9,875 | \$ | 9,875 | \$ | 192 | \$ | 8,464 | \$ | 8,464 |
| 504-20-005H | \$ | 116 | \$ | 116 | \$ | 3 | \$ | 116 | \$ | 116 | \$ | 2 | \$ | 100 | \$ | 100 |
| Total | \$ | 9,991 | \$ | 9,991 | \$ | 217 | \$ | 9,991 | \$ | 9,991 | \$ | 194 | \$ | 87,761 | \$ | 101,552 |
| Parcel 5 | | | | | | | | | | | | | | | | |
| 504-20-003C | \$ | 173 | \$ | 173 | \$ | 4 | \$ | 173 | \$ | 173 | \$ | 3 | \$ | 149 | \$ | 149 |
| 504-20-003D | \$ | 216 | \$ | 216 | \$ | 5 | \$ | 216 | \$ | 216 | \$ | 4 | \$ | 185 | \$ | 185 |
| 504-20-005E | \$ | 5,800 | \$ | 5,800 | \$ | 125 | \$ | 100 | \$ | 67 | \$ | 1 | \$ | 100 | \$ | 70 |
| 504-20-005G | \$ | 9,873 | \$ | 9,873 | \$ | 214 | \$ | 9,873 | \$ | 9,873 | \$ | 192 | \$ | 8,463 | \$ | 8,463 |
| Total | \$ | 16,062 | \$ | 16,062 | \$ | 348 | \$ | 10,362 | \$ | 10,329 | \$ | 200 | \$ | 8,897 | \$ | 8,867 |

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Legal Permissibility

Legal constraints include zoning district and land use plan designation for each site as set forth by the City of Buckeye (or Maricopa County for Parcel 3).

Parcel 1 is zoned I-1, Light Industrial, with a Planned Area Development (PAD) overlay; this allows for business park, light industrial and some commercial uses. The parcel was rezoned from PR in 2015. The City of Buckeye General Plan designates the site for business park use.

Parcel 2 is zoned C-3, Regional Commercial, which allows for large-scale commercial or retail uses. The parcel was rezoned from PC in 2015. The City of Buckeye General Plan designates the site for retail commercial use.

Parcel 3 is zoned SF-43, a single-family rural designation. This is a default zoning in future growth areas. When similar parcels are developed, they are typically rezoned. The City of Buckeye General Plan designates the site for professional office use.

Parcel 4 is zoned PC, Planned Community; this district is designed to accommodate all land uses approved as part of a Community Master Plan, where specific uses, public services, densities, and design criteria have been identified and adopted. The City of Buckeye General Plan designates the site for business park use along the northern portion and professional office along the southern portion.

Parcel 5 is zoned PC, Planned Community; this district is designed to accommodate all land uses approved as part of a Community Master Plan, where specific uses, public services, densities, and design criteria have been identified and adopted. The City of Buckeye General Plan designates the site for mixed-use development. This will allow retail, commercial, hospitality, office and light industrial uses.

Physical Possibility

The physical characteristics of the subject site were discussed in the site analysis. Upon completion of the Roosevelt Improvement District, all five parcels will have paved access and utility lines along one or more of their frontages. Therefore, the only physical development constraints will be the size and shape of each parcel.

Financial Feasibility

Although all of the parcels have proximity to the freeway in a growth area, market conditions for industrial, office and retail product indicate that current speculative development is not feasible. Based on the parcel's specific locations and physical characteristics, future development of the sites with industrial/office and employment product that is complimentary to the surrounding land uses would represent the most likely financially feasible option. Retail and service-related uses are expected to follow employment growth and residential growth, with retail/commercial projected for Parcels 2 and portions of Parcel 5.

Maximum Profitability

Existing market conditions indicate that current speculative development is not feasible. The most reasonable use is for holding or procuring build-to-suits for users.

Conclusion: Highest and Best Use As Vacant

I conclude that the highest and best use of the subject parcels is for the future development of industrial/office and employment uses on Parcels 1, 3, 4 and portions of 5, with retail and service uses likely for Parcel 2 and portions of Parcel 5. The timing of feasible development will be dependent on continued improvement in economic conditions and local market conditions. Therefore, the current highest and best use is for holding until users are procured.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Cost Approach

The Cost Approach is based upon the proposition the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involved relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per SF, price per unit, price per floor, etc. or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

Income Capitalization Approach

The Income Capitalization Approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the Income Capitalization Approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

The subject involves five parcels of vacant land. In valuing the subject, only the Sales Comparison Approach is applicable and has been used.

LAND VALUATION - AS IS

The first part of this Land Valuation section derives individual market values for each of the five subject parcels on an "as is" basis. This is followed by a valuation of each parcel "as complete" with the identified roadways and utilities. At the end of each valuation, a discount is applied for a quick sale assuming a marketing period of six months.

Based on the concluded varying characteristics of the subject parcels, coupled with their highest and best use, we have utilized two sets of land sales. The first group of land sales is applicable to subject Parcels 1, 3, 4 and 5. The second group of sales involves commercial land sales used as a basis of comparison to Parcel 2, which is located at a freeway interchange and has a shorter projected hold period for development.

The following map and table summarize the comparable data used in the valuation of the subject site. Data sheets for each transaction follow the map. These are followed by an adjustment analysis and value conclusions. In analyzing the sales data, we have selected the price per SF as the unit of comparison.

| Summary of Comparable Land Sales | | | | | | | |
|----------------------------------|---|--------|------------------------|---------------|--------------|-----------------|--|
| No. | Location | Date | Zoning/ Planned Use | Sale Price | Size (Acres) | Price Per SF | Comments |
| 1 | SWC Cactus Rd. & Solar Canyon Way Surprise | Jul-15 | I-2 Regional HQ | \$ 5,600,000 | 58.84 | \$2.18 | Skyway Business Park; planned for 420K office & distribution |
| 2 | NWC Van Buren & Perryville Buckeye | Sep-15 | I-2 Ind. Pk. | \$ 6,400,000 | 151.12 | \$0.97 | Parkman Ranch; planned for 2M SF industrial park; utilities needed |
| 3 | SS I-10, W of Watson Buckeye | Nov-15 | PC Investment | \$ 4,000,000 | 47.70 | \$1.93 | Two non-contiguous parcels; freeway frontage |
| 4 | SW Elwood & Sarival Goodyear | Dec-15 | I-2 Ind. Pk. | \$ 2,000,000 | 25.91 | \$1.77 | Goodyear Crossings; planned for individual lots |
| 5 | NWC Indian School & Cotton Ln. Goodyear | Jul-16 | PAD Ind. Park | \$ 8,700,000 | 146.53 | \$1.36 | Bought for planned construction of industrial park |
| 6 | S of SEC Apache & Southern Buckeye | Aug-16 | GC Mftg. Facility | \$ 3,080,000 | 76.76 | \$0.92 | Planned for 250K manufacturing facility; adjacent to Wal-Mart distribution |
| Subject | Parcel 1 | | I-1 | | 78.56 | | |
| | Parcel 3 | | SF-43 | | 38.92 | | |
| | Parcel 4 | | PC | | 142.73 | | |
| | Parcel 5 | | PC | | 147.22 | | |



Land Sales



Land Sale No. 1

Location Data

Location: SWC Cactus Rd. & Solar Canyon Way
City: Surprise
County: Maricopa
State/Zip: AZ 85379
Assessor's Parcel Nos: 501-45-882

Physical Data

Type: Industrial Land
Land Area: 2,563,070 SF
 58.84 AC
Topography: Generally Level
Shape: Rectangular
Utilities: Available
Zoning: I-2, Heavy Industrial
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±1,009 ft Cactus Rd.
 ±2,516 ft Solar Canyon

Analysis

Use at Sale: Vacant
Proposed Use: Regional HQ
Price Per Acre: \$95,173
Price Per Square Foot: \$2.18
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Jul-15
On Market: 9 months
Escrow/In Contract: NA
Document No: 0552859
Recording Date: Jul-15
Sale Price: \$5,600,000
Financing: Cash to seller
Cash Equivalent Price: \$5,600,000
Required Capital Cost: \$0
Adjusted Sale Price: \$5,600,000
Grantor: SKD Holdings LLC
Grantee: Iris USA Inc.

Verification:

Confirmed With: R. Stephens
Firm: NGKF
Phone No: 602-952-3853
Confirmed By: Todd Finney

Comments

The sale property is Lot 28 within Skyway Business Park located southwest of Dysart Road and Cactus Road in Surprise. The site is rail served and is in a designated Foreign Trade Zone. The site was purchased for the planned construction of a 420,000 SF office, manufacturing and distribution facility to serve as regional headquarters. Iris USA is a consumer products company, and they will use the facility to manufacture and distribute consumer plastics storage products and conduct research and development. The facility was completed in 2016. Perimeter streets were completed and utilities were available at the time of sale.

Land Sale No. 2

Location Data

Location: NWC Van Buren & Perryville
City: Buckeye
County: Maricopa
State/Zip: AZ 85326
Assessor's Parcel Nos: 502-36-012F & 012G

Physical Data

Type: Vacant Land
Land Area: 6,582,923 SF
 151.12 AC
Topography: Generally Level
Shape: Rectangular
Utilities: Available
Zoning: I-2, Heavy Industrial
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±2,528 ft Van Buren
 ±2,593 ft Perryville

Analysis

Use at Sale: Vacant
Proposed Use: Industrial Park
Price Per Acre: \$42,350
Price Per Square Foot: \$0.97
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Sep-15
On Market: NA
Escrow/In Contract: NA
Document No: 0668336
Recording Date: NA
Sale Price: \$6,400,000
Financing: All cash
Cash Equivalent Price: \$6,400,000
Required Capital Cost: \$0
Adjusted Sale Price: \$6,400,000
Grantor: FR/CAL 3 Parkman Ranch LLC
Grantee: Parkman Ranch LLC

Verification:

Confirmed With: J. Bullington
Firm: BLC
Phone No: 602-418-5594
Confirmed By: Todd Finney
Comp Viewed: No

Comments

This parcel is located less than one mile south of I-10. The property is known as Parkman Ranch. The buyer, Van Trust Real Estate, plans to develop an industrial park that can accommodate over 2 million SF. The buyer needs to install all infrastructure for the planned industrial park, including water and electric. Paved roadway access is available to portions of the property.

Land Sale No. 3

Location Data

Location: I-10 & Watson
City: Buckeye
County: Maricopa
State/Zip: AZ 85396
Assessor's Parcel Nos: 504-18-933, 504-19-973
 504-19-974, 504-19-007V

Physical Data

Type: Vacant Land
Land Area: 2,077,812 SF
 47.70 AC
Topography: Generally Level
Shape: Irregular
Utilities: Available
Zoning: PC, Planned Community
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±2,931 ft I-10

Analysis

Use at Sale: Vacant
Proposed Use: NA
Price Per Acre: \$83,857
Price Per Square Foot: \$1.93
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Nov-15
On Market: NA
Escrow/In Contract: NA
Document No: 0828767
Recording Date: Nov-15
Sale Price: \$4,000,000
Financing: Cash to seller
Cash Equivalent Price: \$4,000,000
Required Capital Cost: \$0
Adjusted Sale Price: \$4,000,000
Grantor: J&G Investment Properties
Grantee: Western Properties Inc.

Verification:

Confirmed With: S. Koss
Firm: Lee & Assoc
Phone No: 602-912-3520
Confirmed By: Todd Finney
Comp Viewed: Yes

Comments

This sale consisted of two non-contiguous parcels, both fronting I-10 and located west of Watson Road. The westerly parcel is 22.87 acres and is raw land accessed from Yuma Road. The easterly parcel is 30.32 acres located adjacent west of Sundance Towne Center, a power center anchored by Walmart and Lowes. The easterly parcel has about 5.5 acres of undevelopable land due to 20' drainage channel, 50' wide wash, and retention basin. Therefore, net acreage is about 47.7 acres and price per SF is \$1.93. The buyer's plans were not announced.

Land Sale No. 4

Location Data

Location: SW Elwood St. & Sarival Ave.
City: Goodyear
County: Maricopa
State/Zip: AZ 85338
Assessor's Parcel Nos: 500-94-440

Physical Data

Type: Industrial Land
Land Area: 1,128,723 SF
 25.91 AC
Topography: Generally Level
Shape: Flag-shaped
Utilities: Available
Zoning: I-2, General Industrial Park
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±1,882 ft Elwood
 ±337 ft Sarival

Analysis

Use at Sale: Vacant
Proposed Use: Ind. Pk.
Price Per Acre: \$77,185
Price Per Square Foot: \$1.77
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Dec-15
On Market: NA
Escrow/In Contract: NA
Document No: 0910170
Recording Date: Dec-15
Sale Price: \$2,000,000
Financing: Cash to seller
Cash Equivalent Price: \$2,000,000
Required Capital Cost: \$0
Adjusted Sale Price: \$2,000,000
Grantor: Duke Realty Corp.
Grantee: Rados Properties-AZ Land, LLC

Verification:

Confirmed With: R. Kennedy
Firm: CBRE
Phone No: 602-735-1712
Confirmed By: Todd Finney
Comp Viewed: Yes

Comments

This site is platted at Lot 3A of Goodyear Crossing Industrial Park. The 250-acre industrial park is rail served and fronts Highway 85. The park includes Amazon and Macy's. The sale property is planned for future subdivision into individual lots. The site was rough graded and had utilities available. The site also had roadway frontage on 166th Avenue and Commerce Drive.

Land Sale No. 5

Location Data

Location: NWC Ind. School Rd & Cotton Ln
City: Goodyear
County: Maricopa
State/Zip: AZ 85326
Assessor's Parcel Nos: 504-20-909 & 910

Physical Data

Type: Vacant Land
Land Area: 6,382,847 SF
 146.53 AC
Topography: Generally Level
Shape: Irregular
Utilities: Available
Zoning: PAD
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±3,370 ft Indian School

Analysis

Use at Sale: Vacant
Proposed Use: Ind. Pk.
Price Per Acre: \$59,374
Price Per Square Foot: \$1.36
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Jul-16
On Market: NA
Escrow/In Contract: NA
Document No: 0467332
Recording Date: Jul-16
Sale Price: \$8,700,000
Financing: All cash
Cash Equivalent Price: \$8,700,000
Required Capital Cost: \$0
Adjusted Sale Price: \$8,700,000
Grantor: I-10 Ind. Dev, LLC (Baron Properties)
Grantee: Rados Properties-California

Verification:

Confirmed With: A. Lowe
Firm: Lee & Assoc.
Phone No: 602-956-7777
Confirmed By: Todd Finney
Comp Viewed: Yes

Comments

The property is located just west of Loop 303 and about two miles north of I-10. The property is planned for an industrial park named TEN 303. The owner plans to do build-to-suits and will sell parcels up to ten acres to developers and end-users. The property was raw land at the time of sale. Perimeter street improvements were completed and utilities were available.

Land Sale No. 6

Location Data

Location: S of SEC Apache & Southern
City: Buckeye
County: Maricopa
State/Zip: AZ 85326
Assessor's Parcel Nos: 504-65-016 & 017

Physical Data

Type: Industrial Land
Land Area: 3,343,548 SF
 76.76 AC
Topography: Generally Level
Shape: Rectangular
Utilities: Available
Zoning: GC, General Commerce
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±1,290 ft Apache

Analysis

Use at Sale: Vacant
Proposed Use: Manufacturing
Price Per Acre: \$40,126
Price Per Square Foot: \$0.92
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Aug-16
On Market: NA
Escrow/In Contract: NA
Document No: 0592854
Recording Date: Aug-16
Sale Price: \$3,080,000
Financing: All cash
Cash Equivalent Price: \$3,080,000
Required Capital Cost: \$0
Adjusted Sale Price: \$3,080,000
Grantor: Evergreen-Apache & Southern LLC
Grantee: Cardinal IF Co.

Verification:

Confirmed With: Costar; Affidavit
Firm: NA
Phone No: NA
Confirmed By: Todd Finney
Comp Viewed: Yes

Comments

This property is located just south of the SEC of Apache and Southern, approximately three miles south of Interstate 10 and three miles east of Highway 85. The buyer will develop a 250,000 SF glass manufacturing facility that will employ 100 and will produce insulating glass for residential window and door companies. The site had water and sewer available. The site is adjacent west of the Walmart distribution facility.

ELEMENTS OF COMPARISON

Real Property Rights Conveyed

All six comparable sales involved the conveyance of the fee simple interest, which is consistent with the property rights of the land being appraised; therefore, no adjustments are required for property rights conveyed.

Financing Terms

All of the comparable sales involve cash to the seller; therefore, no adjustments for financing terms are necessary.

Conditions of Sale

All of the comparable sales are all considered arm's length transactions, with no unusual circumstances reported. Therefore, no adjustments are warranted for conditions of sale.

Market Conditions

The sales closed between July 2015 and August 2016. The construction of the Loop 303 freeway and the announcement of several new corporate industrial tenants have resulted in strong interest in the West Valley land market. Most market participants report continued evidence of appreciation in land values. We have made an adjustment of approximately one-half percent per month for market conditions.

Location

The subject parcels are located in the I-10 corridor in the City of Buckeye with varying proximity to freeway interchanges. The subject parcels are in a future growth area that benefits from the significant development within the Verrado and Sundance communities. Of the four subject parcels under study (Parcel 2 is valued separately), Parcel 5 is considered to have the most desirable location due to its adjacency to Verrado. Parcel 4, located across the freeway from Parcel 5, has the second most desirable location. Parcel 3 fronts Verrado Way but has no freeway frontage; this parcel ranks third. Parcel 1 has the least desirable location of the four subject parcels due to surrounding land use patterns.

Sale 1 is located in the Skyview Business Park in Surprise. Although the parcel is over three miles from the nearest freeway, it is located in a large existing improved industrial park that is undergoing new development. The overall location attributes are superior to subject parcels 1 and 3, and a downward location adjustment is applied to each. A minor upward adjustment is applied for comparison to Parcel 5.

Sale 2 is located in Buckeye in the I-10 corridor at the NWC of Van Buren and Perryville. This location is considered comparable to Parcel 1 and inferior to the other three subject parcels due to its distance from the freeway and surrounding uses.

Sale 3 is located in Buckeye in the I-10 corridor on the south side of I-10, west of Watson Road. This location is considered superior to Parcel 1 in terms of surrounding influences and freeway proximity, and downward location adjustment is applied. This location is considered comparable to Parcel 3, and inferior to Parcels 4 and 5.

Sale 4 is located within the Goodyear Crossings Industrial Park in Goodyear, proximate to Highway 85 but four miles from I-10. Although this is a developing industrial area, the subject's location in the I-10 corridor provides a superior location. Relative upward adjustments are applied.

Sale 5 is located in the Loop 303 corridor of Goodyear, just west of Loop 303 on the north side of Indian School Road, two miles north of I-10. This parcel is in the near-term path of development, but its distance from I-10 is an offsetting consideration. Upward adjustments are applied for comparison to Parcels 4 and 5.

Sale 6 is located in Buckeye about three miles south of I-10 and three miles east of Highway 85. This location is considered inferior to all of the subject parcels due to its distance from the freeway. The parcel has limited street improvements but does have utilities available.

Zoning/Density

Subject Parcel 1 is zoned I-1, Light Industrial, whereas Parcels 4 and 5 are zoned PC, Planned Community. Parcel 3 was recently annexed by Buckeye; although its zoning is SF-43, the General Plan shows the parcel as office, and rezoning to Business Park is likely. Parcels 1, 4 and 5 have zoning in place to allow commercial, industrial or mixed-use development.

The comparable sales are located in various municipalities and have variable zoning classifications. However, all permit development of similar densities to include employment, education, industrial and/or commercial. No other adjustments are warranted for zoning.

Physical Characteristics

Adjustments for physical characteristics are discussed separately for each subject parcel.

Parcel 1

Size

Parcel 1 is 78.56 acres, whereas the sales range in size from 25.91 acres to 151.12 acres. Sales 1 and 3 are 58.8 acres and 47.7 acres, respectively, and minor downward adjustments are applied. Upward adjustments are applied to Sales 2 and 5 for their larger sizes of 151.12 and 146.53 acres. Sale 4 is adjusted downward for its smaller size of 25.91 acres. No adjustment is applied to Sale 6, which has a comparable size of 76.76 acres.

Shape

Parcel 1 has a long configuration in somewhat of a triangular shape. Given the width of the parcel, the shape is functional for many types of uses. However, the parcel's frontage-to-depth ratio will likely result in higher development costs (as is) compared to a more functional configuration. As evidenced by the plats on the data sheets, the shapes of Sales 2, 5, and 6 are considered to exhibit functionality superior to Parcel 1, and downward adjustments are applied. Sales 1, 3 and 4 have variable issues with shape and/or frontage-to-depth and no adjustments are applied for comparison to Parcel 1.

Topography

The topography of the subject and comparisons are considered similar and require no adjustment.

Freeway Frontage

Parcel 1 has no freeway frontage. Therefore, downward adjustment is applied to Sale 3, the only comparison with freeway frontage.

Site Improvements, Including Street Access and Utilities

Parcel 1 has no current street frontage, street access, or utility services (all of which will be provided in the Improvement District). The comparable sales have variable levels of site improvements; however, all have some street frontage and access, and all except Sale 2 have utilities. Therefore, downward adjustments are applied to Sales 1, 3, 4, and 5 for comparison to

Parcel 1. Upward adjustment is applied to Sale 2 for its lack of near-term utility solutions. No adjustment is applied to Sale 6 due to its very limited street improvements.

Parcel 3

Size

Parcel 3 is 38.92 acres. Upward adjustments are applied to Sales 1, 2, 5 and 6 for their larger sizes. Sales 3 and 4 are 47.70 to 25.91 acres, and no adjustments are applied.

Shape

Parcel 3 has a rectangular, functional configuration. Upward adjustments are applied to Sales 1, 3 and 4 for their inferior shape and/or frontage-to-depth ratio..

Topography

The topography of the subject and comparisons are considered similar and require no adjustment.

Freeway Frontage

Parcel 3 has no freeway frontage. Therefore, downward adjustment is applied to Sale 3.

Site Improvements, Including Street Frontage and Utilities

In its As Is status, Parcel 3 has street improvements and utility lines along its east border only. This combined level of improvements is considered inferior to all of the sale comparisons except Sales 2 and 6, thus warranting downward adjustments. Upward adjustments are applied to Sale 2 for its lack of near-term utility solutions and Sale 6 for limited street improvements.

Parcel 4

Size

Parcel 4 is 142.73 acres. Downward adjustments are applied to Sales 1, 3, 4 and 6 for their smaller sizes. Sales 2 and 5 are 151.12 to 146.53 acres, and no adjustments are applied.

Shape

Parcel 4 has a functional configuration with typical frontage-to-depth ratio. Upward adjustments are applied to Sales 1, 3 and 4 for their inferior shape and/or frontage-to-depth ratio.

Topography

The topography of the subject and comparisons are considered similar and require no adjustment.

Freeway Frontage

Parcel 4 has significant freeway frontage, which is a superior attribute to all sales except No. 3. Therefore, upward adjustments are applied.

Site Improvements, Including Street Frontage and Utilities

In its As Is status, Parcel 4 is an unfinished site with limited street improvements near its southeast corner. This level of improvements is considered inferior to all of the sale comparisons except Sales 2 and 6, thus warranting downward adjustments. Upward adjustments are applied to Sale 2 for its lack of near-term utility solutions and Sale 6 for limited street improvements.

Parcel 5

Size

Parcel 5 is 147.22 acres. Downward adjustments are applied to Sales 1, 3, 4 and 6 for their smaller sizes. Sales 2 and 5 are 151.12 to 146.53 acres, and no adjustments are applied.

Shape

Parcel 5 has a functional configuration with typical frontage-to-depth ratio. Upward adjustments are applied to Sales 1, 3 and 4 for their inferior shape and/or frontage-to-depth ratio.

Topography

The topography of the subject and comparisons are considered similar and require no adjustment.

Freeway Frontage

Parcel 5 has significant freeway frontage, which is a superior attribute to all sales except No. 3. Therefore, upward adjustments are applied.

Site Improvements, Including Street Frontage and Utilities

In its As Is status, Parcel 5 is an unfinished site but has street frontage and access from a major roadway (McDowell Road) along its north boundary, as well as availability of utilities. However, the lack of frontage or utilities to the remainder of the site is considered inferior to all of the sale comparisons except Sales 2 and 6, thus warranting downward adjustments. Upward adjustments are applied to Sales 2 and 6 for their lack of near-term utility solutions and/or limited street improvements.

SUMMARY OF ADJUSTMENTS

Based on the foregoing discussions, the following tables present the adjustments warranted to each sale, as compared to the subject parcels. The following adjustment grids imply a level of accuracy that may not exist in the local market. However, the grids have been included in order to illustrate the magnitude of the warranted adjustments.

PARCEL 1

| Land Sales Adjustment Grid - As Is - Parcel 1 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | -10% | 0% | -5% | 10% | 0% | 30% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | -2% | 10% | -3% | -15% | 10% | 0% |
| Shape | 0% | -5% | 0% | 0% | -5% | -5% |
| Topography | 0% | 0% | 0% | 0% | 0% | 0% |
| Freeway Frontage | 0% | 0% | -20% | 0% | 0% | 0% |
| Site Improvements | -20% | 15% | -20% | -20% | -20% | 0% |
| Total Other Adjustments | -32% | 20% | -48% | -25% | -15% | 25% |
| Value Indication for Subject | \$1.57 | \$1.22 | \$1.05 | \$1.39 | \$1.17 | \$1.16 |

The sales provide adjusted indications ranging from \$1.05 to \$1.57 PSF with an average of \$1.26. Sales 1 and 6 are most similar in size, and Sale 2 is most proximate. I have concluded at a market value of \$1.25 PSF for Parcel 1. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 1 - As Is | | | | | |
|---|---|------------|---|-------------|--|
| Value/SF | | Subject SF | | Total | |
| \$1.25 | x | 3,422,207 | = | \$4,277,759 | |
| Rounded | | | | \$4,280,000 | |

PARCEL 3

| Land Sales Adjustment Grid - As Is - Parcel 3 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | -5% | 5% | 0% | 15% | 0% | 35% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | 3% | 15% | 0% | 0% | 15% | 10% |
| Shape | 10% | 0% | 10% | 10% | 0% | 0% |
| Topography | 0% | 0% | 10% | 10% | 0% | 0% |
| Freeway Frontage | 0% | 0% | -20% | 0% | 0% | 0% |
| Site Improvements | -10% | 25% | -10% | -10% | -10% | 25% |
| Total Other Adjustments | -2% | 45% | -10% | 25% | 5% | 70% |
| Value Indication for Subject | \$2.26 | \$1.48 | \$1.82 | \$2.32 | \$1.44 | \$1.58 |

The sales provide adjusted indications ranging from \$1.44 to \$2.26 PSF with an average of \$1.82. Greatest emphasis is placed on Sale 1, 3 and 4. I have concluded at a market value of \$2.00 PSF for Parcel 3. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 3 - As Is | | | | |
|---|---|------------|---|-------------|
| Value/SF | | Subject SF | | Total |
| \$2.00 | x | 1,695,540 | = | \$3,391,080 |
| Rounded | | | | \$3,390,000 |

PARCEL 4

| Land Sales Adjustment Grid - As Is - Parcel 4 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | 0% | 10% | 5% | 20% | 5% | 40% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | -10% | 0% | -10% | -20% | 0% | -5% |
| Shape | 10% | 0% | 10% | 10% | 0% | 0% |
| Topography | 0% | 0% | 0% | 0% | 0% | 0% |
| Freeway Frontage | 20% | 20% | 0% | 20% | 20% | 20% |
| Site Improvements | -10% | 25% | -10% | -10% | -10% | 25% |
| Total Other Adjustments | 10% | 55% | -5% | 20% | 15% | 80% |
| Value Indication for Subject | \$2.54 | \$1.58 | \$1.93 | \$2.23 | \$1.58 | \$1.67 |

The sales provide adjusted indications ranging from \$1.58 to \$2.54 PSF with an average of \$1.92. I have concluded at a market value of \$2.00 PSF for Parcel 4. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 4 - As Is | | | | | |
|---|---|------------|---|--------------|--|
| Value/SF | | Subject SF | | Total | |
| \$2.00 | x | 6,217,114 | = | \$12,434,228 | |
| Rounded | | | | \$12,430,000 | |

PARCEL 5

| Land Sales Adjustment Grid - As Is - Parcel 5 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | 5% | 15% | 10% | 25% | 10% | 45% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | -10% | 0% | -10% | -20% | 0% | -5% |
| Shape | 10% | 0% | 10% | 10% | 0% | 0% |
| Topography | 0% | 0% | 0% | 0% | 0% | 0% |
| Freeway Frontage | 20% | 20% | 0% | 20% | 20% | 20% |
| Site Improvements | -10% | 25% | -10% | -10% | -10% | 25% |
| Total Other Adjustments | 15% | 60% | 0% | 25% | 20% | 85% |
| Value Indication for Subject | \$2.66 | \$1.63 | \$2.03 | \$2.32 | \$1.65 | \$1.72 |

The sales provide adjusted indications ranging from \$1.65 to \$2.66 PSF with an average of \$2.00. Based on this parcel's location across the street from Verrado and its frontage on both the freeway and McDowell Road, I have concluded at a market value of \$2.25 PSF for Parcel 5. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 5 - As Is | | | | | |
|---|---|------------|---|--------------|--|
| Value/SF | | Subject SF | | Total | |
| \$2.25 | x | 6,412,674 | = | \$14,428,517 | |
| Rounded | | | | \$14,430,000 | |

PARCEL 2

A separate set of sale comps is used for Parcel 2 due to its zoning of C-3, Regional Commercial, coupled with its interchange location and freeway frontage. We project that this parcel will be developed sooner than the other subject parcels.

A table of comparable sales is on the following page, followed by a location map and data sheets for each sale. These are followed by an adjustment analysis and value conclusions. In analyzing the sales data, we have selected the price per SF as the unit of comparison.

| Summary of Comparable Land Sales (Parcel 2) | | | | | | | |
|---|--|--------|------------------------|---------------|--------------|-----------------|--|
| No. | Location | Date | Zoning/ Planned Use | Sale Price | Size (Acres) | Price Per SF | Comments |
| 7 | NE Camelback Rd. & Litchfield Rd. Litchfield Park | Feb-15 | CS Neigh. Retail | \$ 3,734,629 | 18.49 | \$4.64 | Planned for retail center named Litchfield Marketplace, anchored by Fry's |
| 8 | SW Loop 303 & Camelback Goodyear | Apr-15 | PAD Distrib. | \$ 5,320,696 | 33.93 | \$3.60 | PV303 West; planned for 400K distribution for REI; Loop 303 frontage |
| 9 | NE Loop 303 & Ind. School Rd. Goodyear | Feb-16 | PAD Distrib. | \$ 12,864,139 | 73.83 | \$4.00 | PV303 East; planned for two distribution buildings totaling 1.1M SF; Loop 303 frontage |
| 10 | SE McDowell & 91st Ave. Tolleson | Apr-16 | C-2 Mixed-use | \$ 2,550,000 | 20.64 | \$2.84 | Tolleson Towne Center; planned for hotel, retail and apartments; fronts I-10 |
| Subject | Parcel 2 | | C-3 | | 40.62 | | |



Land Sales



Land Sale No. 7

Location Data

Location: NE Camelback & Litchfield
City: Litchfield Park
County: Maricopa
State/Zip: AZ 85340
Assessor's Parcel Nos: 501-62-008C (portion)

Physical Data

Type: Commercial Land
Land Area: 805,577 SF
 18.49 AC
Topography: Generally Level
Shape: Irregular
Utilities: Available
Zoning: CS, Community Commercial
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±458 ft Litchfield Rd.
 ±811 ft Camelback Rd.

Analysis

Use at Sale: Vacant
Proposed Use: Retail Center
Price Per Acre: \$201,943
Price Per Square Foot: \$4.64
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Feb-15
On Market: NA
Escrow/In Contract: NA
Document No: 0752839
Recording Date: Oct-05
Sale Price: \$3,734,629
Financing: All cash
Cash Equivalent Price: \$3,734,629
Required Capital Cost: \$0
Adjusted Sale Price: \$3,734,629
Grantor: REP Sun II LLC
Grantee: Evergreen-Camelback & Litchfield LLC

Verification:

Confirmed With: M. Ord
Firm: SL Slaughter
Phone No: 602-957-3553
Confirmed By: Todd Finney
Comp Viewed: Yes

Comments

The site was purchased for the planned development of a neighborhood retail center named Litchfield Marketplace. The center will be anchored by a 124,000 SF Fry's Marketplace and will include approximately 30,000 SF of shops and pads. The buyer also owns the 3-acre parcel at the hard corner, which will be part of the development. This parcel was raw land at the time of sale. Utilities were available to the site. After this purchase, the buyer sold 13.69 acres to Fry's for \$2,962,708, or \$4.97 PSF.

Land Sale No. 8

Location Data

Location: SW Loop 303 & Camelback
City: Goodyear
County: Maricopa
State/Zip: AZ 85395
Assessor's Parcel Nos: 501-02-790

Physical Data

Type: Commercial Land
Land Area: 1,477,971 SF
 33.93 AC
Topography: Generally Level
Shape: Irregular
Utilities: Available
Zoning: PAD
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±677 ft Loop 303

Analysis

Use at Sale: Vacant
Proposed Use: Distribution
Price Per Acre: \$156,816
Price Per Square Foot: \$3.60
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Apr-15
On Market: NA
Escrow/In Contract: NA
Document No: 0258464
Recording Date: NA
Sale Price: \$5,320,696
Financing: Cash to seller
Cash Equivalent Price: \$5,320,696
Required Capital Cost: \$0
Adjusted Sale Price: \$5,320,696
Grantor: RP PV I, LLC
Grantee: Recreational Equipment, Inc.

Verification:

Confirmed With: R. Kennedy
Firm: CBRE
Phone No: 602-735-1712
Confirmed By: Todd Finney
Comp Viewed: Yes

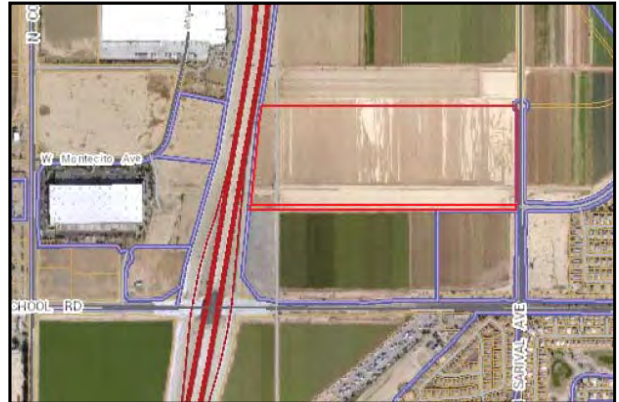
Comments

This site is Lot 12A of Palm Valley Phase VI Perimeter West (aka PV303 West). The business park totals 1,600 acres along both sides of Loop 303 between Thomas Road and Camelback Road. The site was purchased by REI for the planned construction of a 400,000 SF distribution facility that will employ 100. It is noted that 169th Avenue, extending through the center of the property, was abandoned for the development.

Land Sale No. 9

Location Data

Location: NE Loop 303 & Ind. School Rd
City: Goodyear
County: Maricopa
State/Zip: AZ 85395
Assessor's Parcel Nos: 501-02-907 & 915

Physical Data

Type: Commercial Land
Land Area: 3,216,034 SF
 73.83 AC
Topography: Generally Level
Shape: Rectangular
Utilities: Available
Zoning: PAD
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±1,144 ft Loop 303
 ±1,149 ft Sarival

Analysis

Use at Sale: Vacant
Proposed Use: Distribution
Price Per Acre: \$174,240
Price Per Square Foot: \$4.00
Price Per Unit: NA

Sale Data

Transaction Type: Sale
Transaction Date: Feb-16
On Market: NA
Escrow/In Contract: NA
Document No: 0112780
Recording Date: Feb-16
Sale Price: \$12,864,139
Financing: All cash
Cash Equivalent Price: \$12,864,139
Required Capital Cost: \$0
Adjusted Sale Price: \$12,864,139
Grantor: RP PV II LLC
Grantee: FR PV 303 LLC

Verification:

Confirmed With: D. Calihan
Firm: CBRE
Phone No: 602-735-5555
Confirmed By: Todd Finney
Comp Viewed: Yes

Comments

This sale involved Lot 1 within the PV303 East business park. The park totals 1,600 acres along both sides of Loop 303 between Thomas Road and Camelback Road. The true buyer is First Industrial Realty Trust Inc., and the true sellers are Sunbelt Holdings and Rockpoint Group. The buyer has plans for two industrial distribution buildings of 600,000 SF and 500,000 SF. The buyer also has an option to purchase an additional 100 acres located adjacent north. The seller is installing all infrastructure to the business park.

Land Sale No. 10

Location Data

Location: SE McDowell & 91st Ave.
City: Tolleson
County: Maricopa
State/Zip: AZ 85353
Assessor's Parcel Nos: 102-47-001G & 001J

Physical Data

Type: Commercial Land
Land Area: 899,078 SF
 20.64 AC
Topography: Generally Level
Shape: Irregular
Utilities: Available
Zoning: C-2, General Commercial
Allowable Bldg Area: NA
Floor Area Ratio: NA
No. of Units: NA
Frontage: ±1,900 ft McDowell
 ±300 ft 91st

Sale Data

Transaction Type: Sale
Transaction Date: Apr-16
On Market: NA
Escrow/In Contract: NA
Document No: 0305126
Recording Date: Apr-16
Sale Price: \$2,550,000
Financing: All cash
Cash Equivalent Price: \$2,550,000
Required Capital Cost: \$0
Adjusted Sale Price: \$2,550,000
Grantor: BOKE, NA
Grantee: Virtua 91st LLC

Comments

This parcel is located at the full diamond interchange of I-10 and 91st Avenue, adjacent north of the Roosevelt Irrigation District Canal. The buyer is a developer with plans for two hotels, retail and apartments. No timing has been established. There were no entitlements or plans included in the sale. The site was rough grade and utilities were available.

Analysis

Use at Sale: Vacant
Proposed Use: NA
Price Per Acre: \$123,547
Price Per Square Foot: \$2.84
Price Per Unit: NA

Verification:

Confirmed With: R. Danis
Firm: C&W
Phone No: 602-224-4405
Confirmed By: Todd Finney
Comp Viewed: Yes

ELEMENTS OF COMPARISON

Real Property Rights Conveyed

All four comparable sales involved the conveyance of the fee simple interest, which is consistent with the property rights of the land being appraised; therefore, no adjustments are required for the property rights conveyed.

Financing Terms

All of the comparable sales involve cash to the seller; therefore, no adjustments for financing terms are necessary.

Conditions of Sale

All of the comparable sales are all considered arm's length transactions, with no unusual circumstances reported. Therefore, no adjustments are warranted for conditions of sale.

Market Conditions

The sales closed between February 2015 and April 2016. The construction of the Loop 303 freeway and the announcement of several new corporate industrial tenants has resulted in strong interest in the West Valley land market. Most market participants report continued evidence of appreciation in land values. We have made an adjustment of approximately one-half percent per month for market conditions.

Location

The subject parcel is located at a freeway interchange across from the Verrado master-planned community. This is considered a strong commercial development location.

Sale 7 is located within one mile of the center of the Litchfield Park community and is surrounded by single-family residential. Although the parcel does not have freeway proximity, its location on two major arterials and surrounding land uses result in a net downward adjustment warranted for comparison to subject.

Sales 8 and 9 are located in the PV303 Industrial Park in the Loop 303 corridor of Goodyear. Although the Loop 303 has significantly lower traffic counts than I-10, the location of these parcels in a growing industrial park under development results in a location advantage, and downward adjustment is applied.

Sale 10 is located in the I-10 corridor at the 91st Avenue interchange, adjacent to a Kmart. The Gateway Pavilions shopping center (Costco, Harkins) is one mile west at 99th Avenue and I-10. This location is considered superior to Parcel 2 in terms of surrounding land uses, and downward location adjustment is applied.

Zoning/Density

Subject Parcel 2 is zoned C-3, Regional Commercial. Sale 7 is zoned Community Commercial. Sales 8 and 9 have PAD designations. Sale 10 is zoned General Commercial. All of the sales had zoning in place to allow commercial, industrial or mixed-use development. All permit development of similar densities to include employment, education, industrial and/or commercial. No adjustments are warranted for zoning.

Physical Characteristics

Adjustments for physical characteristics are discussed separately for each of the four subject parcels.

Size

Subject Parcel 2 is 40.62 acres, whereas the sales range in size from 18.49 acres to 73.83 acres. Downward adjustments are applied to Sales 7 and 10 for their smaller sizes of 18.49 and 20.64 acres. Sale 9 is adjusted upward for its larger size of 73.83 acres.

Shape

Subject Parcel 2 has a functional configuration with typical frontage-to-depth ratio. Sales 7, 8 and 9 have comparable shapes and function. Sale 10 has a long, narrow configuration, which results in inferior functionality and higher site development costs, thus warranting upward adjustment.

Topography

The topography of the subject and comparisons are considered similar and require no adjustment.

Freeway Frontage

Subject Parcel 2 has freeway frontage and interchange location. Sale 7 has frontage on two major arterials, but upward adjustment is applied for its lack of any freeway frontage. Sales 8 and 9 have freeway frontage, but they are not located at the interchange, thus warranting

upward adjustment. Sale 10 has freeway frontage at an interchange; however, the freeway frontage is altered by the irrigation canal, thus warranting upward adjustment.

Site Improvements, Including Street Access and Utilities

Parcel 2 is a partially finished parcel with access from Verrado Way, frontage on Verrado Way and I-10, and all utilities available to the site. All four comparable sales have superior roadway frontage (dual for some), superior access and utility locations at more than one location, thereby warranting downward adjustments.

PARCEL 2 CONCLUSION - AS IS

| Land Sales Adjustment Grid - As Is - Parcel 2 | | | | |
|---|-------------|-------------|--------------|-------------|
| Sale No. | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> |
| Sale Date | Feb-15 | Apr-15 | Feb-16 | Apr-16 |
| Sale Price | \$3,734,629 | \$5,320,696 | \$12,864,139 | \$2,550,000 |
| Size (Acres) | 18.49 | 33.93 | 73.83 | 20.64 |
| Price Per SF | \$4.64 | \$3.60 | \$4.00 | \$2.84 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% |
| Market Conditions | 10% | 9% | 4% | 3% |
| Subtotal | \$5.10 | \$3.92 | \$4.16 | \$2.93 |
| Location | -10% | -5% | -5% | -5% |
| Zoning/Density | 0% | 0% | 0% | 0% |
| Size | -10% | 0% | 10% | -10% |
| Shape | 0% | 0% | 0% | 30% |
| Topography | 0% | 0% | 0% | 0% |
| Freeway Frontage | 10% | 10% | 10% | 10% |
| Site Improvements | -20% | -10% | -20% | -10% |
| Total Other Adjustments | -30% | -5% | -5% | 15% |
| Value Indication for Subject | \$3.57 | \$3.73 | \$3.95 | \$3.36 |

The sales provide adjusted indications ranging from \$3.36 to \$3.95 PSF with an average of \$3.65. I have concluded at a market value of \$3.50 PSF for Parcel 2. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 2 - As Is | | | | |
|---|---|------------|---|-------------|
| Value/SF | | Subject SF | | Total |
| \$3.50 | x | 1,769,292 | = | \$6,192,522 |
| Rounded | | | | \$6,190,000 |

SUMMARY OF MARKET VALUES - AS IS

The concluded As Is Market Values for each parcel, as of October 17, 2016, are summarized as follows:

| As Is Market Value Conclusions | | |
|--------------------------------|--------|-----------------------|
| Parcel | Per SF | As Is Market Value |
| 1 | \$1.25 | \$4,280,000 |
| 2 | \$3.50 | \$6,190,000 |
| 3 | \$2.00 | \$3,390,000 |
| 4 | \$2.00 | \$12,430,000 |
| 5 | \$2.25 | \$14,430,000 |

DISPOSITION VALUE - AS IS

The client has requested the disposition value of each parcel. The Dictionary of Real Estate Appraisal (5th Edition) defines disposition value as the most probable price that a specified interest in real property should bring under the following conditions:

1. consummation of a sale within a future exposure time specified by the client (180 days in this instance);
2. the property is subject to market conditions prevailing as of the date of valuation;
3. both the buyer and seller are acting prudently and knowledgeably;
4. the seller is under compulsion to sell;
5. the buyer is typically motivated;
6. both parties are acting in what they consider to be their best interests;
7. an adequate marketing effort will be made during the exposure time specified by the client;
8. payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto;
9. 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.

The most important component of this definition is that marketing time is not to exceed six months. The appraisal of the subject property concludes a marketing time of twelve months. I have interviewed market participants in order to determine the price discount required in order to sell the subject asset in less than six months. The feedback provided indicated a range of opinions of discounts that generally ranged from 5% to 15%. Based on the current investment climate, it is concluded that a price discount of 10% is reasonable in concluding a disposition

value for the subject property, assuming a marketing period not to exceed six months. Therefore, applying a 10% discount to the previously concluded “as is” market values reveals the following disposition values as of October 16, 2016.

| Disposition Value - As Is | | | | |
|---------------------------|--------------|--------------|-------------------|--------------|
| Parcel | Market Value | 10% Discount | Disposition Value | Rounded |
| 1 | \$4,280,000 | \$428,000 | \$3,852,000 | \$3,850,000 |
| 2 | \$6,190,000 | \$619,000 | \$5,571,000 | \$5,570,000 |
| 3 | \$3,390,000 | \$339,000 | \$3,051,000 | \$3,050,000 |
| 4 | \$12,430,000 | \$1,243,000 | \$11,187,000 | \$11,190,000 |
| 5 | \$14,430,000 | \$1,443,000 | \$12,987,000 | \$12,990,000 |

VALUATION ASSUMING COMPLETION OF IMPROVEMENT DISTRICT

This section concludes a market value and disposition value of each subject parcel based on the hypothetical condition that the Roosevelt Improvement District is completed.

A description of the planned improvements in the Roosevelt Improvement District was previously presented in this report, along with a description of the impact on each subject parcel. The reader is referred to the discussion presented on pages 44 to 46.

The same sales that were previously analyzed in the As Is analysis are used in this analysis, with adjustments made for the site improvements impacting each parcel, as well as ancillary effects.

Parcel 1

The extension of Roosevelt Street across the drainage channel will provide the subject access to Jackrabbit Trail as well as the nearby freeway interchange. This will enhance the subject's location appeal, and a 10% new upward adjustment is applied to each comparison (net change from previous adjustment).

The overall site improvements will be significant due to the construction of Roosevelt Street across the entire northern boundary of this parcel. In addition utilities will be extended. An upward adjustment of 30% is applied to each sale (net change).

The previous downward adjustment made for the negative impact of the frontage-to-depth ratio is eliminated for Sales 2, 5 and 6 due to the positive effect of the site improvements. In addition, upward adjustments of 5% are applied to Sales 1, 3 and 4.

Parcel 2

This parcel's location features are enhanced by the development of Roosevelt Street along its south boundary, thus providing improved access. I have applied an upward adjustment of 10% for the improvement in location appeal.

In regard to site improvements, the parcel will be considered a finished site due to the addition of water and sewer lines along its south and west border. Utility lines already exist along its east border. The new street and utility improvements warrant the application of a 20% upward adjustment.

Parcel 3

The location characteristics of Parcel 3 will be improved by the extension of Roosevelt Street west from Airport Road, which will make Parcel 3 a corner parcel on a through street. I have applied an upward adjustment of 10% for the improvement in location appeal.

In regard to site improvements, the construction of Roosevelt Street along the north border and 211th Avenue along the west border, coupled with the new sewer line on the west, will greatly enhance the development potential of this parcel. An upward adjustment of 25% is applied to each sale.

Parcel 4

The location characteristics of Parcel 4 will be improved by the extension of Roosevelt Street west from Airport Road, as well as the construction of Van Buren Street along its south border and 211th Avenue along the east. I have applied an upward adjustment of 10% for the improvement in location appeal.

In regard to site improvements, the construction of Roosevelt Street and 211th Avenue, coupled with the improved access to water and sewer lines, will greatly enhance the development potential of this parcel. An upward adjustment of 30% is applied to each sale.

Parcel 5

This parcel already has arterial frontage and availability of utilities on the north. Therefore, no adjustment is made for improved location features.

The site improvements will consist of a new collector street along its east border, as well as new water and sewer stubs at the southeast corner of the property. An upward adjustment of 25% is applied to each sale.

ADJUSTMENT GRIDS AND VALUE CONCLUSIONS - AS COMPLETE

On the following pages are revised adjustment grids and value conclusions that incorporate the adjustments described above.

| Land Sales Adjustment Grid - As Complete - Parcel 1 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | 0% | 10% | 5% | 20% | 10% | 40% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | -2% | 10% | -3% | -15% | 10% | 0% |
| Shape | 5% | 0% | 5% | 5% | 0% | 0% |
| Topography | 0% | 0% | 0% | 0% | 0% | 0% |
| Freeway Frontage | 0% | 0% | -20% | 0% | 0% | 0% |
| Site Improvements | 10% | 45% | 10% | 10% | 10% | 30% |
| Total Other Adjustments | 13% | 65% | -3% | 20% | 30% | 70% |
| Value Indication for Subject | \$2.61 | \$1.68 | \$1.97 | \$2.23 | \$1.79 | \$1.58 |

The sales provide adjusted indications ranging from \$1.58 to \$2.61 PSF with an average of \$1.98. I have concluded at a market value of \$2.00 PSF for Parcel 1, as improved. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 1 - As Complete | | | | |
|---|---|------------|---|-------------|
| Value/SF | | Subject SF | | Total |
| \$2.00 | x | 3,422,207 | = | \$6,844,414 |
| Rounded | | | | \$6,840,000 |

| Land Sales Adjustment Grid - As Complete - Parcel 2 | | | | |
|---|-------------|-------------|--------------|-------------|
| Sale No. | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> |
| Sale Date | Feb-15 | Apr-15 | Feb-16 | Apr-16 |
| Sale Price | \$3,734,629 | \$5,320,696 | \$12,864,139 | \$2,550,000 |
| Size (Acres) | 18.49 | 33.93 | 73.83 | 20.64 |
| Price Per SF | \$4.64 | \$3.60 | \$4.00 | \$2.84 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% |
| Market Conditions | 10% | 9% | 4% | 3% |
| Subtotal | \$5.10 | \$3.92 | \$4.16 | \$2.93 |
| Location | 0% | 5% | 5% | 15% |
| Zoning/Density | 0% | 0% | 0% | 0% |
| Size | -10% | 0% | 10% | -10% |
| Shape | 0% | 0% | 0% | 30% |
| Topography | 0% | 0% | 0% | 0% |
| Freeway Frontage | 10% | 10% | 10% | 10% |
| Site Improvements | 0% | 10% | 0% | 10% |
| Total Other Adjustments | 0% | 25% | 25% | 55% |
| Value Indication for Subject | \$5.10 | \$4.91 | \$5.20 | \$4.53 |

The sales provide adjusted indications ranging from \$4.53 to \$5.20 PSF with an average of \$4.94. I have concluded at a market value of \$5.00 PSF for Parcel 2. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 2 - As Complete | | | | |
|---|---|------------|---|-------------|
| Value/SF | | Subject SF | | Total |
| \$5.00 | x | 1,769,292 | = | \$8,846,460 |
| Rounded | | | | \$8,850,000 |

| Land Sales Adjustment Grid - As Complete - Parcel 3 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | 5% | 15% | 10% | 25% | 10% | 45% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | 3% | 15% | 0% | 0% | 15% | 10% |
| Shape | 10% | 0% | 10% | 10% | 0% | 0% |
| Topography | 0% | 0% | 0% | 0% | 0% | 0% |
| Freeway Frontage | 0% | 0% | -20% | 0% | 0% | 0% |
| Site Improvements | 15% | 25% | 45% | 15% | 15% | 45% |
| Total Other Adjustments | 33% | 55% | 45% | 50% | 40% | 100% |
| Value Indication for Subject | \$3.07 | \$1.58 | \$2.94 | \$2.79 | \$1.92 | \$1.86 |

The sales provide adjusted indications ranging from \$1.58 to \$3.07 PSF with an average of \$2.36. I have concluded at a market value of \$2.50 PSF for Parcel 3. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 3 - As Complete | | | | | |
|---|---|------------|---|-------------|--|
| Value/SF | | Subject SF | | Total | |
| \$2.50 | x | 1,695,540 | = | \$4,238,850 | |
| Rounded | | | | \$4,240,000 | |

| Land Sales Adjustment Grid - As Complete - Parcel 4 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | 10% | 20% | 15% | 30% | 15% | 50% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | -10% | 0% | -10% | -20% | 0% | -5% |
| Shape | 10% | 0% | 10% | 10% | 0% | 0% |
| Topography | 0% | 0% | 0% | 0% | 0% | 0% |
| Freeway Frontage | 20% | 20% | 0% | 20% | 20% | 20% |
| Site Improvements | 20% | 55% | 20% | 20% | 20% | 55% |
| Total Other Adjustments | 50% | 95% | 35% | 60% | 55% | 120% |
| Value Indication for Subject | \$3.47 | \$1.99 | \$2.74 | \$2.97 | \$2.13 | \$2.04 |

The sales provide adjusted indications ranging from \$1.99 to \$3.47 PSF with an average of \$2.56. I have concluded at a market value of \$2.50 PSF for Parcel 4. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 4 - As Complete | | | | | |
|---|---|------------|---|--------------|--|
| Value/SF | | Subject SF | | Total | |
| \$2.50 | x | 6,217,114 | = | \$15,542,785 | |
| Rounded | | | | \$15,540,000 | |

| Land Sales Adjustment Grid - As Complete - Parcel 5 | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sale No. | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Sale Date | Jul-15 | Sep-15 | Nov-15 | Dec-15 | Jul-16 | Aug-16 |
| Sale Price | \$5,600,000 | \$6,400,000 | \$4,000,000 | \$2,000,000 | \$8,700,000 | \$3,080,000 |
| Size (Acres) | 58.84 | 151.12 | 47.70 | 25.91 | 146.53 | 76.76 |
| Price Per SF | \$2.18 | \$0.97 | \$1.93 | \$1.77 | \$1.36 | \$0.92 |
| Property Rights Conveyed | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing Terms | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions | 6% | 5% | 5% | 5% | 1% | 1% |
| Subtotal | \$2.31 | \$1.02 | \$2.03 | \$1.86 | \$1.37 | \$0.93 |
| Location | 5% | 15% | 10% | 25% | 10% | 45% |
| Zoning/Density | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | -10% | 0% | -10% | -20% | 0% | -5% |
| Shape | 10% | 0% | 10% | 10% | 0% | 0% |
| Topography | 0% | 0% | 0% | 0% | 0% | 0% |
| Freeway Frontage | 20% | 20% | 0% | 20% | 20% | 20% |
| Site Improvements | 25% | 50% | 15% | 15% | 15% | 50% |
| Total Other Adjustments | 50% | 85% | 25% | 50% | 45% | 110% |
| Value Indication for Subject | \$3.47 | \$1.88 | \$2.53 | \$2.79 | \$1.99 | \$1.95 |

The sales provide adjusted indications ranging from \$1.88 to \$3.47 PSF with an average of \$2.44. I have concluded at a market value of \$2.50 PSF for Parcel 5. The market value indication is summarized as follows:

| Concluded Land Value - Parcel 5 - As Complete | | | | | |
|---|---|------------|---|--------------|--|
| Value/SF | | Subject SF | | Total | |
| \$2.50 | x | 6,412,674 | = | \$16,031,685 | |
| Rounded | | | | \$16,030,000 | |

SUMMARY OF MARKET VALUES - AS COMPLETE

The concluded As Improved Market Values for each parcel, as of October 17, 2016 are summarized as follows:

| As Complete (Hypothetical) Market Value Conclusions | | |
|--|--------|-----------------------|
| Parcel | Per SF | As Is Market Value |
| 1 | \$2.00 | \$6,840,000 |
| 2 | \$5.00 | \$8,850,000 |
| 3 | \$2.50 | \$4,240,000 |
| 4 | \$2.50 | \$15,540,000 |
| 5 | \$2.50 | \$16,030,000 |

The above value estimates are based on the hypothetical condition that the Roosevelt Improvement District was completed as of the effective date.

DISPOSITION VALUE - AS IMPROVED

Similar to the As Is analysis, a 10% discount was considered reasonable in deriving the Disposition Value of each parcel.

| Disposition Value - As Complete | | | | |
|---------------------------------|-----------------|-----------------|----------------------|--------------|
| Parcel | Market Value | 10% Discount | Disposition Value | Rounded |
| 1 | \$6,840,000 | \$684,000 | \$6,156,000 | \$6,160,000 |
| 2 | \$8,850,000 | \$885,000 | \$7,965,000 | \$7,970,000 |
| 3 | \$4,240,000 | \$424,000 | \$3,816,000 | \$3,820,000 |
| 4 | \$15,540,000 | \$1,554,000 | \$13,986,000 | \$13,990,000 |
| 5 | \$16,030,000 | \$1,603,000 | \$14,427,000 | \$14,430,000 |

RECONCILIATION OF VALUE

In the sales comparison approach, the subject property is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered somewhat comparable to the subject, and the required adjustments were based on reasonable rationale.

Based on the foregoing, the market value of the subject has been concluded as follows:

| Disposition Value Conclusions | | | | |
|-------------------------------|--------------------------------|--------------------|-------------------------|------------------|
| Premise/Parcel | Parcel Nos. | Interest Appraised | Effective Date of Value | Value Conclusion |
| As Is | | | | |
| Parcel 1 | 502-35-013A & 014A | Fee Simple | October 17, 2016 | \$ 3,850,000 |
| Parcel 2 | 504-20-001M, 001Q & 381 | Fee Simple | October 17, 2016 | \$ 5,570,000 |
| Parcel 3 | 504-20-002B | Fee Simple | October 17, 2016 | \$ 3,050,000 |
| Parcel 4 | 504-20-003B & 005H | Fee Simple | October 17, 2016 | \$ 11,190,000 |
| Parcel 5 | 504-20-003C, 003D, 005E & 005G | Fee Simple | October 17, 2016 | \$ 12,990,000 |
| As Complete (Hypothetical) | | | | |
| Parcel 1 | 502-35-013A & 014A | Fee Simple | October 17, 2016 | \$ 6,160,000 |
| Parcel 2 | 504-20-001M, 001Q & 381 | Fee Simple | October 17, 2016 | \$ 7,970,000 |
| Parcel 3 | 504-20-002B | Fee Simple | October 17, 2016 | \$ 3,820,000 |
| Parcel 4 | 504-20-003B & 005H | Fee Simple | October 17, 2016 | \$ 13,990,000 |
| Parcel 5 | 504-20-003C, 003D, 005E & 005G | Fee Simple | October 17, 2016 | \$ 14,430,000 |

The value conclusion is based on all underlying assumptions and conditions contained herein, including an exposure time and marketing time of twelve months each. The value conclusions are based on all underlying assumptions and limiting conditions contained herein, including an exposure time and marketing time of six months each. Hypothetical conditions and extraordinary assumptions are identified on pages 5 and 6 herein.

This report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made subject to the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The illustrative material in this report is included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvement is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the reports.
11. Unless otherwise stated in this report, the existence of hazardous materials, 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. The presence of substances such as asbestos, urea formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any

expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

12. Unless otherwise stated in this Appraisal, compliance with the requirements of the Americans With Disabilities Act of 1990 (ADA) has not been analyzed in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the property. It is recommended that an expert in this field be employed.
13. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
14. Possession of this report, or a copy thereof, does not carry with it the right of publication.
15. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
16. Neither all nor any part of the contents of this report (especially any conclusion as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

ADDENDA

SUBJECT PHOTOGRAPHS



Parcel 1 - Looking West



Parcel 1 - Looking NE From West Boundary



Parcel 1 - Looking West from 195th Ave.



Looking North Along 195th Ave.



Parcel 2 - Looking Northwest From Verrado Way



Looking North Along Verrado Way - Parcel 2 at Left



Looking South Along Verrado Way At Intersection With Roosevelt



Looking East Along Roosevelt From Verrado Way



Parcel 3 - Looking SE From Verrado Way



Parcel 3 - Looking NE From School



Parcel 4 - looking SE From NWC



Parcel 4 - Looking West From East Boundary



Parcel 4 - Looking NW



Looking West Along Van Buren



Parcel 5 - Looking SW From McDowell Rd.



Parcel 5 - Looking East From West Terminus of McDowell Rd.

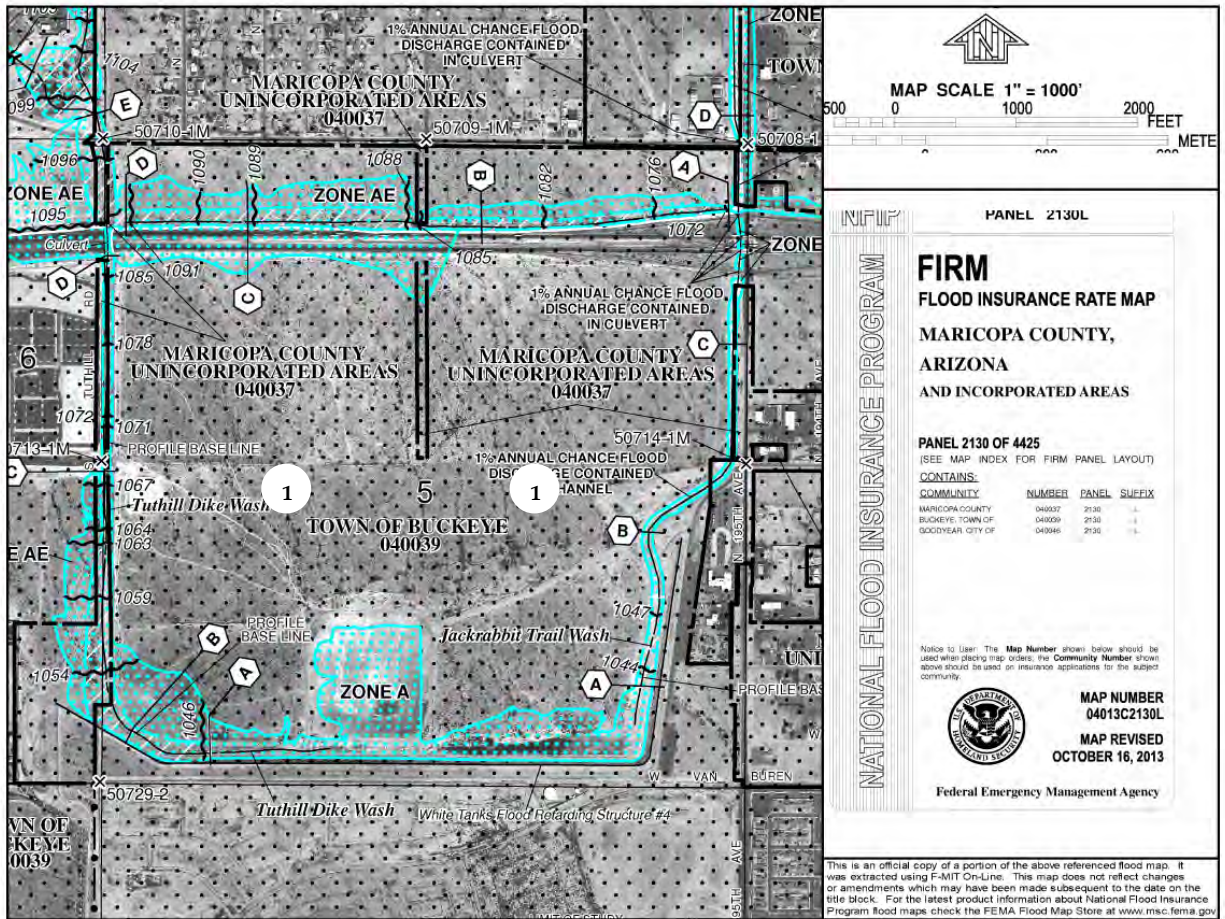


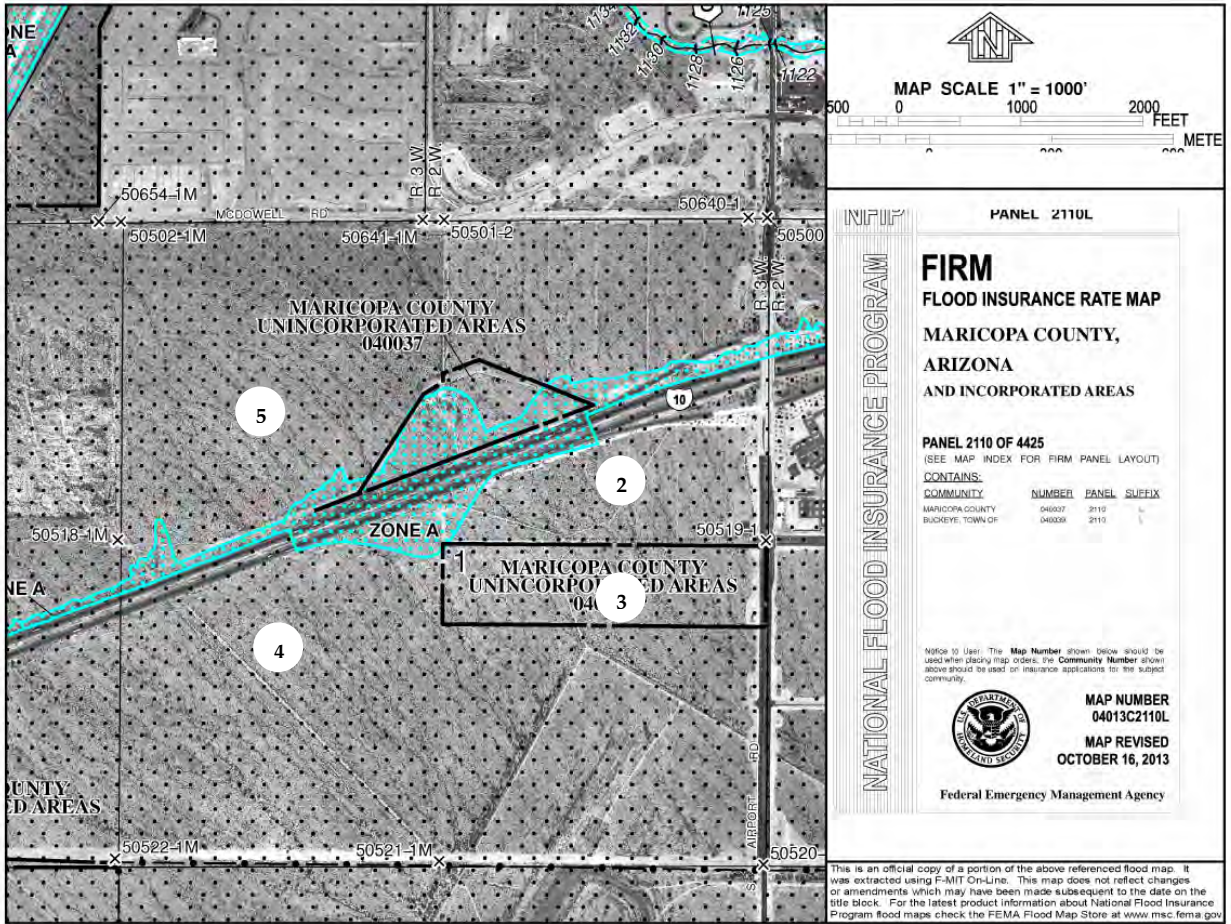
Looking West Along McDowell Rd. - Parcel 5 at Left



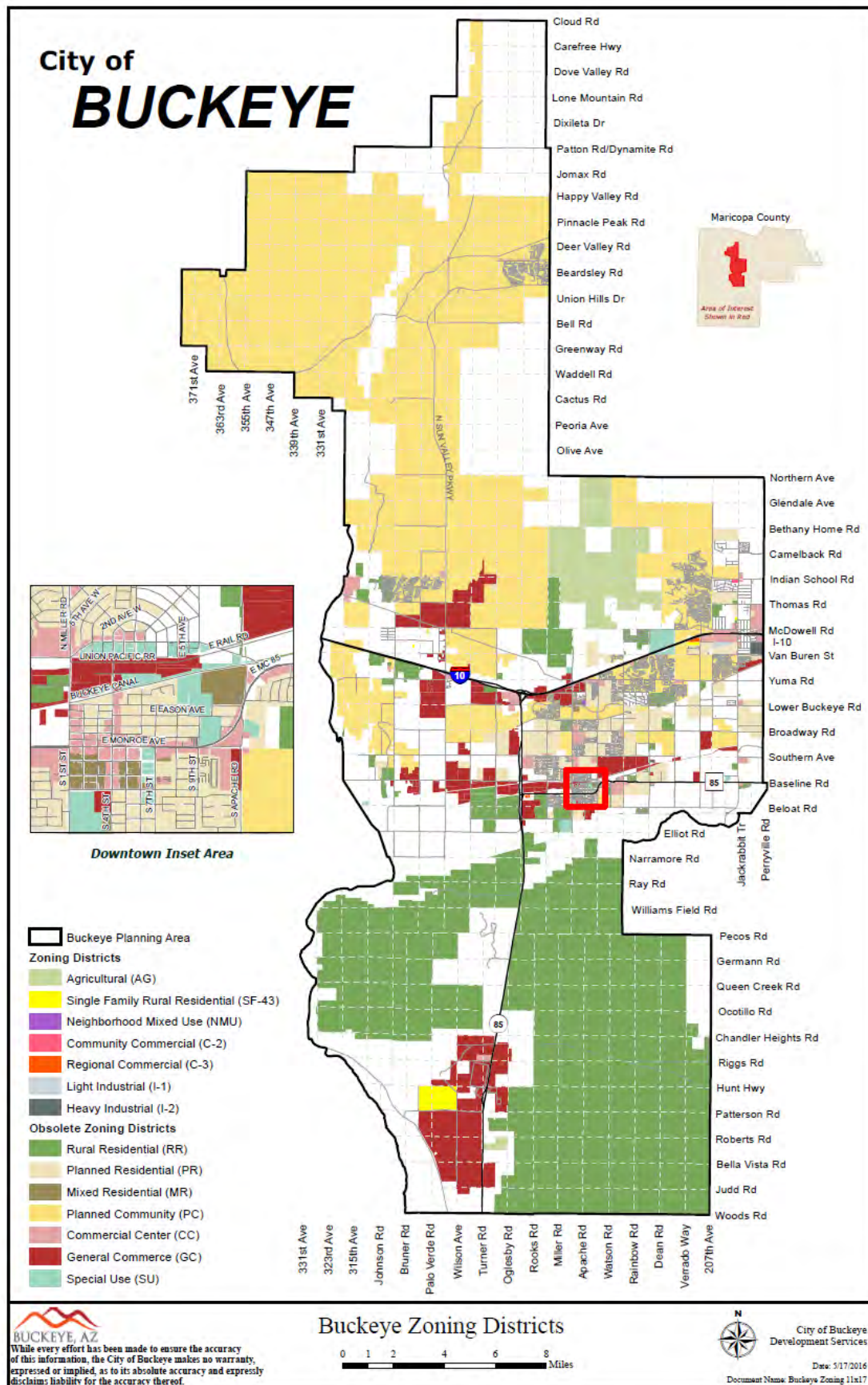
Looking East Along McDowell Rd. - Parcel 5 at Right

FEMA FLOOD MAPS





BUCKEYE ZONING MAP



QUALIFICATIONS

TODD H. FINNEY, MAI**Finney Valuation Services, LLC**

8141 E. Indian Bend Road, Suite 101

Scottsdale, Arizona 85250

Phone: 480.429.3670

Fax: 480.429.3656

todd@finneyvaluation.com**EDUCATIONAL**

BBA, Bachelor of Business Administration, University of Wisconsin, Madison, Wisconsin

MBA, Master of Business Administration, University of Wisconsin, Madison, Wisconsin

MS, Master of Science in Real Estate, University of Wisconsin, Madison, Wisconsin

PROFESSIONAL

Appraisal Institute, Designated Member (MAI), Certificate No. 8692

State of Arizona: Certified General Real Estate Appraiser - No. 30091

United States Bankruptcy Court, District of AZ, Expert Witness

Superior Court, Maricopa County, Expert Witness

EMPLOYMENT EXPERIENCE

| | |
|--------------|--|
| 2005-current | Owner, Finney Valuation Services, LLC, Scottsdale, AZ |
| 1993-2004 | Vice President, CB Richard Ellis, Inc., Valuation and Advisory Services, Phoenix, AZ |
| 1986-1993 | Commercial Appraiser, Winius Montandon, Inc., Appraisers and Planners, Phoenix, AZ |
| 1985 | Real Estate Analyst, Merrill Lynch Commercial Real Estate, Dallas, TX |

Professional experience includes the writing and reviewing of narrative commercial appraisals, market studies and feasibility analyses. Experience consists of a wide variety of property types including office, retail, industrial, apartments, subdivisions, hotel/motel, resorts, golf courses, recreational properties, nursing homes and numerous special purpose properties. Specialize in retail properties, including regional malls, power centers, community centers, neighborhood centers, strip centers, single tenant, movie theaters, health clubs and restaurants. Assignments completed in 25 states.

STATE OF ARIZONA

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

BE IT KNOWN THAT

TODD H. FINNEY

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

30091

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
8th day of August, 2016.



Debra Rudd