



APPRAISAL REPORT

OF

VACANT LAND

LOCATED AT THE

SWC OF RILEY DRIVE AND 10<sup>TH</sup> STREET  
AVONDALE, MARICOPA COUNTY, ARIZONA 85323

PREPARED FOR

CONSULTANT ENGINEERING, INC.  
AS A CONTRACTOR FOR THE CITY OF AVONDALE

PREPARED BY

JAMES S. BRADLEY, MAI, AI-GRS, CCIM &  
ANDRES A. RUBAL

EFFECTIVE DATE OF THE APPRAISAL: AUGUST 31, 2018

DATE OF REPORT: SEPTEMBER 7, 2018

AXIA FILE NO.: 22298-181



AXIA File No. 22298-181  
September 7, 2018

Ms. Debra Carter  
Consultant Engineering, Inc.  
10625 N. 25<sup>th</sup> Avenue, Ste. 200  
Phoenix, AZ 85029

**RE: Appraisal of vacant land, located at the southwest corner of Riley Drive and 10<sup>th</sup> Street, Avondale, Maricopa County, Arizona, 85323.**

Dear Ms. Carter:

In accordance with your request, we have inspected and appraised the above-identified property, which is the subject of the attached report. The *purpose* of this appraisal is to develop an opinion of the market value of the subject property. The *intended use* of this report is to assist the City in establishing the basis for a potential land swap. The *effective date of the appraisal* is August 31, 2018, the most recent date of our inspection. The ownership and legal description of this property are set forth in the following report. We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

This report has been prepared for the client, Consultant Engineering, Inc., as a contractor for the City of Avondale, and is not intended to be used, transferred, or relied upon by any person other than the client. The *intended users* of this appraisal include the client; the City of Avondale. AXIA Real Estate Appraisers and the signatory of this report assume no responsibility to any party, other than the client and other intended users, who uses or relies on any information in this report.

This report has been prepared in conformance the Uniform Standards of Professional Appraisal Practice (USPAP 2018-2019) promulgated by the Appraisal Standards Board of the Appraisal Foundation, Arizona Revised Statutes, and the appraisal guidelines of the client. All information pertinent to the analyses and conclusions is presented in a summarized format. Excluded valuation approaches, if any, are explained and supported. Any additional information is contained within our file and is available to the client.

The ***Scope of Work*** for this report includes completing an appraisal inspection of the subject, analyzing the Avondale and west metropolitan Phoenix market for trends that impact real estate values, and searching the local market for comparable data. For this analysis we have completed one of the three approaches to market value: the Sales Comparison Approach. The market value conclusion resulting from the implementation of this methodology is considered sufficient to provide credible assignment results. Additional details regarding the scope of work can be found within the scope of work section of this report.

Based upon the data and discussions contained within this report and supported by information contained in the file, our market value opinion of the subject follows:

**MARKET VALUE OPINION  
OF THE SUBJECT PROPERTY, AS IS,  
AS OF AUGUST 31, 2018 .....\$800,000**

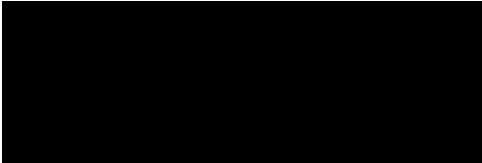
*The exposure time, as premised upon the above value conclusion, is estimated to be less than 12 months.*

*The subject consists of parcel number 500-21-023, a portion of APN 500-210-022 and a roadway abandonment for an approximate size of 215,292 SF or 4.94 acres (462' x 466'). We requested for a survey of the subject site size but were only provided with an approximation of the site size via a GIS measurement tool from the client. Therefore, it is an extraordinary assumption that the site size is 215,292 SF or 4.94 acres (462' x 466'). Should the actual size of the parcel vary, we reserve the right to change our value conclusion, accordingly. The use of an extraordinary assumption may affect the assignment results.*

We hereby certify that Andres A. Rubal inspected the subject; that our fee was not contingent upon the value opinion contained herein; and that we have no interest, present or prospective, in the property appraised. Furthermore, we certify that, to the best of our knowledge and belief, all statements, and opinions contained in this report are correct, subject to the assumptions, conditions, special limiting conditions, and certification that are made as part of this report.



**JAMES S. BRADLEY, MAI, AI-GRS, CCIM**  
President, AXIA Real Estate Appraisers  
Certified General Real Estate Appraiser,  
Arizona Certificate #30432



**ANDRES A. RUBAL**  
Certified General Real Estate Appraiser,  
Arizona Certificate #31801

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## INTRODUCTION

This appraisal is being written in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP 2018-2019). All information pertinent to the value conclusions contained herein is presented in summarized format within this report. One of the three traditional approaches to value have been considered and developed, the Sales Comparison Approach. This report is considered to contain sufficient detail that the client and intended users of the report should understand it, and that they should deem the data, analysis and conclusions contained herein to be credible. Any additional information, if necessary, is contained within the file and is available to the client. Here follows a summary of our analysis.

### Property Identification

The subject property is located within the Riley Property development, generally located at the southwest corner of Riley Drive and 10<sup>th</sup> Street. The site has a physical address of 16702 W. Culver Street, Avondale, Maricopa County, Arizona 85323. The property reflects vacant industrial land and measures approximately 215,292 SF or 4.94 acres (462' x 466').

### Purpose, Intended Use, and Intended User

The *purpose* of this appraisal is to develop an opinion of the market value of the subject property. The *intended use* of this report is to assist the City in establishing the basis for a potential land swap. The *intended users* of this appraisal include the client; the City of Avondale. AXIA Real Estate Appraisers and the signatory of this report assume no responsibility to any party, other than the client and other intended users, who uses or relies on any information in this report.

### Interest Appraised

As the subject reflects vacant land, the interest appraised is that interest arising from fee simple ownership. Fee simple ownership can be defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat"<sup>1</sup>.

### Effective date of the appraisal

The *effective date of the appraisal* is August 31, 2018, the most recent date of our inspection.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, published by the Appraisal Institute

## **Market Value Definition**

Pursuant to Arizona Revised Statute 12-1122(c), market value is defined as follows:

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

## **Property History/Ownership**

The subject property is under the ownership of the City of Avondale. The ownership has owned the property for a number of years and previously operated the property as a city park known as Coldwater Park. However, the property now reflects vacant industrial land.

The City of Avondale is interested in completing a land swap but no price has been established as the appraisal will be the basis for negotiations.

## **SCOPE OF THE APPRAISAL AND VALUATION METHODOLOGY**

This is an appraisal presented in a summarized format. The scope of the appraisal includes inspection of the subject property and the neighborhood as well as information specific to subject property. General market and regulatory information was accessed from government publications and websites as well as econometrics publications including Costar Analytics. Information was also obtained through conversations with brokers, appraisers, and locally active market participants.

One of the three traditional approaches to value have been considered and developed. The property reflects vacant land. Therefore, the Sales Comparison Approach is fully developed. As we are evaluating vacant land, the Cost Approach and Income Approach to value are not considered applicable and are not developed in this report.

This methodology is considered sufficient to develop credible assignment results.

## AREA OVERVIEW

The purpose of this section of the report is to identify and analyze the social, economic, governmental, and environmental forces that can influence property values in the vicinity of the subject. The primary area of influence is the ***neighborhood***, defined as a group of complimentary land uses; a residential neighborhood may contain residential uses along with ancillary commercial uses that provide services for the residents. A ***district***, on the other hand, has one predominate land use such as apartments, commercial, industrial, or agricultural.

### ARIZONA

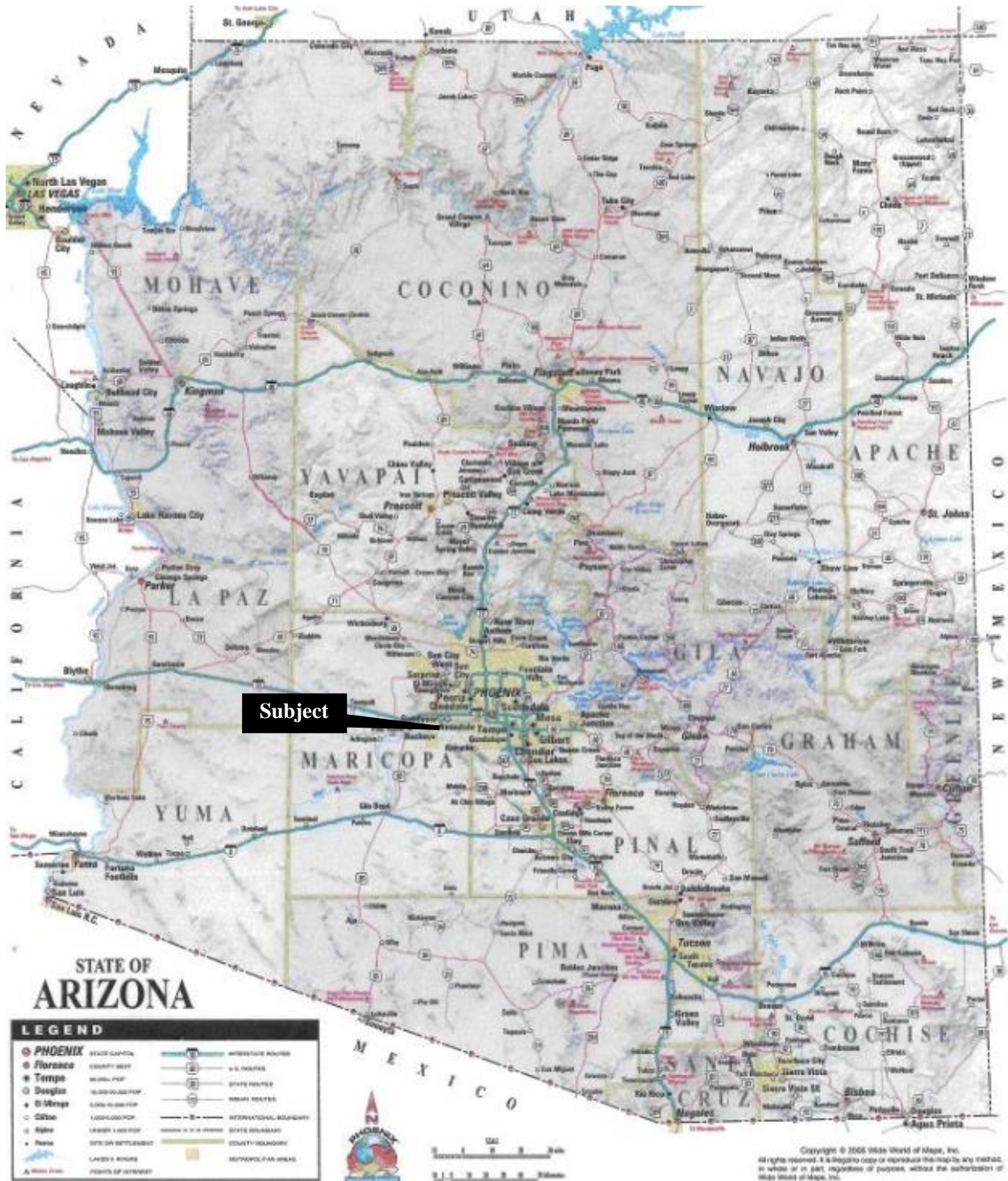
Arizona is in the southwestern area of the United States within the Sunbelt Region and ranks sixth in the nation in terms of size with 113,417 square miles. The state can be divided into three geographical areas, each with its own distinct topography and climate. The northeastern portion of the state is a high plateau, which tends to be cool and dry. Most of this area is within the boundaries of the Navajo Nation, the largest Native American reservation in the United States. The mountainous region, extending diagonally across the state from northwest to southeast, offers cool summertime temperatures and winter sports opportunities, attracting visitors to this area year-round. The remaining half of the state, south and west of the mountainous region, consists of desert valleys divided by low desert mountain ranges and is home to most of the state's population; about 80 percent of the state population resides in the Tucson and Phoenix metropolitan areas.

Between 1980 and 1990, Arizona was the third fastest growing state, with a population increase of almost 35 percent. According to the 2000 census, approximately 5,130,000 people resided in the State, up from 3,665,000 in 1990, reflecting an increase of about 40 percent, or a 4.0 percent annual rate. Per the Arizona Department of Administration Office of Employment & Population Statistics, by July 1, 2015, Arizona's population had reached nearly 6.8 million.

The state also ranked third in job growth for the same period with a gain of 47 percent, twice the national average. Employment is fairly diversified with professional and business services accounting for 14 percent of total non-farm employment, followed by government with 13 percent, retail with 12 percent, health care with 10 percent, construction with 8 percent, and manufacturing with 6 percent. During 2008, job growth in the State was greatly reduced, with a rise in unemployment through 2011. However, by July 2018, Arizona's unemployment rate had declined to 4.6% per data from the Bureau of Labor Statistics.

Since bottoming out in 2011, residential and commercial real estate markets throughout Arizona have strengthened to varying degrees. In some communities, the rebound is now robust.

# STATE MAP



## PHOENIX METROPOLITAN AREA

Metropolitan Phoenix includes the cities of Phoenix, Mesa, Tempe, Chandler, Gilbert, Glendale, Peoria, Scottsdale, Avondale, other smaller incorporated communities, and the surrounding unincorporated areas. This section addresses factors that affect the value of real property, including environmental, economic, governmental and social.

Sources of information used herein include *Phoenix Metropolitan Housing Study* and the *Phoenix Metro Commercial Reports*, published by the Arizona Real Estate Center, College of Business, Arizona State University, Arizona Department of Revenue. Retail, industrial, apartment and office market information was extracted from market reports published by *CoStar Group*.



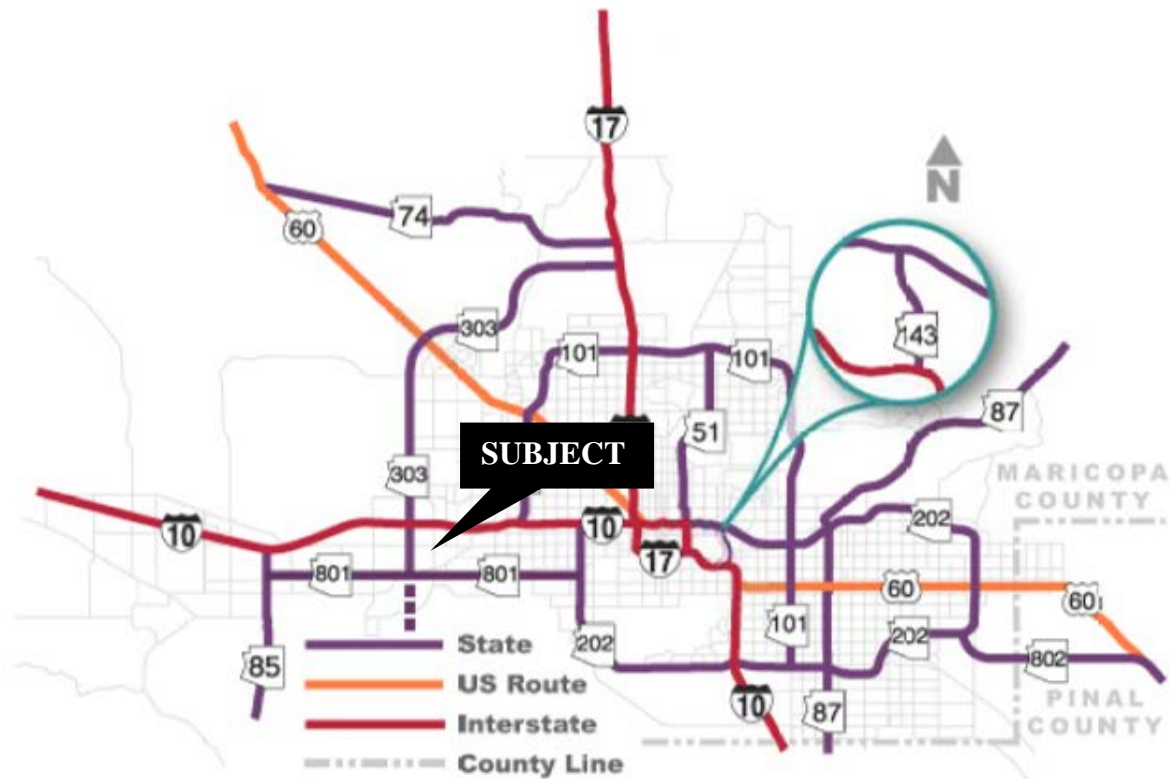
### Environmental Forces

Metropolitan Phoenix is situated just south of the center of the state and represents the largest metropolitan area in Arizona in terms of both area and population. The nearest major city, Tucson, is approximately 111 miles to the southeast. The region is at an elevation of about 1,100 feet above sea level in a desert valley surrounded by several mountain ranges. The climate in Phoenix is appealing to many as the area experiences mild to hot temperatures annually, as the average high temperature is 86 degrees Fahrenheit while the average low temperature is 59 degrees Fahrenheit. However, the region experiences extremely hot temperatures in the summer months of June to September when average high temperatures range from 99 degrees Fahrenheit to approximately 106 degrees Fahrenheit. The area receives an average of 7.5 inches of rain per year resulting in plentiful sunshine as Phoenix receives approximately 310 days of sunshine a year.

## ***Transportation***

### ***Highways and Freeways***

Metropolitan Phoenix is provided with numerous highways and freeways providing good access to all parts of incorporated and unincorporated areas. Interstates 10 and 17 run through the region, as does US Highway 60, State Route 51, 74, 85, 87, 143, 801, 802 and Loop 101, 202 and 303. The following map depicts the highway and freeway alignments:



### ***Sky Harbor International Airport***

At the end of 2010, Sky Harbor hosted approximately 38.5 million passengers and increased to approximately 40.6 million passengers in 2011. In 2012 Sky Harbor was listed at the 25<sup>th</sup> busiest airport in the world and 10<sup>th</sup> busiest in North America with approximately 40.4 million passengers. In 2013, there were 40.3 million total passengers or 110,525 daily passengers. In 2014, there were 42.1 million total passengers or 115,437 daily passengers which is a 4.4% increase over 2013, the first increase in traffic volume since 2011. In 2015, there were 44.0 million total passengers or 120,565 daily passengers which is a 9.1% increase over 2014. This number has stayed relatively flat through 2017 figures. Phoenix Sky Harbor International Airport remains one of the ten busiest in the nation for passenger traffic with a \$79 million daily economic impact.

### Sky Harbor Airport Passenger Traffic

Year	Annual Passengers	Daily Passengers	Annual % Change
2007	42,184,515	115,574	N/A
2008	39,891,193	109,291	-5.4%
2009	37,824,982	103,630	-5.2%
2010	38,554,530	105,629	1.9%
2011	40,592,295	111,212	5.3%
2012	40,448,932	110,819	-0.4%
2013	40,341,614	110,525	-0.3%
2014	42,134,662	115,437	4.4%
2015	44,006,205	120,565	4.4%
2016	43,383,528	118,859	-1.4%
2017	43,921,670	120,333	1.2%

Source: [www.skyharbor.com/about/airportfacts](http://www.skyharbor.com/about/airportfacts)

### *Metro Light Rail*

The Light Rail provides access in this district. The following image portrays the alignment of the light rail route. The light rail is 20-miles long and began construction in February 2005 and was open for operation in December 2008. In the downtown district, the light rail runs north/south along Central Avenue and 1st Avenue and east/west along Washington Street and Jefferson Street. The light rail runs north to Montebello Avenue and 19th Street in Central Phoenix and east to Main Street and Sycamore in Mesa, Arizona. The light rail crosses through by Sky Harbor International Airport, Tempe and the Arizona State University campus.



## Economic Forces

Metropolitan Phoenix (as represented by Maricopa County) is one of the fastest growing metropolitan areas in the United States. According to the 2010 U.S. Census Bureau, Maricopa County's 2010 population was 3,817,117, up from 3,072,149 in 2000, or 24.2%. Although the rate of growth has slowed since 2010 due to a period of reduced mobility of the US population following the Great Recession, the area remains to be one of the fastest growing communities in the nation. The metropolitan area includes the cities of Phoenix, Mesa, Glendale, Scottsdale, Chandler, Tempe, Gilbert, and Peoria, summarized below:

<b>Jurisdiction</b>	<b>2000 Population</b>	<b>2010 Population</b>	<b>2000-2010 % Change</b>	<b>2016 Population</b>	<b>2010-2015 % Change</b>
Mesa	396,246	439,041	10.8%	467,532	6.5%
Glendale	218,559	226,721	3.7%	237,723	4.9%
Scottsdale	201,733	217,385	7.8%	237,969	9.5%
Chandler	156,550	236,123	50.8%	250,547	6.1%
Tempe	158,485	161,719	2.0%	176,584	9.2%
Gilbert	20,845	208,453	900.0%	239,931	15.1%
Peoria	89,050	154,065	73.0%	166,333	8.0%
Phoenix	1,309,743	1,445,632	10.4%	1,560,020	7.9%
MSA Balance	520,939	727,978	39.7%	800,437	10.0%
<b>Total</b>	<b>3,072,149</b>	<b>3,817,117</b>	<b>24.2%</b>	<b>4,137,076</b>	<b>8.4%</b>

Prior to 2008, employment in the Phoenix metro area had been relatively strong. However, due to deteriorating local, regional and national economic conditions, unemployment increased sharply in 2009 and stabilized in the latter part of 2011. Data in 2012 represented the commencement of improvement in unemployment that continued into 2015 and now 2016. The following table summarizes the historic and recent unemployment rates for the metro Phoenix area, the state and the nation as a whole.

### Unemployment Rate

<b>Year</b>	<b>Phoenix</b>	<b>Arizona</b>	<b>US</b>
2005	4.1%	4.7%	5.1%
2006	3.6%	4.1%	4.6%
2007	3.2%	3.7%	4.6%
2008	5.3%	6.0%	5.8%
2009	9.2%	9.9%	9.3%
2010	9.7%	10.5%	9.6%
2011	8.6%	9.5%	8.9%
2012	7.4%	7.9%	8.1%
2013	6.9%	8.0%	7.4%
2014	6.0%	6.8%	6.2%
2015	5.3%	6.1%	5.3%

Source: Bureau of Labor Statistics

As of July 2018, the Phoenix unemployment rate was 4.3% as compared to 4.6% for the State of Arizona, and 3.9% for the United States, Prospects for continued improvements in unemployment remain good.

### ***Multi-family Residential Market***

According to the data published by Kidder Mathews, Phoenix's vacancy rate for the 2<sup>nd</sup> Quarter 2018 of apartment buildings was 5.70%, down 120 basis points from one-year prior. Average asking rents were about \$995 per month, up about 5.4 percent from one-year prior.

### ***Industrial Market***

CoStar Analytics reports total inventory of industrial space for the 2<sup>nd</sup> Quarter 2018 of about 338.0 million square feet. Since mid-2013, net absorption has average over two million square feet annually. As a result of the combination of positive absorption and limited new supply coming on line over the period, the vacancy rate had declined to 6.9% at the end of the 2<sup>nd</sup> Quarter 2018.

### **Total Industrial Market Statistics**

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	2,127	51,876,916	3,937,178	4,068,747	7.8%	531,601	2,400	47,500	\$8.04
North Outlying Ind	13	132,746	0	0	0.0%	0	0	0	\$0.00
Northeast Ind	891	16,846,119	1,002,488	1,038,627	6.2%	167,636	75,864	59,400	\$12.26
Northwest Ind	2,635	64,092,530	4,133,077	4,212,750	6.6%	922,225	1,720,043	816,783	\$7.23
Northwest Outlying Ind	3	38,738	0	0	0.0%	0	0	0	\$0.00
Pinal County Ind	373	9,582,849	259,704	298,410	3.1%	107,509	0	108,535	\$5.26
Southeast Ind	3,306	97,131,853	6,169,412	6,467,365	6.7%	1,244,083	717,894	1,294,396	\$8.70
Southwest Ind	1,433	98,121,148	7,000,257	7,129,499	7.3%	1,293,238	314,336	4,338,760	\$5.26
Southwest Outlying Ind	4	132,833	33,000	33,000	24.8%	0	0	0	\$2.40
<b>Totals</b>	<b>10,785</b>	<b>337,955,732</b>	<b>22,535,116</b>	<b>23,248,398</b>	<b>6.9%</b>	<b>4,266,292</b>	<b>2,830,537</b>	<b>6,665,374</b>	<b>\$7.33</b>

Source: CoStar Property®

Quoted rental rates peaked in 2007 at \$8.14 per square foot annually and declined steadily to \$6.02 per square foot in 2011. Since that time, rates have been increasing, and were at \$7.33 per square foot as of the 2<sup>nd</sup> Quarter 2018, indicating that industrial market rental rates are now in the stage of recovery. Consequently, there is now 6,665,374 square feet under construction with 2,830,537 delivered through 2018.

### ***Office Market***

CoStar reports total inventory of office space for 2<sup>nd</sup> Quarter 2018 was at about 179.8 million square feet. Approximately 2,890,000 square feet of office construction was occurring as of the end of the 2<sup>nd</sup> Quarter 2018 in the greater Phoenix market.

## Total Office Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Area	540	19,877,316	3,021,894	3,636,057	18.3%	517,144	235,000	478,086	\$22.77
Central Corridor	565	23,585,063	3,548,240	3,738,200	15.8%	330,161	26,174	228,402	\$25.39
East Phoenix	861	18,665,032	2,336,294	2,463,894	13.2%	45,565	0	118,500	\$28.12
East Valley	2,235	37,261,349	3,599,002	3,751,347	10.1%	695,841	412,353	1,670,378	\$26.41
North Phoenix	482	8,255,831	1,063,820	1,155,682	14.0%	(81,325)	3,064	0	\$23.13
Northwest Outlying	31	98,604	19,677	19,677	20.0%	400	0	0	\$11.82
Northwest Phoenix	1,564	27,828,807	4,166,185	4,204,262	15.1%	436,305	3,000	12,350	\$21.40
Pinal County	248	1,586,390	133,867	133,867	8.4%	(9,660)	0	0	\$17.50
Scottsdale	1,473	30,992,463	3,442,879	4,033,285	13.0%	(540,805)	0	168,655	\$27.34
Southwest Outlying	25	193,560	8,885	8,885	4.6%	(8,885)	0	0	\$0.00
West Phoenix	684	11,492,674	1,238,238	1,267,485	11.0%	145,191	4,747	215,000	\$24.10
<b>Totals</b>	<b>8,708</b>	<b>179,837,080</b>	<b>22,578,981</b>	<b>24,412,641</b>	<b>13.6%</b>	<b>1,529,932</b>	<b>684,338</b>	<b>2,891,371</b>	<b>\$25.04</b>

Source: CoStar Property®

The Phoenix Office Market was experiencing a 13.6% vacancy rate at the end of the 2<sup>nd</sup> Quarter of 2018, down from 18.3% at the end of 2013. It is noted that net absorption for the overall Phoenix office market has averaged over 2 million square feet of absorption annually since 2017.

Average quoted rental rate for all types of office space was reported to be \$25.04 per square foot in the 2<sup>nd</sup> Quarter of 2018. This is an increase from \$19.43 per square foot through the 1<sup>st</sup> Quarter of 2013, indicating that the office market rental rates have improved significantly over the past several years.

### ***Retail Market***

CoStar reports total inventory of retail space for the 2<sup>nd</sup> Quarter 2018 was at about 230.7 million square feet, with about 1.05 million square feet of new space under construction. Retail vacancies declined from a peak of 14.4% in the 3<sup>rd</sup> Quarter of 2014 to 11.5% by the 4<sup>th</sup> Quarter 2015, and further to 7.1% through the 2<sup>nd</sup> Quarter 2018.

## Total Retail Market Statistics

Mid-Year 2018

Market	Exsting Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	727	5,571,295	232,863	232,863	4.2%	35,738	0	2,225	\$17.48
Downtown Phoenix Ret	899	7,546,013	645,885	648,635	8.6%	109,273	9,446	38,746	\$17.32
East Valley Ret	4,316	76,179,607	5,227,589	5,347,198	7.0%	804,592	226,589	454,794	\$15.57
Maricopa County Ret	125	787,999	39,713	39,713	5.0%	(7,289)	0	0	\$33.98
North Phoenix Ret	2,744	40,663,733	4,036,025	4,137,921	10.2%	438,436	9,736	17,285	\$12.83
North Scottsdale Ret	841	17,685,725	1,300,274	1,331,439	7.5%	(100,134)	2,005	98,720	\$21.63
Northwest Phoenix Ret	1,027	20,495,928	924,959	956,550	4.7%	189,812	69,785	27,468	\$15.59
Pinal County Ret	998	10,205,712	693,796	723,537	7.1%	2,134	6,981	234,820	\$12.27
Scottsdale Ret	1,300	20,383,965	1,187,474	1,225,694	6.0%	(70,451)	8,100	80,870	\$23.83
South Mountain Ret	373	6,965,785	384,150	390,155	5.6%	139,662	2,200	7,000	\$17.40
West Phoenix Ret	1,577	24,200,475	1,243,495	1,293,495	5.3%	82,174	40,380	85,600	\$14.60
<b>Totals</b>	<b>14,927</b>	<b>230,686,237</b>	<b>15,916,223</b>	<b>16,327,200</b>	<b>7.1%</b>	<b>1,623,947</b>	<b>375,222</b>	<b>1,047,528</b>	<b>\$15.68</b>

Source: CoStar Property®

Most of the metro area's new development has been in larger neighborhood, community and power centers, with significant anchor tenant presence in the new projects. Vacancy rates are expected to stabilize at the currently low levels. Over the longer term, the continued expectation of population growth in the area should provide the needed environment for long term continued expansion of this segment of the commercial market.

### Government Forces

#### *Education*

Metropolitan Phoenix is provided with ample public and private elementary, middle and high schools. Moreover, Arizona State University is located in Tempe, Arizona and is the largest university in the state of Arizona. In addition, there are also a number of community colleges that serve the region.

#### *Utilities*

The Phoenix metropolitan area is served electricity by Arizona Public Service (APS) and the Salt River Project. Natural gas is served by Southwest Gas Corporation while sewer is provided by each municipality. Water is provided by the Salt River Project or by a municipality.

### Social Forces

#### *Cultural and Recreation*

Favorable climate has encouraged a significant number of tourists and longer term winter visitors to be attracted to the Phoenix area, as well as permanent residents. Aside from the summer months, the temperatures are moderate, rainfall is relatively low, and during much of the year, the area is considered favorable for outdoor activities such as golf, tennis, hiking, bicycling, jogging, and the like.

Phoenix has a number of major professional sports teams, including the Arizona Diamondbacks (baseball), the Phoenix Suns (basketball), the Phoenix Mercury (women's basketball) the Phoenix Coyotes (hockey) and the Arizona Cardinals (football). The area also has major horse racing venues, a major auto racing facility (Phoenix International Raceway), and a number of indoor and outdoor cultural venues.

## **Summary**

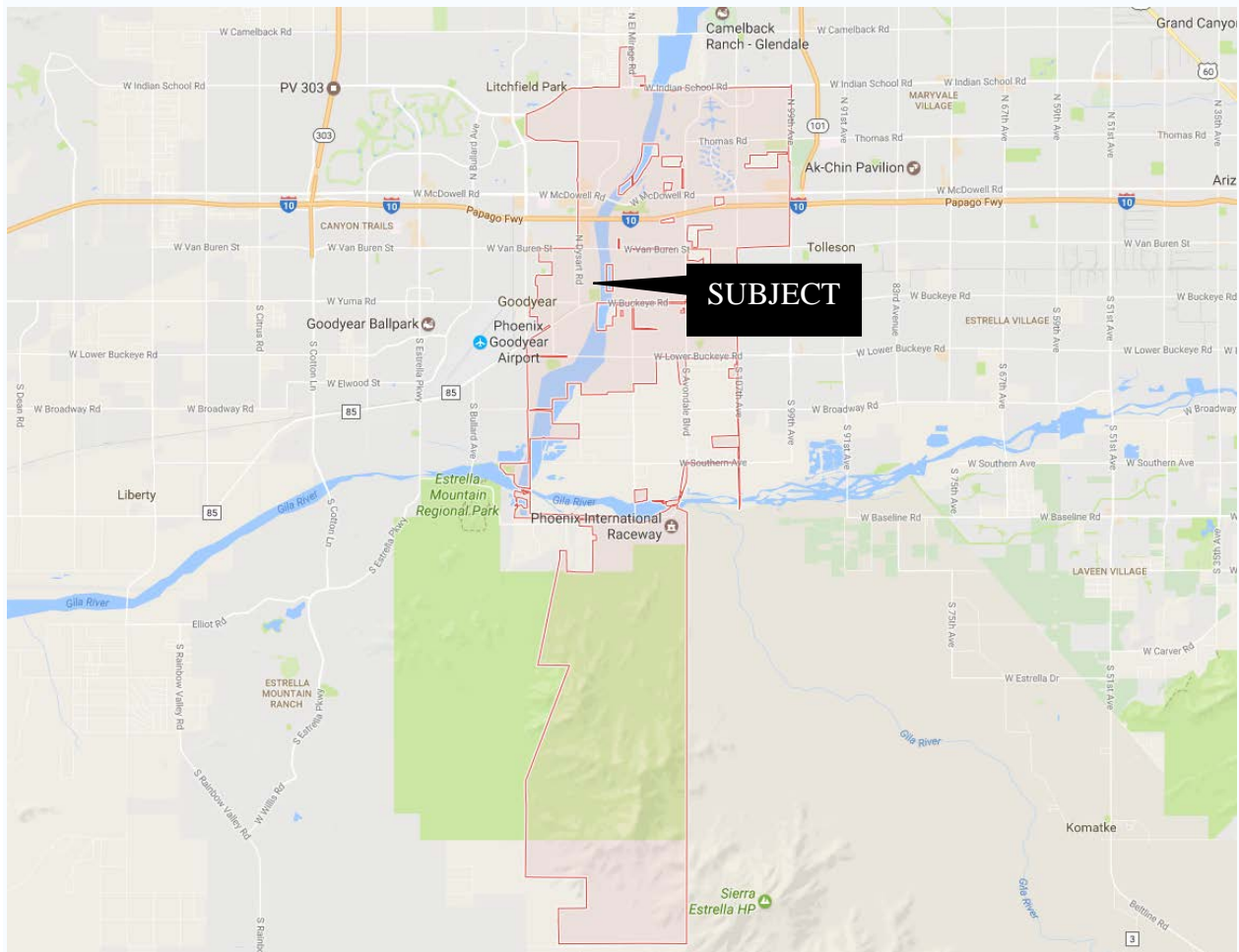
Metropolitan Phoenix has been one of the fastest growing metropolitan areas in the United States, although employment growth turned negative in 2008, it has recovered strongly since 2012. The continued construction and expansion of the now impressive regional freeway system has spurred development in locations proximate to the transportation corridors at the periphery of the metro area, fueling a decade long expansion of housing and commercial development.

All segments of the residential and commercial property markets are demonstrating signs of further recovery through 2018. Over the longer term, the area's high quality of life will attract new employers and residents, along with millions of visitors each year. The area has experienced overall employment and population growth over several decades and is expected to continue to do so into the future. Long-term trends in the area should positively influence the subject.

## NEIGHBORHOOD OVERVIEW

The subject is sited within the Avondale submarket. Avondale represents a growing community to Metropolitan Phoenix, with a mix of tract homes, farms and ranches and commercial and industrial development. The town was founded in 1900 and incorporated in 1946 with an elevation of 968 feet. According to the U.S. Census Bureau, the 2010 population was 76,130 with an estimated 2015 population estimated at 80,684.

Neighborhood boundaries are considered to be Indian School Road to the north, Lower Buckeye Road to the south, 99<sup>th</sup> Avenue to the east, and Litchfield Road to the west. The subject's submarket contains an abundance of vacant land, but is also established with residential, commercial and industrial uses.



## Industrial Market

The industrial submarket in which the subject is located is identified as the Southwest submarket. The submarket contains about 98.1 million square feet, or about 29 percent of the total metro area industrial inventory of about 337.9 million square feet. The following tabulation summarizes industrial market trends for the subject's sub market area in relation to the Phoenix metro area overall:

### Total Industrial Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	2,127	51,876,916	3,937,178	4,068,747	7.8%	531,601	2,400	47,500	\$8.04
North Outlying Ind	13	132,746	0	0	0.0%	0	0	0	\$0.00
Northeast Ind	891	16,846,119	1,002,488	1,038,627	6.2%	167,636	75,864	59,400	\$12.26
Northwest Ind	2,635	64,092,530	4,133,077	4,212,750	6.6%	922,225	1,720,043	816,783	\$7.23
Northwest Outlying Ind	3	38,738	0	0	0.0%	0	0	0	\$0.00
Pinal County Ind	373	9,582,849	259,704	298,410	3.1%	107,509	0	108,535	\$5.26
Southeast Ind	3,306	97,131,853	6,169,412	6,467,365	6.7%	1,244,083	717,894	1,294,396	\$8.70
Southwest Ind	1,433	98,121,148	7,000,257	7,129,499	7.3%	1,293,238	314,336	4,338,760	\$5.26
Southwest Outlying Ind	4	132,833	33,000	33,000	24.8%	0	0	0	\$2.40
<b>Totals</b>	<b>10,785</b>	<b>337,955,732</b>	<b>22,535,116</b>	<b>23,248,398</b>	<b>6.9%</b>	<b>4,266,292</b>	<b>2,830,537</b>	<b>6,665,374</b>	<b>\$7.33</b>

Source: CoStar Property®

According to the 2<sup>nd</sup> Quarter 2018 CoStar Group Inc., the subject submarket has a vacancy rate averaging about 7.3%, somewhat above the aggregate Metropolitan Phoenix vacancy rate of 6.9%. Microsoft Corporation recently acquired 258.50 acres of industrial land for \$47,968,707 or \$4.26/SF on August 28, 2018, located in between Broadway Road and MC 85, west of Litchfield Road in Goodyear, Arizona, adjacent east of the Phoenix-Goodyear Airport.

## Office Market

The major office submarket in which the subject is located is identified as the West Phoenix submarket. The submarket contains about 11.5 million square feet or 6.4% of the total metro area office inventory of 179.8 million square feet. The following tabulation summarizes office market trends for the subject's submarket in relation to the Phoenix metro area overall:

## Total Office Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Area	540	19,877,316	3,021,894	3,636,057	18.3%	517,144	235,000	478,086	\$22.77
Central Corridor	565	23,585,063	3,548,240	3,738,200	15.8%	330,161	26,174	228,402	\$25.39
East Phoenix	861	18,665,032	2,336,294	2,463,894	13.2%	45,565	0	118,500	\$28.12
East Valley	2,235	37,261,349	3,599,002	3,751,347	10.1%	695,841	412,353	1,670,378	\$26.41
North Phoenix	482	8,255,831	1,063,820	1,155,682	14.0%	(81,325)	3,064	0	\$23.13
Northwest Outlying	31	98,604	19,677	19,677	20.0%	400	0	0	\$11.82
Northwest Phoenix	1,564	27,828,807	4,166,185	4,204,262	15.1%	436,305	3,000	12,350	\$21.40
Pinal County	248	1,586,390	133,867	133,867	8.4%	(9,660)	0	0	\$17.50
Scottsdale	1,473	30,992,463	3,442,879	4,033,285	13.0%	(540,805)	0	168,655	\$27.34
Southwest Outlying	25	193,560	8,885	8,885	4.6%	(8,885)	0	0	\$0.00
West Phoenix	684	11,492,674	1,238,238	1,267,485	11.0%	145,191	4,747	215,000	\$24.10
<b>Totals</b>	<b>8,708</b>	<b>179,837,089</b>	<b>22,578,981</b>	<b>24,412,641</b>	<b>13.6%</b>	<b>1,529,932</b>	<b>684,338</b>	<b>2,891,371</b>	<b>\$25.04</b>

Source: CoStar Property®

The subject submarket is improved with a mix of Class A and B office properties. As of the 2<sup>nd</sup> Quarter 2018, this submarket had a vacancy rate of 11.0%, somewhat lower than the overall Metropolitan Phoenix vacancy rate of 13.6%.

## Retail Market

The retail submarket in which the subject is located is identified as West Phoenix. The submarket contains about 24.2 million square feet or 10.5% of the total metro area retail inventory of 230.7 million square feet. The following tabulation summarizes retail market trends for the subject's submarket in relation to the Phoenix metro area overall:

## Total Retail Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	727	5,571,295	232,863	232,863	4.2%	35,738	0	2,225	\$17.48
Downtown Phoenix Ret	899	7,546,013	645,885	648,635	8.6%	109,273	9,446	38,746	\$17.32
East Valley Ret	4,316	76,179,607	5,227,589	5,347,198	7.0%	804,592	226,589	454,794	\$15.57
Maricopa County Ret	125	787,999	39,713	39,713	5.0%	(7,289)	0	0	\$33.98
North Phoenix Ret	2,744	40,663,733	4,036,025	4,137,921	10.2%	438,436	9,736	17,285	\$12.83
North Scottsdale Ret	841	17,685,725	1,300,274	1,331,439	7.5%	(100,134)	2,005	98,720	\$21.63
Northwest Phoenix Ret	1,027	20,495,928	924,959	956,550	4.7%	189,812	69,785	27,468	\$15.59
Pinal County Ret	998	10,205,712	693,796	723,537	7.1%	2,134	6,981	234,820	\$12.27
Scottsdale Ret	1,300	20,383,965	1,187,474	1,225,694	6.0%	(70,451)	8,100	80,870	\$23.83
South Mountain Ret	373	6,965,785	384,150	390,155	5.6%	139,662	2,200	7,000	\$17.40
West Phoenix Ret	1,577	24,200,475	1,243,495	1,293,495	5.3%	82,174	40,380	85,600	\$14.60
<b>Totals</b>	<b>14,927</b>	<b>230,686,237</b>	<b>15,916,223</b>	<b>16,327,200</b>	<b>7.1%</b>	<b>1,623,947</b>	<b>375,222</b>	<b>1,047,528</b>	<b>\$15.68</b>

Source: CoStar Property®

The subject's submarket is primarily improved with traditional free-standing and strip commercial developments. As of the 2<sup>nd</sup> Quarter 2018, this submarket reportedly had a vacancy rate of 5.3%, which is lower than the overall Metropolitan Phoenix vacancy rate of 7.1%.

## Residential

The residential market in Avondale bottomed out mid-2012. Since that time, pricing and the number of single family permits have steadily increased as the larger metropolitan Phoenix market continues to exhibit strong demand fueled by a healthy job market. Per Zillow Home Value Index, As of August 2018, the median home price is \$221,300, an 8.3% increase from last year and projected to increase 2.3% by July 2019.

## Summary

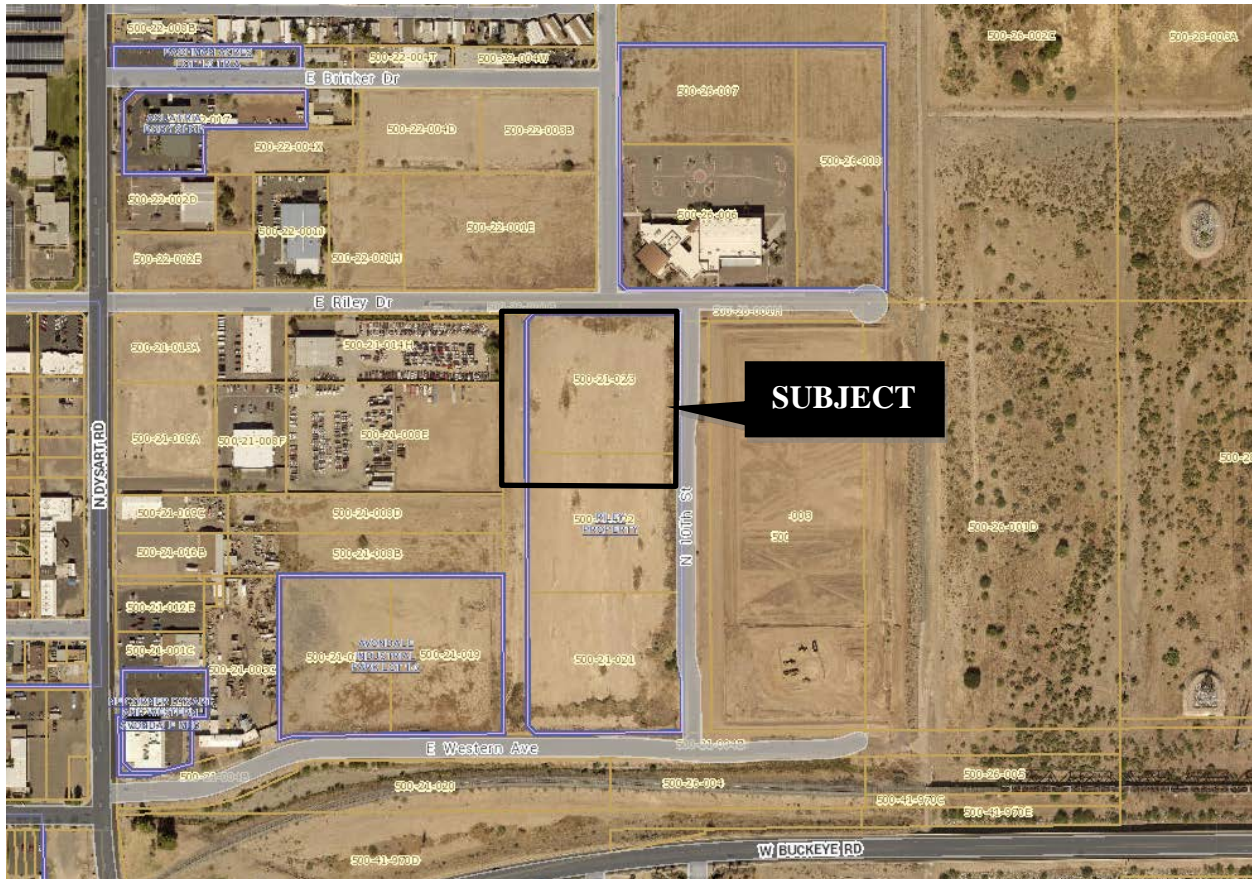
Overall, the subject area is established with a mix of vacant land, office, industrial and residential uses. The area reflects a developing community in a growth cycle, merging with the Goodyear community to the west. Overall, the subject area is considered to be in a growth stage of its life cycle. Due to the availability of vacant land, many investors and developers are acquiring large tracts of land, which reflects positively on the underlying strength of the area. Overall, the subject's neighborhood is considered to have a positive long-term influence on the property.



## SITE DESCRIPTION

### LOCATION:

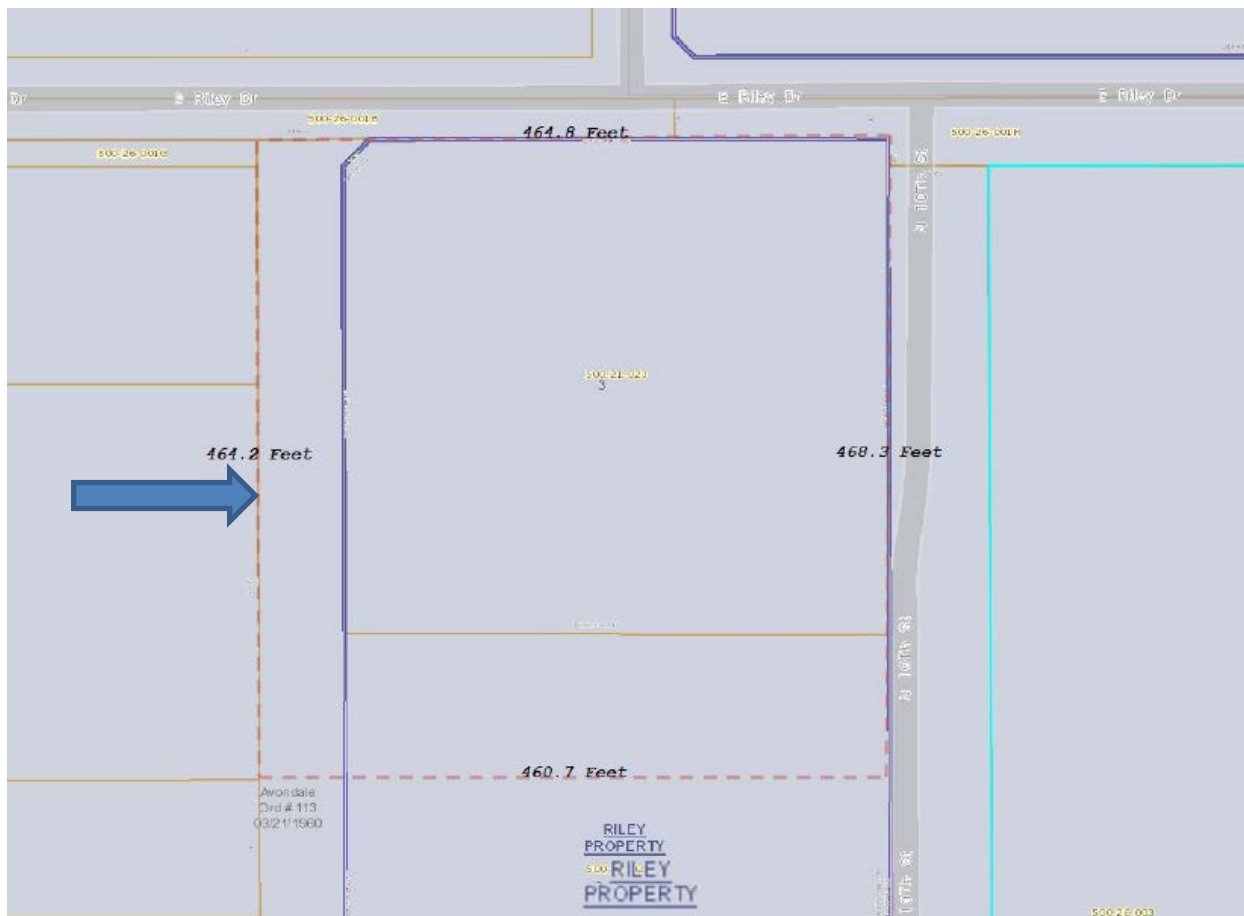
The subject property is located within the Riley Property development, generally located at the southwest corner of Riley Drive and 10<sup>th</sup> Street. The site has a physical address of 16702 W. Culver Street, Avondale, Maricopa County, Arizona 85323.



*\*Parcel boundary lines are an approximation.*

### SIZE/ SHAPE:

The subject consists of parcel number 500-21-023, a portion of APN 500-210-022 and a roadway abandonment for an approximate size of 215,292 SF or 4.94 acres (462' x 466'). We requested for a survey of the subject site size but were only provided with an approximation of the site size via a GIS measurement tool from the client. *Therefore, it is an extraordinary assumption that the site size is 215,292 SF or 4.94 acres (462' x 466'). Should the actual size of the parcel vary, we reserve the right to change our value conclusion, accordingly. The use of an extraordinary assumption may affect the assignment results.* The shape is rectangular.



TOPOGRAPHY:	Generally level and at grade with surrounding roadways and properties.
FRONTAGE/ACCESS:	The property has approximately 465' of frontage along the south side of Riley Drive and also has frontage along the west side of 10 <sup>th</sup> Street. Both roadways reflect two-lane paved, secondary roadways.
UTILITIES:	All utilities are in place to the subject. APS for electric, City of Avondale for water and sewer, Southwest gas for natural gas, and Century Link for telephone service.
EASEMENTS:	No preliminary title report was available as of the writing of this report. Based on our inspection, only typical utility easements were evident. There do not appear to be any easements or encroachments which would negatively affect the developability of the property.

**NATURAL, CULTURAL,  
RECREATIONAL OR  
SCIENTIFIC VALUE:**

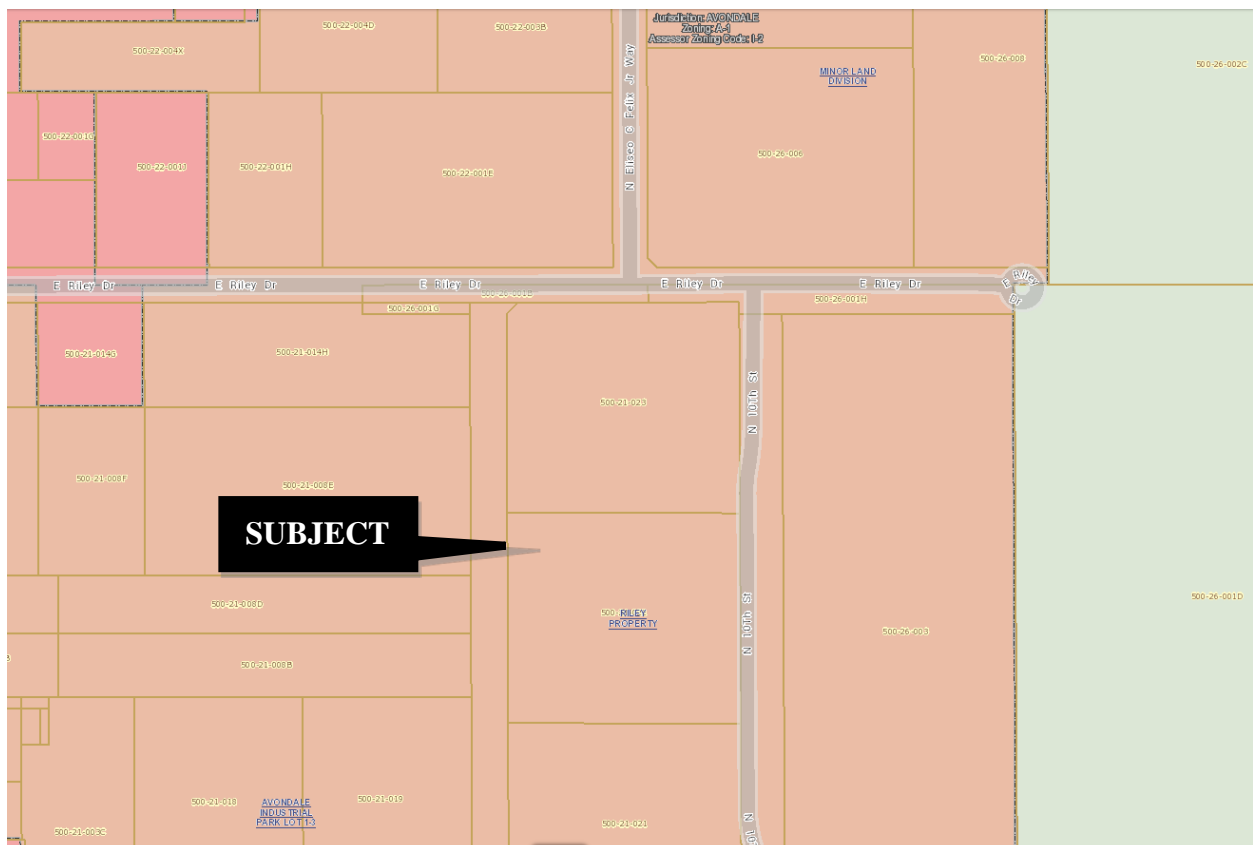
The subject of this appraisal does not appear to have any natural, cultural, recreational or scientific value, which would impair its developability or immediate utility and is a typical property for the Casa Grande area.

**ENVIRONMENTAL:**

We were not provided with an environmental assessment. Our inspection of the site and surrounding uses did not indicate any environmental hazards that were readily observable. If there is concern by the Client with respect to environmental hazards, an environmental study should be obtained from a qualified consultant.

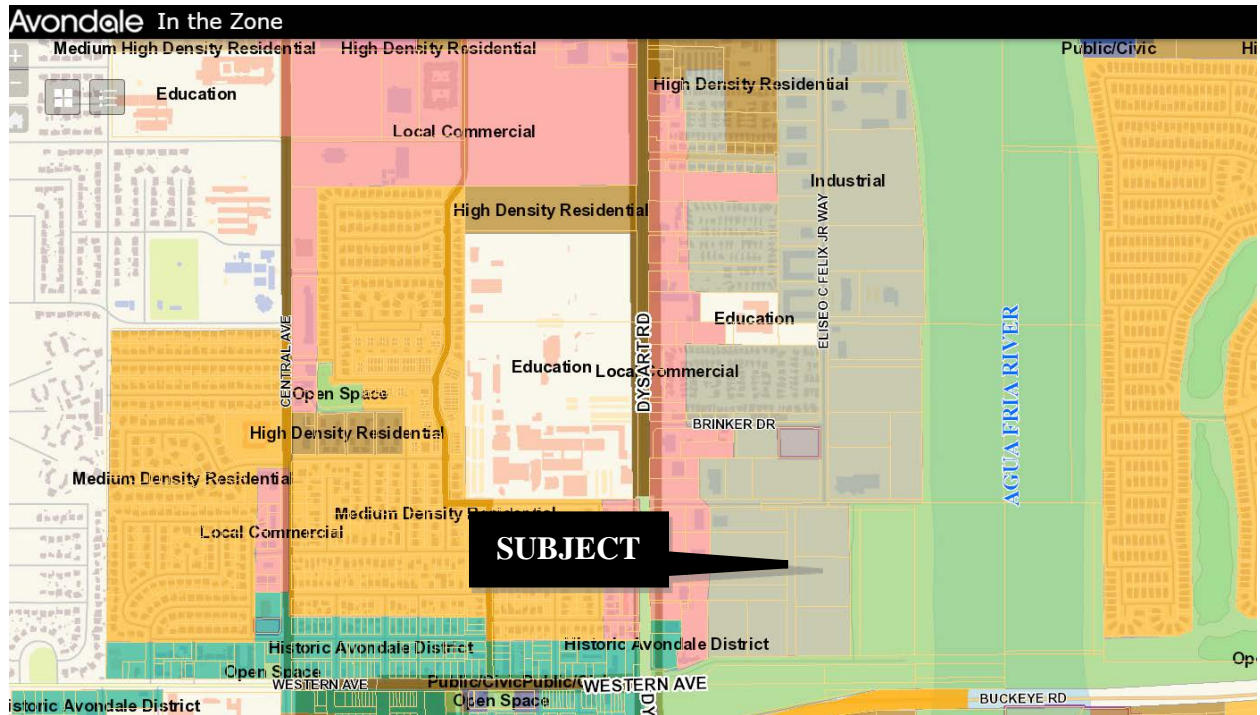
**ZONING:**

The subject site is presently zoned A-1, (General Industrial) by the City of Avondale. The purpose of the A-1 district is to accommodate warehousing, wholesaling, assembly and heavy manufacturing, which involves open uses or storage with large scale machinery and structures.



**GENERAL  
PLAN:**

Per the City of Avondale General Plan, the subject is designated as Industrial.

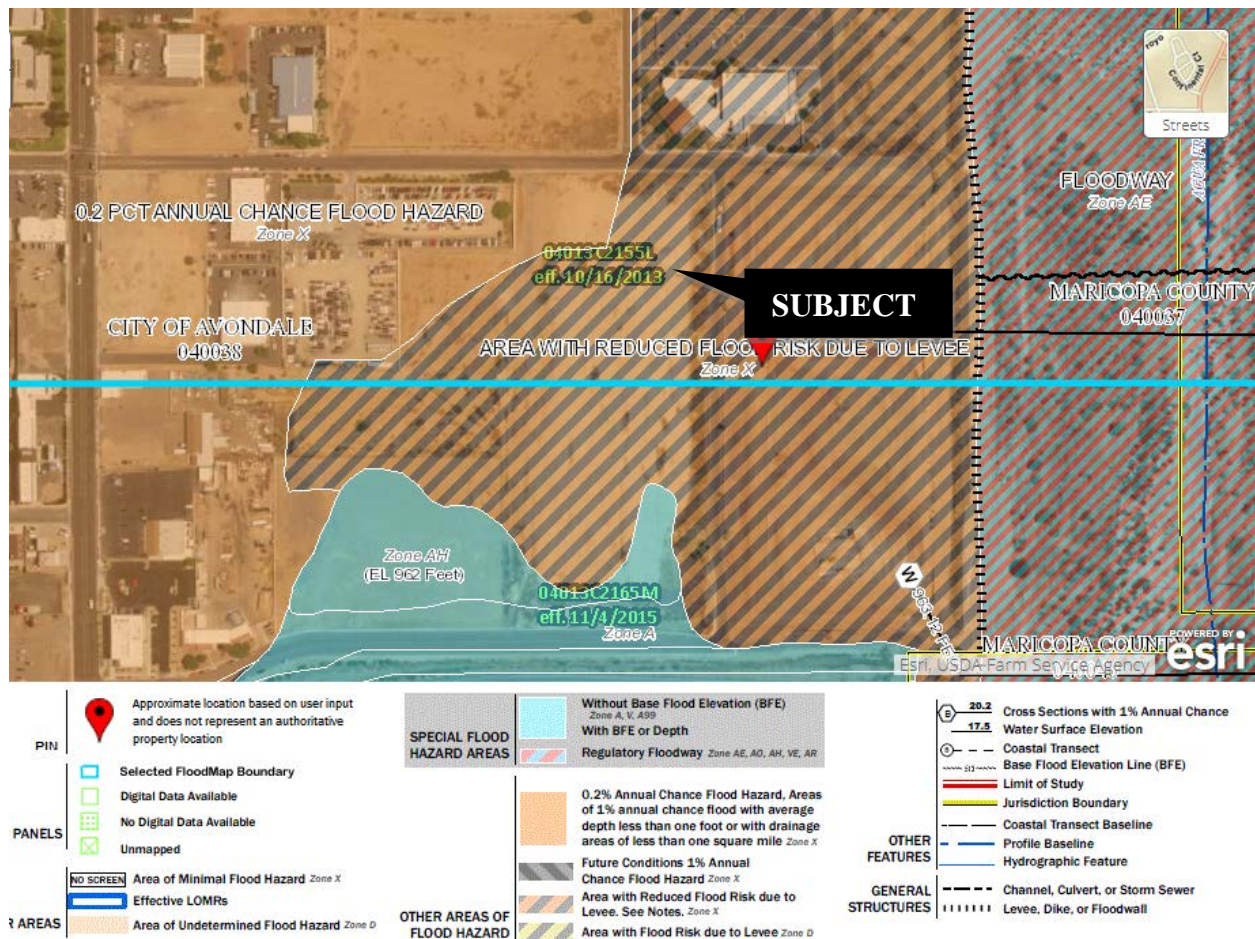


**SEISMIC ZONE:** The subject is situated in Seismic Zone 1, reflecting a low risk of seismic activity that could realistically impact the subject improvements.

**CENSUS TRACT:** The subject is located within Census Tract Number 610.09

**SOIL CONDITIONS:** As of the date of inspection, there did not appear to be any negative soil or subsoil conditions affecting the subject site. The actual soils conditions are unknown. It is an assumption of this report that the subject site does not have any unusual soil conditions that would prevent development of the subject site, as though vacant, to its highest and best use.

**FLOOD CONDITION:** According to the Federal Emergency Management Agency, Flood Insurance Rate Map, Community Panel Number 04013C2155L, dated October 16, 2013, the site appears to be in Zone X and Zone X shaded, which is classified as areas of 0.2% annual chance flood and areas with reduced flood risk due to levee.



## SURROUNDING USES:

**NORTH:** Riley Drive followed by an industrial use and vacant industrial land.

**EAST:** 10<sup>th</sup> Street followed by vacant land owned by Maricopa County.

**SOUTH:** Vacant land followed by Western Avenue and then railroad tracks.

**WEST:** E-Z Towing & Recovery followed by a vacant lot and then Dysart Road.

**SUMMARY:** The subject is located in an industrial setting at the southwest corner of Riley Drive and 10<sup>th</sup> Street. The area reflects vacant industrial land and industrial properties in a developing market.

## REAL ESTATE SUMMARY:

The 2018 full cash value for parcel 500-21-023 is \$305,900 while the limited cash value is \$243,912. The 2019 full cash value for parcel 500-21-022 is \$305,900 while the limited cash value is

\$245,417. As the subject reflects APN 500-21-023, a portion of APN 500-21-022 and the roadway abandonment, we can't precisely report the full cash value and limited cash values. The parcels are is exempt from real estate taxes as it is owned by the City of Avondale. Upon acquisition by private ownership, real estate taxes would be applied.

## **SUBJECT PHOTOGRAPHS**

Top Photo: View of the subject looking south.  
Bottom Photo: View of the subject looking southeast.



## **SUBJECT PHOTOGRAPHS**

Top Photo: View of the subject looking northeast.

Bottom Photo: View of the subject looking west.



## SUBJECT PHOTOGRAPHS

Top Photo: View of the subject looking south.  
Bottom Photo: View of 10<sup>th</sup> Street looking south.



## **SUBJECT PHOTOGRAPHS**

Top Photo: View of Riley Drive looking west.  
Bottom Photo: View of Riley Drive looking east.



## HIGHEST AND BEST USE

Highest and best use is the basic premise of value and, as such, reflects an appraiser's opinion based upon an analysis of prevailing market occurrences. The subject is comprised of both the site and improvements. As the use of land can be limited by the presence of improvements, highest and best use is typically analyzed individually, for the land as though vacant and the property as improved.

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

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

The purpose of estimating the highest and best use of the subject site, as though vacant, is to identify the uses that cause the site to have value. The use of the subject site found to be legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest present land value is considered to be the highest and best use of the site, as if vacant. The purpose of estimating the highest and best use of the property, as improved, is to identify the use of the property that is expected to produce the highest overall return per dollar invested.

Highest and Best Use and Market Analysis, and Highest and Best Use and Feasibility Analysis are interrelated. Market and Feasibility Analyses are tools utilized in determining the highest and best use of a specific property.

In estimating the highest and best use of land, as if vacant, or a property as improved, there are essentially four stages of analysis:

- 1) Legally permissible uses - the uses of the subject that are permitted by zoning, existing leases, and/or deed restrictions;
- 2) Physically possible uses - the uses of the subject that are physically possible;
- 3) Financially feasible uses - the uses of the subject that are possible and permissible and that will produce a net return to the owner of the land; and
- 4) Maximally productive use - the use of the subject site among the feasible uses that produces the highest net return to the subject. This use is essentially the Highest and Best Use of the subject.

The previous stages of highest and best use analysis have been applied to the subject property as vacant land.

### *Legally Permissible*

The subject site is presently zoned A-1, (General Industrial) by the City of Avondale. The purpose of the A-1 district is to accommodate warehousing, wholesaling, assembly and heavy manufacturing, which involves open uses or storage with large scale machinery and structures.

Per the City of Avondale General Plan, the subject is designated as Industrial.

### *Physically Possible*

The subject consists of parcel number 500-21-023, a portion of APN 500-210-022 and a roadway abandonment for an approximate size of 215,292 SF or 4.94 acres (462' x 466'). We requested for a survey of the subject site size but were only provided with an approximation of the site size via a GIS measurement tool from the client. *Therefore, it is an extraordinary assumption that the site size is 215,292 SF or 4.94 acres (462' x 466'). Should the actual size of the parcel vary, we reserve the right to change our value conclusion, accordingly. The use of an extraordinary assumption may affect the assignment results.* The shape of the parcel is rectangular. The site is located at the southwest corner of Riley Drive and 10<sup>th</sup> Street, which is surrounded by industrial uses and vacant industrial land. According to the Federal Emergency Management Agency, Flood Insurance Rate Map, Community Panel Number 04013C2155L, dated October 16, 2013, the site appears to be in Zone X and Zone X shaded, which is classified as areas of 0.2% annual chance flood and areas with reduced flood risk due to levee.

Overall, there are no other physical limitations that would prohibit the site from development with the legally permissible uses.

### *Financially Feasible & Maximally Productive*

As stated, the subject reflects an industrially zoned site within the Riley Property development. The sub-market reflects a growing area with ample vacant land parcels available on the market. Conversation with numerous brokers in the market indicate decreasing vacancy of existing industrial properties in the area as the market continues to recover. Additionally, brokers have reported a higher level of interest in land parcels within the past quarter, which is evidenced by a few land sales occurring in the area after years of slow market conditions.

According to the 2<sup>nd</sup> Quarter 2018 CoStar Group Inc., the subject submarket has a vacancy rate averaging about 7.3%, somewhat above the aggregate Metropolitan Phoenix vacancy rate of 6.9%. As discussed, activity has recently been increasing in the market as evidenced by Microsoft Corporation recently acquiring 258.50 acres of industrial land for \$47,968,707 or \$4.26/SF on August 28, 2018, located in between Broadway Road and MC 85, west of Litchfield Road in Goodyear, Arizona, adjacent east of the Phoenix-Goodyear Airport.

Overall, as market activity has recently picked up with decreasing vacancy rates, the highest and best use is for near term development with an industrial use.

## SALES COMPARISON APPROACH

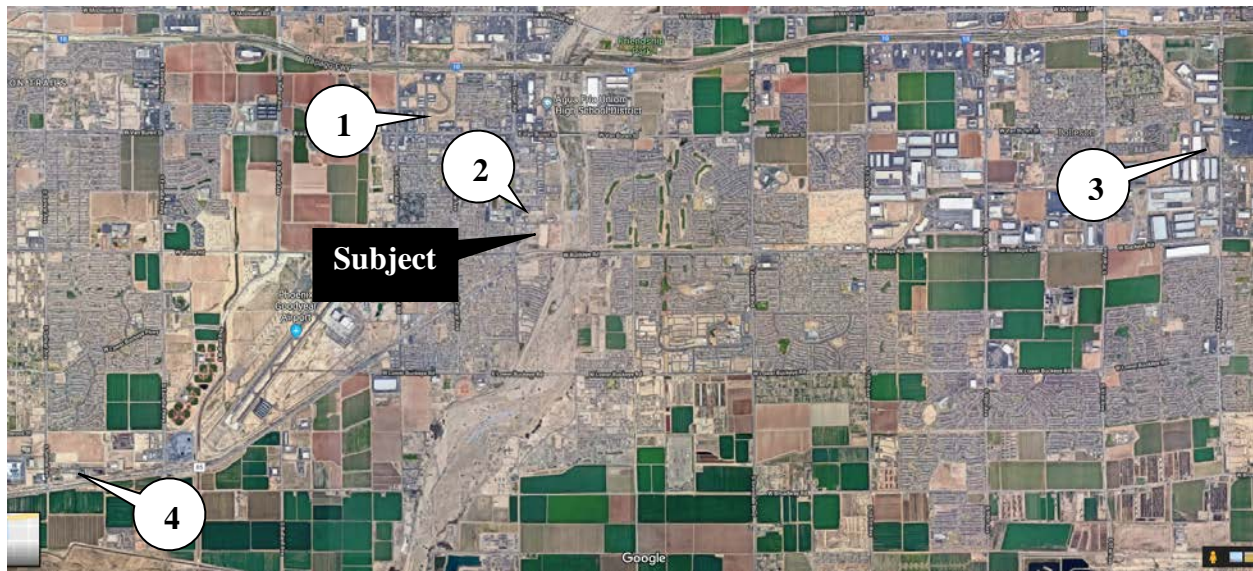
The Sales Comparison Approach to value considers market data of similar comparable properties. This technique is an application of the principle of substitution, which affirms that when a property can be replaced, its value tends to be set by the cost of acquisition of an equally desirable substitute property that can be acquired without undue or costly delay.

We conducted a search of the Avondale and west valley market in order to obtain sales market data of comparable land sales. The overall quantity and quality of data are considered to be good and provide for reasonable comparison given their similar overall utility. Please refer to the accompanying tabulation, data sheets, and map outlining these comparable sales.

**Comparable Land Sales**

<b>Comparable Number:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Subject</b>
Sale Date:	Apr-18	Jul-18	Aug-18	Escrow	N/A
Location:	13670 & 13675 W. Auto Dr., Goodyear, AZ	937 E. Brinker Drive, Avondale, AZ	W Side 83rd Ave, S of Van Buren St, Tolleson, AZ	16149 W. Eddie Albert Way, Goodyear, AZ	SWc Riley Dr and 10th Street
APN:	500-03-453, 454	500-22-004X	101-11-053, 054	500-06-314	501-21-023, Por. Of 500-21-024 and roadway abandonment
Zoning:	PAD, Goodyear	A-1, Avondale	I-1, Tolleson	I-2, Goodyear	A-1, Avondale
Sales Price	\$879,369	\$163,000	\$1,600,000	\$447,520	N/A
Terms of Sale:	Cash to seller	Cash to seller	Cash to seller	TBD	N/A
Use:	Spec. Industrial	Corona Trucking	Industrial Development	TBD	Vacant Lane
Gross Site Size (SF):	293,123	51,793	365,629	96,055	215,292
Gross Site Size (AC):	6.73	1.19	8.39	2.21	4.94
<b>Sales Price Per Net Useable Sq. Ft.</b>	<b>\$3.00</b>	<b>\$3.15</b>	<b>\$4.38</b>	<b>\$4.66</b>	<b>N/A</b>

**COMPARABLE LAND SALES MAP**



### **COMPARABLE LAND SALE ONE**

LOCATION:	13670 & 13675 W. Auto Drive, Goodyear, Maricopa County, Arizona
LEGAL DESCRIPTION:	PALM VALLEY CROSSING LOTS 8 AND 9 REPLAT MCR 541-39, Pima County, Arizona.
TAX CODE NUMBERS:	500-03-453, 454
SALE DATE:	April 30, 2018
RECORDS:	20180329943, 20180329944
OWNERSHIP HISTORY:	No prior transactions within previous three years
SELLER:	Rice Avenue Associates, LP
BUYER:	Goodyear PV Industrial LP
SALES PRICE:	\$879,369
SALES PRICE PER SF:	\$3.00/SF
SITE SIZE/ CONFIGURATION:	6.73 acres or 293,123 square feet.
TERMS:	Cash to seller
MARKETING TIME:	12 to 18 months per listing broker
TOPOGRAPHY:	Flat
ACCESS & VISIBILITY:	137 <sup>th</sup> Avenue and Auto Drive
FLOOD PLAIN:	Zone X
UTILITIES:	All to site, finished lot
ZONING:	PAD, Goodyear
HIGHEST AND BEST USE:	Speculative Industrial Development

## COMPARABLE LAND SALE ONE

### COMMENTS:

Site reflects two non-contiguous parcels. Lots are bisected by Auto Drive and was purchased for development of speculative industrial development. End user would have paid a higher price but that buyer type never came around per listing broker.

### CONFIRMED WITH:

George Haugen, Listing Broker with Haugen Commercial Real Estate, Inc.

### CONFIRMED BY:

Andres Rubal

### DATE:

September 5, 2018



## LAND COMPARABLE SALE TWO

LOCATION:	937 East Brinker Drive, Avondale, Maricopa County, Arizona
LEGAL DESCRIPTION:	Portion T 1N R 1W Section 11, Maricopa County, Arizona.
TAX CODE NUMBERS:	500-22-004X
SALE DATE:	July 18, 2018
RECORDS:	20180545471
OWNERSHIP HISTORY:	No prior transactions within previous three years
SELLER:	All Service Automotive Professionals, LLC
BUYER:	Corona Trucking Group, Inc.
SALES PRICE:	\$163,000
SALES PRICE PER NET SF:	\$3.15/SF
SITE SIZE/ CONFIGURATION:	1.19 acres or 51,793 square feet
TERMS:	Cash
MARKETING TIME:	54 days
TOPOGRAPHY:	Flat
ACCESS & VISIBILITY:	Average via Brinker Drive
FLOOD PLAIN:	Zone X
UTILITIES:	All to site
ZONING:	A-1, Avondale
HIGHEST AND BEST USE:	Industrial development

## COMPARABLE LAND SALE TWO

### COMMENTS:

Site was purchased for use by Corona Trucking Group. Narrow, flag shaped parcel with 120' width, limiting utility of site. Block wall on three sides of lot.

### CONFIRMED WITH:

George Quinif, Listing Broker with Peak Group, LLC and Public Records.

### CONFIRMED BY:

Andres Rubal

### DATE:

September 5, 2018



### **LAND COMPARABLE THREE**

LOCATION:	West Side of 83 <sup>rd</sup> Avenue, South of Van Buren Street, Tolleson, Maricopa County, Arizona
LEGAL DESCRIPTION:	MISSION BUSINESS PARK MCR 327-4 LOTS 19 & 20, Pima County.
TAX CODE NUMBER:	101-11-053, 054
SALE DATE:	August 21, 2018
RECORDS:	20180631603
OWNERSHIP HISTORY:	No prior transactions within previous three years.
SELLER:	Tri-W, Group, Inc.
BUYER:	CAM Investment 378, LLC
SALES PRICE:	\$1,600,000
SALES PRICE PER SF:	\$4.38/SF
SITE SIZE/ CONFIGURATION:	8.39 acres or 365,629 square feet.
TERMS:	Cash
MARKETING TIME:	N/A
TOPOGRAPHY:	Flat
ACCESS & VISIBILITY:	83 <sup>rd</sup> Avenue, Good
FLOOD PLAIN:	Zone X
UTILITIES:	All to site, finished lot
ZONING:	I-1, Tolleson
HIGHEST AND BEST USE:	Industrial Development

### COMPARABLE LAND SALE THREE

COMMENTS:

Site appears to have been purchased for industrial development. Frongate and access via 83<sup>rd</sup> Avenue which is an arterial. Located in Tolleson with a developed and established industrial area.

CONFIRMED WITH:

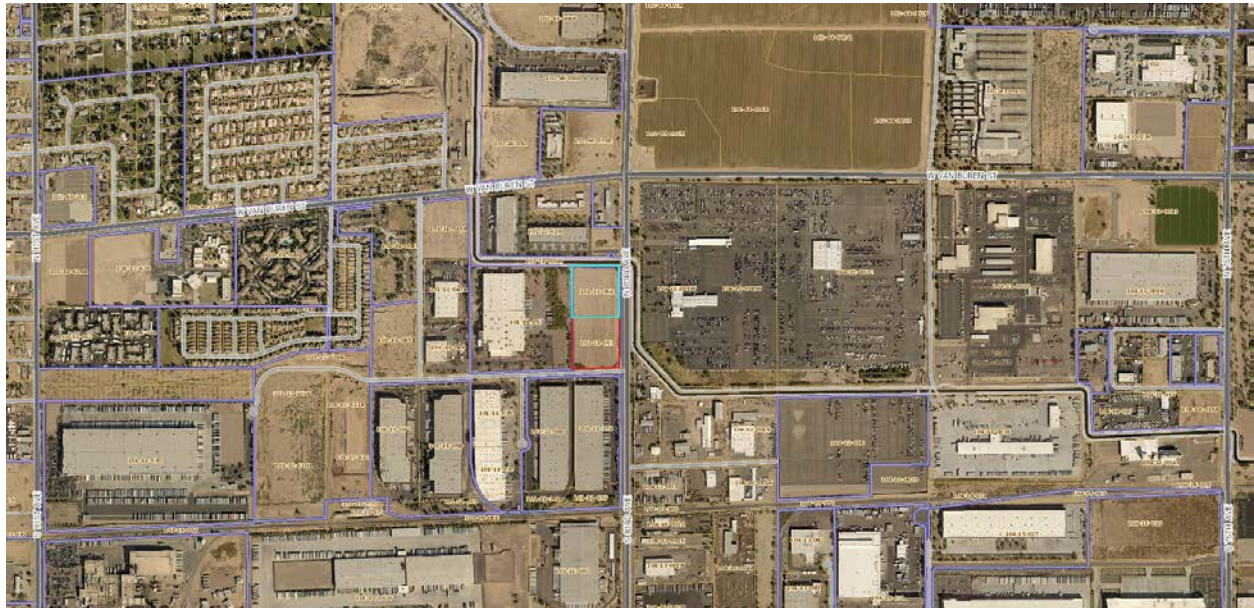
Costar Comps and Public Records.

CONFIRMED BY:

Andres Rubal

DATE:

September 5, 2018



#### **LAND COMPARABLE FOUR**

LOCATION:	16149 West Eddie Albert Way, Goodyear, Maricopa County, Arizona
LEGAL DESCRIPTION:	GOODYEAR INDUSTRIAL PARK PHASE ONE AMD MCR 231-5, Maricopa County.
TAX CODE NUMBER:	500-06-314
SALE DATE:	Escrow
RECORDS:	Tbd
OWNERSHIP HISTORY:	No prior transactions within previous three years.
SELLER:	GRT Investments, LLC
BUYER:	TBD
LIST PRICE:	\$447,520
PRICE/SQ.FT:	\$4.66
SITE SIZE:	96,055 SF, or 2.21 acres
TERMS:	Tbd
MARKETING TIME:	1,434 days
TOPOGRAPHY:	Flat
ACCESS & VISIBILITY:	Eddie Albert Way, Good
FLOOD PLAIN:	Zone X
UTILITIES:	All to site other than sewer, septic system required
ZONING:	I-2, Goodyear
COMMENTS:	Property is in escrow. Perimeter block wall on property. Located adjacent to Phoenix-Goodyear Airport but located outside airport overlay designation.

## COMPARABLE LAND SALE FOUR

CONFIRMED WITH:

George Howell did not want to discuss escrow (602-264-7263). Costar Comps and Public Records.

CONFIRMED BY:

Andres Rubal

DATE:

September 7, 2018



## ADJUSTMENTS ANALYSIS

The indication of value used in this analysis is derived by utilizing comparable sales to "bracket" the subject property. The price per square foot of site area will be the base unit of comparison within our analysis. This is simply the sales price for the total property divided by the area of the building site. In order to estimate the market value of the subject site, the comparable sales have been analyzed based on their respective sales price per square foot. Adjustments to the comparables' price per square foot unit of comparison have been considered for differences in property rights, financing (cash equivalency), market conditions (time), location, highest and best use, site utility, site size and zoning. Here follows a discussion of each of the adjustments.

### Transaction Adjustments

#### Property Rights

All the sales involved a transfer of fee simple estate; therefore, no adjustment is warranted.

#### Terms of Sale

Adjustment for terms of sale have been considered as the selling price of a property may differ from that of a comparable property because of differing financing arrangements. Analysis indicated that all of the comparables were cash or cash-equivalent sales and therefore no adjustment for cash equivalency is warranted in this analysis.

#### Sale Conditions

Inherent in the definition of market value is that *buyer and seller be typically motivated*<sup>2</sup>. We have analyzed the comparable sales with respect to the motivation of both buyer and seller. Often the conditions of sale do impact the final purchase price of the comparable property. An example of this element of comparison is a seller's or buyer's motivation to sell or purchase a particular piece of property. A seller in a distressed financial situation might be inclined to sell a property for a price below true market value. Conversely, a purchaser who owns real estate adjacent to a property that was offered for sale might be willing to pay a higher price than the going market value in order to enhance the property's utility (i.e. for expansion).

Analysis of the comparables indicated that all sales reflected arms-length transactions, warranting no adjustment for condition of sale. It is noted that Comparable Four reflects an escrow. We were unable to get any indication of value and therefore have applied a downward adjustment for list to sales ratio.

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<sup>2</sup> *Federal Register*, vol. 55, no. 163, August 22, 1990, pages 34228 and 34229; also quoted in the *introduction to the Standards of Professional Appraisal Practice of the Appraisal Institute*.

## Market Conditions (Time)

Market conditions may have changed between the time of the sale of the comparable property and the date of the appraisal. Under such circumstances, the price of the comparable property would require an adjustment to reflect current prices. Changes in pricing may result from various effects such as inflation, deflation, changing demand, and changing supply. The market for similar industrial land parcels has been flat to stabilized over the past few years. All of the sales occurred since April 2018 with an escrow. These sales are all considered sufficiently recent that no time adjustment is warranted.

<i>Transactional Adjustments:</i>	1	2	3	4
Property Rights	0.0%	0.0%	0.0%	0.0%
	Fee simple	Fee simple	Fee simple	Fee simple
Adjusted Price/SF	\$3.00	\$3.15	\$4.38	\$4.66
Terms of Sale	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Adjusted Price/SF	\$3.00	\$3.15	\$4.38	\$4.66
Sale Conditions	0.0%	0.0%	0.0%	-10.0%
	None	None	None	Escrow
Adjusted Price/SF	\$3.00	\$3.15	\$4.38	\$4.19
Time of Sale	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
<b>Adjusted Price/SF</b>	<b>\$3.00</b>	<b>\$3.15</b>	<b>\$4.38</b>	<b>\$4.19</b>

Various physical adjustments to the comparables will also be considered in relation to the subject site, including location, site utility, site size, and zoning.

## Physical Adjustments

### Location

Property location is typically analyzed in terms of the relative time-distance relationship between a given property and all likely destinations and origins and its access, frontage and visibility to vehicular traffic. Respective to commercial parcels, the critical aspect of location is access and visibility from primary commercial thoroughfares. Such consideration can be divided into to portions: general location and specific location.

The subject is located at the southwest corner of Riley Drive and 10<sup>th</sup> Street, an interior industrial location. The site has average access and visibility from these roadways.

Comparable One is located along Auto Drive in the west valley market, warranting no adjustment for this factor. Comparable Two is located along Brinker Drive, proximate to the subject, warranting no adjustment for this factor. Comparable Three has frontage along 83<sup>rd</sup> Avenue which is an arterial, providing superior access and exposure, warranting a downward adjustment for this specific location. Additionally, the general location in Tolleson, in an established industrial market is considered superior, warranting a further degree of downward adjustment. Comparable Four is

located along Eddie Albert Way in Goodyear in a similar location, warranting no adjustment for this factor.

### Site Size

In this analysis, adjustments for size have been considered for the comparable properties. The subject site has a site size of 4.94 acres. The comparables range in size from approximately 1.19 acres to 8.39 acres, bracketing the subject. Sales One and Three are considered sufficiently larger to warrant upward adjustment. Comparables Two and Four are considered sufficiently smaller to warrant a varied degree of downward adjustments for this factor.

### Zoning/Use

The subject is zoned industrially by the City of Avondale. All of the sales contain industrial zoning designations, warranting no adjustments for this factor.

### Site Utility

Site utility relates to usability of the site and the level of engineering required to make the site suitable for construction. The subject's site area is generally level, has utilities at the property line and is located outside of the flood plain.

Comparable One reflect a non-contiguous parcel as Test Drive bisects the two parcels, warranting an upward adjustment for inferior utility. Comparable Two is only 120' wide with a flag shape for access, limiting the utility of the site, warranting an upward adjustment for this factor. Comparable Four is serviced by septic, warranting an upward adjustment for this factor. The remaining sale has similar site utility, warranting no adjustments for this factor.

### Summary

The factors discussed above are considered to influence market price. Adjustments to the comparables utilized in this analysis for the various differences result in an indication of the market value range for the subject. The following table summarizes the physical adjustments considered appropriate for each of the comparable sales.

<i>Physical Adjustments:</i>	1	2	3	4
Location	0.0%	0.0%	-25.0%	0.0%
	Similar	Similar	Superior	Similar
Size	7.5%	-10.0%	10.0%	-10.0%
	Larger	Smaller	Larger	Smaller
Zoning/Use	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Shape/Site Utility	15.0%	25.0%	0.0%	5.0%
	Inferior	Inferior	Similar	Inferior
Gross Additional Adjustments	22.5%	35.00%	35.00%	15.00%
Net Additional Adjustments	22.5%	15.0%	-15.0%	-5.0%
<b>Adjusted Price Per Sq. Ft.</b>	<b>\$3.68</b>	<b>\$3.62</b>	<b>\$3.72</b>	<b>\$3.98</b>

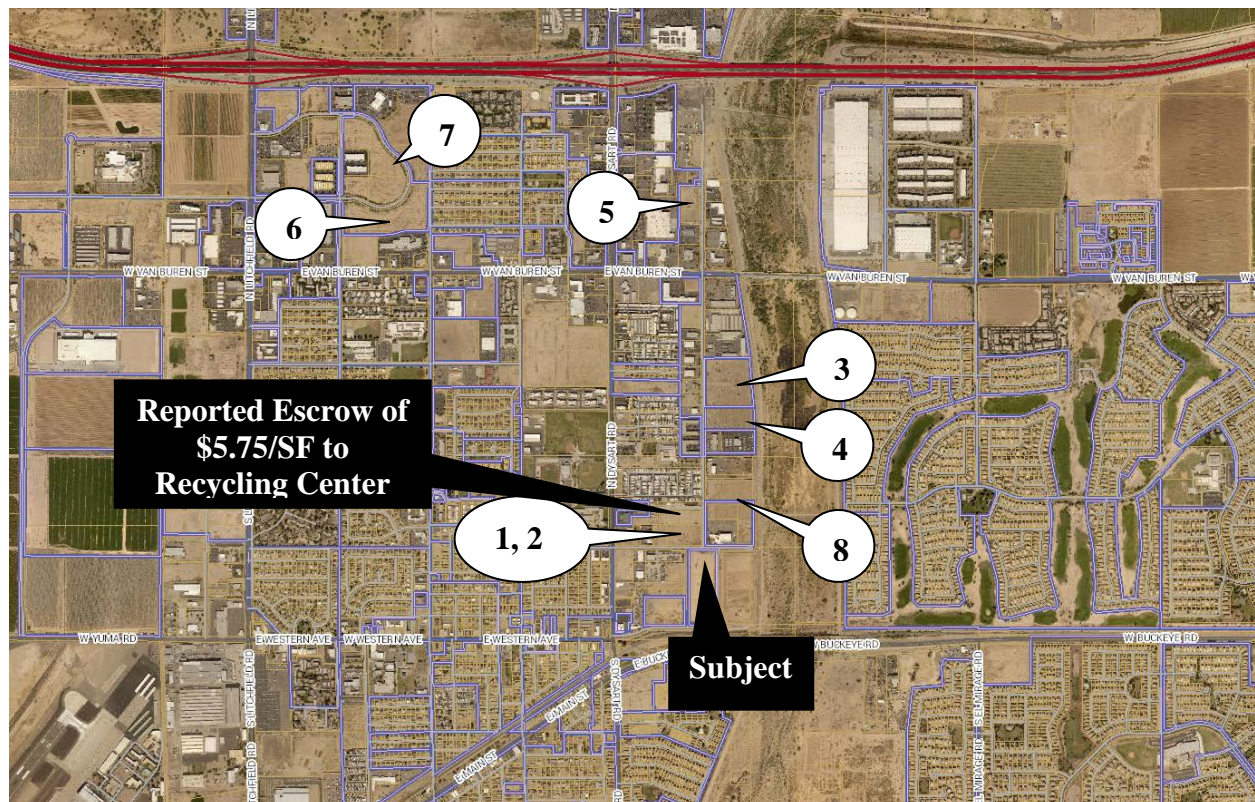
## Additional Market Data

For additional support to our market value conclusion, we interviewed brokers in the market and researched comparable active listings. There are numerous active listings in the market depicted below:

Comparable Land Listings

Comparable Number:	1	2	3	4	5	6	7	8
Sale Date:	Active	Active	Active	Active	Active	Active	Active	Active
Location:	N Side Riley Drive, W of Eliseo Felix Jr Way	NWc Riley Drive and Eliseo Felix Jr Way	E Side Eliseo Felix Jr Way, S of Van Buren Street	E Side Eliseo Felix Jr Way, S of Van Buren Street	W Side Eliseo Felix Jr Wy, N of Van Buren	Lots 6 and 7, Palm Valley Crossings	Lots 12 and 13, Palm Valley Crossings	E Side Eliseo Felix Jr Way, N of Riley Road
APN:	500-22-001H	500-22-001E	500-25-032	500-25-028	500-02-016S, 016Y	500-03-451, 452	500-03-457, 458	500-26-002K
Zoning:	A-1, Avondale	A-1, Avondale	A-1, Avondale	A-1, Avondale	A-1, Avondale	PAD, Goodyear	PAD, Goodyear	A-1, Avondale
Asking Price	\$366,900	\$937,631	\$2,130,000	\$1,000,000	N/A	\$2,134,440	\$1,960,200	\$1,306,800
Site Size (SF):	58,704	150,021	473,033	236,520	166,941	428,068	392,250	225,290
Site Size (AC):	1.35	3.44	10.86	5.43	3.83	9.83	9.00	5.00
DOM:	2,241	2,241	33	3,214	2,910	2,708	1,461	566
Sales Price Per Sq. Ft.	\$6.25	\$6.25	\$4.50	\$4.23	N/A	\$4.99	\$5.00	\$5.80
Listing Broker:	Paul Boyle, CW	Paul Boyle, CW	Paul Anton	George Quinif	Mark Lewis	John Lewis	John Lewis	Darryl Tang
Prior Sale:	\$336,000	\$630,000	\$1,000,000	\$863,298	\$190,000	\$3,060,615	\$2,843,863	N/A
Date:	10/20/2006	11/15/2016	6/29/2015		9/3/2010	11/20/2016	3/30/2007	N/A
Sales Price/SF:	\$5.72	\$4.20	\$2.11	\$3.65	\$1.14	\$7.15	\$7.25	N/A
Notes:	Owner/Agent	Owner/Agent	REO: listed at \$3.65/SF		REO	None	None	None

## Active Listings Map



Listings One and Two are located across the street from the subject. They are available for purchase as a single 1.35-acre parcel, 3.44 acres or combined 4.79 acres. Conversation with Mr. Paul Boyle of Cushman Wakefield indicated he is an owner agent and any combination of the parcels is available for \$6.25/SF. He indicated he has not received any offers and is considered a joint venture for speculative development. However, he is aware of an escrow along Eliseo Felix Jr. Way for \$5.75/SF.

Listing Three is located along Eliseo Felix Jr Way and was purchased as a REO sale on June 29, 2015 for \$1,000,000 or \$2.11/SF and is presently listed for \$4.50/SF or \$2,130,000 given the 10.86 acres. Conversation with Mr. George Quinif, listing broker for Listing Four indicated he recently had the property listed for \$3.65/SF or \$863,298 but started receiving high interest via calls and inquiries and due to decreasing inventory and the recent Microsoft sale, increased the list price to \$1,000,000 or \$4.23/SF. Mr. Quinif indicated he did not receive so many calls that he sold the property but believed \$3.65/SF was too low in the market. He also opined the subject property, an approximate 5 acre industrially zoned parcel, is worth \$3.50/SF to \$4.00/SF in the present market.

Conversation with Mr. Daryl Tang who is listing, Listing Eight, indicated they sold a few parcels in the area in 2007-2008 but the market has been quiet since. On October 31, 2007, he sold a five-acre parcel along Eliseo Felix Jr Way for \$1,309,727 or \$6.01/SF. He is presently listing an approximate five-acre parcel for \$6.00/SF but confirmation of the size would indicate \$5.80/SF. Mr. Tang indicated he was aware of a recycling center, north of Paul Boyle's parcels, Listings One and Two, in escrow for \$5.75/SF but must undergo a rezoning. Research indicates these parcels are zoned by the Juarez Family Inc. and are presently zoned A-1, Avondale and are 3.06 acres if both parcels are included in the transaction (500-22-003B, 004D).

Overall, the listings indicate asking prices of \$366,900 to \$2,134,440 or \$4.23/SF to \$6.25/SF and add further support to our value conclusion.

## **Conclusions**

The comparables indicate a range in value of between \$3.62 to \$3.98/SF, after adjustments. However, Comparable Four is an escrow, with no indication of contract price, considered to set the upper limit of value. Omitting this sale, the range is refined to \$3.62/SF to \$3.72/SF. The data, taken as a whole, supports an opinion of market value from about \$3.65 to \$3.75/SF. Multiplied by the subject land area of 215,292 SF equates to a value from \$ to \$785,816 to \$807,345, reconciled at \$800,000 or \$3.72/SF.

## **OPINION OF MARKET VALUE OF THE SUBJECT PROPERTY**

**VIA THE SALES COMPARISON APPROACH.....\$800,000**

### **ESTIMATED EXPOSURE PERIOD**

Exposure time is defined as the period of time required to market a property prior to the date of appraisal (*historic*). Most industrial land properties, if properly priced, have been selling in less than one year. If the subject were marketed at the appraised value prior to the date of value, exposure time should have been less than one year.

## **APPRAISERS' CERTIFICATION**

WE HEREBY WARRANT AND CERTIFY THAT, TO THE BEST OF OUR KNOWLEDGE AND BELIEF,

The statements of fact contained in this appraisal report, which are used as the basis of our analyses, opinions, and conclusions, are true and correct. We have no responsibility for legal matters, questions of survey, opinion of title, soil or subsoil conditions, engineering, or other technical matters. Any sketches prepared by us and contained in this report are included solely to aid the user of the report in visualizing the property and its location, and are not necessarily to scale.

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

We have no present or contemplated future interest in the real estate that is the subject of this appraisal report and, further, we have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. Our engagement in this assignment was not contingent upon developing or reporting predetermined results. We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Our 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.

We certify that Andres A. Rubal inspected the subject. James S. Bradley, MAI, AI-GRS, CCIM has completed the requirements under the continuing education program of the Appraisal Institute. Andres A. Rubal, as of the date of this report, has completed the Standards and Ethics Requirement of the Appraisal Institute for Associate Members. Both appraisers reviewed the completed report for content and appraisal theory. Each individual has the appropriate knowledge and experience required to complete the assignment competently.

Our 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 Institute.

No one provided significant professional assistance to the signer of this report unless noted. Further, no one other than the undersigned formed the analyses, conclusions, and opinions concerning real estate that are set forth in this appraisal report, unless such participation by another party is indicated by the co-signing of this report by such other party.

**APPRAISERS' CERTIFICATION (CONTINUED):**

Each finding, prediction, assumption, or conclusion contained in this report is our personal opinion and is not an assurance that an event will or will not occur. We assume that there are no conditions that are not apparent relating to the real estate, subsoil conditions, or structures located on the real estate which would affect our analyses, opinions, or conclusions with respect to the real estate.

The data gathered in this appraisal process (except data furnished by the client) and the appraisal report itself remain our property. With respect to data provided by the client, we shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to us. We are, however, authorized by the client to disclose all or any portion of this appraisal report and the related appraisal data to appropriate representatives of the Appraisal Institute, if such disclosure is required, to enable us to comply with the bylaws and regulations of said Institute now or hereafter in effect.

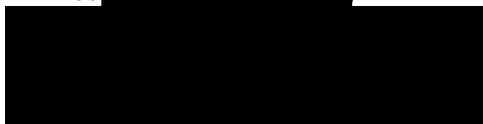
This appraisal report shall not be quoted or referred to in any report or financial statement of the client or in any documents filed with any governmental agency without our prior written consent. Neither all nor any part of the contents of this report (especially the conclusions as to value, the identity of the appraisers, references to the Appraisal Institute, or references to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or other public means of communication without our prior written consent and approval.

Based upon the data and discussions contained within the attached report, it is our opinion that the market value of the subject property is as follows:

**MARKET VALUE OPINION  
OF THE SUBJECT PROPERTY, AS IS,  
AS OF AUGUST 31, 2018 .....\$800,000**

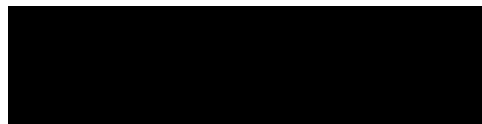
*The exposure time, as premised upon the above value conclusion, is estimated to be less than 12 months.*

Respectfully submitted,



**I-GRS, CCIM**

President, AXIA Real Estate Appraisers  
Certified General Real Estate Appraiser,  
Arizona Certificate #30432



Certified General Real Estate Appraiser,  
Arizona Certificate #31801

# QUALIFICATIONS OF JAMES S. BRADLEY, MAI, AI-GRS, CCIM

*State of Arizona Certified General Real Estate Appraiser, Certificate #30432*

## PROFESSIONAL EXPERIENCE

1988 - Present	AXIA Real Estate Appraisers, as Principal Appraiser/Consultant, owner since 1996 (previously known as KB Real Estate Appraisers).
1985 - 1988	Greenberg Chin and Associates, Inc., Real Estate Consultants and Appraisers, as Associate Consultant/Appraiser under Neil O. Kleinman, MAI
1983 - 1984	Real Estate Broker in Grand Junction, Colorado, working in commercial sales and property management
1981 - 1983	Real Estate Broker in Cortez, Colorado, in residential and rural sales

## PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

- Member, #9888 of the Appraisal Institute (MAI). The Institute conducts a voluntary program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification. Mr. Bradley received his designation in 1993.
- Mr. Bradley received his AI-GRS designation in August 2016. The AI-GRS (which stands for Appraisal Institute – General Review Specialist), is a designation held by real estate appraisers who are experienced in general appraisal review. Mr. Bradley is the only designated AI-GRS in Southern Arizona.
- Member #15817 of the CCIM Institute. Mr. Bradley received his CCIM designation in April 2009.
- Member of Chapter 73 International Right of Way Association
- Licensed Real Estate Broker, State of Arizona
- Big Brothers/Big Sisters of Tucson, Board of Directors (Former Member)
- Boys & Girls Clubs of Tucson, Board of Directors (Former Member)

## FORMAL EDUCATION

Bachelor of Science in Business Administration, University of Arizona, with major in Marketing/Advertising, 1984

Certificate of Achievement in Real Estate, University of Colorado, 1981

## **PROFESSIONAL EDUCATION**

All required classes to obtain MAI Designation and in conformance with the Appraisal Institute's requirements for continuing education. Additionally, all classes and exams necessary to obtain the CCIM Designation. Recognized by the Appraisal Institute as a Litigation Expert.

## **SEMINARS/CLASSES**

- 2018 USPAP 2018 – 2019  
Housing & Land: Market Perspective  
Business Practices & Ethics
  
- 2017 Uniform Appraisal Standards For Federal Land Acquisitions: Practical Applications  
Yellow Book Changes – Overview for Appraisers
  
- 2016 Reviewing Appraisals in Eminent Domain (IRWA)  
Easement Valuation (IRWA)  
Review Theory – General (Appraisal Institute - AI)  
2016-2017 7 Hour National USPAP Update Course (AI)  
Various Continuing Education Classes For Broker's License  
Annual Arizona Ag Forum (ASFMRA)
  
- 2015 The Inns & Outs of a Certificate of Occupancy
  
- 2014 2014-2015 7 Hour National USPAP Update Course (AI)  
Data Verification Methods (AI)  
Small Hotel/Motel Valuation (AI)  
Advance Internet Search Strategies (AI)  
Numerous Real Estate Continuing Education Classes For Brokers License
  
- 2013 Business Practice & Ethics (AI)
  
- 2012 2012-2013 7 Hour National USPAP Update Course  
Litigation Appraising, Specialized Topics & Applications (AI)  
Fundamentals of Separating Real Property, Personal Property &  
Intangible Business Assets (AI)  
The Appraiser as an Expert Witness: Preparation & Testimony (AI)
  
- 2011 IRS Valuation Summit (AI)  
Education Conference, Atlanta, GA Various Topics (IRWA)  
Principals of Real Estate Law (IRWA)
  
- 2010 Update Course – National Uniform Standards of Professional Appraisal Practices  
Energy Star and the Appraisal Process  
Federal Agency Update 2010  
IRWA Class 700 – Introduction to Property Management  
IRWA Class 900 – Principals of Real Estate Engineering

## **QUALIFICATIONS OF ANDRES A. RUBAL**

**State of Arizona Certified General Real Estate Appraiser, Certificate #31801**

### **EMPLOYMENT HISTORY**

2007 - Present      AXIA Real Estate Appraisers (previously known as KB Real Estate Appraisers), as Commercial Real Estate Appraiser and Valuation Analyst, Tucson, Arizona

### **PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS**

Licensed Real Estate Broker, State of Arizona

### **FORMAL EDUCATION**

Bachelor of Arts in Geography, University of Arizona with a minor in Geographic Information Systems (GIS), 2007

### **PROFESSIONAL EDUCATION**

- 2018
  - Quantitative Analysis, Appraisal Institute
  - Housing and Land Market Perspective, Appraisal Institute
  - 7 Hour Update USPAP Course, Hogan School of Real Estate
- 2016
  - 7 Hour Update USPAP Course, Appraisal Institute
    - Housing and Land: Market Perspective, Appraisal Institute
- 2015
  - Appraising Convenience Stores, Appraisal Institute
- 2014
  - 7 Hour Update USPAP Course, Appraisal Institute
- 2013
  - Advanced Income Capitalization, Appraisal Institute
- 2012
  - 7 Hour Update USPAP Course, Appraisal Institute
- 2011
  - Condemnation Appraising: Principles and Applications, Appraisal Institute
- 2010
  - Advanced Sales Comparison & Cost Approaches, Appraisal Institute
  - General Income Approach Part 2, Appraisal Institute
- 2009
  - Online Business Practices and Ethics, Appraisal Institute
  - Online Apartment Appraisal, Concepts & Applications, Appraisal Institute
  - General Appraiser Report Writing and Case Studies, Appraisal Institute
  - General Appraiser Income Approach Part I, Appraisal Institute
  - General Appraiser Sales Comparison Approach, Arizona School of Real Estate and Business
  - General Appraiser Market Analysis & Highest and Best Use, Appraisal Institute

## **APPRAISAL EXPERIENCE/SCOPE OF PRACTICE**

- Clientele includes private individuals, corporate organizations, financial institutions, and governmental agencies.
- Appraisal assignments include industrial properties, improved and vacant land, subdivisions, detached single-family residences, office and retail buildings, as well as numerous special use properties.
- Experience in preparation of reports for conventional lending, SBA, eminent domain work and consultations.
- Appraisal assignments have been completed in Pima, Maricopa, Pinal, Cochise, Santa Cruz, Yuma, Coconino, Graham, Yavapai, Navajo, and Mohave Counties within the State of Arizona.

## **ADDENDA**

- 1) Engagement Letter
- 2) Assumptions and Limitations
- 3) Appraisers' Certificates

## **ENGAGEMENT LETTER**

**Our Services...**

**Project & Construction  
Management**

**Construction  
Administration &  
Inspection**

- Resident Engineering
- Civil Inspection
- Field Office Administration
- Electrical Inspection

**Right of Way**

- Appraisals, Acquisition, Relocation

**Land Survey**

**Permit Processing**

**Civil Engineering**

**Our Offices...**

**Phoenix Corporate Office**

10625 N. 25<sup>th</sup> Ave., Ste. 200  
Phoenix, AZ 85029  
602-866-5090 Tel  
602-866-5085 Fax

*Mailing Address:*

PO Box 37167  
Phoenix, AZ 85069-7167

**Tucson Office**

3161 E. 47<sup>th</sup> Street  
Tucson, AZ 85713  
602-866-5090 Tel  
520-423-3228 Fax

**California Office**

3415 S. Sepulveda Blvd  
Suite 1100  
Los Angeles, CA 90034  
310-881-2954 Tel  
310-943-3156 Fax

**Nevada Office**

7251 W. Lake Mead Blvd.  
Suite 300  
Las Vegas, NV 89128  
702-308-7501 Tel  
702-442-8058 Fax

**New Mexico Office**

500 Marquette Avenue  
Suite 1200  
Albuquerque, NM 87102  
505-503-4971 Tel  
505-212-0674 Fax

**Texas Office**

4236 Towne Lake Court  
Irving, TX 75061  
888-706-9513 Tel  
214-594-8327 Fax

**Utah Office**

9980 S. 300 West, Ste. 200  
Sandy, UT 84070  
801-676-6489 Tel  
602-866-5085 Fax

September 4, 2018

Mr. James S. Bradley, MAI, AI-GRS, CCIM  
AXIA Real Estate Appraisers  
3320 N. Country Club Road, Suite 230  
Tucson, AZ 85716

Re: Subconsultant Agreement for City of Avondale, FY2016/2017 Professional Consultants Selection  
List: Property Appraisal Services - Southwest of Riley Drive and 10<sup>th</sup> Street, Parcel No. 500-21-022  
and Parcel No. 500-21-023  
CEI Project No. 750.07

Dear Mr. Bradley:

Consultant Engineering, Inc. is pleased to inform you that AXIA Real Estate Appraisers will be retained as the subconsultant for the above referenced project. Attached, please find a copy of the Associate Consultant Agreement between Consultant Engineering, Inc. and AXIA Real Estate Appraisers.

Please return the executed copy to the undersigned within 10 working days and include a copy of your insurance certificate prepared in accordance with the provisions of Section 11, "Insurance", of the Associate Consultant Agreement.

If you have any questions or issues to be addressed regarding this Agreement, please contact me immediately. Upon receipt of the executed Associate Consultant Agreement and appropriate insurance certificates, you will receive a fully executed copy for your files.

We look forward to working with you on this contract.

Very truly yours,

**CONSULTANT ENGINEERING, INC.**

Vice President, Real Estate Services Division

DAC/ajc

Enclosures

cc: Contract File (CEI #750.07)

**STANDARD AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN  
CONSULTANT ENGINEERING, INC. AND AN ASSOCIATE CONSULTANT**

THIS AGREEMENT made this 4<sup>th</sup> day of September, 2018, by and between Consultant Engineering, Inc., 10625 N. 25th Avenue, Suite 200, Phoenix, AZ 85029, ("the Consultant"), and AXIA Real Estate Appraisers ("Associate Consultant");

WHEREAS, the Consultant has entered into an agreement with City of Avondale ("the Client") for the furnishing of professional services ("the Contract"); and

WHEREAS, the Consultant desires to engage the Associate Consultant to perform certain services under the terms of the Client Contract;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the Consultant and the Associate Consultant agree as follows:

(1) Scope of Agreement; Incorporation of Terms and Conditions of the Contract. The Associate Consultant's relationship to the Consultant shall be that of independent contractor. Except as noted below, all terms and conditions of the Consultant's Contract with the Client, a copy of which is attached hereto as Attachment A, are incorporated here by reference. The Associate Consultant shall be bound to observe all such terms and conditions to the same extent as the Consultant is bound to the Client. Without limiting the generality of the foregoing, with respect to this Agreement:

Provisions, if any, in the Contract imposing an obligation on the Consultant to the Client shall be deemed to impose that obligation on the Associate Consultant to the Consultant.

Provisions, if any, in the Contract providing for indemnification or other hold harmless obligations by the Consultant to the Client shall be deemed to be indemnifications or hold harmless obligations by the Associate Consultant to the Consultant and the Client.

Provisions, if any, in the Contract requiring consent of the Client shall be deemed to require the consent of the Consultant.

Provisions, if any, in the Contract requiring the Consultant to maintain insurance shall be deemed to require the Associate Consultant to maintain insurance; and any provision in the Contract requiring the Consultant to name the Client as an additional insured party shall be deemed to require the Associate Consultant to cause the Client and the Consultant to be designated as additional insured parties.

Provisions, if any, in the Contract requiring the payment of attorneys' fees by the Consultant under named circumstances shall be deemed to require the payment of attorneys' fees by the Associate Consultant to the Consultant in the event of those same circumstances with respect to this Agreement.

Provisions, if any, in the Contract requiring the Consultant to issue notices to the Client, deliver certificates to the Client, or deliver reports or other data to the Client shall be deemed to require the Associate Consultant to deliver such notices, certificates, reports or other data to the Consultant.

Provisions, if any, in the Contract assigning copyright rights to the Client or designating the Consultant's instruments of service as "works made for hire" shall be deemed to assign the same rights by the Associate Consultant to the Consultant and the Client and to consider the Associate Consultant's instruments of service as "works made for hire."

Provisions, if any, in the Contract requiring the Client to consent to any amendments and/or waivers of the provisions of the Contract shall be deemed to require the Consultant's consent to any amendment and/or waivers of the provisions of this Agreement. For purposes of establishing the rights of the parties to this Agreement, terms in the Contract referring to:

"Consultant," "Consultant Engineering, Inc.," "Contractor" or other similar terms shall (as the context requires) be deemed to refer to Associate Consultant under this Agreement;

"Owner," "Authority," "Government," "State," "City," "Client," "Contracting Agency," or other similar terms shall (as the context requires) be deemed to refer to Consultant under this Agreement; and

"Services to be rendered by Consultant," "Work to be performed by Consultant," or other similar terms shall (as the context requires) be deemed to refer to the Services (as defined in Section (2) hereof) to be rendered by Associate Consultant under this Agreement, to the extent of the scope of services of the Associate Consultant.

(2) Professional Services. The Associate Consultant shall collaborate with and furnish services to the Consultant in the performance of that part of the Consultant's Contract with the Client concerning City of Avondale FY2016/2017 Professional Consultants Selection List: Property Appraisal Services, Southwest of Riley Drive and 10<sup>th</sup> Street, Parcel No. 500-21-022 and Parcel No. 500-21-023. The Associate Consultant shall provide the services set forth in Attachment B, which is attached hereto and incorporated herein by reference (hereinafter "the Services"). In all respects as to terms and scope of the services, the Associate Consultant shall be bound to perform the Services for the Consultant in the same manner and to the same extent that the Consultant is bound to perform such services in the Consultant's Contract with the Client, which is incorporated herein by reference (Attachment A). In the event of any conflict between this Agreement and any other document(s), the stricter terms and conditions shall control.

"Time is of the essence" or similar performance criteria, if any, set forth in the Contract is incorporated herein by reference, and shall be binding on the Associate Consultant.

Terms or conditions in the Contract, if any, requiring the Client to approve any change orders, or to approve any designs or other instruments of service shall, with respect to this Agreement, require that the Associate Consultant submit for the Consultant's approval any change order, designs or other instruments of service.

(3) Period of Service. The Associate Consultant shall begin its services promptly after receipt of a fully executed copy of this Agreement, to the extent that the Consultant has been authorized to proceed by the Client, and will complete the Services described in Attachment B within the time schedule therein provided. With respect to such schedule, time shall be of the essence of this agreement. However, the times for performance established in such schedule shall be extended on a day for day basis for periods of delay resulting from strikes, natural disasters, and similar circumstances for which the Associate Consultant has no fault provided that like extensions are granted to the Consultant by the Client.

(4) Compensation. For Services described in Attachment B, the Associate Consultant's compensation shall be computed on the basis set forth in Attachment B, which is attached hereto and incorporated herein by reference. The manner in which such compensation shall be paid is also set forth in Attachment B. If provided in Attachment B, Direct Expenses incurred by the Associate Consultant and specifically authorized in advance by the Consultant in providing the Services described in Attachment B shall be reimbursed to the Associate Consultant. If the Associate Consultant's compensation is on an hourly or cost plus basis, the parties have estimated costs and expenses for the various portions of the scope of the Services described in Attachment B, and such costs and expenses are set forth in Attachment B. No services undertaken or expenses incurred by the Associate Consultant exceeding the estimates set forth in Attachment B shall be the liability of the Consultant unless the Consultant has approved such additional fees and costs in advance in writing.

(5) Additional Services. The Associate Consultant shall provide services in addition to those described only upon written request of the Consultant. Associate Consultant shall be compensated for all authorized Additional Services only on the basis agreed upon in writing at the time such Additional Services are authorized.

(6) Invoices. Invoices will be submitted monthly for Services and Additional Services performed and expenses incurred pursuant to this Agreement during the prior month billing period by the Associate Consultant to the Consultant. Payment for each invoice will be made to the Associate Consultant within fourteen (14) calendar days of the receipt of the invoice period payment, by the Consultant from the Client.

(7) Contingent Payment. Notwithstanding anything to the contrary contained herein, it is understood and agreed that the Consultant shall have no obligation to pay the Associate Consultant the fee set forth in this Agreement, or any other additional charges or claims, or any installment thereof, unless and until, as a condition precedent, the Consultant has received from the Client its fee covering the services performed by the Associate Consultant. Such fee shall be the sole source of payments due Associate Consultant.

(8) Termination. The obligation to provide further services under this Agreement may be terminated by either party upon seven days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In addition, either party may terminate this agreement upon thirty (30) days written notice for no cause. This Agreement shall terminate (without prior notice) upon termination of the Contract, or the portion authorizing the services under this Agreement, by any party and for any reason, without liability therefore to the Consultant. Upon any termination, the Associate Consultant will be paid (subject to the contingent payment provisions in Section (7)) for all authorized services satisfactorily completed to the date of termination. If the Associate Consultant's compensation is determined on an hourly basis, the amount payable shall be established on the basis of the time and authorized expenses actually incurred on the project to the date of termination. If the Associate Consultants' compensation is a lump sum fee, the amount payable to the Associate Consultant will be a pro rata amount of such fee determined on the basis of the relationship of the amount and value of the services performed prior to the Associate Consultant's receipt of notice of termination to all of the services described in Attachment B. The Associate Consultant's compensation shall be subject to a determination by the Consultant that the charges are equitable and reasonable in view of the amount and value of the services performed.

(9) Anti-Lobbying.

(a) The Associate Consultant agrees to comply with the provisions of Section 1352 of Title 31, U.S.Code (Public Law 101.121) as codified in Title 48, Federal Acquisition Regulations Subpart 3.8 and Subpart 52.203-11. The legislation prohibits federal funds from being expended by a recipient or any lower tier sub-recipients of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence a Federal agency or Congress in connection with the award of any Federal contract, cooperative agreement, including the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. All disclosure statements are to be furnished to the Client.

(b) The Associate Consultant agrees to require all subconsultants and lower tier subconsultants who have agreements exceeding \$100,000 to complete the Certification of Federal Contracts (ECS Form 90-1) and, when appropriate, the Disclosure of Lobbying Activities (ECS Form 90-3) prior to execution of the Prime Consultants Agreement with the Client. Lower tier certifications are to be maintained by the Associate Consultant.

(10) Ownership of Documents.

(a) The ownership and use of all documents prepared by Associate Consultant or furnished to Associate Consultant including but not limited to drawings, specifications, calculations, maps, notes, files, sketches, lists, reports, and data (in paper or electronic form) ("Associate Consultant's Documents") shall be governed by the applicable portions of the Contract, including the rights granted to the Owner and the Consultant. To the extent not in conflict with the Contract, Consultant agrees that the Associate Consultant's Documents are instruments of service, and Associate Consultant may retain an ownership interest therein. The Consultant likewise shall have an ownership interest in Associate Consultant's Documents.

(b) Associate Consultant shall have no rights to retain or reuse any drawings, specifications, calculations, notes, files, sketches, lists, reports, data, or other documents (in paper or electronic form) prepared by Consultant or obtained by Associate Consultant from Consultant ("Consultant's Documents"). Associate Consultant shall return all copies of Consultant's Documents to Consultant and certify as to the completeness of such return as a condition precedent to receiving final payment of Associate Consultant's fee.

(c) Use and reuse of Associate Consultant's Documents shall be governed by the Contract. To the extent not in conflict with the Contract, Consultant agrees that Associate Consultant's Documents are not intended for use on other projects, and any unauthorized reuse by Consultant without approval by Associate Consultant shall be without liability to Associate Consultant.

(11)Insurance. During the term of this Agreement, the Associate Consultant shall comply with the following minimum insurance requirements:

(a) The Associate Consultant shall procure and maintain at its sole expense during the continuance of this Agreement a policy of Workers' Compensation Insurance for the protection of its employees, including executive, managerial, and supervisory employees, engaged in all operations hereunder, and employers' Liability insurance with a minimum limit of \$1,000,000. Workers' Compensation insurance must cover obligations imposed by Federal and State statutes having jurisdiction of its employees engaged in the performance of the services. Evidence of qualified self-insured status shall suffice.

(b) The Associate Consultant shall procure and maintain at its sole expense during the continuance of this Agreement a policy of commercial general liability coverage with combined limits of not less than \$2,000,000, insuring against claims for personal injury or property damage. The Associate Consultant shall cause the Consultant to be designated as an additional insured.

(c) The Associate Consultant shall procure and maintain at its sole expense during the continuance of this Agreement and during the period of any statutes of limitations applicable thereto a policy of professional liability insurance with limits of not less than \$2,000,000 insuring against claims for negligent errors and omissions by employees of the Associate Consultant.

(d) The Associate Consultant shall procure and maintain at its sole expense during the continuance of this Agreement a policy of automobile liability insurance with bodily injury coverage of at least \$1,000,000 for each individual and \$1,000,000 for each accident and property damage coverage of at least \$300,000. The Associate Consultant shall cause the Consultant to be designated as an additional insured.

(e) During the continuance of this Agreement, the Associate Consultant shall deposit with the Consultant current certificates evidencing the policies and endorsements set forth above and shall provide the Consultant with at least thirty (30) days' written notice prior to the material modification by endorsement or cancellation of any insurance policy required under this Section. Certificates evidencing professional liability insurance coverage shall be furnished the Consultant annually during this contract and for one additional year thereafter.

(12)Indemnity. The Associate Consultant shall be subject to the following indemnification obligations under this Agreement:

To the fullest extent permitted by law, the Associate Consultant, with respect to professional liability, shall indemnify, hold and save harmless the Consultant and the Client, their officers, agents and employees, from liability of any nature of kind, including costs and expenses, for or on account of any or all claims or suits for damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property to the extent caused by the negligent acts or omissions or misconduct of the Associate Consultant, its employees and agents, and the Associate Consultant's subcontractors, and suppliers, their employees and agents. The Associate Consultant, with respect to all liability other than for professional acts, shall indemnify, hold and save harmless the Consultant, and the Client, their officers and employees, from liability of any nature or kind, including costs and expenses, for or on account of any or all claims or suits for damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property arising from negligent acts, omissions or conduct of the Associate Consultant, its employees and agents, and the Associate Consultant's subcontractors, and suppliers, their employees and agents.

(13)Expenses of Litigation. If legal proceedings related to this Agreement are initiated by the Associate Consultant against the Consultant and such proceedings conclude with the entry of a final judgment or award favorable to the Consultant, the Associate Consultant shall reimburse the Consultant for the Consultant's reasonable attorneys' fees, reasonable experts' fees, and other expenses related to said litigation.

(14)Dispute Resolution. All matters in dispute must first be submitted to mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association, and thereafter to Arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association.

(15) Controlling Law. This Agreement is to be governed by the law of the State of Arizona.

(16) Binding Effect. This Agreement shall bind, and the benefits thereof shall inure to the respective parties hereto, their legal representatives, executors, administrators, successors and assigns.

(17) Continuity of Services. The Associate Consultant shall proceed diligently with the performance of this Contract pending final resolution of any request for relief, claim, appeal, dispute, or action arising from this Agreement according to the directions of the Consultant.

(18) Merger; Amendment. This Agreement (together with the terms of the Contract incorporated herein by reference) constitutes the entire and fully integrated agreement between the Consultant and the Associate Consultant, and supersedes all prior and contemporaneous negotiations, representations, agreements, and understandings, whether written or oral. This Agreement can be supplemented or amended only by a written document executed by both the Consultant and the Associate Consultant.

(19) Nonassignability. Neither party shall assign any rights or delegate any duties arising under this Agreement without prior written consent of the other party. Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than the Consultant and the Associate Consultant.

(20) Severability; Waiver of Provisions. Any provisions in this Agreement (together without the terms of the Contract incorporated herein by reference) that are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. Also, the non-enforcement of any provisions by the Consultant shall not constitute a waiver of that provision nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

(21) Retention of Records. The Associate Consultant and any subconsultant/subcontractor/vendor shall keep and maintain all books, papers, records, accounting records, files, accounts, reports, costs proposals with backup data and all other material relating to the Contract and related project(s), and shall make all such material available at any reasonable time during the term of work on the Contract and related project(s) and for five (5) years from the date of final payment to the Associate Consultant for auditing, inspection and copying upon the Client's request, or at the request of the Federal Highway Administration or any other authorized representative of the Federal Government.

The Associate Consultant shall insert in each of its subcontracts the above requirement and also a clause requiring its subconsultants to include the above requirement in any lower-tier subcontracts or purchase orders.

(22) Civil Rights. The Associate Consultant is required to comply with Executive Order 75-5, "Non-discrimination in Employment by Government Contractors and Subcontractors," which is hereby included in its entirety by reference and considered a part of this Contract.

The Associate Consultant is required to comply with Title VI of the Civil Rights Act of 1964, as amended. Accordingly, Title 49, Code of Federal Regulations, Part 21 through Appendix H and Title 23, CFR 710.405 (b) are made applicable by reference and are hereinafter considered a part of this Contract.

The Associate Consultant is required to comply with the provisions of Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41-CFR Part 60). Said provisions are made applicable by reference and are hereinafter considered a part of this Contract.

The Associate Consultant shall post in conspicuous places available to employees and applicants for employment, the following notice:

It is the policy of this company not to discriminate against any employee, or applicant for employment, because of race, color, religion, creed, national origin, sex, age, handicapped, or disabled veterans and Vietnam era veterans. Such actions shall include, but are not limited to: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising; laying-off or termination; rates of pay or other compensation;

and selection for training, and on-the-job training. Also, it is the policy to insure and maintain a working environment free of harassment, intimidation and coercion.

(23) Affirmative Action. Associate Consultant shall take the following affirmative action steps with respect to securing supplies, equipment or services under the terms of this Contract:

- (a) Include qualified firms owned by socially and economically disadvantaged individuals on solicitation lists.
- (b) Assure that firms owned by socially and economically disadvantaged individuals are solicited whenever they are potential sources.
- (c) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum participation by firms owned by socially and economically disadvantaged individuals.
- (d) Where the requirement permits, establishing delivery schedules which will encourage participation by firms owned by socially and economically disadvantaged individuals.
- (e) Use the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required.

(24) Patents and Copyrights. All services, information, computer program elements, reports and other deliverables which may be patented or copyrighted and created under this Contract are the property of the Client and shall not be used or released by the Associate Consultant or any other person except with the prior written approval of the Client.

(25) Federal Immigration and Nationality Act. The Consultant and Associate Consultant shall comply with all federal, state and local immigration laws and regulations, as set forth in Arizona Executive Order 2005-30, relating to the immigration status of their employees who perform services on the contract during the duration of the contract. The Consultant and Associate Consultant shall also comply with Sections A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program"). The Client shall retain the right to perform random audits of Consultant and Associate Consultant records or to inspect papers of any employee thereof to ensure compliance.

(a) *Compliance Requirements*: By submission of a proposal, the Consultant warrants that the Consultant and all Associate Consultants are and shall remain in compliance with all federal, state and local immigration laws and regulations relating to the immigration status of their employees who perform services on the contract. The Client may, at its sole discretion, require evidence of compliance from the Consultant. The Consultant shall have ten working days from the receipt of the request to supply adequate information. The Department of Homeland Security will accept, as evidence of compliance, a showing by the Consultant or Associate Consultant that it has followed the employment verification provisions of the Federal Immigration and Nationality Act as set forth in Sections 274A and 274B of that Act, including implementation of regulations and agreements between the Department of Homeland Security and the Social Security Administration's verification service.

(b) *Sanctions for Non-Compliance*: Failure to comply with the immigration laws or to submit proof of compliance constitutes a material breach of contract. The Department will reduce the Consultant's compensation by \$10,000 for the initial instance of non-compliance by the Consultant or Associate Consultant. Should the same Consultant or Associate Consultant commit subsequent violations within a two-year time period from the initial violation, the Consultant's compensation will be reduced by \$50,000 for each violation. The third instance by the same Consultant or Associate Consultant within a two-year period may result, in addition to the \$50,000 reduction in compensation, in removal of the offending Consultant or Associate Consultant, suspension of work in whole or in part or, in the case of a third violation by the Consultant, termination of the contract for default. In addition, the Department may debar a Consultant or Associate Consultant who has committed three violations within a two-year period for up to one year. For purposes of this paragraph, a violation by an Associate Consultant does not count as a violation by the Consultant. Any delay resulting from a sanction under this subsection is a non-excusable delay. The Consultant is not entitled to any compensation or extension of time for

any delays or additional costs resulting from a sanction under this subsection. An example of the sanctions under this subsection is presented in the following table:

Offense by:			Reduction in Compensation
Consultant	Associate Consultant A	Associate Consultant B	
First			\$10,000
	First		\$10,000
	Second		\$50,000
		First	\$10,000
	Third		\$50,000 *
* May, in addition, result in removal of the Associate Consultant and/or debarment of the Associate Consultant.			

(26) Standard of Care. The standard of care applicable to Associate Consultant's services is the degree of skill and diligence normally employed by engineers or providers of technical services performing the same or similar services.

(27) Waiver of Consequential Damages. Under no circumstances shall either party be liable to the other party for any consequential damages, including but not limited to loss of use or rental, loss of profit or cost of any financing, however caused, including either party's fault or negligence.

IN WITNESS WHEREOF, the Consultant and the Associate Consultant have caused this instrument to be signed by their duly authorized officers on the day and year first above written.

ASSOCIATE CONSULTANT:

AXIA REAL ESTATE APPRAISERS

By:

Its:

Date:

Owner

September 4, 2018

CONSULTANT:

CONSULTANT ENGINEERING, INC.

By:

Its:

Date:

Debra A. Carter

Vice President

**ATTACHMENT A**

***Consultant Engineering, Inc.***  
**CONTRACT WITH CLIENT**

**PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
THE CITY OF AVONDALE  
AND  
CONSULTANT ENGINEERING, INC.**

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into as of July 23, 2018, between the City of Avondale, an Arizona municipal corporation (the "City"), and Consultant Engineering, Inc., an Arizona corporation (the "Consultant").

**RECITALS**

A. The City issued a Request for Qualifications, EN 16-027 "FY 2016/2017 Professional Consultants Selection List" (the "RFQ"), a copy of which is on file in the City's Finance Office and incorporated herein by reference, seeking statements of qualifications from vendors for professional consulting services.

B. The Consultant responded to the RFQ by submitting a Statement of Qualifications (the "SOQ"), attached hereto as Exhibit A and incorporated herein by reference, and the City desires to enter into an Agreement with the Consultant to provide an appraisal of the southwest of Riley Drive and 10th Street, Parcel No. 500-21-022 and Parcel No. 500-21-023 (the "Services").

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Consultant hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until July 31, 2019, unless terminated as otherwise provided in this Agreement.

2. Scope of Work. Consultant shall provide the Services as set forth in the Scope of Work attached hereto as Exhibit B and incorporated herein by reference.

3. Compensation. The City shall pay Consultant an amount not to exceed for the Services at the rates set forth in the Fee Proposal attached hereto as part of Exhibit B.

4. Payments. The City shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Safety Plan. Consultant shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute and National Institute for Occupational Safety and Health standards.

If, in the Consultant's sole determination, the Services to be provided do not require a safety plan, Consultant shall notify the City, in writing, describing the reasons a safety plan is unnecessary. The City reserves the right to request a safety plan following such notification.

6. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the City pursuant to this Agreement shall be the property of the City.

7. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire City residents to fill vacant positions at all levels. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the City of same and shall, subject to the concurrence of the City, replace such personnel with personnel possessing substantially equal ability and qualifications.

8. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the City.

9. Licenses; Materials. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The City has no obligation to provide Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The City has no obligation to provide tools, equipment or material to Consultant.

10. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

11. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

12. Insurance.

12.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Consultant. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the City as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery

(subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the City and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFQ number and title or this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFQ number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFQ number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., (“ISO”) Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant’s insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers’ Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Consultant shall provide the City with the necessary endorsements to ensure City is provided the insurance coverage set forth in this Section 12.

#### 12.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured’s clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read “Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of “your work” for that insured by or for you.” If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work in any way related to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate.

D. Workers' Compensation Insurance. If Consultant employs anyone who is required by law to be covered by workers' compensation insurance, Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

12.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the City.

13. Termination; Cancellation.

13.1 For City's Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by Consultant of written notice by the City. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

13.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such

additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the City upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

13.5 Gratuities. The City may, by written notice to the Consultant, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

13.6 Agreement Subject to Appropriation. The City is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the City's then current fiscal year. The City's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Agreement. The parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The City shall keep Consultant informed as to the availability of funds for this Agreement. The obligation of the City to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the City. Consultant hereby waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Agreement pursuant to this section.

14. Miscellaneous.

14.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the City. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. The Consultant, and not the City, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above and in Exhibit B. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. City and Consultant do not intend to nor will they combine business operations under this Agreement.

14.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

14.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future City and County ordinances and regulations, (B) existing and future State and Federal laws and (C) existing and future OSHA standards.

14.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Consultant.

14.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

14.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other

contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the City, signed by the City Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

14.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the City. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Consultant any amounts Consultant owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Consultant any amounts Consultant owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

14.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City: City of Avondale  
11465 West Civic Center Drive  
Avondale, Arizona 85323  
Attn: Charles Montoya, City Manager

With copy to: GUST ROSENFELD P.L.C.  
One East Washington Street, Suite 1600  
Phoenix, Arizona 85004-2553  
Attn: Andrew J. McGuire

If to Consultant: Consultant Engineering, Inc.  
10625 North 25th Avenue, Suite 200  
Phoenix, Arizona 85029  
Attn: Debra Carter

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

14.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the City. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

14.16 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 14.17 below, Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to

audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.17 below. To the extent necessary for the City to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the City to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the City with adequate and appropriate workspace so that the City can conduct audits in compliance with the provisions of this subsection. The City shall give Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the City.

14.18 Israel. Consultant certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

14.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any City-approved Purchase Order, the Fee Proposal, the RFQ and the Consultant's SOQ, the documents shall govern in the order listed herein.

14.20 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.

14.21 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the City, at their discretion and with the agreement of the awarded Consultant. Consultant may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Consultant. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of

any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The City assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The City shall not be responsible for any disputes arising out of transactions made by others.

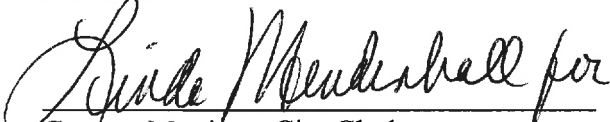
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“City”

CITY OF AVONDALE,  
an Arizona municipal corporation

  
Charles Montoya, City Manager

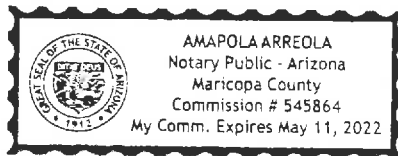
ATTEST:

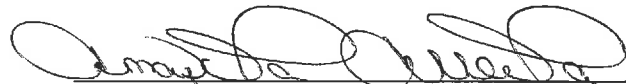
  
Carmen Martinez, City Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA       )  
  ) ss.  
COUNTY OF MARICOPA   )

On August 23, 2018, before me personally appeared Charles Montoya, City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the City of Avondale.



  
Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CONSULTANT ENGINEERING, INC.,  
an Arizona corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Debra A. Carter

Title:\_\_\_\_\_

Vice President

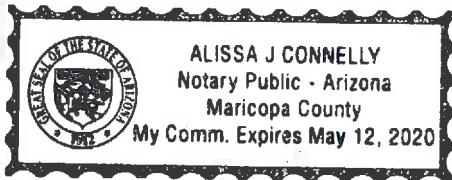
## (ACKNOWLEDGMENT)

STATE OF ARIZONA )

) ss.

COUNTY OF MARICOPA )

On July 26, 2018, before me personally appeared Debra K. Carter, the Vice President of CONSULTANT ENGINEERING, INC., an Arizona corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he/she claims to be, and acknowledged that he/she signed the above document on behalf of the corporation.



Notary Public

(Affix notary seal here)

500.25 10015

464.8'

500.25 10015

500.25 10015

500.25 10015  
3

467.2'

466.5'

463.5'

Avondale  
Ord # 113  
6/3/2 1/19/50

RILEY  
PROPERTY

500.25 10015

2

100ft

2.335719 33.43/377 Degrees ^

***ATTACHMENT B***

***Associate Consultant  
DESCRIPTION OF SERVICES AND COST ANALYSIS***

**AXIA Real Estate Appraisers**

**City of Avondale**

**FY2016/2017 Professional Consultants Selection List: Property Appraisal Services  
Southwest of Riley Drive and 10<sup>th</sup> Street, Parcel No. 500-21-022 and Parcel No. 500-21-023**

Sub-Contractor Expenses		
Firm	Service	Price
Axia Appraisal Services	One Report: approximately 4.9 +/- acres of the SW corner of Riley Drive and 10th Street in Avondale (to include the abandoned road adjacent to parcel).	\$2,000.00
Total Sub-Contractor Expenses:		\$2,000.00

**From:** Andres Rubal  
**To:** [Clark Hochstein](#)  
**Cc:** [Alison Sheets](#)  
**Subject:** RE: Fee Estimate  
**Date:** Thursday, June 28, 2018 9:56:59 AM

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Hi Clark,

We can complete this appraisal of vacant industrial land in Avondale as one appraisal for \$2,000 with a timing of 3 weeks. We could need a survey or site drawing with an indication of the size, however.

Best,

Andres "Dre" Rubal  
AXIA Real Estate Appraisers  
Certified General Appraiser  
520-545-0065  
[arubal@axiaappraisers.com](mailto:arubal@axiaappraisers.com)

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**From:** Clark Hochstein <[chochstein@cei-az.com](mailto:chochstein@cei-az.com)>  
**Sent:** Thursday, June 28, 2018 8:10 AM  
**To:** Andres Rubal <[Andres@axiaappraisers.com](mailto:Andres@axiaappraisers.com)>  
**Cc:** Alison Sheets <[Alison@axiaappraisers.com](mailto:Alison@axiaappraisers.com)>  
**Subject:** Fee Estimate

Good morning Dre!

I need a fee estimate for an appraisal for my client, the City of Avondale. It is one full vacant parcel, part of another vacant parcel and the adjacent abandoned road. Attached is a photo with the needed portions. If you can send the estimate right away, that would be great.

Thanks!

**Clark Hochstein**

Project Manager and Associate Broker  
Consultant Engineering, Inc.  
Real Estate Services Group  
Email: [chochstein@cei-az.com](mailto:chochstein@cei-az.com)

Direct: (602) 288-5622  
Mobile: (480) 201-8646  
Fax: (602) 288-5593  
Mailing: PO Box 37167, Phoenix, AZ 85069-7167  
Office: 10625 N. 25th Ave., Suite 200, Phoenix, AZ 85029  
[www.cei-az.com](http://www.cei-az.com)

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## **ASSUMPTIONS AND LIMITATIONS**

## **GENERAL ASSUMPTIONS AND LIMITATIONS OF THIS APPRAISAL**

This appraisal is for no purpose other than property valuation, and the appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

### **This appraisal is not a survey.**

It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless otherwise noted. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern regarding boundaries, setbacks, encroachments or other survey matters.

### **This appraisal is not a legal opinion.**

No responsibility is assumed for matters of a legal nature that affect title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. The value opinion is given without regard to any questions of title, boundaries, encumbrances or encroachments. I am not usually provided an abstract of the property being appraised and, in any event, I neither made a detailed examination of it nor do I give any legal opinion concerning it.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.

It is assumed that all required licenses, consents or 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 value opinion contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns on these items since I have not made a comprehensive examination of laws and regulations affecting the subject property.

### **This appraisal is not an engineering or property inspection report.**

This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraisers are not construction, engineering, environmental or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

For properties in which the conditions of foundations, roofs, exterior walls, interior walls, floors, heating systems, plumbing, insulation, electrical service and all mechanical and construction items are described, these descriptions are based on a casual inspection only and no detailed inspection was made. For instance, I am not an expert on heating systems and no attempt was made to inspect the interior of a given property's furnace. Structures are not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.

Some items, such as conditions behind walls, above ceilings, behind locked doors or under the ground, are not exposed to casual view and, therefore, are typically not inspected. The existence of insulation, if any is mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not normally exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

It is assumed that there are no hidden or unapparent conditions of the property, sub-soil or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.

Unless stated otherwise in the report, wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use of the property.

If the client requires a more detailed property inspection, obtaining services of a qualified building inspector is highly recommended.

We are not environmental experts, and I do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If I know of any problems of this nature that I believe would create a significant problem, they are disclosed in this report. However, nondisclosure should not be taken as an indication that such a problem does not exist. An expert in the field should be consulted if any interested party has questions on environmental factors.

No chemical or scientific tests were performed by the appraiser on the subject property, and it is assumed that the air, water, ground and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the subject site does not contain any type of dump site and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.

The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. I am not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. I therefore rely on circumstantial evidence that may come into my possession (such as dates on architectural plans) or conversations with those who might be somewhat familiar with the history of the property such as property owners, on-site personnel or others.

Parties interested in knowing the exact age of improvements on the land should contact us to ascertain the source of the data and then make a decision as to whether they wish to pursue additional investigation.

Because no detailed construction, engineering, environmental or legal inspection was made and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given

in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of a given property's foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation or any other detailed construction matters. If any interested party is concerned about the existence, condition or adequacy of any particular item, I would strongly suggest that a construction expert be hired for a detailed investigation.

**This appraisal is made under conditions of uncertainty with limited data.**

As can be seen from limitations presented above, the appraisal is based on an analysis of many sources of data. Every attempt has been made to confirm the data as reliable and factual, however, there are a number of limitations with respect to data including: a lack of certain areas of expertise beyond real estate appraisal methodology and techniques; the inability of the appraiser to view certain portions of the property; and the inherent limitations of relying upon information provided by others such as: income and expense data; comparable sales data; and engineering analyses.

This appraisal is an opinion of value based on an analysis of information known to us at the time the appraisal was made. All values shown in the appraisal report are projections based on the analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. I take no responsibility for events, conditions or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of the field inspection, whichever occurs first.

Opinions and estimates expressed herein represent my best judgment but should not be construed as advice or recommendation to act. Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of my data collection on any point that they believe to be important to their decision making. This will enable such interested parties to determine whether they believe the extent of my data gathering process was adequate for their needs.

**Appraisal report limitations**

Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information I have concerning the subject property or the real estate market. While no factors I believe to be significant but unknown to the client have been knowingly withheld, it is always possible that I have information of significance that may be important to others but which, with my limited acquaintance with the property and in light of the limitations of my expertise (as outlined in this document), does not seem to be important to us.

Appraisal reports are technical documents, with their reporting formats guided by both the Uniform Standards of Appraisal Practice and specific technical requirements of a given client. Casual readers are cautioned about their limitations and are warned against possible misinterpretation of the information contained in these reports.

The liability of AXIA Real Estate Appraisers, its employees and/or agents is limited only to the Client and specifically identified intended users. Further, there is no accountability, obligation or liability to any third party. The appraiser(s) should be contacted with any questions before this report is relied on for decision making.

There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at my regular rates for such appearances and the preparation necessitated thereby.

This report is made for the information and/or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.

It is suggested that those who possess this appraisal report should not give copies to others. Certainly, legal advice should be obtained on potential liability issues before this is done. Anyone who gives out an incomplete or altered copy of the appraisal report (including all attachments) does so at their own risk and assumes complete liability for any harm caused by giving out an incomplete or altered copy. Neither the appraiser nor this company assumes any liability for harm caused by reliance upon an incomplete or altered copy of the appraisal report given out by others. Anyone with a question on whether their copy of an appraisal report is incomplete or altered should contact my office.

Values and conclusions for various components of the subject property as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

In the case of limited partnerships, syndication offerings or stock offerings in real estate, the Client agrees that in case of a lawsuit (brought by lender, partner or part owner in any form of ownership, tenant or any other party), the Client and all parties will completely hold harmless this firm, its employees and/or agents.

#### **Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in valuing of the property.

#### **Certificate of Occupancy (COO)**

Each governmental jurisdiction has varying requirements for an improved property to be occupied. It is outside of the scope of this report to be able to quantitatively understand how the COO regulations apply to each property. Since I have no direct evidence relating to this issue as it concerns the subject, I did not consider possible noncompliance with the requirements of any COO regulations as they would apply to the subject in valuing of the property.

#### **Arizona-specific considerations**

Special consideration must be given to properties located in Arizona with respect to seismicity/subsidence. Seismic activity in Southern Arizona is rare but does occasionally occur. A more common geotechnical manifestation has been the development of subsidence cones caused by pumping of groundwater. A geologist should be consulted if there is any concern regarding these matters.

Due to the historic nature of the American Southwest, properties within Arizona may be impacted by the presence of archaeological features, such as Native American remains or artifacts (specifically the ancient Hohokam and Anasazi settlements). The presence of such features may require mitigation on the part of the property owner or developer and could involve significant costs or time delays. It is an assumption of this report that no such archeological issues impact the subject property, unless otherwise noted in the appraisal report. Should a competent archeologist specifically identify significant archeology and quantify the cost of data recovery, I reserve the right to alter the valuation opinion contained in this report.

## **EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS**

*The subject consists of parcel number 500-21-023, a portion of APN 500-210-022 and a roadway abandonment for an approximate size of 215,292 SF or 4.94 acres (462' x 466'). We requested for a survey of the subject site size but were only provided with an approximation of the site size via a GIS measurement tool from the client. Therefore, it is an extraordinary assumption that the site size is 215,292 SF or 4.94 acres (462' x 466'). Should the actual size of the parcel vary, we reserve the right to change our value conclusion, accordingly. The use of an extraordinary assumption may affect the assignment results.*

## **APPRAISER'S CERTIFICATES**

STATE OF ARIZONA

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

BE IT KNOWN THAT

**JAMES S. BRADLEY**

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**

**30432**

**EXPIRATION DATE**

**October 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  
11th day of August, 2016.

Debra Rudd

# Department of Financial Institutions State of Arizona

CGA - 31801

This document is evidence that:  
Arizona Revised Statutes, relating to the establishment and operation of a:

**ANDRES A. RUBAL**

has complied with the provisions of

**Certified General Real Estate Appraiser**

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

**Certified General Real Estate Appraiser**

**ANDRES A. RUBAL**

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

Expiration Date : **August 31, 2020**

Signed in the Superintendent's office at 100 North 15th Avenue, Suite 261, in  
the City of Phoenix, State of Arizona, this 18th day of July, 2018.

**Robert D. Charlton**  
Superintendent